

Bath & North East Somerset Council  
**Article 4 Direction for HMOs**  
Feasibility Study

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## Executive Summary

Houses of Multiple Occupation (HMOs) can be defined as houses with 3 or more people from two or more families living together in a residence<sup>1</sup>. High densities of HMOs are often associated with environmental management issues such as noise disturbances, litter and parking difficulties, however they also play a vital role in a balanced and effective local housing market.

This study considers whether there is a correlation between these environmental management issues and high densities of HMOs in Bath. The study also reviews the current mechanisms and interventions that are in place in Bath that contribute to alleviating any potential environmental problems and suggests other complimentary intervention options to support balanced sustainable communities.

Possible interventions can be broken down into 4 main areas:

- 1) **An article 4 direction;** meaning planning permission would be required for conversion from a family home (a C3 use class) to an HMO (with 3-6 people from more than one family living together)
- 2) **Planning Policy**, a number of alternative planning policy options exist.
- 3) **HMO licensing**, extension of local licensing procedures to include additional or selective licensing; and
- 4) **Voluntary management initiatives**, which may delivered by Bath & North East Somerset Council, the Higher Education Institutions, the local community, student groups or a partnership consisting of any or all of these.

There is no comprehensive record of current HMOs in Bath. Bath & North East Somerset (B&NES) Council's Housing department are aware of approximately 3,000 across the whole district but the actual number is thought to be higher than available official statistics record. There are notable existing concentrations of HMOs in parts of Widcombe, Westmoreland and Oldfield wards. Some streets in these wards have particularly high concentrations of HMO housing with very limited family housing remaining.

There is no conclusive evidence to link anti-social behaviour with areas where there are high concentrations of HMOs. Anecdotal evidence from resident does however suggest that incidences may actually be more localised than the official data indicates.

Future demand for HMO accommodation in Bath will depend on a range of factors including; changes in student numbers (which could go down as well as up with the recent national changes in fees); changes to housing benefit (those under 35 will now only be able to claim if living in a shared house); graduate retention and changes to the wider economy.

The study sets out four options for interventions:

- **Option 1:** A city-wide, non-immediate (i.e. with a 12 month notice period), Article 4 Direction plus an additional threshold planning policy

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<sup>1</sup> This is an abridged definition from the Housing Act 2004 part 254; see <http://www.legislation.gov.uk/ukpga/2004/34/section/254> for the full definition

(this would set a limit of 20% of HMOs within a 100m radius of an applicant site). The policy to be introduced through a Development Plan Document (DPD) or a Supplementary Planning Document (SPD).

- **Option 2:** Additional licensing and a planning policy in support of purpose-built student accommodation, introduced through a DPD or SPD.
- **Option 3:** A combined approach incorporating all of the elements in Options 1 & 2.
- **Option 4:** Do nothing. This is a „business as usual“ option assuming no additional activity beyond what is already planned.

**Option 1** is suggested as the lowest risk, most effective way of introducing an Article 4 Direction. This approach will prevent additional HMOs being created in areas with an existing high density. It is possible that these restrictions will lead to displacement of HMOs to other areas of the city, but this shift in activity will always be capped by the threshold policy. It is likely to have an impact on house prices in existing areas of high HMO concentration density (with family homes becoming less valuable and HMOs becoming more so).

**Option 2** could be implemented more quickly than Option 1 and would address issues around quality and management of existing and new HMOs.

The combined approach as set out in **Option 3** provides both more immediate and longer-term solutions, but would be the most resource intensive option for B&NES. Any potential reductions in the quality of HMOs that might be the by-product of an Article 4 Direction would be overcome by the introduction of additional licensing.

**Option 4** would involve continuing to run the successful Student Community Partnership and a review of the accreditation scheme, which is already planned, but no new additional HMO quality or quantity management activity.

The issues relating to HMO management and maintaining sustainable mixed communities are complex and there are numerous key stakeholders with widely differing views. No option is perfect, none can be guaranteed to deal with all the real and perceived environmental issues associated with the concentration of HMOs in the City, and some options may create other challenges as a result of implementation.

An Equality Impact Assessment has been carried out to assess the potential impact of each of the four options on equality groups in more detail.

Resourcing implications will be experienced by the Council when implementing all interventions within each of the three options where additional activities are proposed and further work is underway to establish the scale and extent of these costs. For overheads incurred within the Planning Department there is limited potential to recoup these costs as Article 4 Direction applications are exempt from planning fees. The potential costs incurred by the Housing Department in the role out of additional licensing are expected to be cost neutral, although the existing team would require reinforcement to deal with the increased workload.

# 1 Introduction

## 1.1 Scope

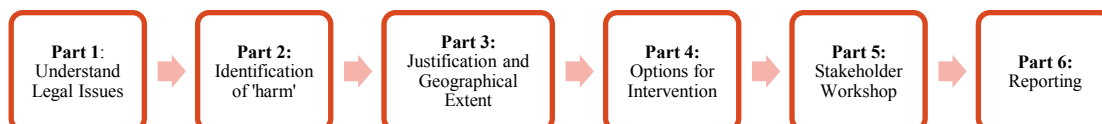
Houses of Multiple Occupation (HMOs) can be defined as houses with 3 or more people from two or more families living together in a residence<sup>2</sup>. High densities of HMOs are often associated with issues such as noise disturbances, litter and parking difficulties, however they also play a vital role in a balanced and effective local housing market.

The aim of this feasibility study is to consider whether there is a correlation between these environmental management issues and high densities of HMOs in Bath. The study also reviews the current mechanisms and interventions that are in place in Bath that contribute to alleviating any potential environmental problems, along with the approach taken in other cities in the UK.

This will form an appropriate evidence base to consider, in particular, whether an article 4 direction would be a suitable planning tool to assist in the control of conversion of dwelling houses (i.e. family homes) to HMOs in the City of Bath. The study also consider other planning policy and management measures that could be implemented, either in tandem with, or in place of an article 4 direction, to help maintain sustainable communities with a balanced mix of housing types.

## 1.2 Study Methodology

The methodology for the study can be broken down into five main stages; these are set out in figure below. Some of the stages overlapped slightly; this is set out



in more detail in the sections that follow.

### Part 1: Understand Legal Issues related to Article 4 Directions

The initial stage of the study was to understand the requirements of the Council and to write a specification for the advice required from B&NES' legal department.

### Part 2: Identification of 'Harm'

This stage was predominantly a data gathering exercise in order to assess the number, geographical extent and impact of HMOs in Bath. Datasets were gathered from across the Council and externally. Arup also engaged with individual stakeholders, and had guided tours from Councillors around Oldfield Park and Westmoreland wards to gather further anecdotal evidence.

<sup>2</sup> This is an abridged definition from the Housing Act 2004 part 254; see <http://www.legislation.gov.uk/ukpga/2004/34/section/254> for the full definition

## **Part 3: Justification and Geographical Extent**

The aim of this stage was to gather experience of the application of Article 4 Directions in other local authorities and to make comparisons with the data collected for Bath during Stage 2 in order to start to draw some conclusions about the justification for implementation in Bath and the most suitable geographical extent. This second part of the work was also informed by part 5.

## **Part 4: Options for Intervention**

The activity at this stage involved reviewing other possible options for intervention, either to enhance the effectiveness of an Article 4 Direction or as an alternative to it. We reviewed activity in other local authorities to come up with a long list of possible actions.

## **Part 5: Stakeholder Workshop**

The stakeholder workshop was a key element of the study, with attendees representing a wide range of interests, including; councillors; estate agents; officers from multiple council departments; universities; landlords; students; and local residents. The workshop was an opportunity to present the data gathered and to test the effectiveness and popularity of possible options for intervention. A full report of the workshop can be found in appendix A.

## **Part 6: Reporting**

This final part of the study brought all of the previous elements together into this report and into presentations given to council officers.

### **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):

- 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<sup>3</sup>.

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 a 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 What is an Article 4 Direction?

Since the amendments to the Use Classes Order came into effect on the 6th April 2010, a further amendment was brought in by the coalition Government, from 1st October 2010<sup>4</sup>, meaning that all changes of use from a C3 dwelling (a family home) to a C4 HMO are now classed as permitted development.

The introduction of an article 4 direction would remove these permitted development rights requiring the property owner to apply for planning permission for a material change of use from a dwelling to a HMO. In its role as the local planning authority B&NES will not be able to collect fees for the processing of these applications. Reasons for refusal of planning permission will still be required on a case by case basis. More detail on the legal background of article 4 directions is set out in Section 2 below.

## 1.5 HMOs in Bath

The complex nature of the private rented housing market in Bath and the diverse nature of demand for flexible housing means that generalisation about who lives HMOs can be unhelpful. Nevertheless, making sense of what groups occupy HMOs is crucial since, without a better level of understanding, appropriate and effective policy interventions are difficult to devise. The best way to understand the sector is to distinguish its constituent markets. Sub-markets can be spatially concentrated or widely dispersed, depending on the demand group and on the supply of particular property types in a given area.

It is not the case that landlords let exclusively in one market or another: indeed, some landlords who manage their businesses more strategically and have larger portfolios will target a number of groups, and market and let their properties accordingly. HMOs are let to a wide range of groups including young professionals, students, immigrants, lodgers, asylum seekers, those on housing benefit and contract workers.

As a small city with two universities, there are clearly a number of students living in HMOs in Bath. Some of the wider national discussion on „studentification“ is therefore relevant to this study and is set out in more detail in appendix B.

<sup>3</sup> Housing Act 2004, Part 254, <http://www.legislation.gov.uk/ukpga/2004/34/section/254>

<sup>4</sup> <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1708912.pdf>

## 2 Legal and Procedural Considerations

### 2.1 Introduction to Article 4 Directions for HMOs

In 2010, a new use class C4 HMO (an HMO with 3-6 people living in it) was introduced. There are, however, permitted development rights for conversion of a C3 dwelling house (a family home) to a C4 HMO and vice versa. Local Authorities have the right to introduce an article 4 direction, which would mean planning permission would be required for conversion from a C3 to C4 use class. As this is a removal of permitted development rights, the Local Planning Authority cannot collect fees for these applications. Further information regarding the background to the introduction to this change in planning regulation is set out in appendix C.

### 2.2 Is HMO Activity in B&NES Sufficiently Harmful to Warrant An Article 4 Direction?

Government guidance advocates 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“<sup>5</sup>.

For article 4 directions the legal requirement is that the local planning authority is satisfied that it is „expedient that development that would normally benefit from permitted development rights should not be carried out unless permission is granted for it on an application (see paragraph (1) of Article 4 of the General Permitted Development Order (GPDO)). Additionally, for Directions with immediate effect, the legal requirement is that the local planning authority considers that the development to which the Direction relates would be prejudicial to the proper planning of their area or constitute a threat to the amenity of their area (see paragraph (1)(a) of Article 6 of the GPDO).

In deciding whether an article 4 direction is the appropriate mechanism to deal with existing and potential future HMO activity in Bath the technical evidence should identify clearly the potential harm that the Direction is intended to address. Section 4 of this report seeks to present relevant data, where available, to aid a judgement on the issue of harm and to consider whether the continued exercising of permitted development rights in relation to HMOs would:

- Undermine the visual amenity of the area or damage the historic environment.
- Undermine local objectives to create or maintain mixed communities.

There are four „harm“ considerations that the local planning authority needs to reassure itself of to underpin the recommendation on whether or not to pursue an HMO article 4 direction for Bath. They are as follows:

- Are the environmental, social and economic impacts being felt in specific wards with known concentrations of HMOs (Oldfield Park, Westmoreland, Widcombe) „directly related“ to the prevalence of this type of tenure?

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<sup>5</sup> Replacement Appendix D to Department of the Environment *Circular 9/95: General Development Consolidation Order 1995* (978 0117531024)



- Can these conditions be regarded as „exceptional“ when benchmarked against other areas of the City where HMOs are less prevalent?
- Would the continued exercise of permitted development rights cause harm to local amenity or the proper planning of the specific areas?
- If so is the proposed article 4 direction solution justifiably expedient to the evidence base?

## 2.3 Process for making an Article 4 Direction

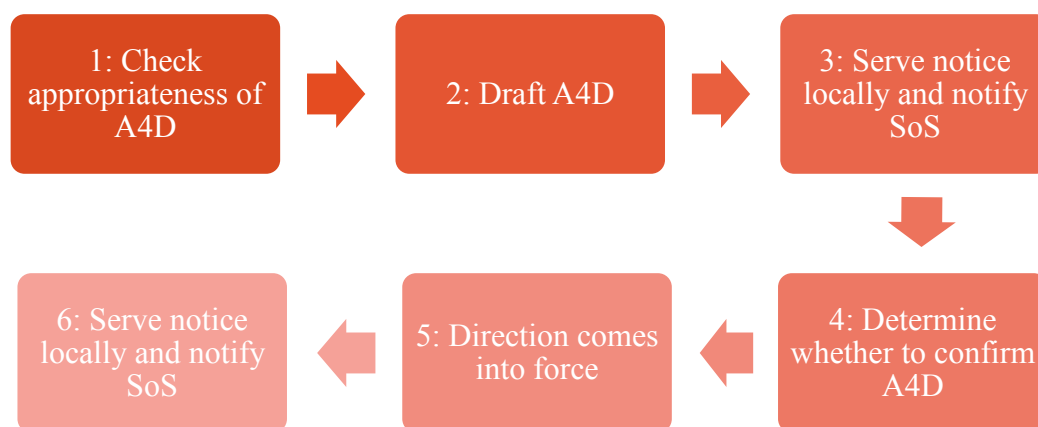
If an Article 4 Direction is considered an appropriate tool the process for making the Direction is clearly set out in Government guidance. When the Direction is enacted planning permission would be required for a material change of use, although the local planning authority would not be able to collect fees for the processing of these applications.

The Town and Country Planning (Compensation) (No. 3) (England) Regulations 2010 (2010 No. 2135) reduces local authorities' liability to pay compensation where they make article 4 directions as follows:

- Where 12 months' notice is given in advance of a Direction taking effect there will be no liability to pay compensation; and
- Where Directions are made with immediate effect or less than 12 months' notice, compensation will only be payable in relation to planning applications which are submitted within 12 months of the effective date of the Direction and which are subsequently refused or where permission is granted subject to conditions.

Therefore to avoid potential compensation claims B&NES needs to provide 12 months notice in advance of an article 4 direction taking effect. This is called a non-immediate Direction. The procedure for making a "non-immediate" Article 4 Direction can be summarised<sup>6</sup> as follows:

1. This report satisfies the needs of this first stage.



<sup>6</sup> This is a summary of the guidance set out in appendix A of *Circular 9/95: General Development Consolidation Order 1995*, November 2010

2. An Article 4 Direction must be drafted; there is a model that can be used for this purpose<sup>7</sup>.
3. Notice of an Article 4 Direction must be given in the following ways:
  - by local advertisement (as defined in article 1(2) of the GPDO)
  - by site display at no fewer than two locations within the area to which the direction relates for a period of not less than six weeks;
  - individually on every owner and occupier of every part of the land within the area or site to which the direction relates (unless it is impracticable because it is difficult to identify or locate them, or the number of owners or occupiers within the area to which the direction relates would make individual service impracticable - this exemption from individual service of notice does not apply, however, when the owner/occupier is a statutory undertaker or the Crown);
  - to the Secretary of State (on the same day that the first notice is published locally)<sup>8</sup>.
  - The consultation period must be at least 21 days; most other local authorities have held a formal consultation at the beginning of their 12 month notice period.
4. The local planning authority needs to determine whether or not to proceed with the Article 4 Direction. There is an opportunity to make amendments at this stage. Any material amendments will need a further consultation period.
5. The Article 4 Direction comes into force 12 months after the notice given under point 3. Once the Direction is in place, B&NES would be required to process all HMO applications at its own cost - as no planning fee is payable<sup>9</sup>.
6. A formal notice must be issued to the Secretary of State and locally.

## 2.4 Compensation Risks Associated with Article 4 Directions

Making a non- immediate Article 4 Direction will mean that there is an intervening 12 month period when people can take advantage of the new permitted development rights. It would be fair to assume that a rush of HMO activity would occur in this period as landlords and property owners avoid the impending removal of permitted development rights, however evidence from other university cities that have put in place non-immediate Article 4 Directions suggests that pre-emptive activity is likely to be limited. The alternative is putting an immediate Article 4 Direction in place; however this would leave B&NES open to compensation claims payable in relation to planning applications which are submitted within 12 months of the effective date of the Direction and which are subsequently refused or where permission is granted subject to conditions.

<sup>7</sup> See appendices B and C of *Circular 9/95: General Development Consolidation Order 1995*, November 2010

<sup>8</sup> Further guidance on the requirements

<sup>9</sup> National HMO Lobby, *Response to the Consultation on Houses in Multiple Occupation: Changes to Planning Legislation*, July 2010

Making an immediate Article 4 direction may lead to compensation claims for abortive expenditure or for other loss or damage directly attributable to the withdrawal of the permitted development rights. For example B&NES could be liable for the loss of income a property owner suffers by not being able to convert their property to a HMO where this is due to the imposition of the Article 4 Direction. An immediate Direction could also incentivise property owners across Bath to claim for compensation for HMO conversions they would not otherwise have been carried out. This could leave B&NES with a very significant liability.

Given the risk of compensation claims, members are advised that a non-immediate Direction is the most appropriate course of action in the event a Direction is justified. Members are further advised that it is our understanding that to date all local authorities seeking to introduce an Article 4 Direction have followed the non-immediate route and to the best of our knowledge no compensatory claims or legal actions have been issued.

### 3 Review of Other Possible Interventions

Article 4 directions are just one of the suite of interventions that can be put into place in order to address the environmental issues associated with HMOs. The other interventions fall broadly into three categories:

- **Planning Policy**, a number of alternative planning policy options exist.
- **HMO licensing**, extension of local licensing procedures to include additional or selective licensing; and
- **Voluntary management initiatives**, which may delivered by Bath & North East Somerset Council, the Higher Education Institutions, the local community, student groups or a partnership consisting of any or all of these.

These options are not mutually exclusive, and indeed may be more effective if considered as part of a wider strategy. Each of these interventions is outlined more fully below.

#### 3.1 Planning Policy

A review of Local Development Frameworks has identified that there are typically three types of planning policy approach used by local authorities to manage the concentration of HMOs generally or student accommodation specifically. These policy options can be described as:

- Criteria based
- „Areas of restraint“;
- The “threshold approach”; and
- Encouragement of purpose built accommodation.

The approaches are not mutually exclusive; indeed many of the local authorities we have taken reference from use more than one policy approach in combination.

It is worth making the point that as policy cannot be retrospectively applied there is a limit to the impact that planning policies can have on current concentrations of HMO or student accommodation within neighbourhoods such as Oldfield Park, Westmoreland or Widcombe.

##### 3.1.1 Criteria Based

This type of policy approach best describes Bath and North East Somerset’s current policy relating to Houses of Multiple Occupation; Policy HG.12, which has been saved from the Local Plan. This policy sets out the conditions under which the local planning authority would refuse planning permission for a conversion to an HMO. Criteria are normally focussed on amenity value and fitting with the character of the local area.

The full wording of policy HG.12 is set out in the box below.

#### **POLICY HG.12**

Development for the use of buildings for residential purposes within the ambit of policies *HG.4*, *HG.5*, and *HG.6* involving the sub-division of existing dwellings, conversion of non-residential buildings, the re-use of buildings for multiple occupation in the form of non self contained accommodation or re-use of existing empty dwellings will be permitted provided that it:

- is compatible with the character and amenities of adjacent established uses, taking into account the development itself together with any recent or proposed similar development;
- does not seriously injure the amenities of adjoining residents through loss of privacy and visual and noise intrusion;
- is not detrimental to the residential amenities of future occupants; and
- does not result in the loss of existing accommodation which, either by itself or together with other existing or proposed dwellings in the locality, would have a detrimental effect on the mix of size, type and affordability of accommodation available in the locality.

Development of commercial premises which prejudice suitable opportunities for re-use of upper floors for residential accommodation will not be permitted.

This type of policy could be implemented with or without having an article 4 direction in place. Experience suggests that this type of policy is limited in its effectiveness.

### **3.1.2 Area of Restraint Policy**

An area of restraint can be defined as an area where restrictions or criteria are imposed on certain forms of housing (this could be purpose built student accommodation or HMOs). If used in conjunction with an article 4 direction, then it would cover the same area as the area delineated in the direction.

Whilst an area of restraint policy could be used without an article 4 direction (in this case it would only apply to larger HMOs and purpose-built accommodation, it would carry more weight if combined with one, as the number of applications that would be restricted would increase.

This type of policy can be useful for areas where student housing is very concentrated. If the boundary of an area defined as an „area of restraint“ is drawn to tightly then it can result in the displacement of HMO activity to adjacent streets or neighbourhoods.

#### **Leeds**

Hyde Park and Headingley in Leeds were identified as one of the worst places in the UK on the „anomie“ index<sup>10</sup>, meaning it had very low levels of community cohesion. Many local residents groups attribute this to the high levels of student housing in the area<sup>11</sup>.

In 2006, Leeds City Council introduced an area of restraint policy, combined with a criteria based policy<sup>12</sup>. The initial proposals put forward by the City Council were modified as a result

<sup>10</sup> Social And Spatial Inequalities (SASI) group, University of Sheffield, *Changing UK: The way we live. Anomie Index 2008*, <http://sasi.group.shef.ac.uk/research/changingUK.html>

<sup>11</sup> See <http://hmolobby.org.uk/leeds/whenleedsmetheadingley.htm> for example

<sup>12</sup> Leeds Unitary Development Plan Review 2006, <http://www.leeds.gov.uk/udpmaps/misc/vol1.pdf>

of the UDPs inspectors report<sup>13</sup>. The inspector questioned whether a policy focusing on student housing, rather than HMOs was discriminatory, and argued for a much wider area of restraint than Leeds originally wanted. The Council was also required to move from stating development that would not be permitted to defining the criteria under which development would be permitted.

The „Area of Housing Mix“ covers Headingley, Hyde Park, Burley and Woodhouse where students form a significant part of the population, together with the adjoining areas of Moor Grange and Lawnswood where it is considered that pressure is likely for further student housing.

Discussions with staff at Leeds City Council suggest that the current policy was not strong enough to be as effective as they would have liked, but they were still able to refer to instances where the policy had been used successfully to uphold decisions. The policy has yet to be tested at appeal.

The wording of policy H15 is set out below:

“Within the area of housing mix planning permission will be granted for housing intended for occupation by students, or for the alteration, extension or redevelopment of accommodation currently so occupied where:

- i. The stock of housing accommodation, including that available for family occupation, would not be unacceptably reduced in terms of quantity and variety;
- ii. There would be no unacceptable effects on neighbours’ living conditions including through increased activity, or noise and disturbance, either from the proposal itself or combined with existing similar accommodation;
- iii. The scale and character of the proposal would be compatible with the surrounding area;
- iv. Satisfactory provision would be made for car parking; and
- v. The proposal would improve the quality or variety of the stock of student housing”

### 3.1.3 Threshold Policy

A „threshold policy“ sets a threshold for a small area, over and above which planning permission will not be granted for conversion to an HMO (and often other associated permissions).

Many local authorities who are introducing article 4 directions have developed an accompanying threshold policy, including Canterbury, Manchester, and Exeter. Without an Article 4 Direction, this policy could only apply to larger HMOs and would be more difficult to apply. Feedback from other authorities suggests that this type of policy provides a firm basis on which to refuse applications.

Nottingham City Council has had a threshold policy for some years (it pre-dates the option of introducing an Article 4 Direction).

#### Nottingham

Nottingham is home to two major universities and has some areas of very dense student

<sup>13</sup> Leeds UDP Report Inspector's Review,  
<http://www.leeds.gov.uk/files/Internet2007/2008/21/leeds%20udp%20review%20inspector%27s%20report.pdf>

housing. The city council has a Supplementary Planning Document (SPD), *Building Balanced Communities*, which was produced in 2007<sup>14</sup>, to reflect saved policies in the Local Plan. The policy reads:

“In areas of existing significant student household concentration the following development will not usually be permitted:

- Purpose built student accommodation and alterations, extensions and re-developments of existing purpose built accommodation which would result in a net increase in bedspaces;
- Houses in Multiple Occupancy; and
- New flats and houses of 3 or more bedrooms unless subject to an occupation condition preventing the property being used as a dwelling house solely by students in full-time education, living together as a single household.”

An area of “significant student household concentration” is defined as a super output area and contiguous super output areas with over 25% of all households being occupied by students.

Feedback from Nottingham City Council suggests that the development management team favour this approach as it provides a concrete framework for decision making. The resource required to calculate the threshold is not considered to present a barrier to implementation as the planning policy team only receives a couple of requests a month.

The level at which to set the threshold is a key decision for the local authority as it can be the principal point of contention, and as **Table 1** below shows, there is some variation in the approach taken.

**Table 1: Thresholds applied in benchmark local authority areas**

City	Threshold	Distance
Manchester	10%	Within 100m
Nottingham	25%	LSOA and neighbouring LSOAs
Canterbury	20%	Within 100m
Exeter	20%	Whole A4D area

There is little guidance on how the level of the threshold policy should be set, and it is likely to be dependent on existing conditions in each city. However, the HMO Lobby believe that a sustainable, balanced community should not have more than 10% HMO properties (although this is based on HMOs with more than 5 occupants), as this is likely to represent 15% of the population<sup>15</sup>.

The threshold can be based on a super output area, street by street basis or distance from the property applying for planning permission. Super output areas may be difficult for the lay person to understand, streets can vary greatly in size, so distance from the property appears to be the simplest and fairest approach to a threshold policy.

Most other cities apply blanket threshold percentage ceilings city-wide, to ensure comparable and equal treatment across the city.

<sup>14</sup> Nottingham City Council, *Supplementary Planning Document (SPD): Building Balanced Communities*, 2007, <http://www.nottinghamcity.gov.uk/CHttpHandler.ashx?id=675&p=0>

<sup>15</sup> National HMO Lobby, *Balanced Communities & Studentification: Problems and Solutions*, 2008, <http://hmolobby.org.uk/39articles.pdf>

Student council tax exemption data is the most widely used data for making comparisons, but this is sometimes supplemented with data on purpose-built accommodation, licensed HMOs and properties benefitting from C4 or sui-generis planning consent. It is suggested that the use of existing data sets makes this a much more practical policy to apply.

Whilst the threshold policy approach may represent some additional resource within the development control function of the authority to undertake calculations to establish whether a proposed scheme falls into an area that reaches the threshold, it is a policy that should future-proof other areas of the city from having over-concentrations of HMOs. Preliminary discussions that we have had with other authorities suggest that the resource required to manage this policy is not onerous and should not preclude this option being considered alongside an Article 4 Direction.

Manchester's threshold policy wording is set out below:

#### **Manchester's Threshold Approach Policy**

*Change of use from a C3 dwelling house to a C4 HMO will not be permitted where at least 10% of households within a 100 metre radius of the application site fall within one or more of the following categories:*

- *Exempt from paying Council tax because they are entirely occupied by full time students.*
- *Recorded on Private Sector Housing's database as a licensed HMO.*
- *A property benefitting from C4 or sui generis HMO planning consent.*

*Where evidence can demonstrate that there are shared houses within 100 metres of the application site which do not fall within the categories above the Council will include these.*

*In marginal cases where concentrations of properties in the categories above within 100 metres of the application site are just below 10%, the Council will examine property type in more detail and would exclude properties which would not be capable of being used in a way which meets the C4 definition from the total number of households when calculating the percentage as above.*

*In areas where at least 10% of households within 100 metres of the application site fall into the categories above, extensions to HMOs (as defined in the Housing Act 2004) would not be permitted where this could reasonably be expected to lead to an increase in the level of occupation.*

*In parts of Manchester where the lack of family housing has threatened the sustainability of the community to the extent that regeneration activity with the specific intention of increasing the amount of family housing has taken place, there will be a presumption against changes of use which would result in the loss of a dwelling which is suitable for a family.*

*Changes to alternative uses, including C4 and HMOs with more than six occupants, will only be acceptable where it can be demonstrated that there is no reasonable demand for the existing use. The approach above will also be used for change of use to a HMO which is classified as 'sui generis'.*

*Notwithstanding the policy requirements set out above, all proposals for change of use of existing properties into houses in multiple occupation and all proposals for conversion of existing properties into flats (which might not necessarily fall within Class C4), would be permitted only where the accommodation to be provided is of a high standard and where it will not materially harm the character of the area, having particular regard to the criteria in policy DM1.*



### 3.1.4 Purpose-Built Student Accommodation Policy

In addition to policies relating to the containment of HMOs, local authorities can also put policies in place to encourage the development of purpose-built student accommodation. This can help to alleviate the demand for HMOs, at least for this element of the HMO population.

B&NES already has existing policies relating to the development of purpose built student accommodation. The University of Bath Campus in Claverton Down is encouraged to develop a masterplan delivering approx 43,250m<sup>2</sup> of teaching, research, recreational and administration space and an additional 2000 student bedspaces. Bath Spa is permitted limited infilling and redevelopment of their Newton Park Campus, both teaching space and student accommodation are permitted, although no numbers are specified.

The Draft Core Strategy states that off-campus student accommodation “will be refused where this would adversely affect the realisation of other aspects of the vision and spatial strategy for the city.”<sup>16</sup>

Other options for this type of policy include identifying sites for development of purpose-built student accommodation, or identifying areas in the city where this type of development would be encouraged. In many cities, this type accommodation is being promoted as a catalyst for area based regeneration.

#### Oxford

Oxford is home to two large universities; the University of Oxford and Oxford Brookes University.

Oxford City Council has incorporated a policy into its emerging Core Strategy<sup>17</sup>, stating that:

*“All increases in student numbers (at Oxford Brookes University and the University of Oxford) as a result of increases in academic floorspace must be matched by a corresponding increase in purpose-built student accommodation.”*

This approach helps to protect against future growth in student numbers proportionately increasing the demand for unregulated student housing.

## 3.2 HMO Licensing

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. There are three types of licensing options available to local authorities:

- Mandatory licensing (the status quo in B&NES);
- Additional licensing; and
- Selective licensing.

<sup>16</sup> Bath and North East Somerset Council, *Draft Core Strategy: Publication Version*, Policy B5, p54, December 2010

<sup>17</sup> Oxford City Council, Revised Submission Core Strategy (2009), <http://www.oxford.gov.uk/Direct/82369RevisedSubmissionFINALApr2009.pdf>

Licensing ensures that a property complies with certain safety regulations, is fit for the number of people living there, and has suitable management arrangements (including ensuring landlords have systems in place to deal with anti-social behaviour). The main benefit of licensing will normally be ensuring higher standards for tenants.

### 3.2.1 Mandatory Licensing

An HMO that requires a **mandatory licence** is one which has 5 or more unrelated people living in a property of three or more stories (including loft room or basement) and shares a basic amenity such as a toilet, bathroom or cooking facilities.

Bath currently operates a mandatory licensing scheme and there are currently 380 properties that have such a licence within the city<sup>18</sup>. This equates to approximately 50% of all properties with over five adults living together<sup>19</sup>.

Local Authorities are responsible for enforcing mandatory licensing within their boundary. An authority can also choose to implement additional or selective licensing, in all or some of its district, over and above a mandatory scheme. These options are set out in more detail below.

### 3.2.2 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, as there is a fee associated with each licence. Additional licensing should be used to tackle specific problems in specific areas, rather than covering all HMOs across a local authority area<sup>20</sup>.

In order to make an **additional licensing** scheme, the local housing authority must:

- i. Identify that a significant proportion of the HMOs that the scheme will apply to are being managed ineffectively and causing (or have the potential to cause) problems to HMO occupiers or members of the public.
- ii. Consider whether there are other courses of action that might prove effective with dealing with the problems.
- iii. Co-ordinate the designation with their overall strategy (in particular in relation to combating anti-social behaviour, homelessness and empty homes in the private rented sector).
- iv. Consider that making the designation will significantly assist in dealing with the problem(s).

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<sup>18</sup> Data provided by B&NES Council, December 2011

<sup>19</sup> Data provided by B&NES Council from the electoral role in August 2011. It should be noted that not all of these properties will be HMOs (some may be large families), and not all HMOs with over 5 people will require a licence (as they may not have 3 or more storeys).

<sup>20</sup> See Communities and Local Government, *Approval steps for additional and selective licensing in England*, Feb 2010, for more detail,  
<http://www.communities.gov.uk/publications/housing/approvalsteps>

- v. Consult with people who are likely to be impacted by the licensing and consider representations.

#### **Oxford's Additional Licensing Scheme**

Oxford is introducing an additional licensing scheme for all HMOs across the whole city in January 2012. This scheme began in January 2011 with the introduction of additional licensing for larger HMOs (over 3 people in properties over 3 storeys and over 5 people in properties with over 2 storeys) to create a staged approach<sup>21</sup>.

Oxford City Council has had to recruit extra staff for this initiative – starting with admin staff and with a team of 5.5 FTE enforcement staff still to be recruited. Prior to the scheme, it was estimated that there were approximately 1,300 HMOs in Oxford; the estimate is now closer to 10,000.

### **3.2.3 Selective Licensing**

Alternatively, 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:

*“the area is experiencing a significant and persistent problem caused by anti-social behaviour (ASB) that is attributable to occupiers of privately rented properties and that some or all of the private sector landlords are failing to take action that it would be appropriate for them to take to combat the problem”<sup>22</sup>*

In order for a designation to be made in this instance, the anti social behaviour must be „significant“ and „persistent“ and be directly related the private rented sector. In addition, it must be shown that the landlords of these properties are not taking reasonable steps to deal with the unreasonable behaviour.

Selective licensing can also be introduced when there is low demand.

In order to put a selective licensing scheme into place the local housing authority must take the same steps (i-v) as set out for an additional licensing scheme above. A selective licensing designation is made for a period specified by the local housing authority, which must not exceed five years, and must be reviewed to determine its effectiveness within that time period.

It is understood that since March 2010, confirmation to proceed from central government is no longer required to implement an additional or selective licensing scheme.

Licensing can often be self-financing, depending on the amount that a local housing authority chooses to charge. Charges vary between local authorities, and sometimes between different types of licensing schemes within the same authority (with smaller properties being less expensive).

<sup>21</sup> <http://www.oxford.gov.uk/hmo>

<sup>22</sup> Communities and Local Government, *A guide to the licensing and management provisions in Parts 2, 3 and 4 of the Housing Act 2004 – Draft*, Jan 2010, p72, and Section 80(6)(a) and (b) of the 2004 Housing Act

**Table 2: Licensing Fees**

	<b>Cost of initial licence</b>	<b>Cost of renewal</b>	<b>Renewal period</b>	<b>Basic average cost over 10 yrs</b>
<b>Bath &amp; North East Somerset</b>	Mandatory - £750 (for 5 unit HMO, plus £30 per additional unit)	Mandatory - £650 (for 5 unit HMO, plus £30 per additional unit)	5 years (max)	£1400
<b>Oxford</b>	Mandatory and Additional - £470 (plus £20 for additional bedrooms over 5)	Mandatory and Additional - £172	1 year	£2018
<b>Manchester</b>	Mandatory - £565 - £665 (plus £30 per room) Selective - £425 - £525	Same as initial licence	5 years (max)	£1230
<b>Exeter</b>	Mandatory - £675	Unknown (further information will be available shortly)	5 years (max)	Up to £1350
<b>Cardiff</b>	Mandatory - £700 Additional - £500 (with £100 discount if it complies with council standards)	Mandatory - £200	5 years (max)	£900
<b>Bristol</b>	Mandatory - £1500 (unlicensed) / £1200 (newly required)	Mandatory - £1000	5 years (max)	£1600

### 3.3 Management Interventions

This is perhaps the broadest category of the three, encompassing interventions such as:

- Student Charter and student discipline (rules and regulations);
- Waste management;
- Residents' parking;
- Student community liaison and activities to promote cohesion;
- Enforcement of the Housing Act 2004
- Landlord accreditation scheme; and
- Student information provision.

#### 3.3.1 Student Charter & Student Discipline

Students at both Universities in Bath are already held accountable for their actions and can face disciplinary action, including fines or risk to their chances of graduating if their behaviour in the community is found to be unacceptable.

The University of Bath defines misconduct as including "behaviour that brings the University into disrepute, including that which occurs off campus"<sup>23</sup>, whilst Bath Spa states that students will be disciplined where they have "behaved in such a way as would be deemed to amount to a criminal offence or otherwise conducted himself or herself in the University or elsewhere, in a manner calculated or likely to bring the University into disrepute"<sup>24</sup>.

A Student Charter is an agreement on rights and responsibilities between a student and their Higher Education Institution (HEI). A number of universities across the country have implemented these, but their effectiveness is hard to define, as they are largely unenforceable. They may still be useful in alerting students to rules and regulations in a much more user-friendly style.

#### **Marjon, Plymouth**

Marjon's Student Charter<sup>25</sup> contains a section on accommodation and includes responsibilities for students not living on campus:

- *"Conduct yourself in an appropriate manner in your accommodation, whether it is on campus, or in the private rented sector"*
- *"Make your own arrangements for any non-University College accommodation, taking responsibility for all aspects of your tenancy"*.

The University College undertakes to provide on campus accommodation for a large number of students, and also to "provide students not wishing / unable to take accommodation on campus, with a list of agencies and local landlords together with information on advisable practice in renting private accommodation. (N.B. The University College cannot undertake to check or approve non-University College accommodation)."

The Charter is backed up by Student Misconduct Procedures, which include both personal and professional misconduct.

None of the HEIs in Bath appear to have a Student Charter in place.

### **3.3.2 Waste management**

Waste management is one of the most common concerns raised by local residents in areas of HMO concentration. Local authorities are able to increase the frequency of waste collections, provide additional on-street litter bins, or additional street cleaners in order to address some of the issues.

#### **Cardiff Student Waste Campaign**

In Cardiff, there has been a co-ordinated campaign, involving the Council, Universities, Students' Unions and [cardiffdigs.co.uk](http://cardiffdigs.co.uk). This initiative includes a specific campaign at the end of the academic year, with collections of re-useable items from Students' Unions and halls. Residents in Cathays, Roath and Gabalfa (the main student areas) also had additional waste

<sup>23</sup>University of Bath, *Disciplinary Regulations for Students*,  
<http://www.bath.ac.uk/regulations/Regulation7.pdf>

<sup>24</sup>Bath Spa University, *Student General Regulations*,  
<http://www.bathspa.ac.uk/regulations/student-general-regulations/>

<sup>25</sup><http://www.marjon.ac.uk/aboutmarjon/institutionaldocuments/studentregulationshandbook/>

collections on three Saturdays around the end of term.

In addition, a „tidy text“ scheme has been set up, meaning residents can register for a text reminder of when their collection days are<sup>26</sup>.

### 3.3.3 Residents' parking

There is an existing residents' parking scheme in Bath, covering much of the city, but it does not extend too many of the neighbourhoods most densely populated with HMOs.

#### Nottingham Residents' Parking

Nottingham's Residents' Parking Scheme specifically includes student permits, for those studying in the city. Students are entitled to the same number of permits as other residents, but the website makes it clear that the same restrictions apply to them<sup>27</sup>.

### 3.3.4 Student Community Partnership & Liaison

The majority of the current activity in Bath is led by the Student Community Partnership, which brings together the Council, both Universities, the Students' Unions for both Universities and City of Bath College. It was set up in 2010/2011.

The Partnership funds a *Students Action Line*. This is open to all long-term residents and students so that any issues can be reported, logged and investigated. The Partnership also funds a Community Liaison Co-ordinator who works with local residents, the police and other organisations to promote positive relations between students and the local community.

The Partnership also works with Avon and Somerset Police, encouraging attendance at PACTs (Partners and Communities Together) meetings. These are public meetings that are open to residents and students. At these monthly meetings members of the public can raise key concerns and there is a vote on which issues should be prioritised.

The Students' Unions at both universities employ Volunteer Co-ordinators who facilitate a number of volunteering opportunities for students in the city that serve to encourage good relations with the local community. These include the following:

- Multicultural project – where student volunteers from various backgrounds deliver fun-packed sessions at local schools;
- RAG – various events that aim to raise money for local and national charities;
- Mentoring – students supporting secondary school pupils; and
- Voluntary hours at local charities.

There are a number of good initiatives in place in Bath already; some further possibilities were discussed at the stakeholder workshop on 24<sup>th</sup> October 2011, including more volunteering opportunities in the communities where students'

<sup>26</sup> <http://www.cardiffdigs.co.uk/waste.htm>

<sup>27</sup> <http://www.nottinghamcity.gov.uk/index.aspx?articleid=2765>

live and a campaign to highlight the benefits that students bring to Bath and the positive activities they are involved in.

#### **Divinity Road Area Residents' Association (DRARA), Oxford**

DRARA, Oxford Brookes' local residents' association work to make students feel welcome to the area by organising a "freecycle" day at the beginning of term, encouraging residents to offer unwanted furniture etc to students moving into the area<sup>28</sup>.

#### **Exeter Community Wardens<sup>29</sup>**

The Community Wardens are all students employed by the university. They encourage the integration of students as active citizens and promote greater community cohesion in residential areas with high student numbers. They facilitate the work of the Community Liaison Officer and work closely with the Students' Guild, the local Police and the City Council to support fellow students living off campus.

The team of Community Wardens work across the ward areas where most students live: St James, Polsloe, Newtown, St Davids and Pennsylvania.

Wardens have recently been involved in activities such as supporting a noise-awareness campaign, promoting recycling and refuse initiatives, and gathering information on community issues.

Wardens have access to the StreetWise fund and can help to organize events that bring students and permanent residents together.

The Community Warden scheme had been developed and support by the University, Exeter Community Safety Partnership, and Devon and Cornwall Constabulary.

### **3.3.5 Enforcement under the Housing Act 2004**

There are two main relevant elements of enforcement under the Housing Act 2004; mandatory HMO licensing and the Housing Health and Safety Rating System (HHSRS). Both elements of enforcement can be either reactive or proactive. B&NES has a statutory duty to undertake enforcement under both schemes. With additional resources, it would be possible to extend the proactive work that is done in this area. However, it would be important to ensure that any additional proactive enforcement adds value.

The Housing Health and Safety Rating System (HHSRS) is a risk based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings. It was introduced under the Housing Act 2004 and came into effect on 6 April 2006<sup>30</sup>. It applies to all residential properties in England. The aim of the scheme is ensure that all residential premises should provide a safe and healthy environment for any potential occupier or visitor. Under this scheme, B&NES currently responds to approximately 30-35 complaints each month.

<sup>28</sup> <http://drara.org.uk/events/freecycle-clean-up-and-film-in-the-street/>

<sup>29</sup> <http://www.exeter.ac.uk/businessandcommunity/university/wardens/>

<sup>30</sup> Office of the Deputy Prime Minister, *Housing Health and Safety Rating System: Operating Guidance*, 2006



Enforcement of mandatory licensing is undertaken through a system of prioritisation, ensuring that problem HMOs are given more attention than others.

### 3.3.6 Landlord Accreditation Scheme

B&NES already runs a free voluntary Accreditation Scheme for landlords, which seeks to encourage the upgrade of rented properties and ensure they comply with the various requirements of the Housing Act 2004.

The Student Community Partnership and the universities encourage students to give priority to properties that are accredited, and urge landlords to take responsibility and ensure their properties meet the requirements of the Accreditation Scheme.

There are currently over 1700 properties accredited across Bath<sup>31</sup>, and there is some anecdotal evidence from the universities to suggest that many more are waiting to become accredited. The accreditation team is currently made up of 1.5FTE staff.

One of the benefits of the current accreditation scheme in Bath is that they send out a laminated sheet to each property to advise on the waste collection days. This seeks to address the issue of tenants putting out waste on the wrong day.

Those properties which are accredited receive a discount on their licences, where these are required.

#### Relationship between licensing and accreditation in Oxford

Oxford City Council runs an accreditation scheme in parallel with its city-wide all HMO licensing scheme. The accreditation scheme is free and properties that have been accredited receive a discount on their licensing fee.

The accreditation scheme includes more detailed requirements, particularly in relation to managing anti-social behaviour in tenants. However, as it is a voluntary scheme, enforcement is more difficult. Landlords receive a 10% discount on their HMO licence if they are accredited.

### 3.3.7 Student Information Provision

Through the Student Community Partnership (SCP) a number of useful publications and information are available for students in Bath, these include:

- The website [www.townsandgown.org.uk](http://www.townsandgown.org.uk): This provides a wealth of information on all aspects of accommodation and community liaison. It provides information on living in all locations in Bath including recommendations from students.
- The publication *Being a Good Neighbour Handbook*: 11,000 copies of this publication were distributed to students in September 2011. It provides practical information on how to maintain a good relationship with neighbours, information on items such as waste, parking and energy savings, information on the Housing Accreditation Scheme; student safety and opportunities for community partnerships, such as those obtained through PACT meetings,

<sup>31</sup> <http://www.anuk.org.uk/consultancy/consultants.asp>



volunteering and a good neighbour award scheme. In 2011, Students' Union representatives visited households (both students and long-term residents) in key areas to promote the guide and the work of the SCP<sup>32</sup>.

- The publication *Bath Accommodation Guide*: this is distributed through student unions, accommodation services, housing forums and student hangouts in the local community. Students are also sent an electronic copy of the handbook from Students' Union e-mail bulletins. The guide provides information on all aspects of finding private accommodation in Bath.

In addition, the University of Bath runs an annual housing forum, advising students on options of where to live, including information on a variety of different areas across the city and the details to consider before signing a contract. Bath Spa University run similar housing workshops.

Other cities have run information campaigns on specific issues, for example waste or noise.

## 4 Review of Evidence of HMOs in Bath: Spatial Distribution and Impacts

### 4.1 HMO Distribution

There is no entirely comprehensive list of HMOs currently present in Bath, as there is no existing requirement for local authorities to collect this information and primary data collection was outside the scope of this study. The Council's housing department estimates there are in the region of 3,000 HMOs across the district<sup>33</sup>. These HMOs will be those that require licences (HMOs with five or more bedrooms and three or more storeys where there is sharing of facilities); those that have made use of the voluntary accreditation scheme (largely student properties); and properties that have come to the attention of the housing service, either through general enforcement, proactive inspections, working with partners and following complaints.

The distribution of these properties in Bath is shown in figure 1 below. This clearly shows a concentration of HMOs in Oldfield, Westmoreland and Widcombe, and more generally along the key public transport corridors that radiate from the city centre. The overlapping of individual dots which represent single HMOs in this plan may hide some concentrations of HMOs at this scale. We have therefore also considered the concentration of HMOs at a smaller scale, by Lower Super Output Area (LSOA). These are depicted in figure 2. The areas in green have a lower than average concentration of HMOs for the city as a whole.

In addition to looking at the number of HMOs that the housing department are aware of in Bath, we have also mapped the number of student council tax exempt properties. These are shown in figure 3. Of course, this is only one part of the HMO market, and some students will choose to live in smaller properties (e.g. that are not HMOs) or with non-students (e.g. in dwellings that are not council tax exempt).

<sup>32</sup> <http://www.townandgown.org.uk/node/63>

<sup>33</sup> It is very likely that this is an undercount of the total number of HMOs in Bath. On the introduction of additional licensing, Oxford City Council uncovered almost an 8 fold increase in HMOs (from 1,300 to 10,000).



Figure 1

HMOs

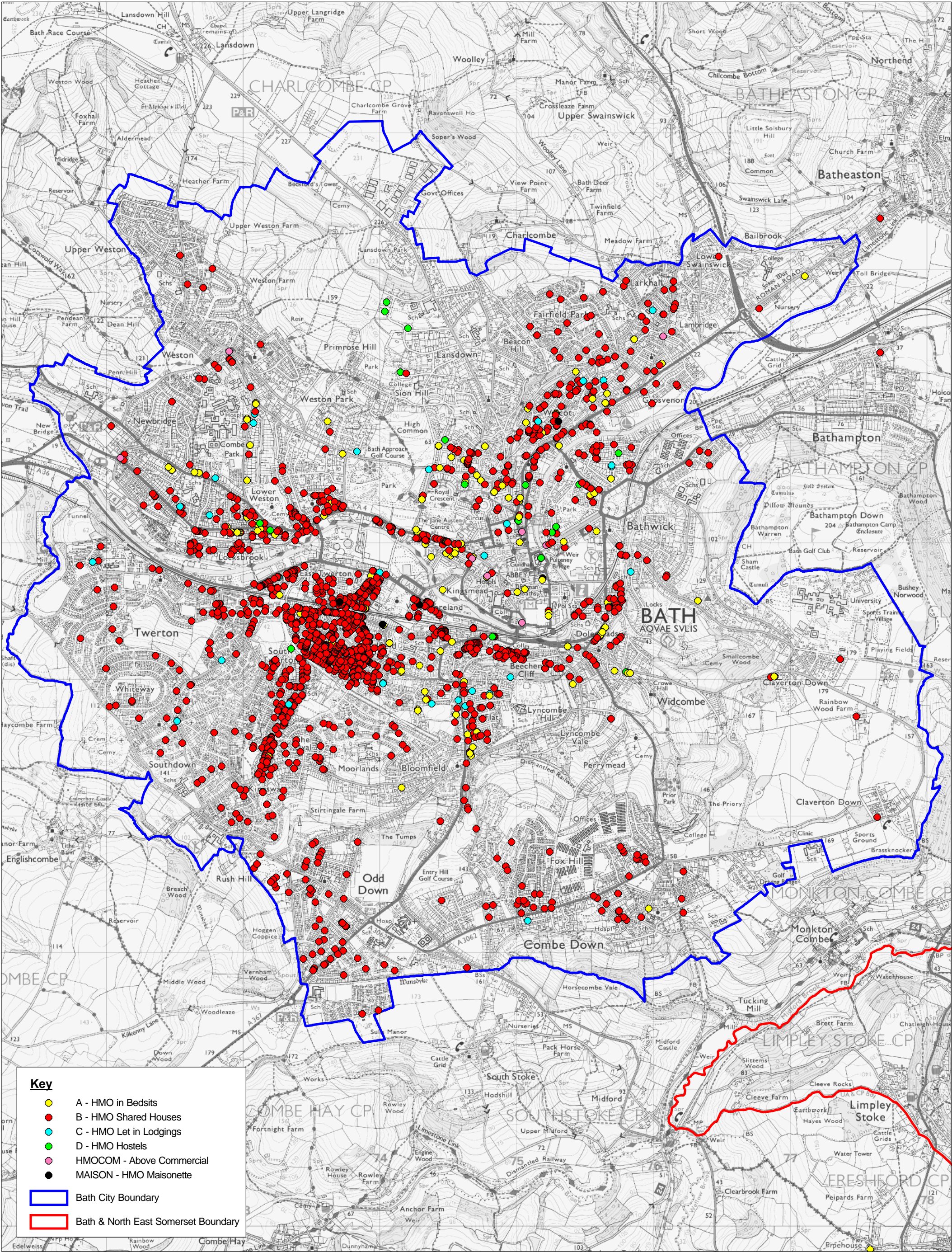
Bath

Author : B Stone

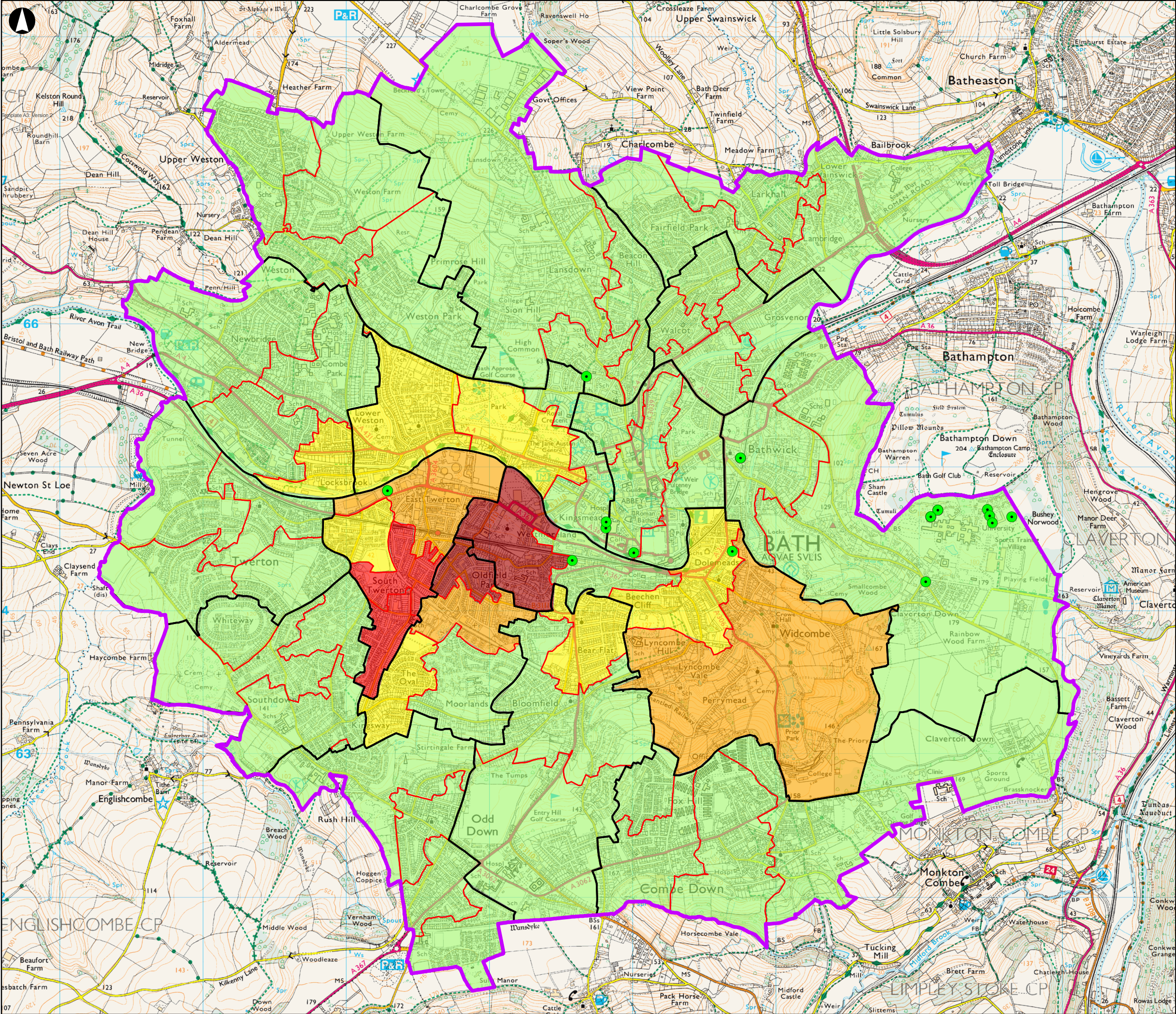
Date : 20/10/2011

Scale: 1:25,000

Bath & North East Somerset Council







## Legend

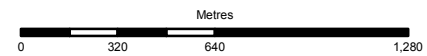
- Halls of residence
- Bath City boundary
- Ward boundaries
- LSOA boundaries

## Houses of Multiple Occupation

- <4.939%
- 4.939% - 11.076%
- 11.076% - 17.212%
- 17.212% - 20.281%
- >20.281%

P0	2011-10-24	JE	AC	WD
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Issue	Date	By	Chkd	Appd
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Job Title  
**B&NES Article 4 HMO Study**

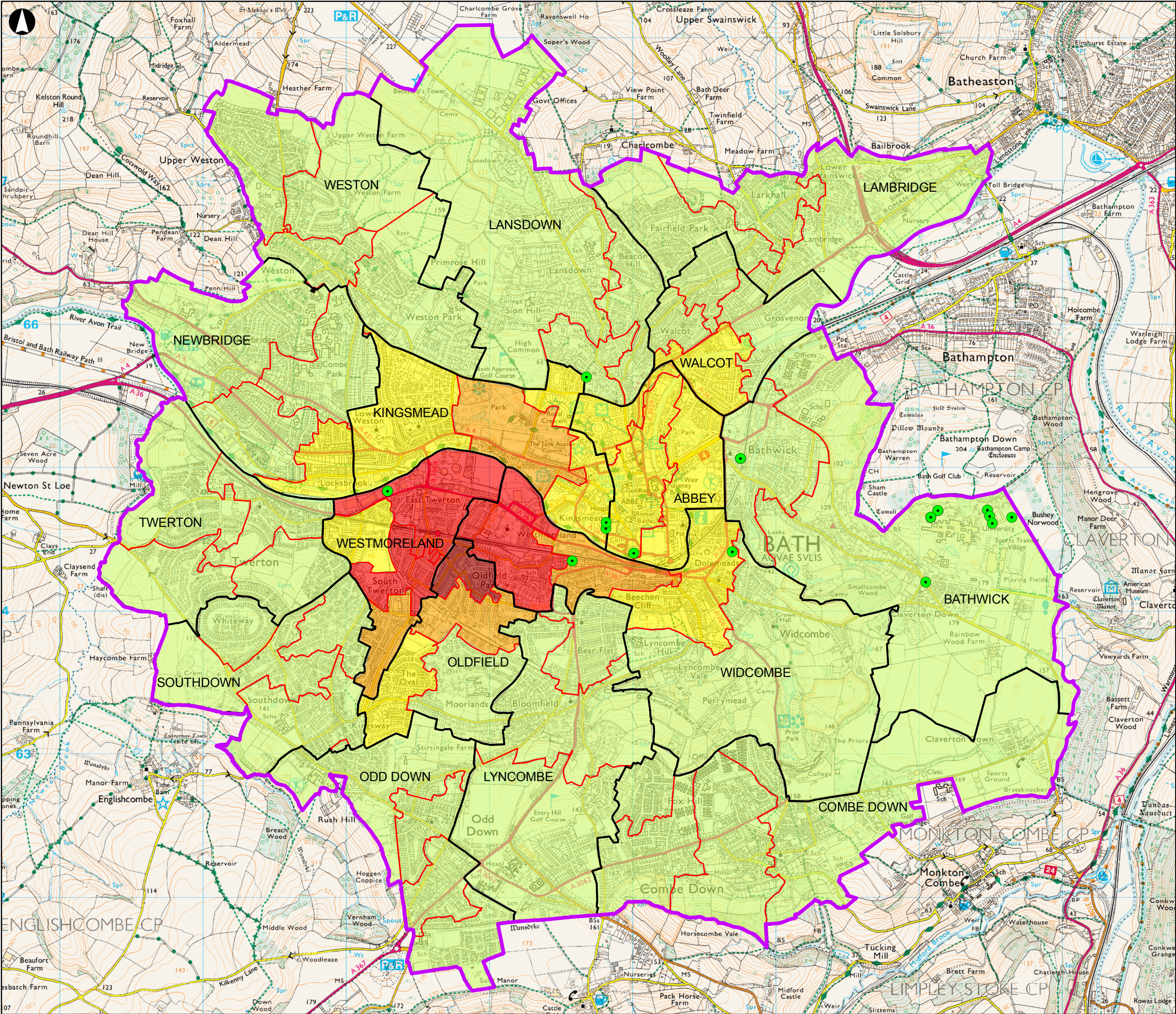
Drawing Title  
**Percentage of Houses of Multiple Occupation (HMOs) by Lower Super Output Area (LSOA)**

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

Drawing Status  
**Preliminary**

Job No <b>218116-00</b>	Drawing No <b>002</b>	Issue <b>P0</b>
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## Legend

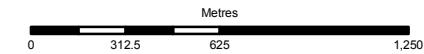
- Halls of residence
- Bath City boundary
- Ward boundaries
- LSOA boundaries

### Council Tax exempt properties

- <5.56%
- 5.57% - 11.85%
- 11.86% - 18.13%
- 18.14% - 24.41%
- >24.42%

P0	2011-10-24	JE	AC	WD
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Issue	Date	By	Chkd	Appd
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Job Title  
**B&NES Article 4 HMO Study**

Drawing Title  
**Council Tax Exempt Properties by Lower Super Output Area (LSOA)**

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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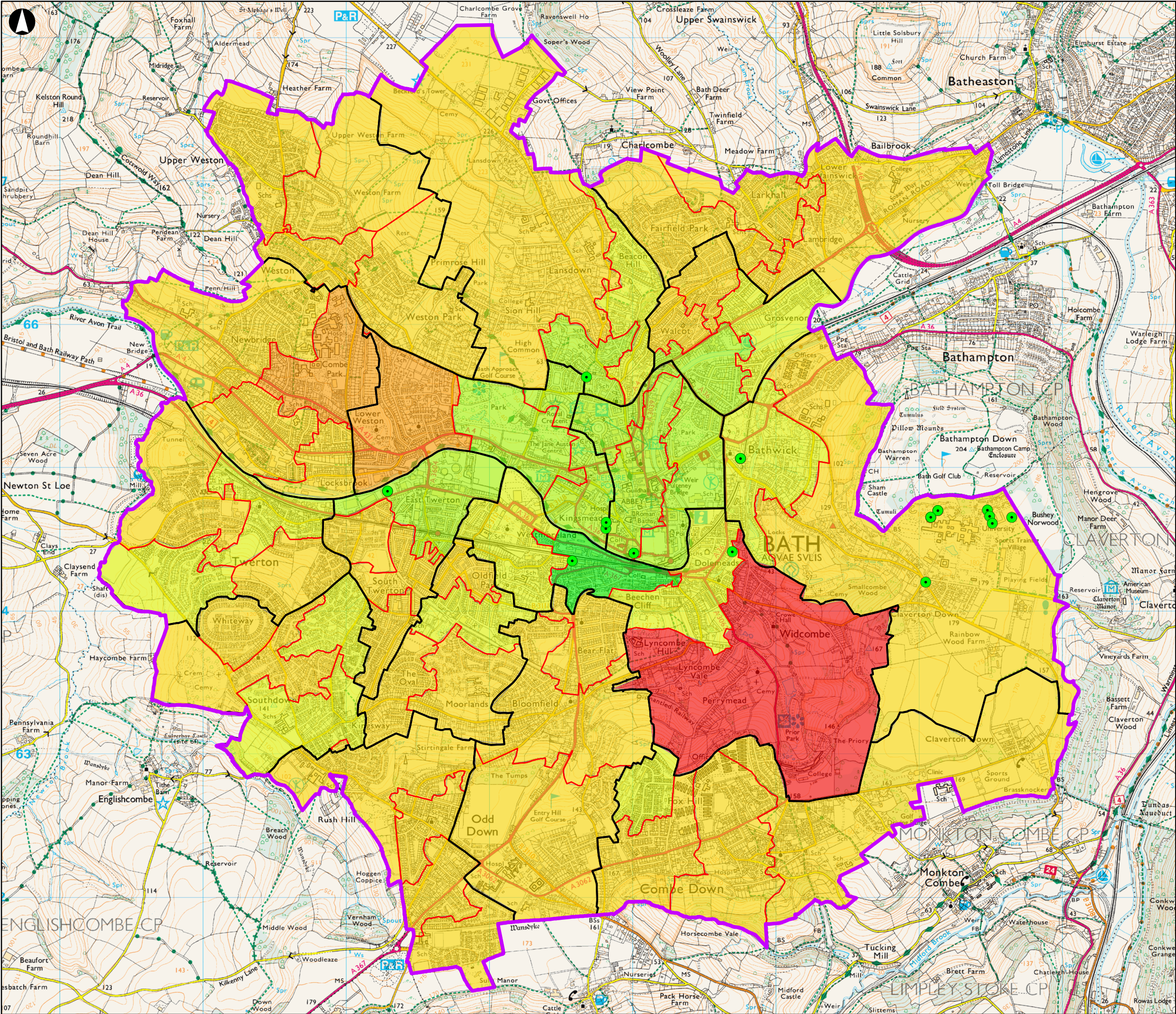


The relationship between student properties and HMOs in some of the more densely populated student areas can be seen in **Table 3** and also in figure 4 below.

**Table 3: Comparison between student property and HMO number in student lower super output areas (LSOAs).**

Area	No. of student houses	No. of known HMOs	Total no. of dwellings	% student properties	% HMOs
Oldfield Park North	151	164	515	29.3%	31.8%
Westmoreland	130	124	590	22.0%	21.0%
Westmoreland West	129	105	619	20.8%	17.0%
Oldfield Park West	115	112	586	19.6%	19.1%
Lower Twerton East	90	93	514	17.5%	18.1%
Oldfield Park	95	80	628	15.1%	12.7%
Widcombe St Marks	83	11	557	14.9%	2.0%
Victoria Park	86	57	701	12.3%	8.1%





Legend

- Halls of residence
  - Bath City boundary
  - Ward boundaries
  - LSOA boundaries
- Percentage difference
- <-8.898%
  - 8.898% - -5.722%
  - 5.722% - -2.547%
  - 2.547% - 0.628%
  - 0.628% - 3.804%
  - 3.804% - 6.979%
  - 6.979% - 10.155%
  - >10.155%

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0 320 640 1,280 Metres

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

Drawing Title  
**Percentage Difference of Council Tax Exempt Properties in an LSOA Compared to House of Multiple Occupation**

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

Drawing Status  
**Preliminary**

Job No <b>218116-00</b>	Drawing No <b>003</b>	Issue <b>P0</b>
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## 4.2 Higher Education in Bath

Bath is currently 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<sup>34</sup> and Norland College<sup>35</sup>, which offer University or pre-university level courses, and are likely to have students who require accommodation in the City.

A 2010 Report, *Student Numbers & Accommodation Information Paper*<sup>36</sup> found that the total number of Bath Spa and University of Bath students in 2009/10 was 21,898, of which 16,621 were full-time.

Bath based students live in a range of accommodation types, including;

- **University-owned halls of residence** - There are currently 3732 bedspaces in Bath<sup>37</sup>.
- **Privately owned halls of residence** - Unite own two properties which have a total of 648 bedspaces<sup>38</sup>.
- **Home** - A number of students will be classified as „home“ students, living in an area with a BA postcode prior to the start of their course. This may be with parents, or reflect the number of mature students who are settled in the Bath area prior to starting their course.
- **Home-stay accommodation** - This is where students lodge in a family home. This type of accommodation is often popular with international students.
- **Private rented accommodation** - This includes both HMOs and smaller properties. HMOs are probably most popular for 2<sup>nd</sup> and 3<sup>rd</sup> year UK students. Both universities advertise B&NES Council's Accreditation Scheme, which offers assurance about quality of the accommodation. There are almost 1700 accredited properties in Bath<sup>39</sup>. Bath Spa University currently enters into nomination agreements with private landlords to secure bed spaces for first year students to live in the private rented sector, which for academic year 2011/12 was for 132 spaces<sup>40</sup>.

<sup>34</sup> Bath Academy offers University Foundation Programmes, mainly targeted at international students; [www.bathacademy.co.uk](http://www.bathacademy.co.uk)

<sup>35</sup> Norland College offers a BA (Hons) Early Childhood Studies in conjunction with the University of Gloucestershire; [www.norland.co.uk](http://www.norland.co.uk)

<sup>36</sup> Bath and North East Somerset Core Strategy, *Student Numbers & Accommodation Information Paper*, December 2010

<sup>37</sup> Based on information from <http://housing.bathspa.ac.uk/accommodation/index> and <http://www.bath.ac.uk/study/ug/accommodation/index.html>, accessed 3<sup>rd</sup> October 2011

<sup>38</sup> Based on information from <http://housing.bathspa.ac.uk/accommodation/index>, accessed 3<sup>rd</sup> October 2011

<sup>39</sup> <http://www.anuk.org.uk/consultancy/consultants.asp>

<sup>40</sup> N.b. The University is looking to develop and provide more student residential accommodation at its Newton Park Campus so that it would not need to secure independent accommodation for its first year students. The application is due to be submitted in Spring 2012

It is useful to note that different groups of students will often have different requirements for accommodation. The observations that follow are, to a large extent, generalisations, but provide some useful context:

- **UK first year undergraduates** – likely to prefer to live in a hall of residence. A guarantee of a space in hall is often attractive to prospective students.
- **UK 2<sup>nd</sup> -4<sup>th</sup> year undergraduates** – often prefer to live in shared housing (HMOs) as part of a „rite of passage“.
- **International / EU exchange / Erasmus students** – generally in Bath for one year or often less. Often looking to rent private rented accommodation (HMOs) much later than UK undergraduates.
- **International undergraduate students** – this is a large group encompassing anyone who hasn't lived in the EU for 3 consecutive years prior to starting their course. Less likely to be keen on communal living, more likely to opt for halls or home-stay accommodation.
- **Mature students** – again, a diverse group of anyone aged over 21 at the start of their course. More likely to be settled in Bath prior to the start of the course, but will also include some looking for shared housing.
- **Disabled students** – disabilities are wide-ranging, but some may make it more difficult for students to live independently.
- **Home students** – no requirement for accommodation as they are already resident in Bath or the surrounding area.
- **Part-time students** – often will not require accommodation, as either they will have an existing home nearby, or will be able to study remotely for a large percentage of the time.
- **UK postgraduates** – Often likely to live in shared housing, but will be more varied in their requirements.
- **International postgraduates** – often only in the UK for a one year masters course, this group can be quite vulnerable as they may not have a local support network or good understanding of UK culture. Likely to have similar accommodation preferences to international undergraduates (home-stay or halls).
- **Students on placement** – Many university courses incorporate a year in industry or abroad. Depending on the location and length of their placement, these students may require accommodation.



### 4.2.1 Student Numbers

In 2009/10 the University of Bath had a total of 14,600 students<sup>41</sup>. Bath Spa University had 8,800 students, making the city's total 23,400. Data for other institutions is not publically available. The total numbers for the universities can be broken down as shown in **Table 4** below.

**Table 4: Student numbers 2009/10**

		University of Bath	Bath Spa University	Total
Undergraduate (UG)	Full-time (FT)	9,310	5,120	14,430
	Part-time (PT)	540	510	1,050
	UK	7,695	5,460	13,155
	Other EU	865	75	940
	Non-EU	1,285	95	1,380
	<b>Total UG</b>	<b>9,850</b>	<b>5,630</b>	<b>15,480</b>
Postgraduate (PG)	Full-time (FT)	1,680	735	2,415
	Part-time (PT)	3,075	2,435	5,410
	UK	2,825	3,115	5,940
	Other EU	510	20	530
	Non-EU	1,415	35	1,450
	<b>Total PG</b>	<b>4,750</b>	<b>3,170</b>	<b>7,920</b>
<b>Total FT Students</b>		<b>10,990</b>	<b>5,855</b>	<b>16,845</b>
<b>Total All Students</b>		<b>14,600</b>	<b>8,800</b>	<b>23,400</b>

<sup>41</sup> This is the most recent data available from the Higher Education Statistics Agency (HESA); <http://www.hesa.ac.uk/dox/dataTables/studentsAndQualifiers/download/institution0910.xls>

**Table 5** shows how the full-time student population of Bath compares to the population of the city as a whole, and how this compares with other university cities. Manchester has been selected for comparison as it was the only city to have an Article 4 Direction in place at the time this study was undertaken. All other university cities chosen are of a similar size to Bath, and all have Article 4 Directions coming into place in the coming months.

**Table 5: Students as a % of total population in Bath and other cities**

	Bath	Manchester	Canterbury	Exeter	Oxford	York
<b>Estimated FT student Population</b> <sup>42</sup>	16,845	51,565	24,000	16,175	31,620	17,350
<b>Estimated population</b> <sup>43</sup>	91,456	498,800	46,978	119,600	153,700	144,202
<b>Area</b> <sup>44</sup>	29km <sup>2</sup>	117 km <sup>2</sup>	36 km <sup>2</sup>	47 km <sup>2</sup>	46 km <sup>2</sup>	78 km <sup>2</sup>
<b>Students as % of total population</b>	18%	15%	51%	14%	21%	12%
<b>Students per km<sup>2</sup></b>	581	441	667	344	687	222

## 4.2.2 Student Accommodation

The two universities both offer a guarantee of university provided accommodation to many of their students.

The University of Bath guarantees accommodation to all students in the following groups who have accepted Bath as their first choice by 31<sup>st</sup> July:

- new full time undergraduate students in their first year on the Claverton Campus;
- new overseas fee-paying postgraduates; and
- new Foundation Year students based at the City of Bath College.

In total, the University of Bath offers 3,306 bedspaces in university managed accommodation. This equates to over 30% of the total number of full-time students.

Bath Spa University offers the opportunity to apply for accommodation to all students who meet the following criteria:

- are a 1st Year Full-Time applicant with BSU as their firm choice;
- live more than 30 miles from the University; and
- will be studying at Newton Park, Sion Hill (inc The Circus) or on a Bath Spa Foundation Degree at the City of Bath College.

<sup>42</sup> All taken from HESA data 2009/10. For the University of Kent, students based in Canterbury is estimated, based on information here:

<http://www.kent.ac.uk/locations/canterbury/campus/index.html>

<sup>43</sup> Where possible, data based on 2010 Mid-year population estimates. Bath, Canterbury and York are all part of a local authority area, so this data is not available. Data has instead been used from Geonames database: [www.geonames.org/](http://www.geonames.org/)

<sup>44</sup> Bath, Manchester, Exeter, Oxford all from local authority websites. Canterbury and York estimated from maps.

Bath Spa report that they accommodated approximately 90% of those who were eligible to apply for and wished to live in university managed accommodation. The remaining students were likely to have sourced their own accommodation in the private sector, commuted from home or made alternative arrangements.

Bath Spa University has 1,074 bedspaces in a combination of university-managed (428 bedspaces) and Unite-owned properties (646). This is just over 18% of the total full-time students registered at the University in 2009/10.

### 4.3 Impacts & Issues relating to HMO Density

During the stakeholder workshop held on 24<sup>th</sup> October 2011, the positive and negative impacts relating to HMO density in Bath were identified. These have been summarised in **Table 6** below.

**Table 6: Positive and negative impacts of HMOs in Bath**

Negative Impacts	Positive Impacts
Affordability	Affordability
Parking	Public Transport
Public Realm/Environment	Spend in the Local Economy
Community Cohesion and Stability	Community Diversity
Anti-Social Behaviour	Safety and Security
Housing Mix	Housing Supply and Efficiency
Council Resources	Skills in the Local Economy
Noise	
Waste	

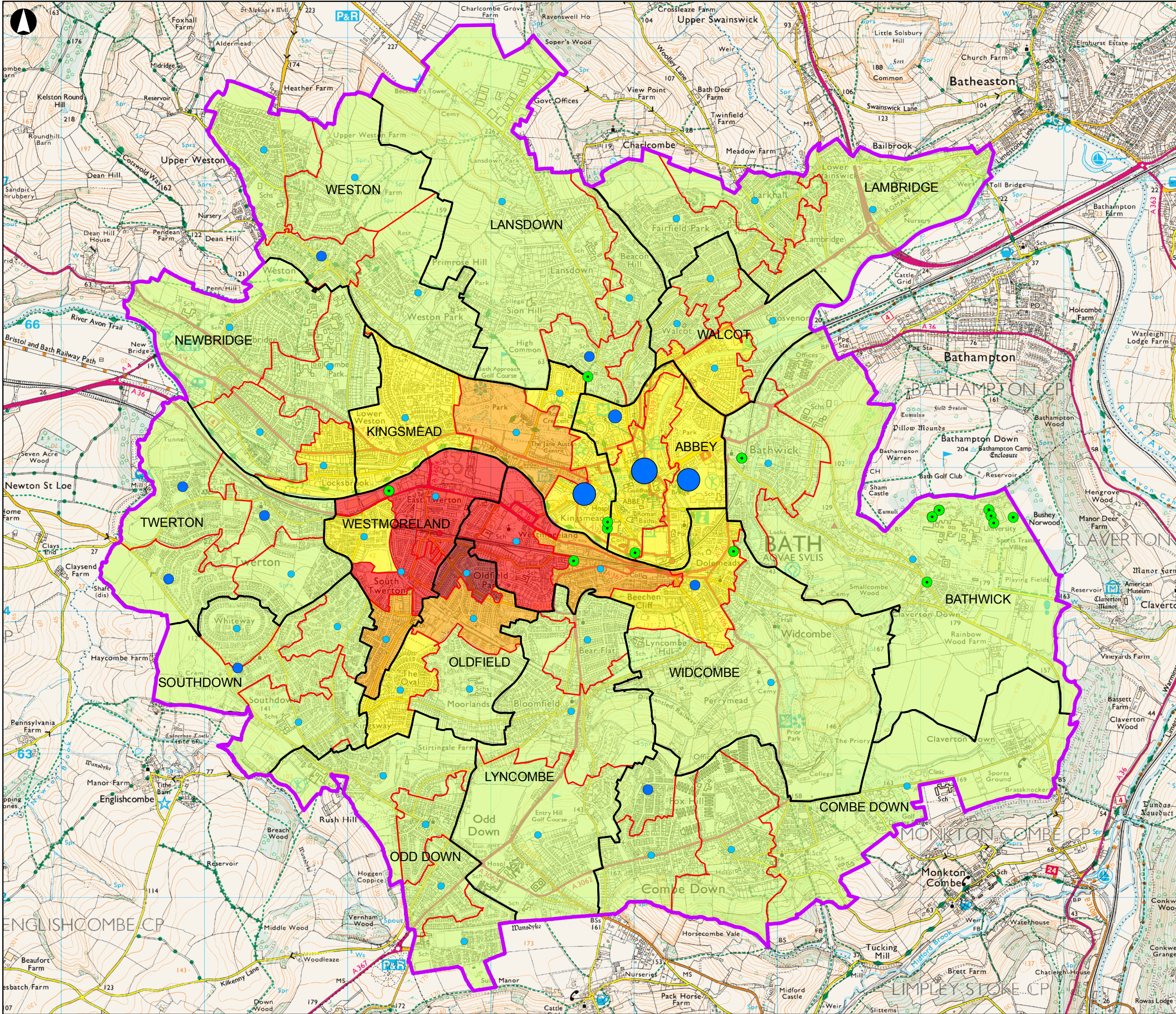
As set out in Section 2.2, in order to implement an Article 4 Direction, the Council needs to satisfy itself that the following „harm“ tests need to be satisfied:

- Are the environmental, social and economic impacts being felt in specific wards with known concentrations of HMOs (Oldfield Park, Westmoreland, Widcombe) „directly related“ to the prevalence of this type of tenure?
- Can these conditions be regarded as „exceptional“ when benchmarked against other areas of the City where HMOs are less prevalent?
- Would the continued exercise of permitted development rights cause harm to local amenity or the proper planning of the specific areas?
- If so is the proposed Article 4 Direction solution justifiably appropriate to the evidence base?

In this context, „harm“ can essentially be seen as the negative impacts identified in table 6 above.

Some of the key negative impacts can be defined as anti-social behaviour. We have taken Bath specific anti-social behaviour incident data collated by Avon & Somerset Constabulary for the 2010/11 period and mapped incidence related to rowdy behaviour, street drinking, noise and nuisance neighbours. There were a total of 5421 calls relating to these issues in Bath between April 2010 and March 2011. The distributions of these incidents are shown spatially in **figures 6 and 7**





**Legend**

- Halls of residence
- Bath City boundary
- Ward boundaries
- LSOA boundaries

**No. of ASB Calls**

- <61
- 61 - 117
- 117 - 174
- 174 - 230
- 230 - 287
- 287 - 343
- >343

**Council Tax exempt properties**

- <5.56%
- 5.57% - 11.85%
- 11.86% - 18.13%
- 18.14% - 24.41%
- >24.42%

P1	2011-10-12	JE	AC	WD
Issue	Date	By	Chkd	Appd

0 312.5 625 1,250 Metres

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

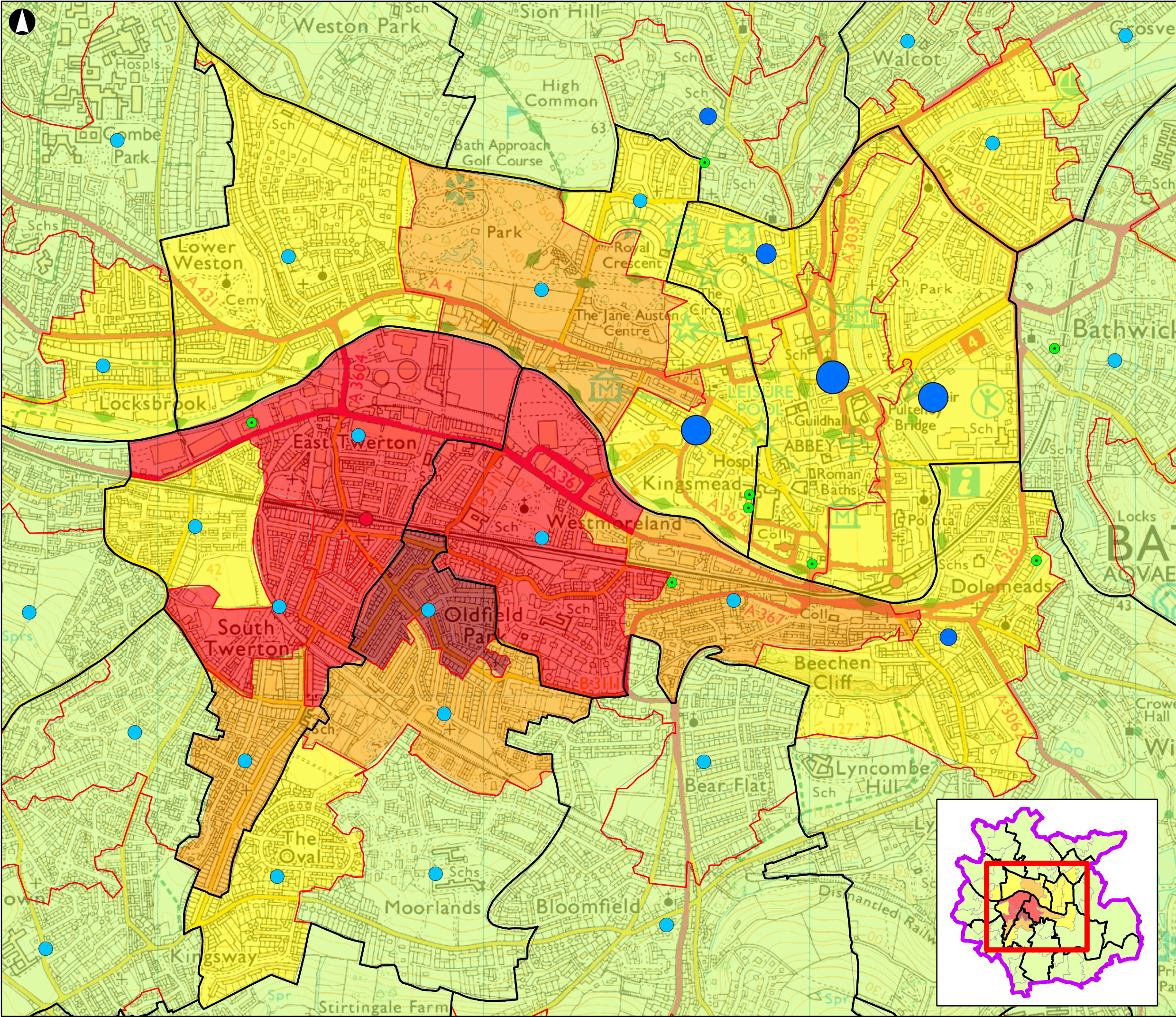
Drawing Title  
**Anti-Social Behaviour Incident Calls by Lower Super Output Area (LSOA)**

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

Drawing Status  
**Preliminary**

Job No <b>218116-00</b>	Drawing No <b>001</b>	Issue <b>P1</b>
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**Legend**

Halls of residence

Bath City boundary

Ward boundaries

LSOA boundaries

**No. of ASB Calls**

<61

61 - 117

117 - 174

174 - 230

230 - 287

287 - 343

>343

**Council Tax exempt properties**<5.56%5.57% - 11.85%11.86% - 18.13%18.14% - 24.41%>24.42%

PO	2011-10-20	JE	AC	WD
Issue	Date	By	Chkd	Appd



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**Bath and North East Somerset Council**

Job Title

**B&NES Article 4 HMO Study**

Drawing Title

**Bath Central Anti-Social Behaviour Incident Calls by Lower Super Output Area (LSOA)**

Scale at A3

**1:11,000**

Drawing Status

**Preliminary**

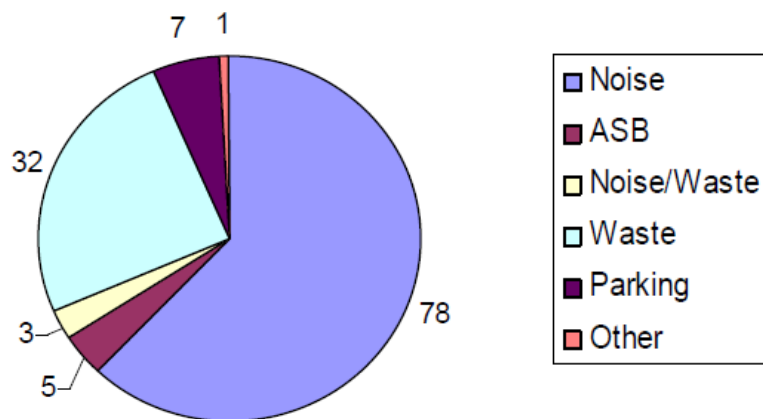
Job No	Drawing No	Issue
<b>218116-00</b>	<b>006</b>	<b>P0</b>



below. This is displayed alongside the data on council tax exempt student properties, as a proxy for HMOs.

Figures 6 and 7 show that there is inconclusive evidence of any relationship between anti-social behaviour and HMOs. The largest concentration of anti-social behaviour is in the centre of Bath, and could be caused by people living in any area of the city.

In addition, we have analysed calls recorded by the Bath Student Action Line between October 2009 and July 2010. There were a total of 176 calls during this period. The breakdown of these calls by category is shown in **figure 5**, and they are displayed spatially in **figure 8**.



**Figure 5: Total number of Student Action Line calls, 2009/10**

It is important to recognise that the Student Action Line was promoted most heavily in the areas where most complaints can be seen. In addition, the total numbers are so small as to make it very difficult to draw meaningful conclusions on "harm" from this data.

We were unable to source any additional data on complaints relating to waste, or on car parking<sup>45</sup>.

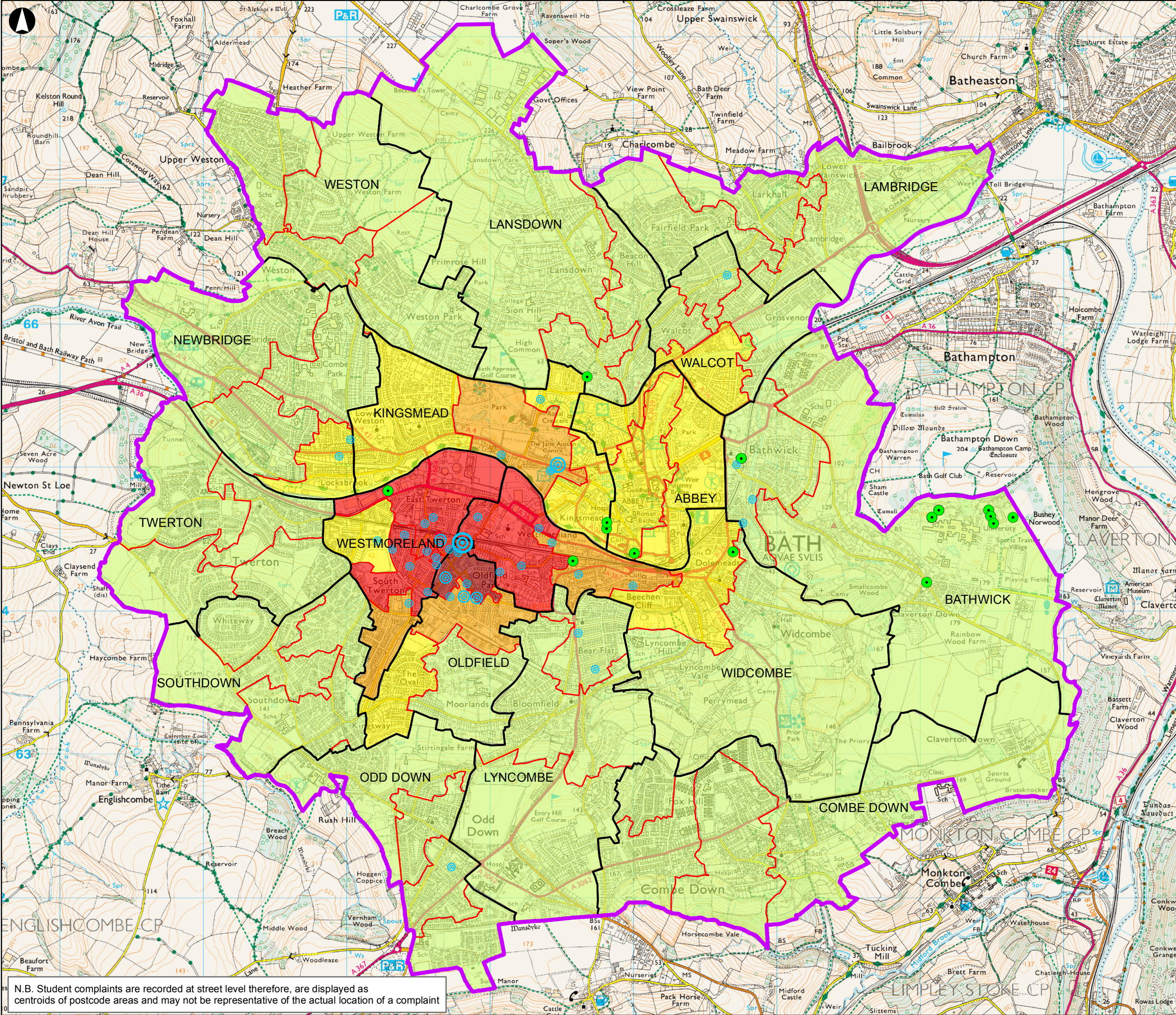
#### **4.3.1 Drawing conclusions on 'harm' from evidence.**

It is hard to draw definite conclusions from the data presented above that there is exceptional "harm" in areas of high concentration of HMOs. However, it is possible to conclude that there are areas of high concentrations of HMOs in certain areas of Bath (with over 6 times the average for Bath as a whole in some areas).

Anecdotal evidence gathered from our stakeholder workshop and from conversations with and correspondence from local residents, suggests that there may be even higher concentrations of HMOs at the individual street level within the high concentration areas. This evidence also suggests that the "harm" caused by high concentrations of HMOs is at a lower level than would be picked by formal complaints. If the Council chooses to proceed with an Article 4 Direction,

<sup>45</sup> Whilst there was data from parking counts available, these surveys were carried out of term-time and it would therefore have been very difficult to draw any useful conclusions from them.





N.B. Student complaints are recorded at street level therefore, are displayed as centroids of postcode areas and may not be representative of the actual location of a complaint

## Legend

- Halls of residence
- Bath City boundary
- Ward boundaries
- LSOA boundaries

### Council Tax exempt properties

- <5.56%
- 5.57% - 11.85%
- 11.86% - 18.13%
- 18.14% - 24.41%
- >24.42%

### Number of Complaints

- 1 - 2
- 3 - 4
- 5 - 6
- 7 - 8

P0	2011-11-17	JE	AC	WD
Issue	Date	By	Chkd	Appd

Metres  
0 312.5 625 1,250

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**Bath and North East Somerset Council**

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

Drawing Title  
**Complaints received by Student  
Action Line**

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

Drawing Status  
**Preliminary**

Job No <b>218116-00</b>	Drawing No <b>008</b>	Issue <b>P0</b>
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it would have to be comfortable with this evidence gap. The majority of evidence provided by other authorities for the introduction of an Article 4 Direction seems to have focussed on the number and location of HMOs. This demonstrates the "harm" to the mix of housing in any particular area, but not any wider harm. This approach has not led to legal challenge in other authority areas.

## 4.4 Private Rented Sector in Bath

The Council's 2007 Residential Review identified that the private rented sector (PRS) is very strong in certain wards within the city. Abbey, Kingsmead, Lansdown, Walcot and Widcombe all have more than 20% of its stock as private rented. Oldfield has almost 15% private rented and Westmoreland 17%.

The 2009 West of England Strategic Housing Market Assessment reported that there had been a 50% growth in PRS in the sub-region since 1991<sup>46</sup>; this is broadly in line with national trends.

The private rented sector fulfils a wide range of roles for different elements of the population. The 2008 report by the Centre for Housing Policy at the University of York<sup>47</sup> identified the following key sub-sectors nationally:

- *young professionals*, whose presence in the PRS reflects a complex amalgam of choice and constraint;
- *students*, whose needs are increasingly being met by larger, branded, institutional landlords;
- *the housing benefit market*, where landlord and tenant behaviour is largely framed by housing benefit administration;
- *slum rentals* at the very bottom of the PRS, where landlords accommodate often vulnerable households in extremely poor quality property;
- *tied housing*, which is a diminishing sub-sector nationally but still has an important role in some rural locations;
- *high-income renters*, often in corporate lettings;
- *immigrants* whose most immediate option is private renting;
- *asylum seekers*, housed through contractual arrangements with government agencies;
- *temporary accommodation*, financed through specific subsidy from the Department for Work and Pensions; and
- *regulated tenancies*, which are a dwindling portion of the market.

Many of these groups are important for Bath to maintain balanced communities and a sustainable economy, and in many cases the private rented sector is the only housing option available.

The Centre for Housing Policy report identified that the sector could be seen as successfully delivering affordable housing to „intermediate“ groups, who cannot afford a mortgage, but who do not qualify for social housing. However, the 2011 Shelter Private Rent Watch Report<sup>48</sup> identified rent in Bath and North East

<sup>46</sup> Prof Glen Bramley, *West of England Strategic Housing Market Assessment*, June 2009v2, p76

<sup>47</sup> Centre for Housing Policy, University of York, *The private rented sector: its contribution and potential*, 2008

<sup>48</sup> Shelter Private Rent Watch, *Report one: Analysis of local rent levels and affordability*, October 2011

Somerset as “very unaffordable” (this was defined as having a median rent of 40% to 49% of median full-time take-home pay).

A simple assessment of the costs and potential income associated with three possible scenarios (family owner-occupier, family private rented, and private rented HMO) of a typical house in the Oldfield Park area is set out in **table 7** below. This shows how much more profitable it can be to let a property as an HMO rather than as a family home. It also demonstrates what level of deposit and income would be required to get a mortgage on a similar house.

**Table 7: Case study of potential costs & income**

<b>House</b>	3-bed, 2 reception terrace
<b>Cost</b>	£245,000 <sup>49</sup>
<b>Deposit</b>	20% (£49,000)
<b>Rent</b>	£1400 <sup>50</sup> pcm as 4 bed HMO (60% of min. student loan) £930 <sup>51</sup> pcm as 3 bed house (53% of ave. take home pay)
<b>Buy-to-let mortgage repayment</b>	£1,225 <sup>52</sup>
<b>‘Family’ Mortgage</b>	£1,035 (4%) Total household income required approx. £50,000

<sup>49</sup> Average House price in South Bath according to Bath and North East Somerset Council, *Viability Study*, June 2010

<sup>50</sup> Estimated from local letting agents’ adverts

<sup>51</sup> Shelter Private Rent Watch, *Analysis of local rent levels and affordability*, October 2011

<sup>52</sup> London and Country Mortgage calculator

## 5 Future Trends in Student Numbers and Other Key Issues

### 5.1 Higher Education

Higher Education (HE) is facing some major challenges and potential changes in the coming years, particularly as a result of the recent changes to student funding brought in by the coalition government.

With the well-publicised increase in tuition fees of up to £9,000 per year, it may be expected that student numbers would fall at many institutions. However, this increase in fees was accompanied by an allowance for “unconstrained recruitment of the roughly 65,000 high-achieving students, scoring the equivalent of AAB or above at A-Level”<sup>53</sup>. The government has also indicated that it hopes to widen the criteria for unconstrained places in due course. It is unknown which universities will take up the option to expand to maximise recruitment in this group, but it is likely to be those who already attract students of this calibre, and could include the University of Bath over time.

In addition, the white paper also made provision for the introduction of new private universities. Various models are appearing, including delivery of courses by private providers in FE colleges (for example BPP are delivering law and business degrees from New College Swindon<sup>54</sup>). It is possible that many of these new models for delivering HE will not put the same pressure on the local HMO market as people study later in their lives, or living at home. However, the possibility for changes in Bath over the coming years should be considered as part of the wider strategy.

#### 5.1.1 University of Bath

The University of Bath is currently planning for an annual student growth rate of between 1–3% up to 2020. This equates to between 1,900 and 6,300 new students between now and 2020. However, the University of Bath is not yet able to predict the accommodation that might be required for these additional students as they are not yet sure where these students will come from. For example, depending on the market, they may be part-time distance learning students or international postgraduates, or UK undergraduates.

The University of Bath is currently reconsidering its masterplan, but any possible campus expansion would include between 1500 - 1800 purpose built student bedspaces<sup>55</sup>.

#### 5.1.2 Bath Spa University

Bath Spa University has developed a masterplan for its main Newton Park campus. This would see the creation of over 8000m<sup>2</sup> of new teaching space and an

<sup>53</sup> Department for Business Innovation and Skills (BIS), White Paper, *Higher Education: Students at the Heart of the System*, June 2011

<sup>54</sup> <http://www.newcollege.ac.uk/he/bpp/>

<sup>55</sup> Information provided by the University of Bath, this is fewer than the provision of about 2,000 bedspaces in the Bath & North East Somerset Core Strategy.

additional 500 purpose built student bedspaces. They hope that these bedspaces will be on line by September 2014.

### 5.1.3 City of Bath College

The City of Bath College has no publically available projections of student numbers, nor any publically available plans to build any student accommodation. However, their *Strategic Intentions* document<sup>56</sup> sets out ambitions to;

- Expand their international offer;
- Create a professional business school;
- Establish the Bath English Language school; and
- Expand and further improve their HE portfolio.

Each of these ambitions is likely to increase their requirements for accommodation for their students.

## 5.2 Graduate Retention in Bath

One of the actions identified in the B&NES Economic Strategy is to “increase the number of graduates working with local employers”<sup>57</sup>. As the city of Bath aims to attract recent graduates to stay, work and contribute to the local economy, there will need to be some expectation that many of these young professionals may wish to live in HMOs (or be financially constrained to make this the only real option to stay in the city).

Between 2005 and 2008, 11,940 graduates were employed in the West of England<sup>58</sup>, and many of these in relatively low income jobs including retail and nursing. Over 30% of these graduates had no prior connection to the sub-region, presumably moving for the employment opportunities. This group of well-qualified graduates are an important part of the economy and are perhaps amongst the most likely group to want to access good quality HMO accommodation as they get to know the city.

Bath Chamber of Commerce has communicated to B&NES the importance that HMOs play in the economy in Bath during the course of this study. They stress the importance of attracting and retaining young people and new graduates in city in order to create a more sustainable economy. The organisation has raised concerns that an Article 4 Direction would limit the supply of HMOs and have encouraged the Council to consider alternatives.

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<sup>56</sup> City of Bath College, *Entitled to Excellence: Strategic Intentions 2011-2014*, <http://www.citybathcoll.ac.uk/assets/files/PDFs/Annual%20Report/Entitled2Excellencev3.pdf>

<sup>57</sup> *Economic Strategy for Bath and North East Somerset 2010-2026*, [http://www.bathnes.gov.uk/SiteCollectionDocuments/Business/Economic\\_Strategy.pdf](http://www.bathnes.gov.uk/SiteCollectionDocuments/Business/Economic_Strategy.pdf)

<sup>58</sup> Higher Education Careers Services Unit (HECSU) for the Learning and Skills Council, *Graduate retention and migration in the West of England region*

### 5.3 Housing Benefit Changes

Government has recently announced changes to the way that Housing Benefit is allocated. This means that from January 2012, the shared accommodation rate (that currently applies to single people under the age of 25 living in accommodation that they rent from a private landlord) will be extended to people aged under 35.

This means that single people under 35 will need to move into an HMO to continue to receive Housing Benefit.

Across B&NES there are currently 70 people who will be affected by this change, so the immediate impact may not be huge, but this demographic could increase and lead to an increase in demand for HMOs within the city.

### 5.4 Private Rented Sector

Recent research carried out for the Guardian newspaper<sup>59</sup> suggests that nationwide rental prices are increasingly more expensive than monthly mortgage payments. Average monthly rents are reported to be 17% more expensive than mortgage payments. This is predominantly attributed to increasing house prices meaning that first-time buyers cannot get onto the housing market. This trend may well continue as the economy does not look set to redress this balance. This may be a particular issue in Bath, where house prices are relatively high, meaning that the private rented housing supply in Bath may need to increase in order to keep up with demand.

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<sup>59</sup> <http://www.guardian.co.uk/money/2011/nov/11/rental-market-reaches-crisis-point>

## 6 Options for Intervention

A range of options for intervention are open to B&NES and its partners to manage the impacts of HMOs on local communities and the balance and quality of housing stock therein. We have identified four possible options for intervention:

- **Option 1:** Article 4 Direction plus an additional threshold planning policy introduced through a Development Plan Document (DPD) or a Supplementary Planning Document (SPD).
- **Option 2:** Additional licensing and a planning policy in support of purpose-built student accommodation, introduced through a DPD or SPD.
- **Option 3:** Combined approach. This combines all of the elements in Options 1 and 2.
- **Option 4:** Do nothing. This is „business as usual“ approach, with no additional activity beyond what is already planned.

Each of these interventions is outlined and evaluated more fully below. Additional work is being undertaken to ascertain the resource implications associated with each option for the Council.

### 6.1 Option 1: Article 4 Direction plus enhanced policy

This option contains the following elements:

- A non-immediate **Article 4 Direction** covering the whole of Bath urban area.
- A new development management policy setting out the approach for determining planning applications made. This would include an additional **threshold policy related the existing HG12 policy within the Core Strategy**. This could be introduced either through a new Supplementary Planning Document (SPD) or through the Placemaking Plan Development Plan Document (DPD).

This option favours a **non-immediate Article 4 Direction** to avoid any possible risk of compensation. This means that the Council will need to give a 12 month notice period before the Direction comes into place. An immediate Direction could expose the Council to potentially considerable financial risks as disadvantaged landowners could claim compensation for refused planning permissions or if additional restrictions are applied by condition. The potential costs associated with this approach are unknown, as all other authorities considering Article 4 Directions to date have opted for the non-immediate route. If B&NES were to implement an immediate Direction then it could be exposed to the potential for test legal cases and unknown costs. It is considered that these risks outweigh any potential benefits.

In addition, this option proposes that the Article 4 Direction is **city-wide**. An Article 4 Direction is a preventative measure, and may limit future conversion of family housing to HMOs. Whilst there are currently high concentrations of HMOs around Oldfield Park in the wards of Oldfield, Westmoreland and Widcombe, Bath is a compact, walkable city and not all of its housing stock is

suitable for conversion into HMOs. If the boundary of the Article 4 Direction is too tightly defined around the areas of existing HMO concentration then there is a possibility that excess activity could be displaced to adjacent areas, particularly those areas within key transport corridors.

Reflecting on the existing concentrations of HMO activity in the most affected areas of Bath<sup>60</sup>, we would recommend setting a threshold limit of 20% HMOs within 100m of the site of a prospective application property. This figure is below the existing levels of concentration found in some of the most affected wards but is comparable with suggestions made by the national HMO lobby for the introduction of threshold policies and is gauged to be an acceptable level for the maintenance of balanced communities.

This approach is likely to lead to the displacement of HMO activity to other areas of the city, but with the introduction of the threshold policy this displacement can be controlled and capped at reasonable levels. Displacement will largely be market driven, and is likely to be based around key criteria such as proximity to the city centre, transport links, flexibility of housing stock and cost. There is a possibility that this approach will mean that those HMOs already within areas exceeding the threshold will start to attract a value premium, and family housing in these areas could decrease in value or be more difficult to sell. The Residential Landlords Association (RLA) asserts that house prices might fall about 30%<sup>61</sup>. This is based on research in small areas of Nottingham and Leeds over a short timescale, and the effect is unlikely to be quite as marked in Bath.

Based on a review of threshold policies from elsewhere, proposed policy wording is set out below:

#### **Proposed Wording for B&NES Threshold Policy**

Certain types of development will not be permitted where over 20% of households within a 100 metre radius of the application sites fall within one or more of the following categories:

- Exempt from paying Council tax because they are entirely occupied by full time students [n.b. this could be updated on an annual basis, halfway through the academic year]
- Recorded on Private Sector Housing's database as a licensed HMO.
- A property benefiting from C4 or sui generis HMO planning consent

Where evidence can demonstrate that there are shared houses within 100 metres of the application site which do not fall within the categories above the Council will include these.

The following restrictions will be imposed on development in those areas:

- Conversion of C3 dwellings to C4 or sui generis (Houses in Multiple Occupancy) will not be permitted;
- Permission will only be granted for extensions to Class C3 dwellings where there is evidence of the property being occupied, or intended for occupation, by students, where:
  - i. The proposal would not unacceptably reduce family housing stock, in terms of both quantity and variety;
  - ii. There would be no unacceptable effects on neighbours' living conditions including

<sup>60</sup> Lower Super Output Areas around the Oldfield Park area already have up to 29% student properties. This proportion can be much higher if taken as an average on a street by street basis.

<sup>61</sup> Private correspondence with the RLA



through increased activity, or noise and disturbance, either from the proposal itself or combined with existing similar accommodation;

- iii. The proposal would improve the quality or variety of the stock of student housing
- iv. The scale and character of the proposal would be compatible with the surrounding area;
- The Council will impose conditions or seek a Section 106 agreement on new houses and flats to prevent their uncontrolled occupation by students
- The development of new houses as C4 dwellings or sui generis (HMOs) will not be permitted.

The impacts and challenges for the main stakeholders of this Option are set out below.

**Table 8: Option 1: Impacts and Challenges for Stakeholders.**

	<b>Positive Impacts</b>	<b>Challenges</b>
<b>B&amp;NES Council</b>	<p>Council is seen to be responding to local residents' environmental concerns related to perceived over-concentration of HMOs in some areas of the city.</p> <p>Possible slight reduction in resource requirements for Environmental Health in dealing with noise, waste complaints.</p>	<p>Medium resource implications for Planning Policy with regards to consulting on and putting additional policy in place.</p> <p>Currently unknown, but potential for additional resource requirements in the Development Management team to process additional planning applications and deal with appeals.</p>
<b>Students</b>	<p>More choice in areas to live likely to be provided.</p>	<p>May push rental prices up in some areas (particularly Oldfield Park, Westmoreland Widcombe area), leading to inequality in where students can affordably live in the city.</p> <p>May mean that HMOs are of a poorer standard as landlords can attract students by location alone.</p> <p>May mean students in new areas feel stranded or isolated if there is a lack of public transport.</p> <p>There is a student campaign with 338 facebook members against the introduction of an Article 4 Direction<sup>62</sup>.</p>
<b>Other HMO residents</b>	<p>More choice in areas to live likely to be provided.</p>	<p>May push rental prices up in some areas (particularly Oldfield Park, Westmoreland Widcombe area), meaning inequality and social divide in where people in the private rented sector can afford to live.</p> <p>May mean that HMOs are of a poorer standard as landlords can attract tenants by location alone.</p>
<b>Universities</b>		<p>Students living over a wider area of the city may mean that some students, at least initially, are not well served by public transport. This may lead to an increase in those wanting to take cars to university campuses.</p> <p>There may be an increase in students seeking welfare advice if</p>

<sup>62</sup> <https://www.facebook.com/groups/259904010727071/>, accessed 18/11/2011

		students have problems with money or social divide or lower standard accommodation.
<b>Local residents</b>	Should lead to more balanced communities, meaning a wider mix of residents in many areas.  Family housing in areas of existing high density of HMOs is likely to become cheaper, meaning it could become easier for new entrants to the housing market.	This may lead to a wider spread across the city of the problems associated with a high density of HMOs.  Residents in areas that currently have a high density of HMOs may be disappointed to discover that this does not address any existing problems that they are experiencing. They may also experience a drop in the value of their property. Where existing HMO densities are really high, it may also become difficult to sell homes if they wish to move.
<b>Local employers</b>	A dispersal of HMOs across the city may lead to more affordable private rented sector accommodation in some areas, which may make it easier to attract new employees to the area.	If the Article 4 Direction leads to a perception amongst property investors that HMOs are not welcome in Bath, then this may lead to a shortage in affordable private rented property. This may make it harder for employers to attract lower paid employees, particularly those at the start of their careers, including new graduates.  The Chamber of Commerce has formally objected to the introduction of an Article 4 Direction in Bath <sup>63</sup> .
<b>Local trade/business</b>	Should lead to more balanced communities, and may result in less seasonal trade in some areas.	May result in loss of trade in some areas, where the business model is currently reliant on HMO residents / landlords.
<b>Existing HMO landlords</b>	Those with properties in popular areas are likely to experience an increase in revenue as they become more exclusive and can charge more.	Limits options for expansion of portfolio to areas outside of existing concentrations.
<b>HMO developers</b>	Clear planning policy guidance will help them to assess the potential success of their planning application.	Many will be put off by the process of applying for planning permission, but those who aren't will face a longer time period before they can convert their properties.
<b>Estate agents</b>	Should lead to a more diverse market across the city. This would provide a more sustainable, long-term market.	Many investor clients will be put off by the red tape and it is likely to be more difficult to sell properties in existing areas of high HMO density, at least initially.

<sup>63</sup> See letter received in appendix D.

## 6.2 Option 2 –Planning Policy & Additional Licensing

The elements of this approach are:

- Additional licensing for all HMOs in Bath; and
- Planning policy promoting purpose built student accommodation.

This option includes the provision of **additional licensing**. Additional, rather than selective licensing has been proposed as there is anecdotal evidence about the impact that a wider range of HMOs than those that are currently subject to the licensing regime. However, there is no evidence to suggest that this impact extends to the whole private rented sector (as would be required for selective licensing). The evidence gathered for this study shows no correlation between HMO density and their size. We therefore recommend that additional licensing would need to be for all HMO types. This option proposes a staged roll out of additional licensing, with the initial focus on the wards with the highest existing concentration of HMOs (Widcombe, Westmoreland and Oldfield). The introduction of additional licensing does not specifically limit the supply of HMOs in any area of the city, but does provide a mechanism to maintain quality in the sector.

Whilst there is existing policy relating to the expansion of both universities (Policy B5 in the Core Strategy), the guidance therein could be expanded to ensure that expansion in academic floorspace is accompanied by purpose-built accommodation that meets specific design and management criteria, which would help to reduce any possible negative impacts on local communities.

### **Proposed Wording for B&NES Pro Purpose Built Accommodation Policy.**

All increases in student numbers at any Higher Education Institution in Bath as a result of increases in academic floorspace must be matched by a corresponding increase in purpose-built student accommodation. Any purpose-built student accommodation should meet the following criteria.

1. Sites should be easily accessible to the University and college campuses by walking, cycling or public transport
2. High density developments should be sited in locations where this is compatible with existing developments and initiatives, and where retail facilities are within walking distance.
3. Car parking standards should be met, and a green travel plan developed to ensure that proposals should not lead to an increase in on-street parking in the surrounding area.
4. Proposals that can demonstrate a positive regeneration impact in their own right will be given preference over other schemes.
5. Proposals should be designed to be safe and secure. Consideration must be given to increased informal surveillance or other measures to contribute to crime prevention.
6. Accommodation should not have an unacceptable effect on residential amenity in the surrounding area through increased noise, disturbance or impact on the streetscene either from the proposed development itself or when combined with existing accommodation.

7. Provision and management of waste disposal facilities will be planned within the development at an early stage.
8. Proposals will need to include a management plan.

The positive impacts and challenges for the main stakeholders of the Option are set out below.

**Table 9: Option 2: Impacts and Challenges for Stakeholders.**

	<b>Positive Impacts</b>	<b>Challenges</b>
<b>B&amp;NES Council</b>	Seen to be responding to local residents' concerns regarding over-concentration of HMOs in some areas of the city. Possible slight reduction in resource requirements for Environmental Health in dealing with noise, waste complaints.	Potentially significant resource required for housing / environmental health in implementing and enforcing new licensing regime. However, this is likely to be near cost-neutral in the longer-term. Limited resource requirements for Planning Policy team in implementing new purpose built policy.
<b>Students</b>	All HMOs would comply with higher standards. Wider range of options to live in purpose built student accommodation.	May marginally push rental prices up if landlords see an opportunity to pass licensing costs on to tenants.
<b>Other HMO residents</b>	All HMOs would comply with higher quality standards. If students move out of HMOs into purpose built accommodation then there is more choice for other tenants (and possible reduction in price if supply outstrips demand).	May marginally push rental prices up if landlords see an opportunity to pass licensing costs on to tenants.
<b>Universities</b>	Increases in purpose-built accommodation likely to be attractive to many new students, and may become increasingly important in an increasingly competitive education market. Higher levels of confidence in recommending properties in the private rented sector if they reach standards for licensing.	Costs associated with building purpose built accommodation (although there may be opportunities for the private sector to meet these costs through joint ventures with universities). There may be delays to academic / teaching space growth if accommodation is required in tandem.
<b>Local residents</b>	Licensing will help to tackle existing perceived and real problems of HMO density and is therefore likely to be popular. If the size of the market for HMOs decreases with an increase in purpose-built student accommodation, then there may be some return to family housing. This may also lead to a reduction in house prices, making it more affordable for first-time buyers.	Disappointment at lack of an Article 4 Direction? Pro purpose-built policies may lead to de-studentification, and not return to family housing as local residents might hope.
<b>Local</b>	A combination of higher quality HMOs and more capacity (as students	

<b>employers</b>	are increasingly catered for in purpose-built accommodation), may make it easier to attract new employees to the area.	
<b>Local trade/ business</b>	Relocation of students to purpose-built accommodation may result in an increased concentration in demand for trade, which could benefit local businesses in some areas.  Potential for increase in revenue if there is a change from student tenants to young professional tenants, who have more disposal income.  Possible opportunities for local building-related trades in the building of new student accommodation and in the conversion of existing student HMOs (to family homes or for other tenants with differing requirements)	May result in loss of trade in some areas, where HMOs are left unoccupied as students move into purpose-built accommodation.
<b>Existing HMO landlords</b>	Less confusion about different definitions for HMOs.  Potential for increase in revenue if there is a change from student tenants to young professional tenants with higher income.	Increased costs / red-tape associated with licence applications.  Possible need to change business plan if requirements for student HMO accommodation reduces.  Potential for decrease in revenue if there is a change from student tenants to A8 migrant tenants.
<b>HMO developers</b>	Less confusion about different definitions for HMOs.	Increased costs / red-tape associated with licence applications.
<b>Estate agents</b>	Less confusion about different definitions for HMOs – less time consuming to give advice to potential landlords.  Potential for increase in revenue if there is a change from student tenants to young professional tenants with higher income.	Move away from student market may require more inventive marketing, as there is a less captive audience.

### 6.3 Option 3 - Combined Approach

This approach combines all of the interventions outlined in Options 1 and 2. It is the most resource intensive of the options for the Council, but it may be the most effective at helping Bath to create balanced and sustainable communities, both in the immediate and longer term, whilst seeking to manage some of the perceived environmental degradation linked to the existing concentrations of HMO activity in Oldfield Park, Westmoreland and Widcombe.

The combination of both options would mean that any possible deterioration of housing quality associated with the restriction of supply as a result of the Article 4 Direction would be dealt with by the additional licensing scheme covering the key areas where this would be an issue. Other benefits and risks remain and consideration needs to be given to the cumulative effects of having these interventions in place.



**Table 10: Option 3: Impacts and Challenges for Stakeholders.**

	<b>Positive Impacts</b>	<b>Challenges / Risks</b>
<b>B&amp;NES Council</b>	<p>Seen to be responding to local residents' concerns regarding over-concentration of HMOs in some areas of the city, both in terms of existing and potential future problems.</p> <p>Possible reduction in resource requirements for Environmental Health in dealing with noise, waste complaints.</p>	<p>This is the most resource intensive option, with implications for Housing / Environmental Health, Planning Policy and Development Management.</p> <p>Would need to be accompanied by enhanced cross-departmental working to improve efficiency (e.g. when a planning application is approved for an HMO, this information would be passed to licensing). New internal administration procedures may be required to facilitate cross departmental working.</p>
<b>Students</b>	<p>All HMOs would comply with higher quality standards, meaning better surroundings for tenants.</p> <p>Wider range of options to live in purpose built student accommodation.</p> <p>More choice in areas to live likely to be provided as a result of A4D.</p>	<p>May push rental prices up in some areas (particularly Oldfield Park, Westmoreland and Widcombe areas), potentially leading to inequality and social divide in where students live.</p> <p>May mean students in new areas feel stranded or isolated if there is a lack of public transport.</p>
<b>Other HMO residents</b>	<p>All HMOs would comply with higher quality standards, meaning better surroundings for tenants.</p> <p>If students move out of HMOs into purpose built accommodation then there is more choice for other tenants (and possible reduction in price if supply outstrips demand).</p> <p>More choice in areas to live likely to be provided as a result of A4D.</p>	<p>May push rental prices up in some areas (particularly Oldfield Park, Westmoreland Widcombe area), potentially leading to inequality and social divide in where people in the private rented sector can afford to live.</p>
<b>Universities</b>	<p>Increases in purpose-built accommodation likely to be attractive to many new students, and may become increasingly important in an increasingly competitive market.</p> <p>Higher levels of confidence in recommending properties in the private rented sector if they reach standards for licensing.</p>	<p>Costs associated with purpose built accommodation (although there may be opportunities for the private sector to meet these costs).</p> <p>There may be delays to academic and teaching space growth if accommodation is required in tandem.</p> <p>Students living over a wider area may mean that some areas, at least initially, are not well served by public transport. This may lead to an increase in those wanting to take cars to University campuses.</p> <p>There may be an increase in students seeking welfare advice if</p>

		students have problems with money / social divide.
<b>Local residents</b>	<p>Comprehensive solution which seeks to deal with current residents concerns whilst also putting in place limits on future growth in HMO concentrations above sustainable levels.</p> <p>Should lead to more balanced communities, meaning a wider mix of residents in many areas.</p> <p>If the size of the market for HMOs decreases with an increase in purpose-built student accommodation, then there may be some return to family housing. This may also lead to a reduction in house prices; making it more affordable for first-time buyers.</p>	<p>May lead to de-studentification of areas of existing concentration but not necessarily a return to family housing as local residents might hope. Local owner-occupier residents may see a drop in value of their homes. Where existing HMO densities are really high, it may also become difficult to sell the remaining family homes.</p> <p>This may lead to a wider spread across the city of the environmental problems associated with a high density of HMOs.</p>
<b>Local employers</b>	<p>A combination of higher quality HMOs and more capacity (as students are increasingly catered for in purpose-built accommodation).</p> <p>A dispersal of HMOs across the city may lead to more affordable private rented sector accommodation in some areas. This combination may make it easier to attract new employees to the area.</p>	<p>If the Article 4 Direction leads to a perception that HMO investors are not welcome in Bath, then this may lead to a shortage in affordable private rented property. This may make it harder for employers to attract lower paid employees, particularly those at the start of their careers, including new graduates.</p>
<b>Local trade/business</b>	<p>Relocation of students to purpose-built accommodation may result in an increased concentration in demand for trade, which could benefit local businesses in some areas.</p> <p>Potential for increase in revenue if there is a change from student tenants to young professional tenants, who have more disposal income. Should lead to more balanced communities, and may result in less seasonal trade in some areas.</p> <p>Possible opportunities for local building-related trades in the building of new student accommodation and in the conversion of existing student HMOs (to family homes or for other tenants with differing requirements).</p>	<p>May result in loss of trade in some areas, where HMOs are left unoccupied, or current tenants are replaced by people with a lower disposable income (e.g. migrants living in HMOs or young families).</p>
<b>Existing HMO landlords</b>	<p>Less confusion about different definitions for HMOs.</p> <p>Those with properties in popular areas are likely to experience an increase in revenue as they become more exclusive and can charge</p>	<p>Increased costs / red-tape associated with licence applications.</p> <p>Possible need to change business plan if requirements for student HMO accommodation reduces. Potential for decrease in revenue if</p>

	more. Potential for increase in revenue if there is a change from student tenants to young professional tenants with higher income.	there is a change from student tenants to A8 migrant tenants.
<b>HMO developers</b>	<p>Less confusion about different definitions for HMOs. Clear planning policy guidance will help to assess the potential success of planning applications.</p> <p>Potential for better business model, with wider range of possible tenants (including young professionals who may be willing/able to pay more) in different parts of the city.</p>	<p>Increased costs / red-tape associated with both licence and planning applications.</p> <p>Potential for decrease in revenue if most demand is A8 migrant tenants.</p>
<b>Estate agents</b>	<p>Less confusion about different definitions for HMOs – less time consuming to give advice to potential landlords.</p> <p>Potential for increase in revenue if there is a change from student tenants to young professional tenants with higher income.</p> <p>Should lead to a more diverse market across the city. This would provide a more sustainable, long-term market.</p>	<p>Move away from student market may require more inventive marketing, as there is a less captive audience.</p> <p>Many investor clients will be put off by the red tape and it is likely to be more difficult to sell properties in existing areas of high HMO density, at least initially.</p>

## 6.4 Option 4 - Do Nothing Approach

Under this scenario, there is no action above the status quo. Existing initiatives and plans will continue. The Student Community Partnership is likely to grow its activity and support local community-student initiatives. Both universities are likely to grow their supply of purpose-built student accommodation if there is sufficient demand and a compelling business case.

B&NES's current Accreditation Scheme will need reviewing regardless of other options taken forward, as it is currently under-resourced.

**Table 11: Option 4: Impacts and Challenges for Stakeholders**

	<b>Positive Impacts</b>	<b>Challenges</b>
<b>B&amp;NES Council</b>	Limited increase in resources	Seen not to be responding to issues raised by the local community Some increase in environmental health resource required as existing real and perceived problems worsen.
<b>Students</b>	Continue to have the freedom to live where they like (so long as the market can meet the demand).	Potential worsening of quality of HMO accommodation. May feel less and less welcome as neighbourhoods are less tolerant and place the blame for problems on students.
<b>Other HMO residents</b>	Continue to have the freedom to live where they like (so long as the market can meet the demand).	Potential worsening of quality of HMO accommodation.
<b>Universities</b>		May need increased resources as neighbourhoods are less tolerant, place the blame for problems on students and complain to the Universities.
<b>Local residents</b>		May be increasingly exposed to low level anti-social behaviour associated with high density of HMOs. House prices may continue to rise if left unchecked, making home ownership unaffordable for a growing number of local people.
<b>Local employers</b>		Will continue to struggle to attract new graduates and young professionals to the area as housing is expensive.
<b>Local trade/business</b>	Will continue to supply existing markets.	Will continue to operate seasonal business-models, leading to under-employment of some people.
<b>Existing HMO landlords</b>	Will continue to make a profit from existing market. No need to do anything differently.	
<b>HMO developers</b>	Can continue to make a profit from existing market, where there is demand. No need to do anything differently.	
<b>Estate agents</b>	Will continue to make a profit from existing market. No need to do anything differently.	

## 6.5 Management Initiatives

The possible management initiatives set out in Section 3.3 are considered to be possible additions to any of the four core options above, and as such are not combined into the scenarios set out.

Each management initiative may need to be lead by a different partner. The proposed lead partner for further interventions is set out below:

### Higher Education Institutions

- Student Charter and student discipline (rules and regulations) – each of the HEIs in Bath could consider whether a Student Charter might be beneficial in managing the expectations of and on students.

### Bath & North East Somerset Council

- Landlord accreditation scheme – as discussed, this is currently under-resourced. Any update to the accreditation scheme should be considered alongside options to introduced additional licensing.
- Residents' parking – parking has not emerged as a major issue in this study, but the Council may want to consider what the impacts of extending the residents' parking zone further into the Oldfield Park area might be.

### Student Community Partnership

- Community wardens – Exeter's Community Warden scheme could be further explored to see whether there might be benefits to introducing this in Bath.
- Waste management – Cardiff's waste management activities would seem to represent best practice, and the Student Community Partnership may wish to consider whether they could replicate some more of their approach to complement the existing end of term campaign in Bath.
- Student volunteering – Whilst there are some excellent student volunteering programmes in place, these activities are not often visible to longer-term residents living in student areas. The Partnership may wish to consider whether more could be done to encourage student volunteering the areas where students live.

## 7 Conclusions

The issues relating to HMOs, studentification and community balance are complex and there are numerous key stakeholders with widely differing views.

There is no conclusive evidence to link anti-social behaviour with areas where there are high concentrations of HMOs. Anecdotal evidence from residents does however suggest that incidences may actually be more localised than the official data indicates.

No option for intervention is perfect, none can be guaranteed to deal with all real and perceived issues at the moment, and some options may create other challenges.

There are a lot of uncertainties relating to the future level of HMOs required for a healthy working housing market in Bath; uncertainties relating to the timing and scale of purpose built student accommodation provision, student numbers and origins and the wider economy. These uncertainties need to be considered as part of the Council's decision making in relation to this issue.

An Equality Impact Assessment has been carried out to assess the potential impact of each of the four options on equality groups in more detail.

In summary, an Article 4 Direction may be an appropriate solution for Bath. It is recommended that this be implemented after a 12 month notice period and that it should be supported by new detailed development management „threshold“ policy (via a DPD or an SPD) to be able to be used to justify refusal of a planning application. In addition, other interventions could also have a positive effect on the Council's ability to regulate HMOs in the city and could be implemented with more immediate effect.

Costs will be incurred to the Council for all interventions, and further work is underway to establish these costs. For costs incurred to planning there is more limited potential to re-charge these than is the case with licensing, which is in theory a more cost neutral intervention.

## Appendix A

### Stakeholder Workshop Report



## Article 4 Direction for HMOs in Bath: Feasibility Study

### Workshop Report

10 November 2011

# Document Verification

# ARUP

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## Appendices

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Full List of attendees

### Appendix B

Full List of HMO Impacts

### Appendix C

Workshop presentation slides

# 1 Introduction

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## 1.1 Aim of the Study

Houses of Multiple Occupation (HMOs) are defined in the 2004 Housing Act as houses with 3 or more people not from the same family living together. A new planning Use Class (C4) was introduced to reflect this definition in 2010. This is in addition to the previous planning definition of 6 or more people living together (sui generis Use Class).

High densities of HMOs are often associated with issues such as noise disturbances, litter and parking difficulties. In many cities, students are one of the largest groups living in HMOs. This study will consider student housing and other types of HMOs (e.g. young professionals).

The aim of this study is to look at the correlation between these issues and high densities of HMOs in Bath. We will also review the current mechanisms in place in Bath that contribute to alleviating any potential problems, along with the approach taken in other cities in the UK.

This will form an appropriate evidence base to consider, in particular, whether an Article 4 Direction would be a suitable planning tool to assist in the control of conversion of dwelling houses (i.e. family homes) to HMOs in the City of Bath. We will also consider other measures that could be implemented to help create sustainable, balanced communities.

## 1.2 Study Background

In June 2011 the BANES Cabinet agreed to allocate funding to consider how planning controls (including an Article 4 Direction) could be used to control the spread and increase in Houses in Multiple Occupation (HMOs) in Bath. HMO concentration and the impacts of concentrated activity particular concern for the wards of Widcombe, Oldfield Park and Westmoreland which have a higher % of Houses in Multiple Occupation occupied by students, but there are other wards across the City, which may also be affected.

The Planning Department was instructed to progress a feasibility study to consider the potential for and scope of an Article 4 Direction and has subsequently appointed consultants Arup to support the planning department in making a recommendation to Cabinet.

An Article 4 Direction would mean that express planning permission would be required for a material change of use, although BANES will not be able to collect fees for processing the processing of these applications. Reasons for refusal of planning permission will still be required on a case by case basis.

The study will consider the introduction permitted development rights for change of use from a dwelling house (Use Class C3) to a small HMO (Use Class C4), and define its geographical coverage. The gathering of this evidence base and its interpretation will be the principal activity of Arup.

### 1.3 Aims of this workshop

As part of this study to consider the potential to introduce an Article 4 Direction for Houses in Multiple Occupation (HMOs) in Bath a workshop was held on Monday 24<sup>th</sup> October 2011 in the Guildhall, Bath to scope stakeholder's views on the issues.

The aims of the workshop were:

- to bring stakeholders together to share and understand different perspectives related to HMOs in Bath;
- to share the data related to both need for HMOs and impacts of HMOs; and
- to test potential interventions that might help to create balance and sustainable communities

A wide range of stakeholders were represented at the workshop, including:

- Ward Councillors from across Bath
- Planning Officers, B&NES Council
- Housing, Transport, Research, Community and Economic Development Officers, B&NES Council
- University of Bath
- Bath Spa University
- Royal United Hospital
- Bath Spa University Students' Union
- University of Bath Students' Union
- HMO Landlords
- HMO Developers
- Estate Agents
- Local Residents
- Avon and Somerset Police

A full list of attendees can be found in **Appendix A**

## 2 Report of Workshop

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A summary of the outcomes of the workshop is set out below. The presentation material presented by the Arup facilitators (Wayne Dyer & Ann Cousins) during the workshop can be found in **Appendix C**.

### 2.1 Introduction

As the principal project lead for the study on behalf of B&NES Cleo Newcombe-Jones welcomed everyone to the workshop and explained how the study had come about. The study originated from a motion taken to full Council by Councillor Will Sandry in November 2010; the Planning department then carried out some

initial research and scoped out the requirements of study, before appointing Arup as consultants to work with the Council to undertake further research and recommend a route forward.

## 2.2 Overview

Wayne Dyer (Arup) introduced how this workshop fitted into the wider context of the Article 4 Direction feasibility study and set out the agenda for the workshop.

The background to the changes in national planning policy, which has led to the option to introduce an Article 4 Direction to control an increase in the numbers of Houses of Multiple Occupation, was described.

## 2.3 Who lives in HMOs and Why?

A quick „*straw poll*“ survey of room suggested that approximately 80% of attendees had lived in an HMO at some point in their life. Through facilitated discussion in groups a comprehensive list of those who live in HMOs was drawn up by each of the groups, along with possible reasons for living in this type of accommodation. These included:

Who?	Why?
<ul style="list-style-type: none"> <li>Students (including FE, HE undergraduates, postgraduates, mature, overseas, language school students etc.)</li> <li>Nurses</li> <li>Young Professionals / recent graduates</li> <li>Young non-professionals</li> <li>Unemployed – singles and couples</li> <li>Transient workforce</li> <li>Retired – communal dwellings (different use class in planning terms)</li> <li>Hostels/Refuges</li> <li>Special needs – with live in carers etc.</li> <li>Migrant workers</li> <li>Older house sharers/ People who can't afford to buy</li> <li>Lodgers</li> <li>People on bail</li> <li>Newly non-homeless /People being re-habilitated into the community</li> <li>Squatters</li> <li>Housing benefit claimants under 25</li> </ul>	<ul style="list-style-type: none"> <li>Affordability / cost</li> <li>Ease</li> <li>Social reasons /fun</li> <li>Personal development / freedom</li> <li>Short term contracts / flexibility</li> <li>Locality / convenience</li> <li>Lack of university accommodation</li> <li>Cultural / peer support</li> <li>Don't want to live alone</li> <li>Good transport links</li> <li>Only option – kicked out of family home, recently separated, change of personal circumstances.</li> <li>Provided by employer to allow immediate start</li> <li>Housed in HMOs on way back to mainstream society</li> <li>Increasing travel costs</li> <li>Work commitments</li> </ul>

(soon to be 35) <ul style="list-style-type: none"> <li>• Live in staff e.g. hotel workers (different use class in planning terms)</li> <li>• Those moving to the area for work</li> <li>• Seasonal /Contract workers</li> </ul>	
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## 2.4 Impacts of HMO Dwellers

Participants were then asked, individually to identify two or three positive and negative impacts of these groups living in Bath, or of having this type of housing available in Bath. These are summarised below and set out in full in **Appendix B**.

Negative Impacts	Positive Impacts
Lack of Affordable Family Housing	Affordability & Flexible Single Household Housing
Lack of Parking	Support for Public Transport
Degradation of the Public Realm & Neighbourhood Environment	Increased Spend in the Local Economy
Weakening of Community Cohesion & Stability	Community Diversity
Increase in Anti-Social Behaviour	Safety and Security
Reduction in Family Housing Stock in specific areas.	Increased Housing Supply & Efficient use of Stock
Increased Demand on Council Resources	Flexible Housing Supports the Local Economy
Noise	
Waste Management	

## 2.5 Presenting Data on the Existing HMO Situation.

Ann Cousins (Arup) presented the results of available HMO data that had been gathered to date. This can be found in the slides in **Appendix C**.

Comments were received from the floor that the available data indicating the concentration of HMOs / student properties at the Lower Super Output Area (LSOA<sup>1</sup>) level masked significantly higher concentrations on some individual streets. It was noted that there were data protection issues to circulating data at a more localised level than the LSOA.

<sup>1</sup> Lower Super Output Areas (LSOAs) are a sub-ward geography averaging approximately 1,500 people. Wards are divided into several LSOAs.

## 2.6 Future Trends & Uncertainties

Possible future trends in demographics, education and urban development that might impact on the demand for HMO accommodation in Bath were discussed. The slides in **Appendix C** set this out in more detail. The point was raised that national figures for university applications are so far down by 12% on last year due to the increase in university fees.

## 2.7 Possible Solutions & Examples from Elsewhere

Five other cities that are introducing, or have introduced an Article 4 Direction, were cited as examples; Manchester (the only city with an Article 4 Direction in place), Canterbury, Exeter, Oxford and York. Further details can be found in **Appendix C**. There was surprise at the proportion of student population relative to total population in Bath.

### 2.7.1 Article 4 Direction

There was a discussion on the need for a 12 month notice before introducing an Article 4 Direction. It was noted that all other councils have gone down this route to reduce any risk of compensation being sought from property owners. At the workshop it was suggested that Nottingham City Council was considering an immediate application of an Article 4 Direction. It has since been ascertained that they too are using a 12 month notice to avoid the risk of claims<sup>2</sup>.

Comments came from Bath based developers that they would seriously consider putting in a claim (potentially in the order of 7 figures to cover the total investment made in property) against B&NES if an immediate Article 4 Direction was put in place. It was noted that CLG's (Central Government's) guidance had been that the compensation that could be claimed was only related to the cost of putting in a planning application. In reality, as there have been no legal test cases, the real costs of compensation are unknown, but the Council has no control over these risks and funds would need to be put aside in the Council's budget to cover this risk.

### 2.7.2 Other Planning Policy

A brief description was given of alternative or complementary planning policy options used by other planning authorities, including the threshold approach and policies relating to purpose-built student accommodation. These policies have been put in place either in tandem with Article 4 Directions or in other management solutions.

### 2.7.3 Other Possible Interventions

A brief description was given of other possible solutions, including licensing of HMOs and management interventions, many of which are already in place in Bath, led by the Student Community Partnership.

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<sup>2</sup> See <http://www.nottinghamcity.gov.uk/index.aspx?articleid=13867> for more detail



## 2.8 Solutions

Participants were split into 5 groups. Facilitated discussions were held on which of the solutions outlined above were suitable to deal with any real or perceived problems in relation to HMOs in Bath. Groups considered each of the three options in turn (legal (Article 4), policy and management interventions) in rotation, building on the solutions put in place by the previous group.

### 2.8.1 Article 4 Direction

**No overall consensus was reached as to whether or not an Article 4 Direction should be implemented in Bath.** Two of the groups voted in favour of implementing an Article 4, two voted against, and one was split equally.

The arguments that were made for and against the use of the Article 4 Direction by each of the groups are summarised in the table below

For	Against
<b>Timeliness</b> <ul style="list-style-type: none"> <li>The use of the A4D maybe too late for those streets where concentrations of HMOs are already found but maybe not for others on the edges of this concentration.</li> <li>This question should not even be considered as Councillors have already made the decision to proceed.</li> </ul>	<b>Too late?</b> <ul style="list-style-type: none"> <li>The A4D will not deal with environmental degradation issues and accommodation quality concerns around existing HMOs. Some residents felt it was already too late to put the A4D in place as the balance had already been tipped.</li> </ul>
<b>Current issues</b> <ul style="list-style-type: none"> <li>Needed to address the imbalance in areas with a high percentage of HMOs</li> <li>Landlords dividing rooms to „cram them in“</li> <li>This would help to deal with many of the negative impacts outlined above.</li> </ul>	<b>Necessary?</b> <ul style="list-style-type: none"> <li>Could help in future to curb growth in HMOs – but how much growth is likely given that HEIs are extending on campus bed spaces to deal with increased demand?</li> <li>Not sufficient evidence of „harm“ to consider the A4D</li> <li>Other interventions would be more appropriate.</li> <li>Encouraging purpose-built student accommodation would be more effective.</li> </ul>

<p><b>Process</b></p> <ul style="list-style-type: none"> <li>• Should the Council wait for the Localism Bill to be enacted? Is there any prospect for Neighbourhood Forums to decide whether they wish to impose an A4D?</li> <li>• A4D is inevitable, it is what it is.</li> </ul>	<p><b>Red tape</b></p> <ul style="list-style-type: none"> <li>• From a private landlords perspective this is just extra red tape and would not be supported.</li> <li>• Cannot assume that just because there is an A4D that planning permission would be refused – in most cases permission would still be granted if conditions are put in place to deal with the environmental issues.</li> <li>• A4D is an additional bureaucracy – impact on planning department resources and costs should be carefully considered</li> <li>• Loss of a family housing has not stood up at appeal before in B&amp;NES</li> </ul>
<p><b>Positive Impacts</b></p> <ul style="list-style-type: none"> <li>• The A4D would hopefully limit inflation in prices in certain areas of the City and encourage the housing back onto the open market rather than being geared toward investors.</li> </ul>	<p><b>Adverse impacts</b></p> <ul style="list-style-type: none"> <li>• The problems cannot only relate to student housing – the introduction of the A4D will impact on other kinds of HMOs serving other (non student) housing markets in the City.</li> <li>• Will it limit families' ability to sub divide the family home i.e. to take in lodgers or provide separate bedrooms for siblings etc?</li> <li>• Will it have adverse impacts on the City's ability to retain graduates?</li> <li>• Having an A4D might put off new HMO landlords and this could restrict housing supply. The City suffers from acute housing supply and affordability issues already</li> <li>• What would be the effects on property values? Could be a positive for buyers but not for existing property owners.</li> <li>• The University loses money on purpose built accommodation (and may need more of this)</li> </ul>

	<p><b>Freedom of Choice</b></p> <ul style="list-style-type: none"> <li>• Student life is not just about living on campus – many students want to live separately</li> <li>• People should be able to live where they want.</li> </ul>
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There was consensus, should an Article 4 Direction be considered an appropriate solution, that it should be implemented **city-wide rather than partially in order to avoid any issues with displacement effects**. Although a question was raised as to how this could be justified in relation to the „evidence of harm“ test, as many areas of the City do not have significant concentrations of HMOs at present and do not suffer from the environmental effects.

One group felt that an Article 4 Direction should be immediate (if a more detailed risk assessment found this to be acceptable); all other groups felt **a 12 month notice period to reduce risk of compensation** would be appropriate.

## 2.8.2 Other Planning Policy Options

There was a general consensus that **further planning policy and other accompanying interventions would be required** in order to ensure that an Article 4 Direction would be effective. Some key questions were raised in relation to possible planning policy options:

- What would be reasons for refusal – would existing policy HG12 be sufficiently robust?
- Could new policies with criteria be introduced?
- Conditions could be added – even if permission is granted e.g. must be licensed, other controls and measure – how enforceable are these conditions?
- 6 tests for conditions need to be considered – e.g. noise and litter - may not be relevant in planning terms?
- What would the resource implications be for B&NES of the introduction of such policies?

The option of a **threshold policy was broadly supported**, although questions were raised as to how the threshold should be set and what evidence would be required to justify it. One group suggested that dispersal of HMOs across a wider area of the city (which this approach would encourage) may have other knock-on effects on public transport, for example. Questions were also raised about the monitoring of data to implement this policy. There would be a resource implications for the council and a dataset would need to be agreed (one suggestion was to use electoral role data to identify households with 3 or more adults with

different surnames<sup>3</sup>). One group suggested complementing this threshold approach with **neighbourhood zoning**. This would mean applying the threshold to a neighbourhood (wider than ward) area. However, it was noted that this would not address current problems.

Other options that were considered included a **viability test**. Under this approach the applicant would have to provide evidence that the continued use of a family home is unviable<sup>4</sup>.

Most of the groups who considered the option to have **planning policies in support of purpose-built student accommodation**, felt that this should be **supported**. It was noted that this type of accommodation may have negative impacts for neighbours, but that it would be easier for the universities to control the behaviour of their students. It was suggested that this option would be more expensive for students, and may not always be popular. It was also noted that there were limited available sites for this type of development.

The group that considered **a policy linking growth in academic space to growth in bed spaces was broadly supportive of the idea**. However, its effectiveness was questioned, as a change in teaching methods is likely to mean less teaching space is required in the future.

### 2.8.3 Other Possible Interventions

#### Licensing & Accreditation

##### The Existing Situation:

- HMO licensing is mandatory for all HMOs with more than three storeys or more than five bedrooms. This is chargeable (£750 for a new license)
- Accreditation is voluntary and free. It was estimated at the workshop that approx 50% of student properties in the City are accredited.
- Licenses ensure the safety and upkeep of properties.

##### Possible Solutions:

- There was **broad support for the introduction of additional or selective licensing** (possibly selective licensing for the whole private rented sector). There was a feeling that in many parts of Bath there are smaller HMOs than will currently be included in the licensing scheme, so a change would deal with some of the existing issues in a way that an Article 4 Direction would not.

<sup>3</sup> Post Workshop Note. This approach may be misleading, verifications would be needed and reviews required annually. Many students do not register to vote at their term time address and international students would also not register.

<sup>4</sup> Post Workshop Note. This would work in much the same way as applications for change of use from an office to retail outside a local centre would have to provide evidence that the continued use as an office was unviable. The onus would be on the applicant to demonstrate that they had placed the property on the open market for a reasonable period.

- The **resource implications of increased licensing** were discussed. There was concern as to whether they would cover their own costs, and about the difficulties of identifying properties.
- Comments were made that the **costs of licenses** are likely to be **passed to the consumer**, possibly **making the Private Rented Sector less affordable** (but this pricing mechanism **may also lead to a reduction in the total number of HMOs**).

### Student Community Partnership

- There was **support for the existing good work of the Student Community Partnership (SCP)**.
- Other ideas of campaigns that could be run by the SCP included a **campaign improving the positive image of students** and benefits they bring to communities; **increased student volunteering locally to where they live**; and **increased publicity of the Student Action Line**.

### Other Possible Solutions

- There was a suggestion by one group that **better/wider public transport** would give more choice to students on where they live.
- There was a suggestion by one group that an **Affordable Bath** campaign to help attract a wider range of people, including young professionals and recent graduates to the City.

## 3 Next Steps

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The final Arup report to the Council is expected later this month (November 2011). Following this the Council will need to consider the response to the recommendations of the report in early 2012. Should the Council decide to advertise an intention to implement the Article 4 Direction, public consultation will follow.

## Appendix A

### Full List of attendees

## Attendees

Name	Role	Organisation
Alex Bowater	Andrews Estate Agents	Bear Flat
Amy Young	Advice and Support Advisor	University of Bath Students' Union
Andrew Furse (Cllr)	Ward councillor for Kingsmead	Bath & North East Somerset Council
Ben McGibney	HMO Landlord	
Ben Stevens (Cllr )	Ward Councillor for Widcombe	Bath & North East Somerset Council
Beth Shire		Avon and Somerset Police
Brian Webber (Cllr)	Ward councillor for Abbey	Bath & North East Somerset Council
Will Long	Madison Oakley	
Caroline Puddicombe	Director of Estates	Bath Spa University
Chris Wilmot	Oldfield resident	
Christopher Cooke	HMO Landlord	
Colin Mounsey	Telecom and Accommodation Manager	Royal United Hospital
David Dixon (Cllr)	Ward councillor for Oldfield	Bath & North East Somerset Council
David Martin (Cllr)	Ward councillor for Bathwick	Bath & North East Somerset Council
David Trigwell	Divisional Director for Planning and Transport	Bath & North East Somerset Council
David Steadman	Developer	
Debbie Kearin	Private sector accommodation officer	Bath Spa University
Del Davies	Housing Officer	University of Bath
Duncan Kerr	Principal Economy Enterprise & Business Officer	Bath & North East Somerset Council
Douglas Nicol (Cllr)	Ward Councillor for Kingsmead	Bath & North East Somerset Council
Emma Delves-Broughton	Oldfield resident	
Ginny Dayrleple	Bath HMO Landlord	
Graham Sabourn	Housing	Bath & North East Somerset Council
Hannah Freeman	Research and Intelligence	Bath & North East Somerset Council
Ian Gilchrist (Cllr)	Ward Councillor for Widcombe	Bath & North East Somerset Council
Iestyn Lewis	Developer	

June Player (Cllr )	Ward Councillor for Westmoreland	Bath & North East Somerset Council
Lauren Curtis	Community Liaison Co-ordinator	Student Community Partnership
Leonie Cooke	Bath HMO Landlord	
Naomi Mackrill	Vice President Community & Diversity	University of Bath Students' Union
Nicholas Coombes (Cllr)	Ward councillor for Bathwick	Bath & North East Somerset Council
Peter Wood	Westmoreland resident	
Rab Smith	Transport	Bath & North East Somerset Council
Richard Bidgood	Students' Union President	Bath Spa University Students' Union
Richard Daone	Planning Policy Team Leader	Bath & North East Somerset Council
Richard Stott	Development Management Officer	Bath & North East Somerset Council
Rob Appleyard (cllr)	Housing Scrutiny	Bath & North East Somerset Council
Roland Ingleby-Mackenzie	Andrews Estate Agents	Bear Flat
Ros Foreman	Westmoreland resident	
Rosemary Elmsley		Widcombe Association
Jane Loveys	Accommodation Manager	University of Bath
Shaun McGall	former Ward Councillor for Oldfield	
Stacy Pritchard	Community Projects Officer	Bath & North East Somerset Council
Will Sandry (Cllr )	Ward Councillor for Oldfield	Bath & North East Somerset Council

## Apologies

Name	Role	Organisation
Elio Pezzotta	Apple Estate Agents	Oldfield Park
Ian Bell		Bath Chamber of Commerce
Harry Birch	Campaigns and Communications Officer	Bath Spa University Students' Union
Lisa Bartlett	Development Manager	Bath & North East Somerset Council
Rob Colbourne	Oldfield resident	
Simon de Beer	Policy & Environment Manager	Bath & North East Somerset Council
Steve Witcomb	Apple Estate Agents	Oldfield Park



## Facilitators

Name	Role	Organisation
Ann Cousins	Consultant	Arup
Wayne Dyer	Associate Director	Arup
Cleo Newcombe-Jones	Planning Policy Officer (B&NES Project Lead)	Bath & North East Somerset Council
Neil Best	Planning Policy Officer	Bath & North East Somerset Council
Kaoru Jacques	Planning Policy Officer	Bath & North East Somerset Council



## **Appendix B**

### **Full List of HMO Impacts**



## B1 Positive and Negative Impacts of HMOs

Negative Impacts	Positive Impacts
<b>Affordability</b> <ul style="list-style-type: none"> <li>• Reduce stock of accommodation for locals</li> <li>• Restrict stock for purchase</li> <li>• Young people unable to buy property</li> <li>• Negative for locals - house prices up</li> <li>• Increase in house prices/ Local house prices raised</li> </ul>	<b>Affordability</b> <ul style="list-style-type: none"> <li>• Upkeep of large houses expensive for families, more cost effective as HMOS</li> <li>• Increase in house prices</li> <li>• Affordability</li> <li>• Enables those who may not be able to afford housing to live here</li> <li>• Affordable housing</li> <li>• The only accommodation a lot of young people (inc. professionals) can afford in Bath</li> <li>• Affordable housing provision</li> <li>• Provides a choice and variety of accommodation</li> </ul>
<b>Parking</b> <ul style="list-style-type: none"> <li>• Car parking issues</li> <li>• Negative impact on parking if all have cars</li> <li>• Parking problems</li> <li>• High density living problems e.g. multiple cars</li> <li>• Excess parking demand</li> </ul>	<b>Transport</b> <ul style="list-style-type: none"> <li>• Improved transport links due to demand</li> <li>• Improved transport in popular areas</li> </ul>
<b>Public Realm/Environment</b> <ul style="list-style-type: none"> <li>• Can be badly kept and shabby / House may not be maintained</li> <li>• Street scene impact</li> <li>• Loss of character</li> <li>• Lack of pride in property</li> <li>• Area image</li> <li>• Large numbers of “to let” signs have a negative impact on the streets contributing to putting off families from moving to the area</li> <li>• landlords don’t keep houses to same standard as owner/residents</li> </ul>	<b>Spend in the Local Economy</b> <ul style="list-style-type: none"> <li>• Support small businesses</li> <li>• Local economy (retail)</li> <li>• Contribute to economy</li> <li>• Revenue</li> <li>• Provides work for builders, cleaners etc</li> <li>• Good for local businesses</li> <li>• Higher disposable income</li> <li>• Bring disposable income</li> <li>• Money coming into the area – shops etc</li> <li>• more people means more money spent in the local economy</li> <li>• Students spend money</li> <li>• Improved/increase business in local shops etc due to demand</li> <li>• Economic benefits x3</li> <li>• Students – high yield lets, influx of money to area, creates money</li> <li>• Income to city x2</li> </ul>

	<ul style="list-style-type: none"> <li>Income and revenue to the city</li> </ul>
<b>Community Cohesion and Stability</b> <ul style="list-style-type: none"> <li>Holiday ghost town</li> <li>Loss of community</li> <li>Lack of community</li> <li>Lack of long term ownership</li> <li>Bath is not seen as a place to settle</li> <li>Transient – ghost town in summer</li> <li>Lack of a sense of community – if people disappear during holidays etc</li> <li>Instability with comings and goings</li> <li>Erodes community spirit</li> <li>Transient – lack of stability in community</li> <li>Transient populations don't always respect the areas</li> <li>Loss of community mix</li> <li>No pride in the area</li> <li>Vacant in summer</li> <li>Effect on local schools</li> <li>Effort to welcome people on a yearly basis so it's easier not to bother – makes HMO residents unwelcome from the start</li> <li>Isolation particularly elderly people</li> <li>Ghettos</li> <li>Tighter smaller groupings and ghettos</li> <li>Lack of empathy with indigenous population</li> <li>Different lifestyles can result in noise/waste issues</li> <li>Transient community can make building long term relationships difficult</li> <li>Distrust can build up of a group from one or two bad experiences</li> </ul>	<b>Community Diversity</b> <ul style="list-style-type: none"> <li>Vibrancy</li> <li>Efficient use of housing stock/build accommodation</li> <li>Increases diversity</li> <li>Diverse community</li> <li>Vibrant communities</li> <li>Cultural diversity</li> <li>Mixed communities</li> <li>Added diversity</li> <li>Social interaction</li> <li>Diversity – greater mix of people</li> <li>Bring some variety to a neighbourhood</li> <li>Vibrant mixtures of ages and cultures</li> <li>Increases diversity</li> <li>Brings diversity into the community</li> <li>Provides cultural diversity</li> <li>Potential varied and diverse community</li> <li>Adds diversity to the area</li> <li>With localism will allow students to bring new ideas from their areas</li> </ul>
<b>Anti-Social Behaviour</b> <ul style="list-style-type: none"> <li>Potential ASB or conflict</li> <li>Thefts/burglary</li> <li>Crime rates – student properties are targeted by burglars</li> <li>Bad neighbours</li> <li>Stigmatise a locality</li> <li>Anti-social behaviour</li> <li>Night time economy – can encourage drink related problems</li> <li>Can intimidate residents</li> </ul>	<b>Safety and Security</b> <ul style="list-style-type: none"> <li>Provides security for migrant workers</li> <li>Safety</li> <li>Allows them to grow into adulthood</li> </ul>

<p><b>Housing Mix</b></p> <ul style="list-style-type: none"> <li>• Less houses available for families</li> <li>• Lost families so no interaction for children of all ages</li> <li>• Population getting bigger no more space to build</li> </ul>	<p><b>Housing Supply and Efficiency</b></p> <ul style="list-style-type: none"> <li>• Meet a housing need</li> <li>• Effective use of stock</li> <li>• Use of housing capacity</li> <li>• Stops vacant property</li> <li>• Availability (more accom)</li> <li>• Best use of housing capacity</li> <li>• Provides housing that's needed</li> <li>• Efficient use of rooms</li> <li>• Maximises density</li> <li>• Uses housing efficiently</li> <li>• Shortage of property, more accommodation</li> <li>• Capacity utilisation</li> <li>• Gives people a place to live</li> </ul>
<p><b>Council Resources</b></p> <ul style="list-style-type: none"> <li>• Strain on resources</li> <li>• Increase in council tax / Effect on Council tax</li> <li>• Compliance adhesion</li> <li>• Noise (Environmental Health)</li> <li>• Litter (Waste Services)</li> <li>• Stress for councillors</li> <li>• Use resources – e.g. more waste collection, vacant properties out of term time causes resentment</li> </ul>	<p><b>Skills in the Local Economy</b></p> <ul style="list-style-type: none"> <li>• Graduates keep the uni expertise in the local area</li> <li>• Having HMOs available encourages students to stay in the area post-graduation</li> <li>• Developing workforce – graduates stay in the area and support or create new businesses</li> <li>• Young workforce</li> <li>• Good range of skills base within the community</li> <li>• Revenue to city – diversity of labour supply</li> <li>• Provide employees for key services e.g. hospitals</li> <li>• People adding to the local economy</li> <li>• Diverse range of skills and abilities brought to the city and market place</li> <li>• Facilitate economic growth</li> </ul>
<p><b>Noise</b></p> <ul style="list-style-type: none"> <li>• Noise disturbance</li> <li>• Can be noisy and inconsiderate</li> <li>• More people in the house means more potential for complaints around noise</li> <li>• Noise (x2)</li> <li>• Students noisy</li> <li>• Don't respect neighbours</li> <li>• Bad language</li> <li>• Come back at 3am drunk and noisy</li> </ul>	
<p><b>Waste</b></p> <ul style="list-style-type: none"> <li>• Unclear responsibility especially who takes bins out</li> <li>• Complaints of noise and rubbish issues</li> <li>• Rubbish in street</li> <li>• Large amount of rubbish produced by households with high number of occupants</li> <li>• Don't put rubbish out</li> <li>• Inappropriate behaviour re waste etc.</li> </ul>	





## Appendix C

Workshop presentation slides

24<sup>th</sup> October 2011

# Planning Control for HMOs/Student HMOs in Bath

## Considering an Article 4 Direction

### Stakeholder Workshop



# Study Background

- Councillors' Motion to Full Council
- Planning Department scoped feasibility study
- Arup commissioned to carry out study
- Today...

# Aim of Study

- To explore the implementation of Planning Controls, in particular an Article 4 Direction to limit the expansion of Houses of Multiple Occupation (HMOs) in Bath

# Aims of Workshop

- to share and understand different perspectives on the impact of HMOs on Bath
- to share data on the need & impacts of HMOs
- to test potential interventions that might help to support balanced & sustainable communities.



# Planning Policy Background

- **HMOs** = 3 or more people not from the same family living together.
- **Use Class C3** = family home.
- **Use Class C4** = 3-6 people. No planning permission currently required
- **Sui generis** = 6+ people. Planning permission required.
- **Article 4 Direction** = could be applied to all or part of Bath, would mean planning permission would be required for change of use to C4





## Who lives in HMOs and why?

# Student Communities: Positive Impacts

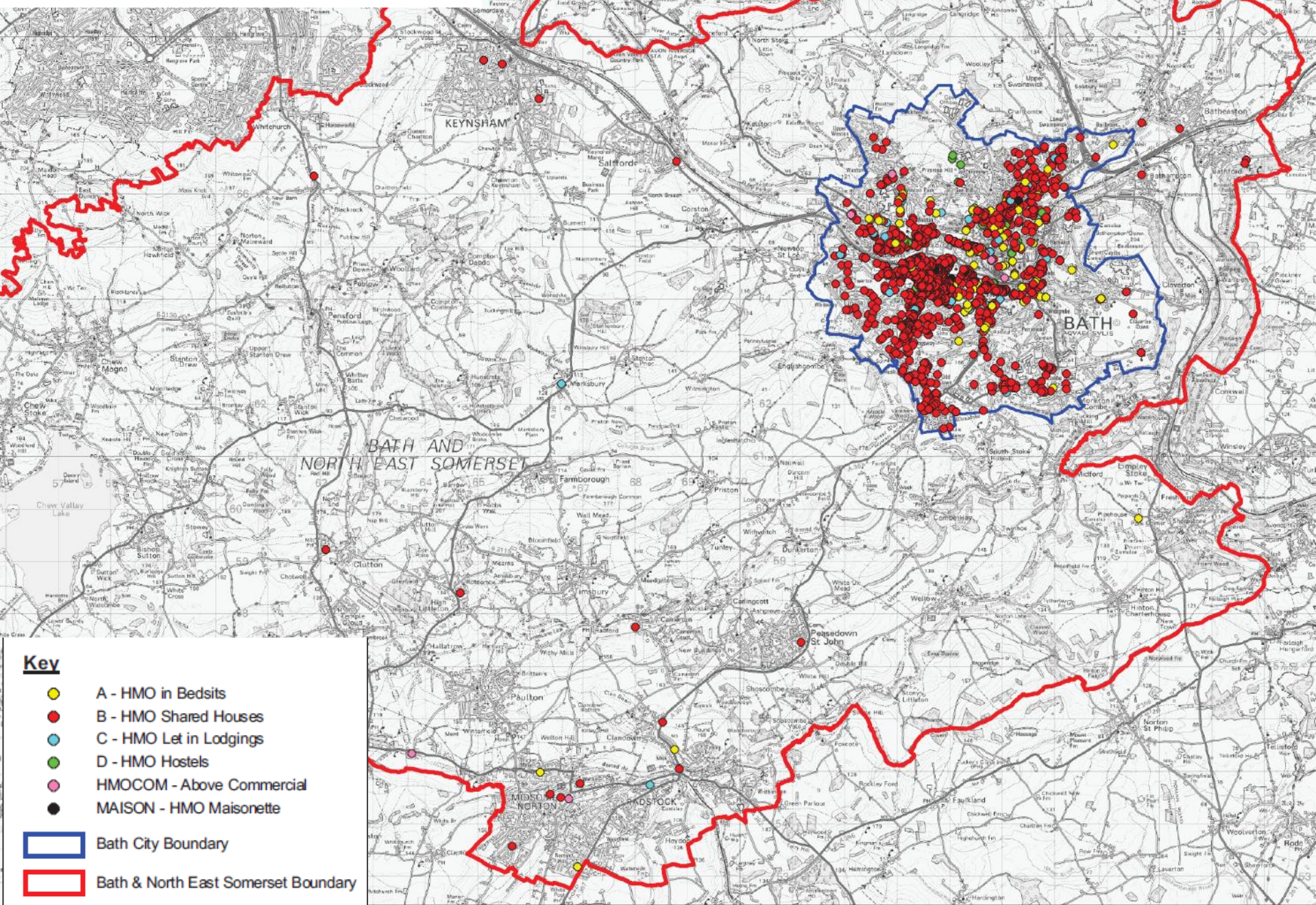
Social	Cultural	Physical	Economic
<p>Student volunteering</p> <p>Student housing needs prevent serious depopulation</p> <p>Increases the range of goods, services and attractions</p> <p>Transport links</p> <p>Nurseries and multi faith centres</p>	<p>Diverse range of cultural events</p> <p>Enhances reputation of Bath as vibrant, dynamic location and as an attractive destination</p> <p>Creates an international/ cosmopolitan feel/ outlook</p>	<p>Higher/rising property prices provide a level of incentive for upgrading properties</p> <p>Many older properties receive considerable investment by private landlords</p> <p>The existence of large numbers of young people help to make city centres attractive to social and retail spaces</p> <p>Changes in type of retail and entertainment services available</p>	<p>High demand for student housing and the stimulus to private rented sector leads to rising house prices</p> <p>Growth in buy-to-let market and private investment opportunities</p> <p>Flexible part-time labour force undertaking seasonal employment</p> <p>Student presence can help stimulate urban regeneration</p> <p>Student presence ensures the viability of some retail businesses</p> <p>Repairs, renovations and extensions = benefits the construction and service sector of the economy</p> <p>Availability of a graduate workforce</p>

# Communities of Students: Challenges

Social	Cultural	Physical	Economic
<p>Increase in low-level anti-social behaviour</p> <p>Concentration of vulnerable young people = increase in levels of crime</p> <p>Decreased demand for some local services leading to closure</p> <p>marginalised and isolated permanent residents</p> <p>Increased competition for private rented houses</p> <p>Establishments catering for night time entertainment</p> <p>Seasonal availability of some retail and service provision</p>	<p>Expansion of HMOs in family areas can lead to change in nature of communities</p> <p>Gradually self-reinforcing unpopularity of area for families</p> <p>Conversion of houses into student residences, often make difficult transformation back into family homes</p> <p>Transient occupation engenders a lack of community integration</p> <p>Turnover and short stay are disincentive and barrier to self-policing and aversion to crime</p> <p>Different perceptions of what is considered acceptable behaviour and communal obligations</p> <p>Lifestyle frictions</p>	<p>Reduction in quality of housing stock and neglect of external appearance to properties</p> <p>Turnover of properties and preponderance of property letting boards</p> <p>Increased pressures on services (policing, cleansing, highways, planning, public transport)</p> <p>Increased on-street parking pressures</p> <p>Increase of squalor (litter/refuse), as infrastructure is designed for lower density usage,</p> <p>Noise between dwellings at all times</p>	<p>High demand for student housing and the stimulus to private rented sector leads to a rise in house prices</p> <p>A rising concentration of students acts as a inducement to owner-occupiers to take advantage of a lucrative sale to private student landlords</p> <p>Changes in type of retail and entertainment services available</p> <p>Fluctuating demand for private rented housing</p> <p>Seasonal employment and provision of retail and leisure services</p>

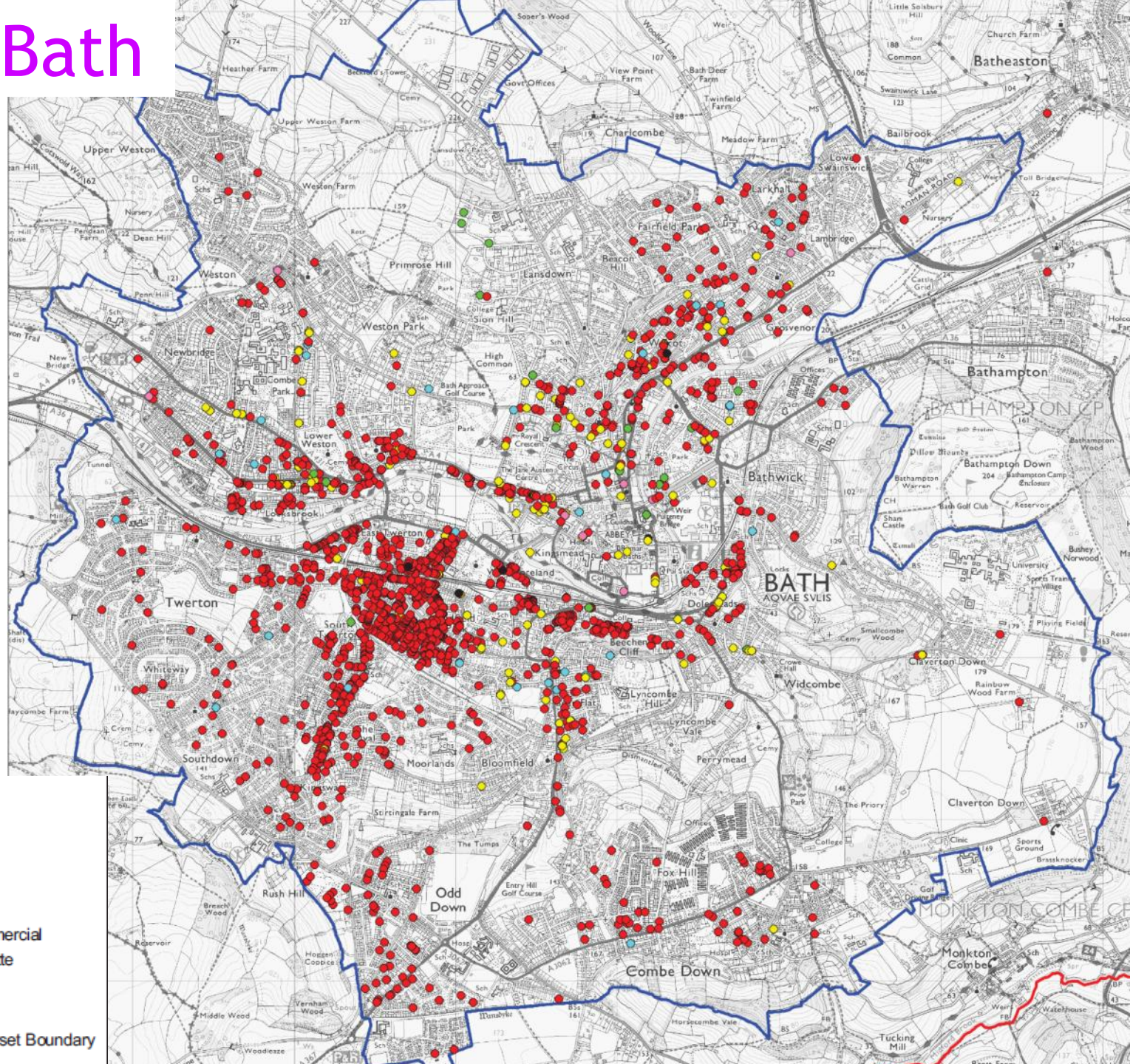


# HMOs in B&NES



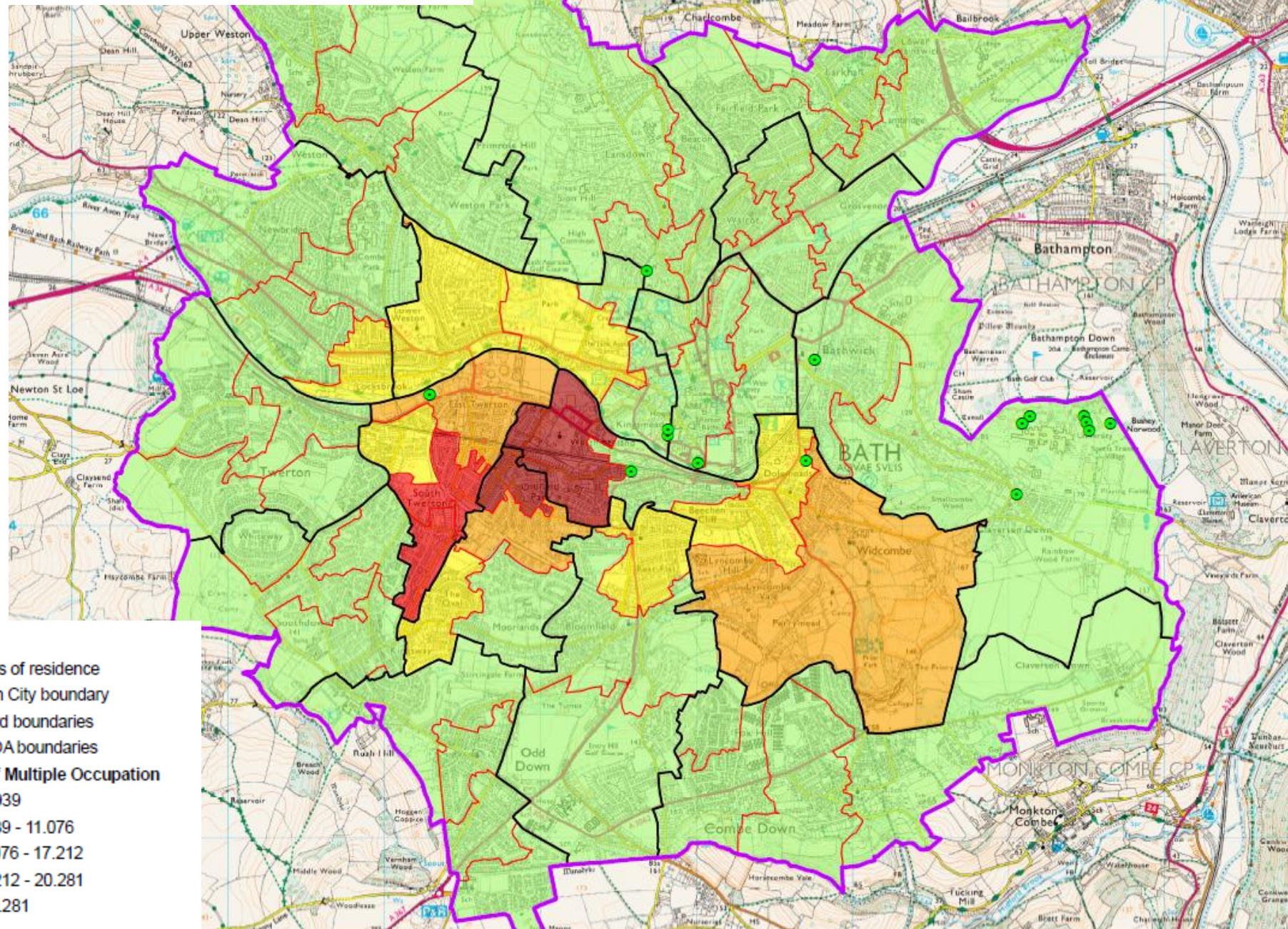


# HMOs in Bath



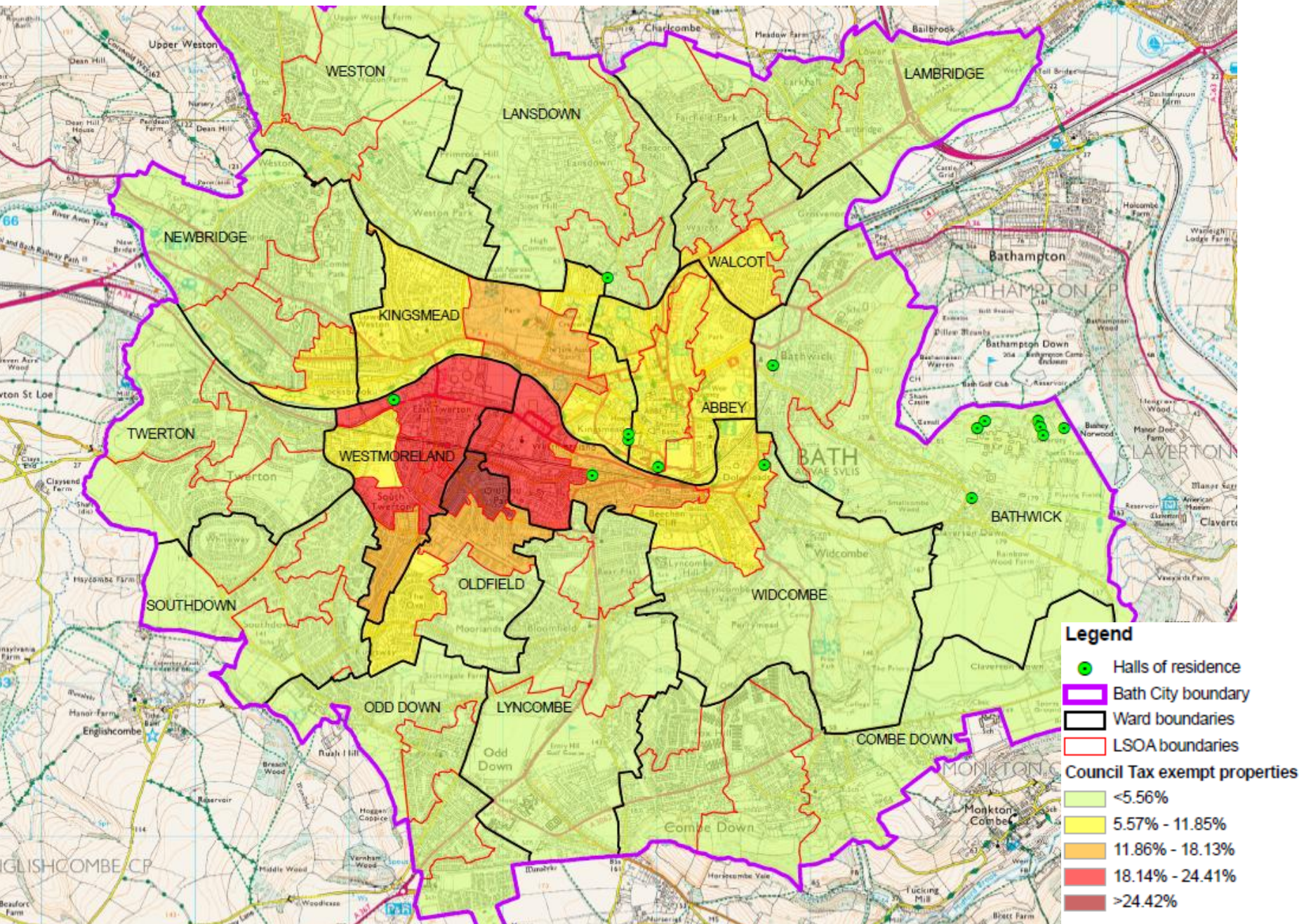


# HMOs in Bath (%)





# Student Properties in Bath (%)



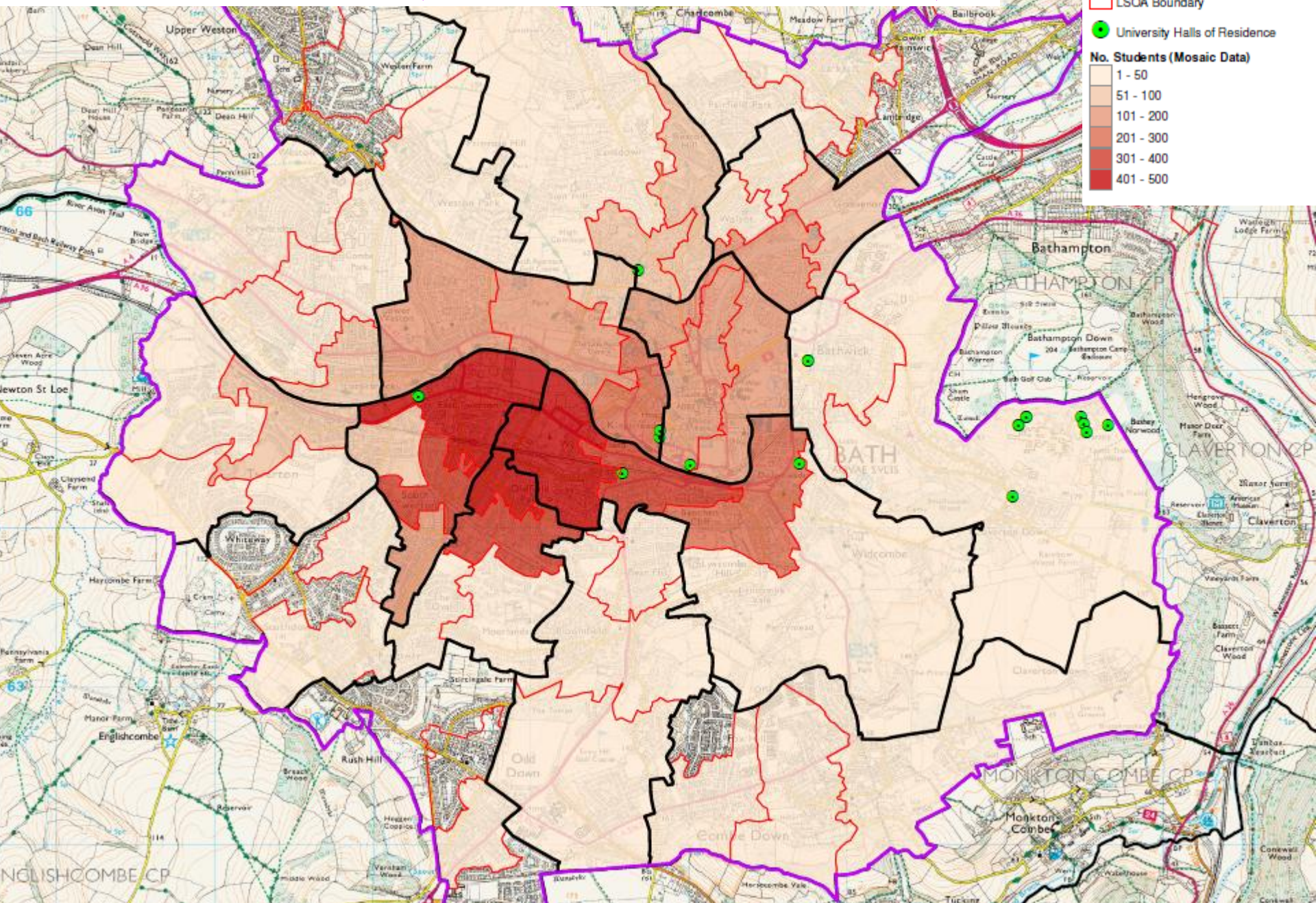


# % student properties in top student areas

Area	Number of student houses	Number of dwellings	% student properties
Oldfield Park North	151	515	29.3%
Westmoreland	130	590	22.0%
Westmoreland West	129	619	20.8%
Oldfield Park West	115	586	19.6%
South Twerton East	90	514	17.5%
Oldfield Park	95	628	15.1%
Widcombe St Marks	83	557	14.9%
Victoria Park	86	701	12.3%

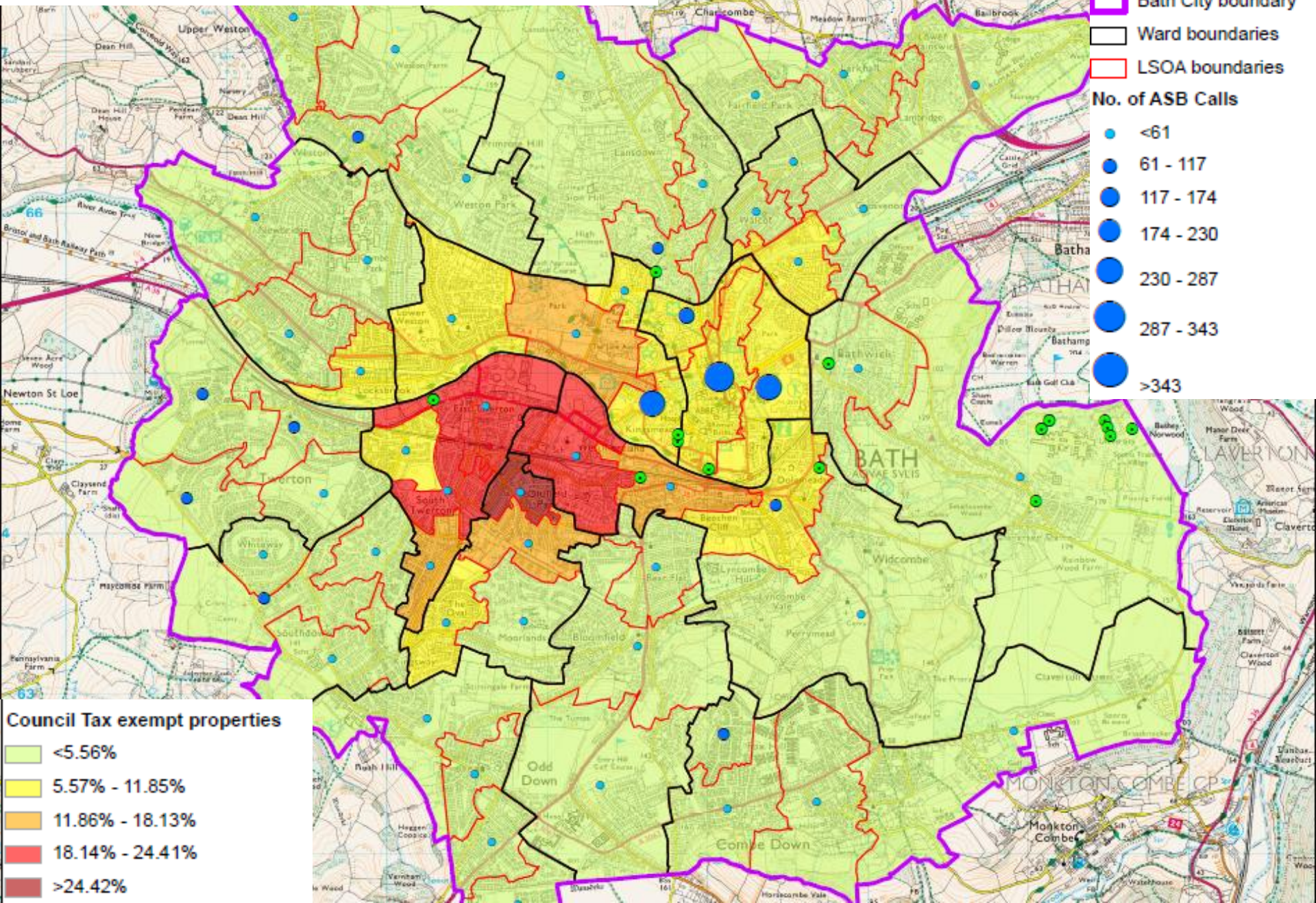


# MOSAIC data (Students and YPs)

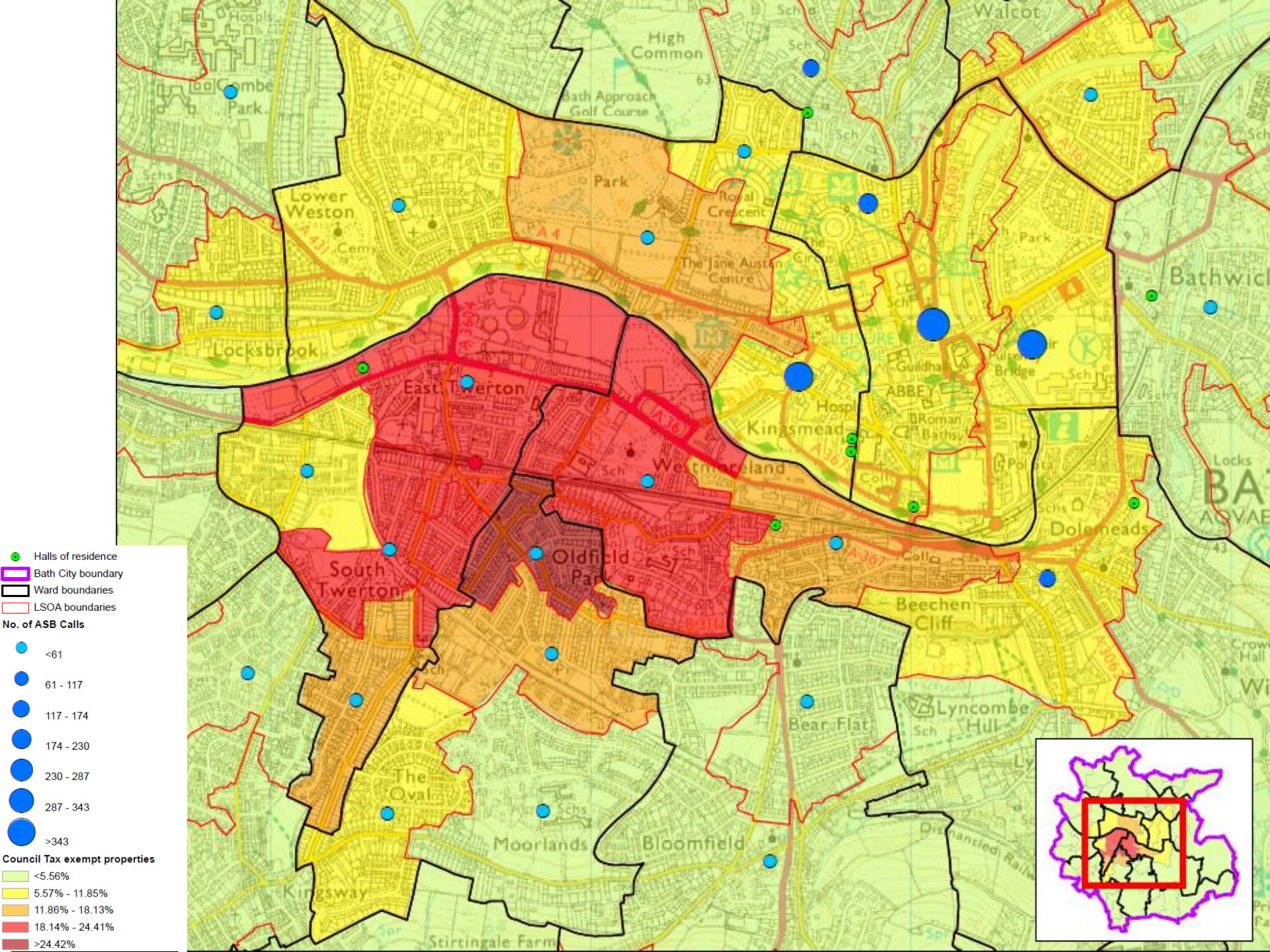




# Anti-Social Behaviour

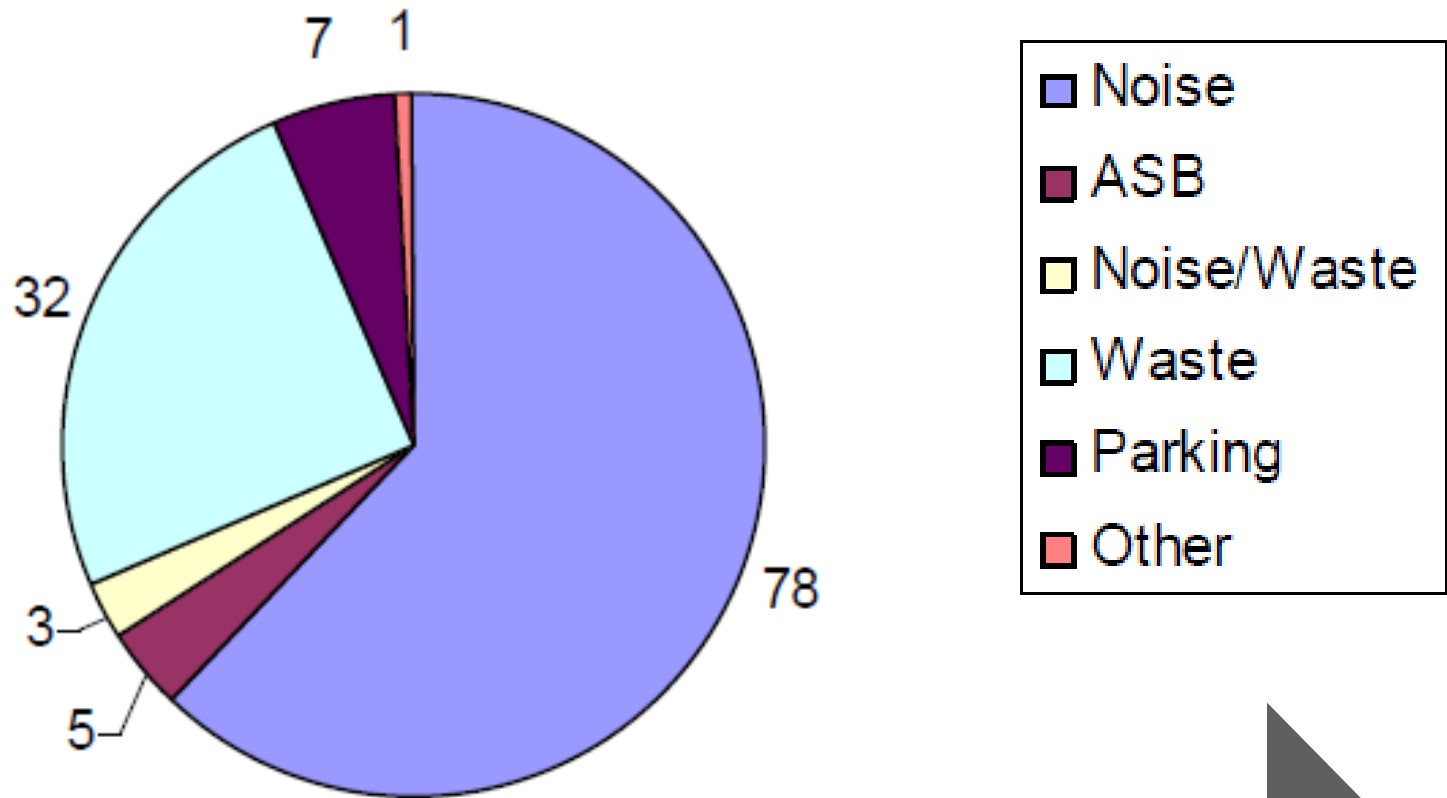




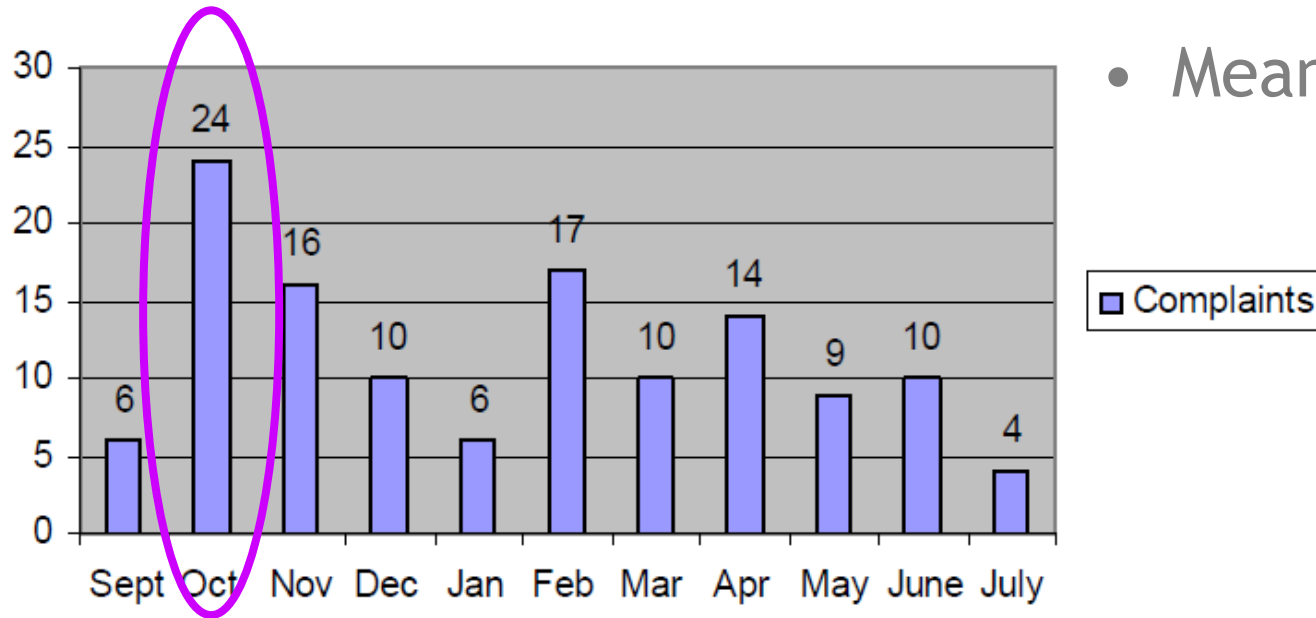




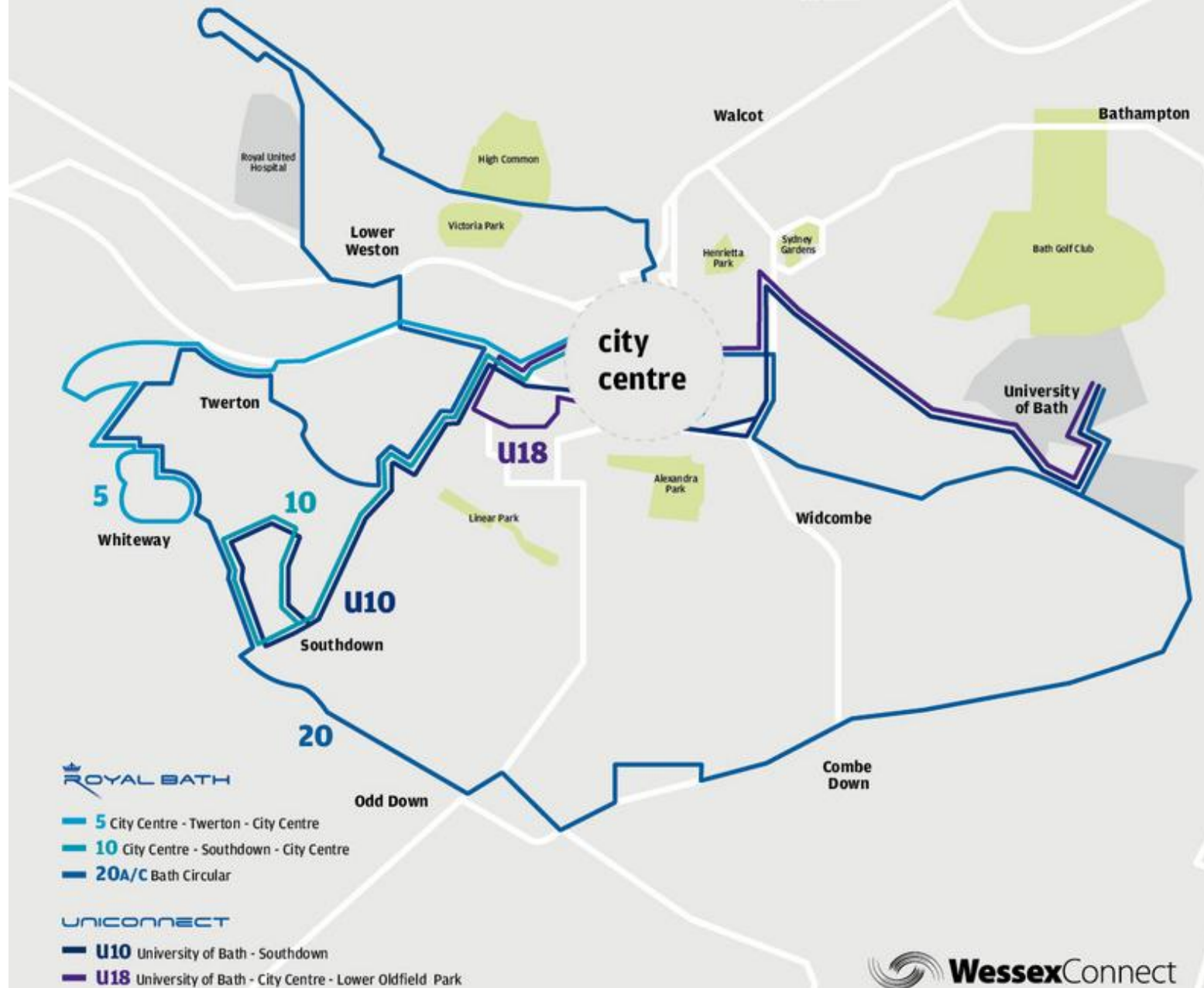
# Complaints to Student Action Line 2009/10



# Complaints to Student Action Line 2009 /10

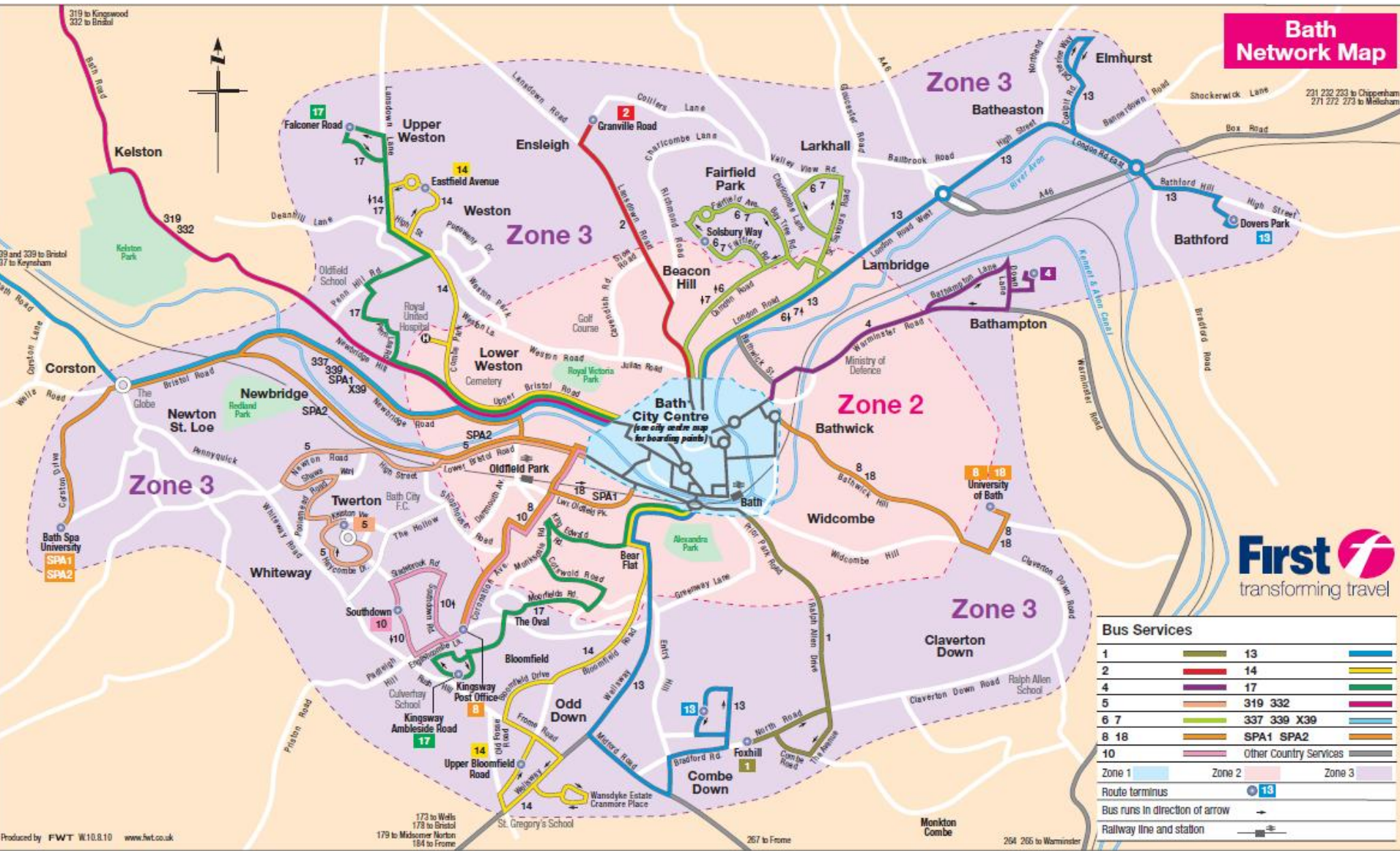


- Median = 10/month
- Mean = 11.4/month

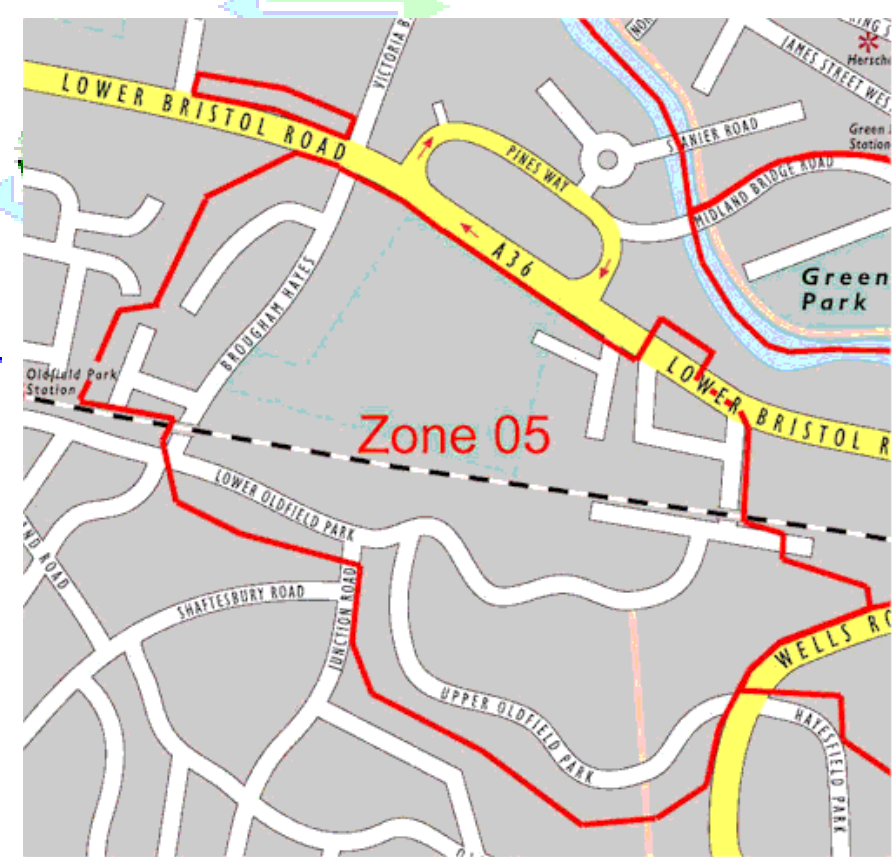
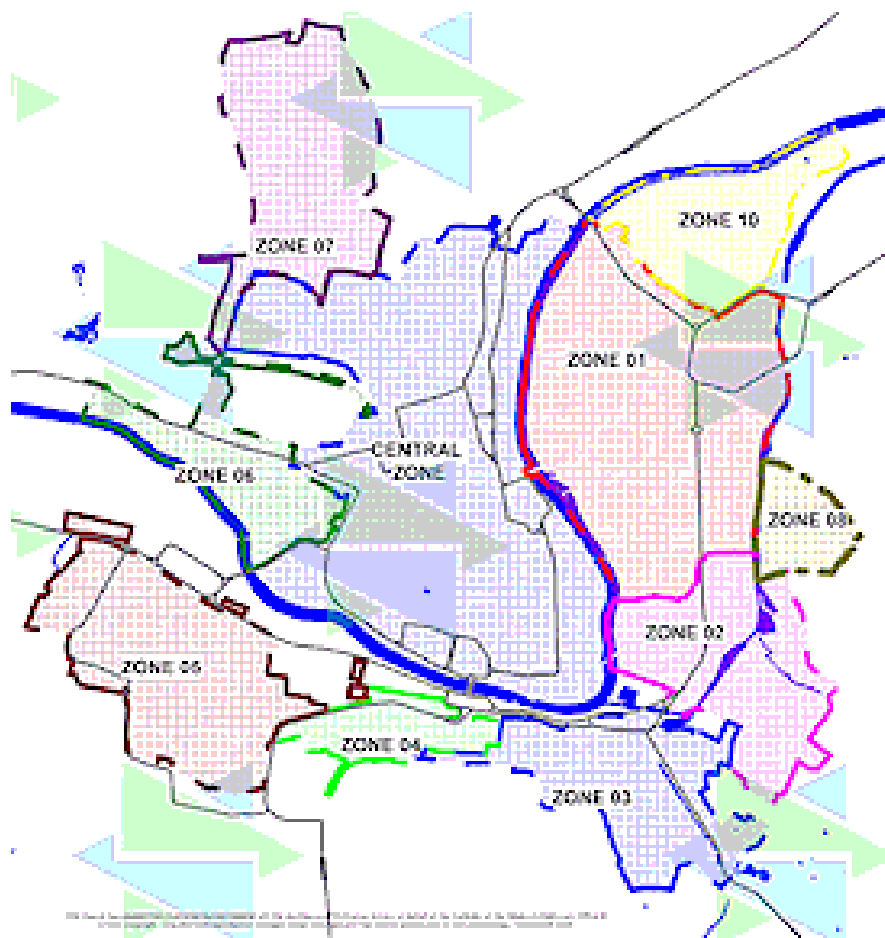




# Bath Network Map



Produced by FWT W10.8.10 www.fwt.co.uk



# Housing Costs in Bath

House	Cost	Deposit	Rent	Buy-to-let mortgage repayment	'Family' Mortgage
3-bed, 2 reception terrace	£245,000 <sup>1</sup>	20% (£49,000)	£1400 <sup>2</sup> as 4 bed HMO (60% of min. student loan)  £930 <sup>3</sup> as 3 bed house (53% of ave. take home pay)	£1,225 <sup>4</sup>	£1,035 (4%)  Total household income required approx. £50,000

B&NES = Highest mean rent in South West for 2 bed house (£764)

1 Bath and North East Somerset Council, *Viability Study*, June 2010

2 Estimated from local letting agents' adverts

3 Shelter Private Rent Watch, *Analysis of local rent levels and affordability*, October 2011

4 / 5 London and Country Mortgage calculator



# Future Trends & Uncertainties: Students

- UK Fee increase  
LV= Reports a predicted 35% drop in numbers in B&NES (5,852 fewer students by 2020?)
- Change in regulated student numbers
- Private universities?
- Student types - local, international, FT, PT
- University masterplans



# Future Trends and Uncertainties: HE and FE

- **University of Bath:**
  - 1-3% annual growth to 2020 (1%=130 students)
  - Possible campus expansion would include 1500 - 1800 bedspaces
- **Bath Spa University**
  - No planned growth in student numbers over next 10 years (2010)
  - Masterplan includes 500 new bedspaces - aiming for Sep 2014
- **City of Bath College**
  - Expanding international offer
  - The creation of a professional business school
  - Establishing the Bath English Language school
  - Expanding and further improving the HE portfolio

# Future Trends and Uncertainties: Other Groups



- Housing Benefit (70 people in B&NES)
- Graduate Retention
- Other changes to the economic profile of Bath?



# Examples from Elsewhere



Belfast



Leeds



Belfast



Leeds



Cardiff



Belfast



Bournemouth



Exeter

# Examples from Elsewhere

	Bath	Manchester	Canterbury	Exeter	Oxford	York
Estimated FT Student Population	16,845	51,565	24,000	16,175	31,620	17,350
Estimated Total Population	93,238	498,800	46,978	119,600	153,700	144,202
Area	29km <sup>2</sup>	117 km <sup>2</sup>	36 km <sup>2</sup>	47 km <sup>2</sup>	46 km <sup>2</sup>	78 km <sup>2</sup>
Students as % of Total Population	18%	15%	51%	14%	21%	12%
Students per km <sup>2</sup>	581	441	667	344	687	222

# Article 4 Direction

- Should be implemented in “*exceptional circumstances where evidence suggests that the exercise of permitted development rights would harm local amenity*”
- Planning permission would be required for conversion from C3 to C4
- Reasons for refusal would still be required
- Cost of applications falls to local authority
- Whole city vs partial?
- Immediate vs 12 month?





# Article 4 Direction Implementation

## Examples from elsewhere.

	Manchester	Canterbury	Exeter	Oxford	York
Date (to be) introduced	8 <sup>th</sup> October 2011	30 <sup>th</sup> November 2011	31 <sup>st</sup> December 2011	24 <sup>th</sup> February 2012	20 <sup>th</sup> April 2012
Whole city or partial?	Whole city	All of urban area	Partial (with some streets excluded)	Whole city	All of urban area
12 month notice?	Yes	Yes	Yes	Yes	Yes

# Other Planning Policy Options

- **Threshold:** A ceiling is set above which certain forms of development are not permitted (e.g. 20% of student properties). This might be on a street-by-street basis across the city, or on a neighbourhood basis.
- **Linking growth in academic space to growth in accommodation provision:** Not allowing planning permission for growth in University space that is likely to lead to a growth in student numbers, without an equivalent amount of purpose-built accommodation.
- **Purpose-built accommodation:** Defining areas for, or having policy in favour of, purpose-built student accommodation
- **Planning conditions on purpose-built:** to control the negative impacts of large concentrations of students

# Other Planning Policy Options:

## What's happening elsewhere?

Approach	Manchester	Canterbury	Exeter	Oxford	York
Threshold approach	✓ (Core Strategy)	✓ (SPD)	✓		
Linking growth in academic space to purpose-built accommodation		✓ (Local Plan)		✓ (Core Strategy)	✓ (Core Strategy)
Planning conditions on purpose-built	✓ (Core Strategy)			✓ (Core Strategy)	
Other policies				Promotion of family housing (Balance of Dwellings SPD)	



# Other Options (1): Licensing

- **A license:** specifies the maximum number of people who live in an HMO, and also requires:
  - A valid current gas safety certificate, which is renewed annually.
  - That all electrical appliances and furniture are kept in a safe condition.
  - That all smoke alarms are correctly positioned and installed.
  - A written statement of the terms on which each tenant occupies the property (e.g. a tenancy agreement).
- **Standard** (already in place): For properties with more than 5 occupiers and 3 storeys or over.
- **Additional:** licensing to cover other HMO types not covered by mandatory licensing. Can be area-specific, or LA-wide
- **Selective:** licensing for all private rented properties in an area.

# Other Options: Licensing

## What's happening elsewhere?

Approach	Manchester	Canterbury	Exeter	Oxford	York
Standard					✓
Additional		Under consideration	Under consideration	✓ (whole city - all HMOs by Jan 2012)	
Selective	✓				

# Other Options (2): Management (in place)

- **Student disciplinary / rules and regs:** Inclusion of actions in the community in HEI rules and regulations and enforcement of these
- **Student-Community Liaison:** Staff employed by HEI and/or LA to promote liaison between community and students
- **Activities to promote cohesion:** Activities organised by community groups, HEIs, SUs or LAs to encourage groups to come together
- **Residents' Parking:** Restrictions for on-street parking
- **Landlord accreditation scheme:** accreditation scheme to ensure quality of accommodation in the private rented sector
- **Student information provision:** Provision of information on responsibilities when living in community and on choice of areas to live
- **Community Helpline:** Phone line for queries and complaints



# Other Options: Management

## What's happening elsewhere?

Approach	Manchester	Canterbury	Exeter	Oxford	York
Student discipline / rules and regs	✓	✓ (University of Kent)	✓	✓ (Oxford Brookes)	✓ (York St John)
Student- Community Liaison	✓	✓	✓	✓	✓
Activities to promote cohesion	✓		✓ (University fund)	✓ (Local residents)	✓
Residents' Parking	✓	✓	✓	✓	✓ Special permits for HMOs
Landlord accreditation scheme	✓ (compulsory for student properties; star ratings)	✓			✓ for all HMOs
Student information provision	✓	✓	✓	✓	✓
Community Helpline	✓		✓	✓ (Oxford Brookes)	✓ (York SU)

# Other Options (3): Management

- **Student Charter:** An agreement on rights and responsibilities between student and HEI
- **‘Community Wardens’:** Students employed to act as ‘wardens’ in the local community
- **Public transport improvements:** Improvements to public transport from universities and other journey attractors to other parts of the city
- **Waste services?**
- **Public realm improvements?**

# Other Options: Management

## What's happening elsewhere?

Approach	Manchester	Canterbury	Exeter	Oxford	York
Student Charter				✓ (Oxford Brookes)	✓ (York St John)
Community Wardens	✓		✓		
Public Transport Improvements	✓	✓	✓	✓	✓
Waste Services					
Public Realm Improvements					



# Next Steps

- Report of Workshop - Nov 2011
- Final Arup Report - Dec 2011
- Council Decision Making - Jan 2011

# APPENDIX

# Manchester

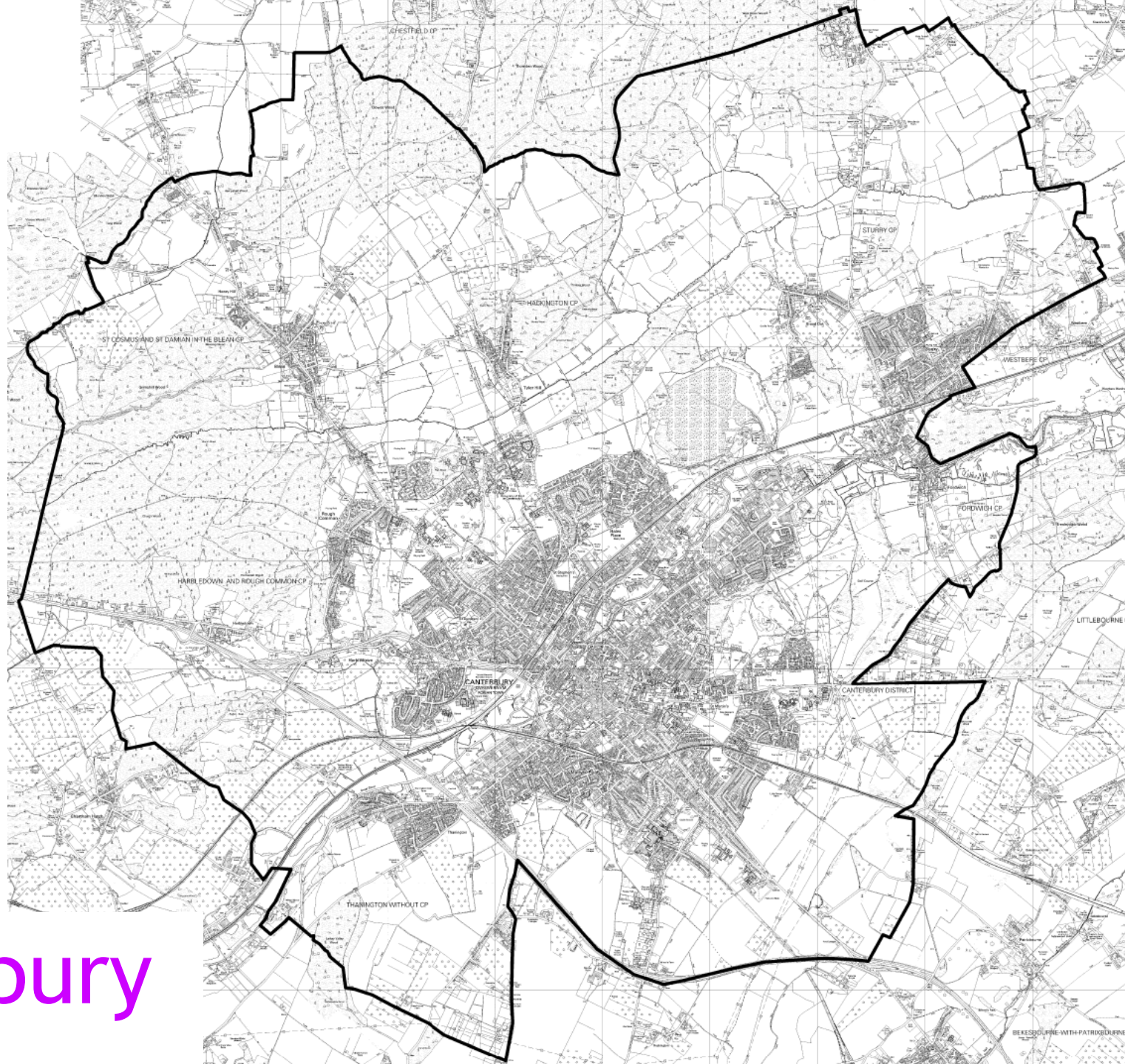


## Article 4 Direction

The area edged in red defines the extent of the attached Article 4 Direction

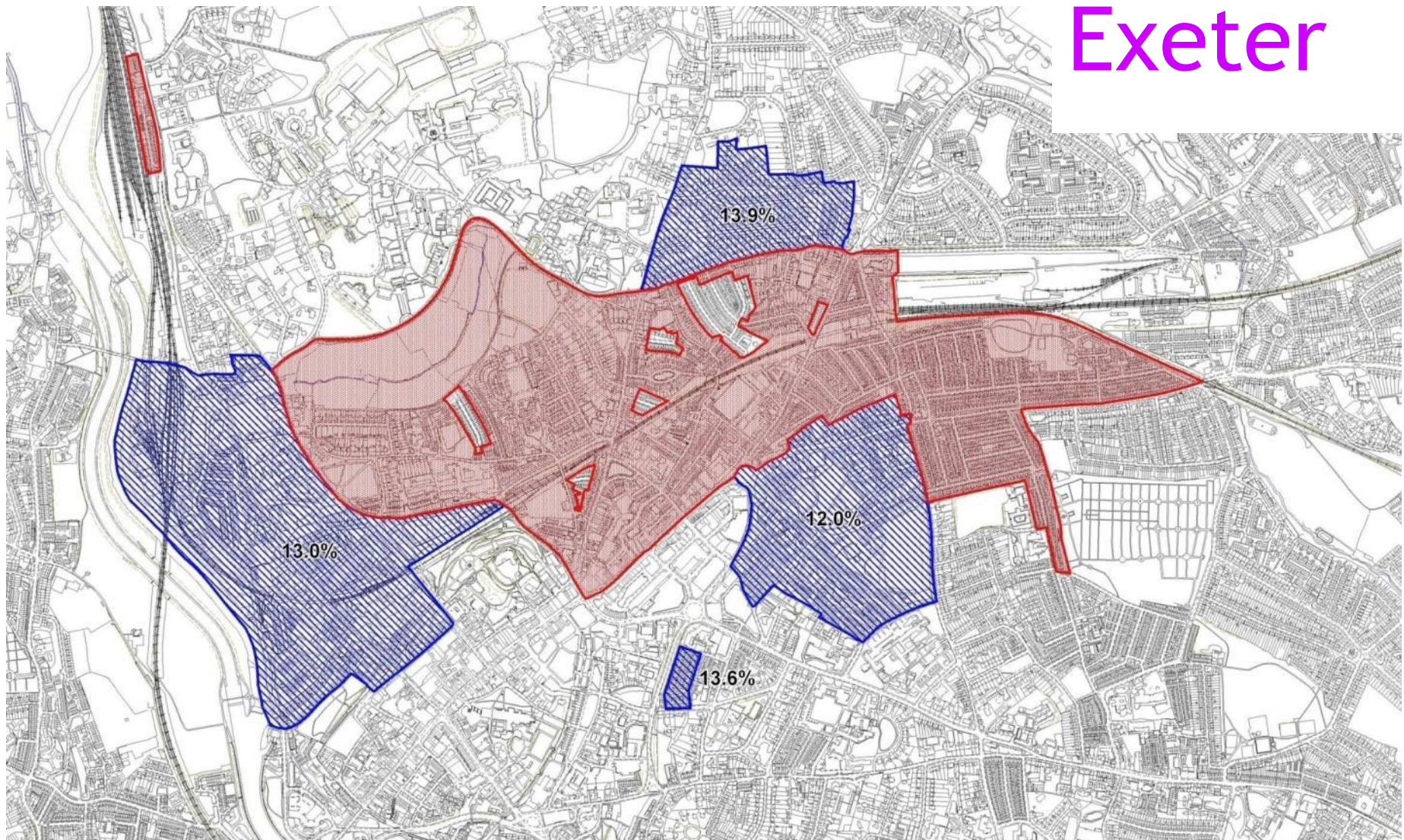


# Canterbury





# Exeter





Scale 1:10 000

© Crown copyright Exeter City Council 100025345

10/06/2011

**Planning policy restricting additional houses in multiple occupation (including Class C4 uses)**

 An area subject to immediate restriction

 An area subject to future restriction when Council tax exemptions reach 20% (Existing percentage shown)

Planning Services, Exeter City Council, Civic Centre, Paris Street, Exeter, EX1 1NN

  
Exeter City Council

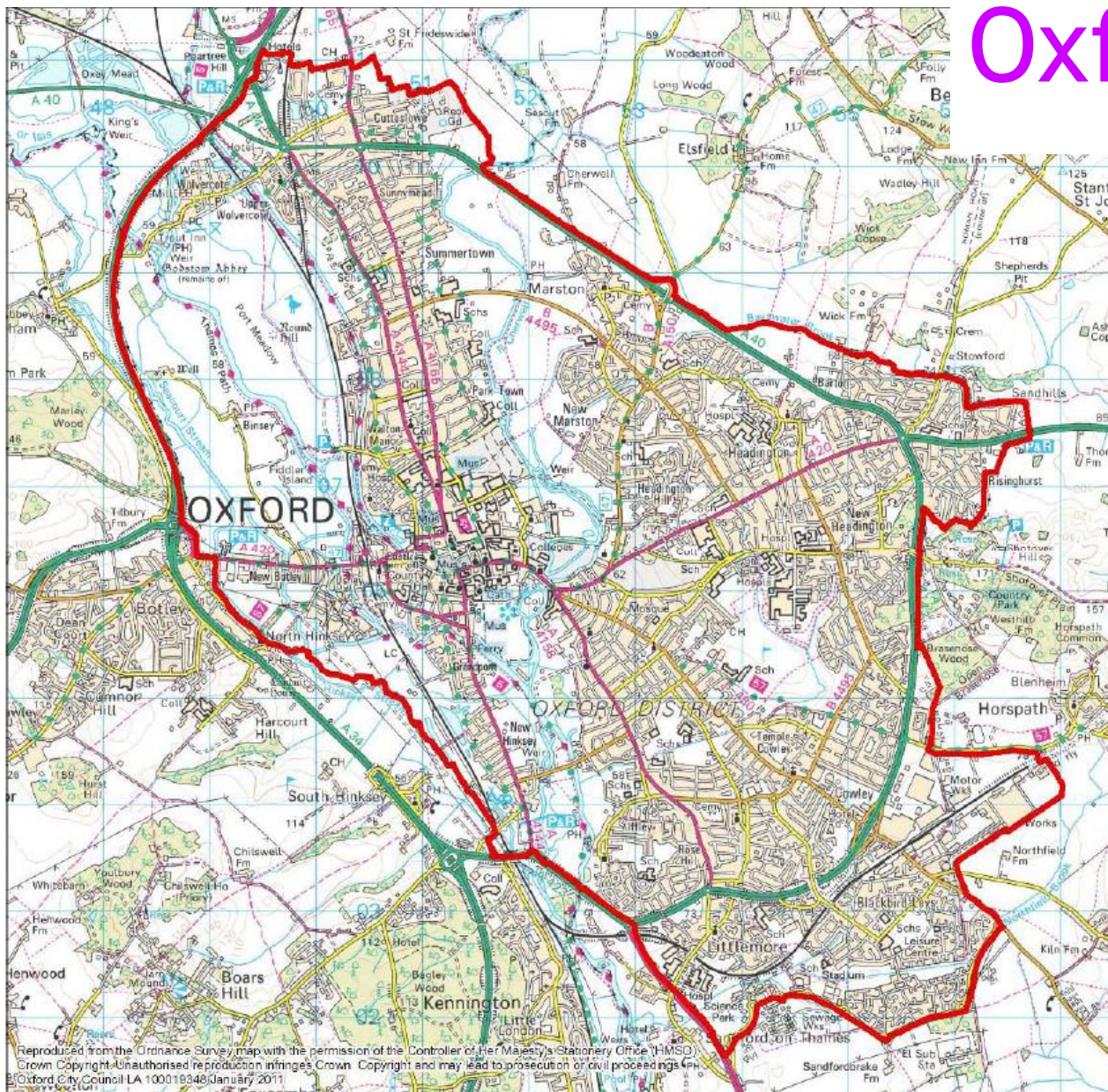
**Bath & North East  
Somerset Council**

**L D F**  
Bath and North East Somerset  
Local Development Framework

**ARUP**

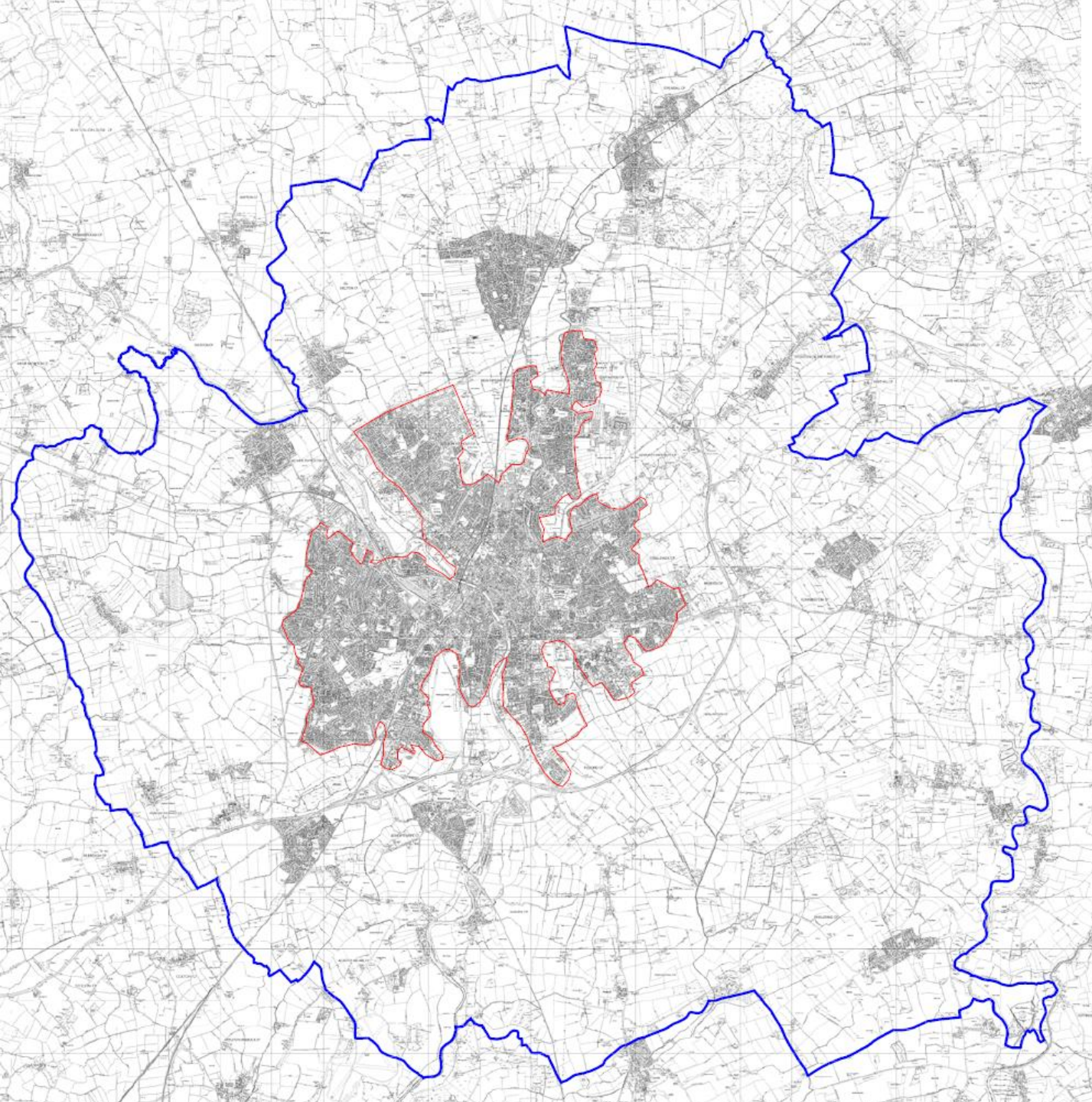


# Oxford





York



ARUP



# Noise Incident Calls

## Legend

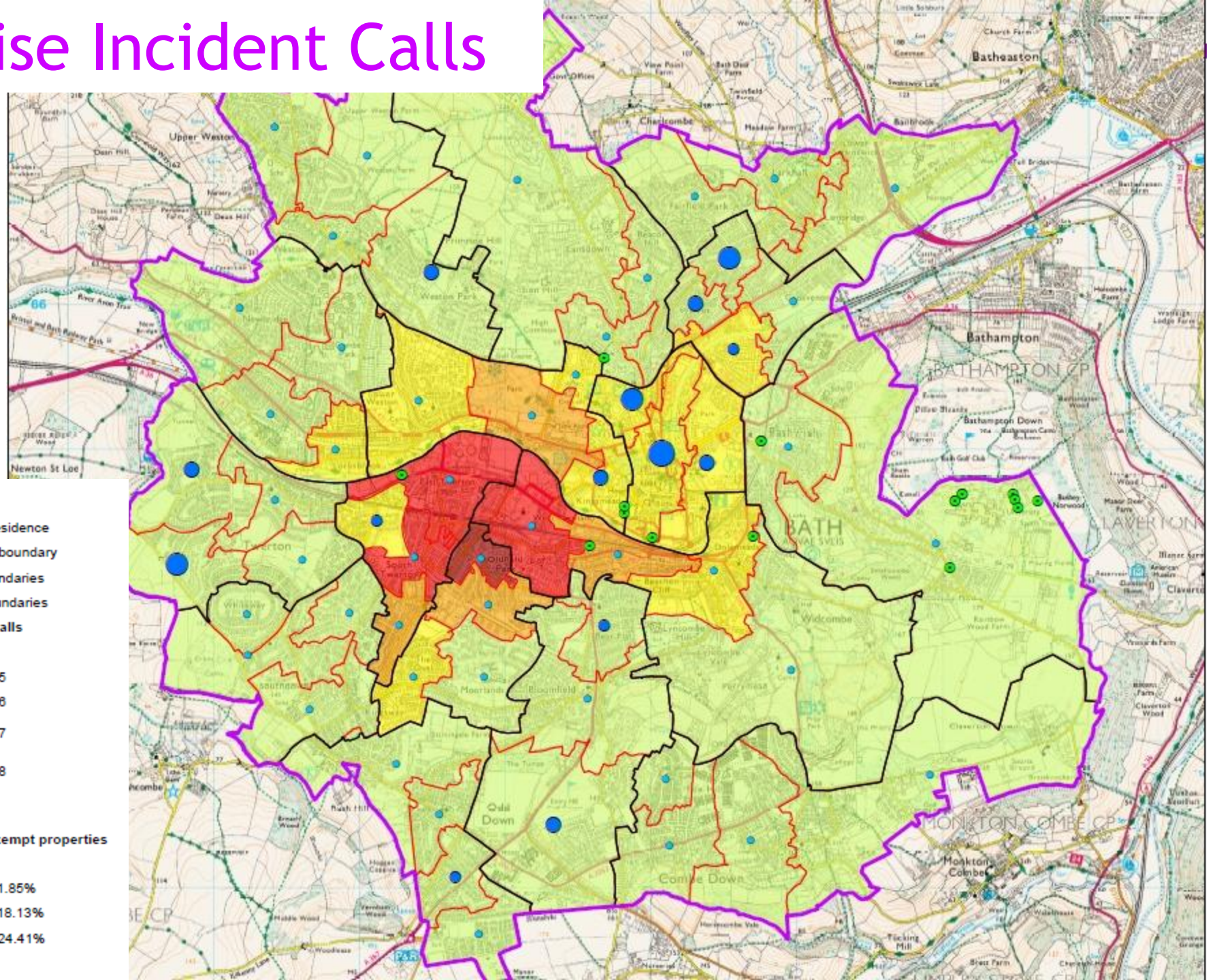
- Halls of residence
- Bath City boundary
- Ward boundaries
- LSOA boundaries

## No. of Noise Calls

- <2.15
- 2.15 - 3.65
- 3.65 - 5.16
- 5.16 - 6.67
- 6.67 - 8.18
- >8.18

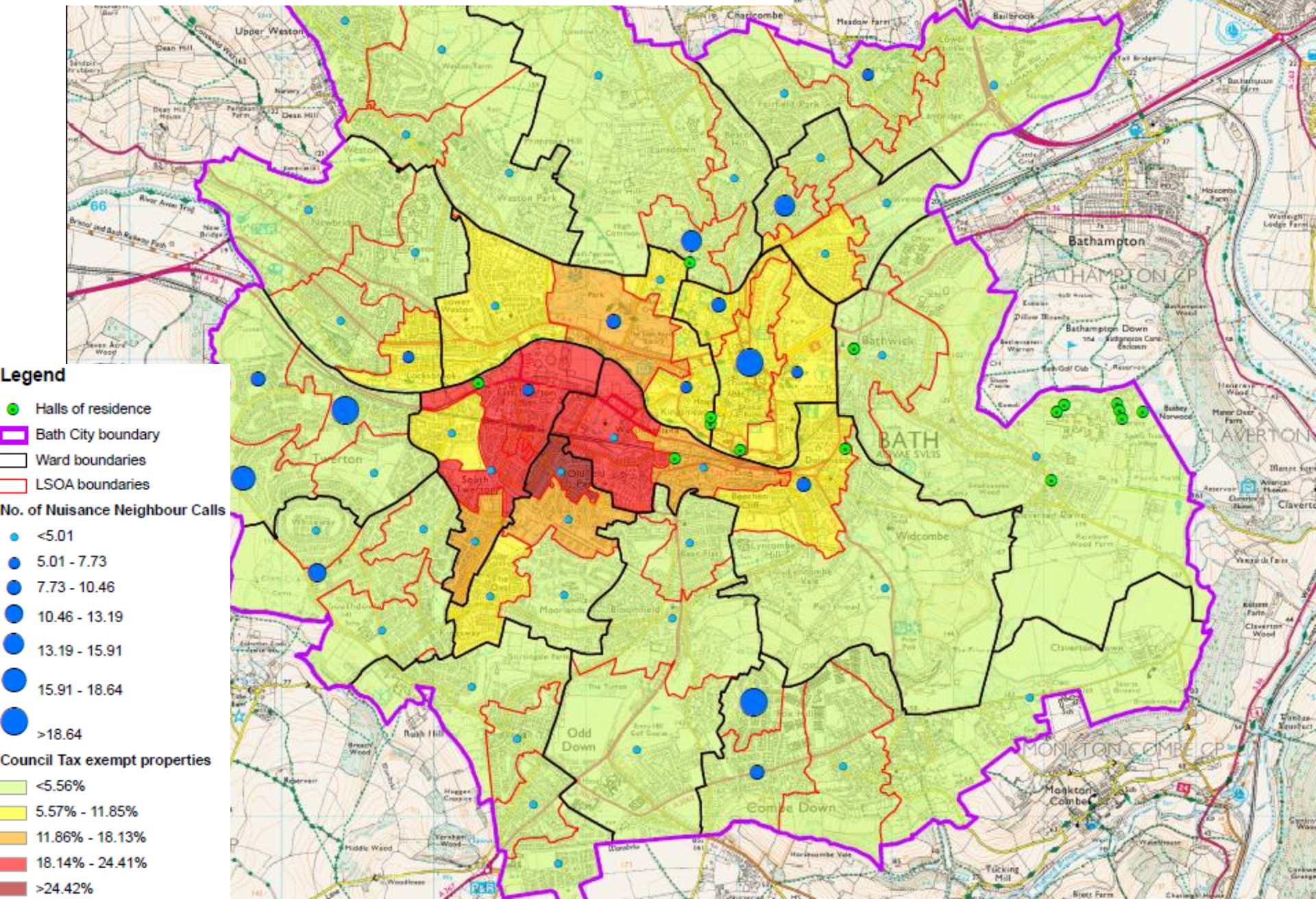
## Council Tax exempt properties

- <5.56%
- 5.57% - 11.85%
- 11.86% - 18.13%
- 18.14% - 24.41%
- >24.42%



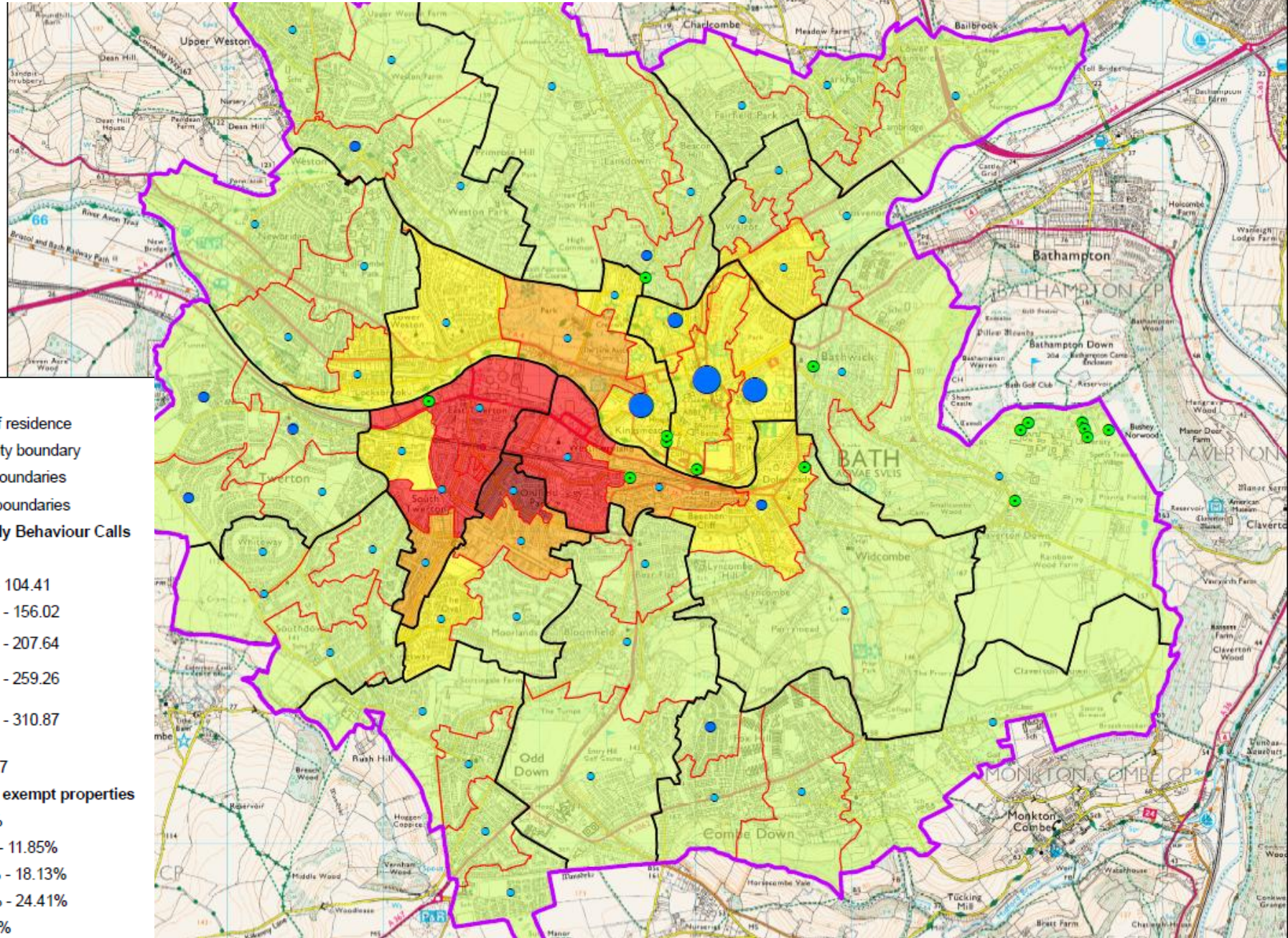


# Nuisance Neighbour Calls

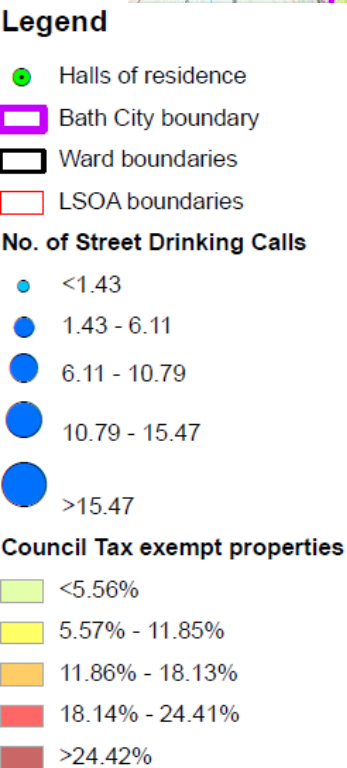




# Rowdy Behaviour Calls





[illegible]



## **Appendix B**

### **National Discussion on Studentification**



## B1 Studentification

Studentification can be defined as „the social and environmental changes caused by very large numbers of students living in particular areas of a town or city.“<sup>64</sup> Whilst the definition is neutral in tone, local residents often perceive the impacts of an increased student population as negative.

A 2006 report<sup>65</sup> by Universities UK, the principal representative body for the higher education sector, usefully defines the impacts of students on local environments as falling into four categories; social, economic, physical and cultural. Both the positive effects and challenges identified by the Universities UK research are set out in the tables below.

Table 12: Student populations: positive effects

Social	Cultural	Physical	Economic
<p>Student volunteering makes an important contribution to many aspects of social life</p> <p>Student housing needs prevent serious depopulation in many inner-city areas</p> <p>Increases the range of goods, services and attractions available to the town/city's population</p> <p>A critical mass of students can ensure transport links to the benefit of the whole community</p> <p>Student communities can also support nurseries and multi faith centres</p>	<p>Create a critical mass and demand for diverse range of cultural events</p> <p>Enhances reputation of city/town as vibrant, dynamic location and as an attractive destination for e.g., night-clubbing, evening economy, or tourism</p> <p>Creates an international/cosmopolitan feel/outlook</p>	<p>Higher/rising property prices provide a level of incentive for upgrading properties which might otherwise remain empty, languish in a neglected state or be generally unfit for habitation</p> <p>Many older properties receive considerable investment by private landlords which extends their life</p> <p>The existence of large numbers of young people help to make city centres attractive to social and retail spaces</p> <p>Changes in type of retail and entertainment services available – e.g. local shops becoming cafes, bookshops, live music venues</p>	<p>High demand for student housing and the stimulus to private rented sector leads to rising house prices</p> <p>Growth in buy-to-let market and private investment opportunities</p> <p>Students constitute a flexible part-time labour force undertaking seasonal employment</p> <p>Student presence can help stimulate urban regeneration</p> <p>Student presence ensures the viability of some retail businesses</p> <p>Repairs, renovations and extensions to student properties benefits the construction and service sector of the economy</p> <p>Availability of a graduate workforce</p>

<sup>64</sup> Macmillan English Dictionary (2003)

<sup>65</sup> Universities UK, 'Studentification': a guide to opportunities, challenges and practice, 2006, [http://www.universitiesuk.ac.uk/Publications/Documents/studentification\\_guide.pdf](http://www.universitiesuk.ac.uk/Publications/Documents/studentification_guide.pdf)

Table 13: Communities of students: challenges

Social	Cultural	Physical	Economic
<p>Increase in low-level anti-social behaviour</p> <p>Concentration of vulnerable young people with low awareness of security and highly attractive possessions leading to increased levels of crime. This can result in higher insurance premiums (i.e., house, contents, vehicle)</p> <p>Decreased demand for some local services leading to closure – particularly educational services</p> <p>Residents feel pressure to move to avoid becoming marginalised and isolated as permanent residents. This can lead to the demoralisation of established residents</p> <p>Increased competition for private rented houses</p> <p>Pressure for greater provision of establishments catering for night time entertainment and consequent detrimental impact on residential amenity</p> <p>Seasonal availability of some retail and service provision – development of a „resort economy“</p>	<p>Expansion of HMOs in traditional owner-occupied, family areas can lead to change in nature of communities</p> <p>Gradually self-reinforcing unpopularity of area for families wishing to bring up children</p> <p>Conversion of houses into student residences, often make difficult transformation back into family homes</p> <p>Transient occupation engenders a lack of community integration and cohesion and less commitment to maintain the quality of local environment</p> <p>Turnover and short stay are disincentive and barrier to self-policing and aversion to crime</p> <p>Different perceptions of what is considered acceptable behaviour and communal obligations by different social groups</p> <p>Lifestyle frictions – late night student culture disturbs children and working people</p>	<p>Reduction in quality of housing stock and neglect of external appearance to properties including gardens, due to lack of investment by absentee landlords</p> <p>Turnover of properties and preponderance of property letting boards – recurring annually – detract from streetscape</p> <p>Increased population density and increased pressures on services (policing, cleansing, highways, planning, public transport)</p> <p>Increased on-street parking pressures arising from shared households and seasonal traffic congestion (e.g. at graduations, end of term)</p> <p>Increase of squalor (litter/refuse), as infrastructure is designed for lower density usage, low awareness of refuse collection arrangements and different conceptions of what is tolerable</p> <p>Noise between dwellings at all times especially music and at night – parties and gatherings and late night street noise disturbance</p>	<p>High demand for student housing and the stimulus to private rented sector leads to a rise in house prices, deterring access to housing ladder for other sections of community</p> <p>A rising concentration of students in particular streets acts as a strong inducement to owner-occupiers of non-student properties to take advantage of a lucrative sale to private student landlords</p> <p>Changes in type of retail and entertainment services available – e.g. local shops becoming takeaways and cafes, and re-orientation of stock</p> <p>Fluctuating demand for private rented housing</p> <p>Seasonal employment (in shops, pubs) and provision of retail and leisure services</p>

A stakeholder workshop run as part of the evidence gathering for this study recognised the impacts of HMOs in Bath as being slightly different from the impacts of students recognised nationally.

## Appendix C

### Background to Article 4 Directions for HMOs



## C1 Pre Circular 5/10 Regulatory Position

Prior to the guidance set out in Circular 5/10 the regulatory framework did not define „multiple occupation“ nor „HMO“ but relied on the concepts of „single household“ and „family“ in order to assist with making distinctions between use classes. To this end, HMOs were unclassified by the Use Class Order and grouped as a *sui generis use* (of its own kind).

Pre Circular 5/10 the Use Classes Order defined a dwelling house as Class C3. This use class was subdivided into the following categories:

- a) C3 (a): Covers use by a single person or a family (a couple whether married or not, a person related to one another with members of the family of one of the couple to be treated as members of the family of the other), an employer and certain domestic employees (such as an au pair, nanny, nurse, governess, servant, chauffeur, gardener, secretary, personal assistant), a carer and the person receiving the care and a foster parent and foster child.
- b) C3(b): up to six people living together as a single household and receiving care e.g. supported housing schemes such as those for people with learning disabilities or mental health problems. On this basis, planning permission would be required to change the use of a dwelling house to an HMO (with over 6 bedrooms), provided a material change of use had occurred.

## C2 Amendment to the Town and Country Planning (Use Classes) Order 1987 & Circular 5/10

On the 27<sup>th</sup> January 2010, the Department for Communities and Local Government (CLG) published a document entitled *'Houses in multiple occupation and possible planning responses: consultation – summary of responses'*<sup>66</sup>. This document provided a summary of responses to the aforementioned consultation and outlined the Government's response. The chosen route the then Government decided to adopt was twofold:

1. Amend the Town and Country Planning (Use Classes) Order 1987 to provide a specific definition of a HMO. This definition should be in line with the definition provided by the Housing Act 2004 in order to provide clarity and align housing and planning legislation. As a result of this amendment, planning permission will be required where a material change of use has occurred, for properties changing use from Class C3 (dwelling house) to the new use class, C4 (HMO).
2. An additional C3(C) Class, which allows for up to 6 people living together as a single household (e.g. small religious community, or owner occupier plus lodger), and amend the Town and Country Planning (General Permitted Development) Order 1995 to permit the movement from the

<sup>66</sup> <http://www.communities.gov.uk/documents/planningandbuilding/pdf/housesmultipleresponses.pdf>

new C4 (HMO) class back to the C3 Class (dwelling house) without the need to obtain planning permission. CLG also stated that the new legislation would not be applied retrospectively.

## **C3      Announcements on HMOs since June 2010**

The Housing Minister, Grant Shapps, announced on the 18<sup>th</sup> June 2010 that greater flexibility should be given to LPAs to deal with HMO properties. Amendments to the regulations became effective as of 1<sup>st</sup> October 2010 as follows:

- Retention of the C4 HMO class but amending the Town and Country Planning (General Permitted Development) Order 1995 further to allow a use class change both from C3 to C4 and back again. This will reserve the decision made by the previous government requiring planning permission for conversion to an HMO.
- The ability for the local authority to introduce an Article 4 Direction to override the above provisions for areas of their district where they wish to control the concentration of HMOs. These proposals were subject to a judicial review challenge by three local authorities in October/November 2010. However, this challenge was not successful.

## **Appendix D**

Letter from Bath Chamber of  
Commerce



David Trigwell  
Divisional Director  
Planning & Transport Development  
By e-mail: [david\\_trigwell@bathnes.gov.uk](mailto:david_trigwell@bathnes.gov.uk)

cc Cleo Newcombe-Jones  
Planning Officer, Planning Policy:  
By e-mail: [Cleo\\_Newcombe-Jones@BATHNES.GOV.UK](mailto:Cleo_Newcombe-Jones@BATHNES.GOV.UK)

10.11.11

Dear David,

I am writing on behalf of members of the Initiative in B&NES and Bath Chamber of Commerce to express their anxiety about the proposal to require planning permission for Houses of Multiple Occupancy.

We perfectly understand the issues generated by a high density of HMOs such as noise disturbances and parking difficulties. However, this kind of accommodation plays an important role in the local economy and members are concerned that it should continue to do so.

The demography of Bath indicates a higher proportion of older people than is desirable for a sustainable economy. Consequently, we have been vigorous in our campaign, now widely supported, to encourage more graduates to stay to live and work in the area after they finish their studies at our two universities. We are similarly keen to see more young people of all kinds remain, to find employment, and make a contribution to local prosperity.

We know that one of the principal reasons young people move away is the cost of housing. Realistically, it is unlikely that many of them will, in the first instance, be able to afford to buy a home and even to rent a house or flat. Instead they will rely on a ready supply of accommodation in HMOs.

Our fear is that if it became necessary to seek planning permission, investors may veer away from Bath to other places where the process was less onerous. The result would be a reduction in supply, an increase in price and an exodus of young talent – the very opposite of what we need for the long term success of our community.

We would encourage the Council to reject the proposal to require planning permission for HMOs and instead to look at other methods of ensuring they are distributed around the City.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ian Bell', with a stylized flourish underneath.

Ian Bell  
Executive Director

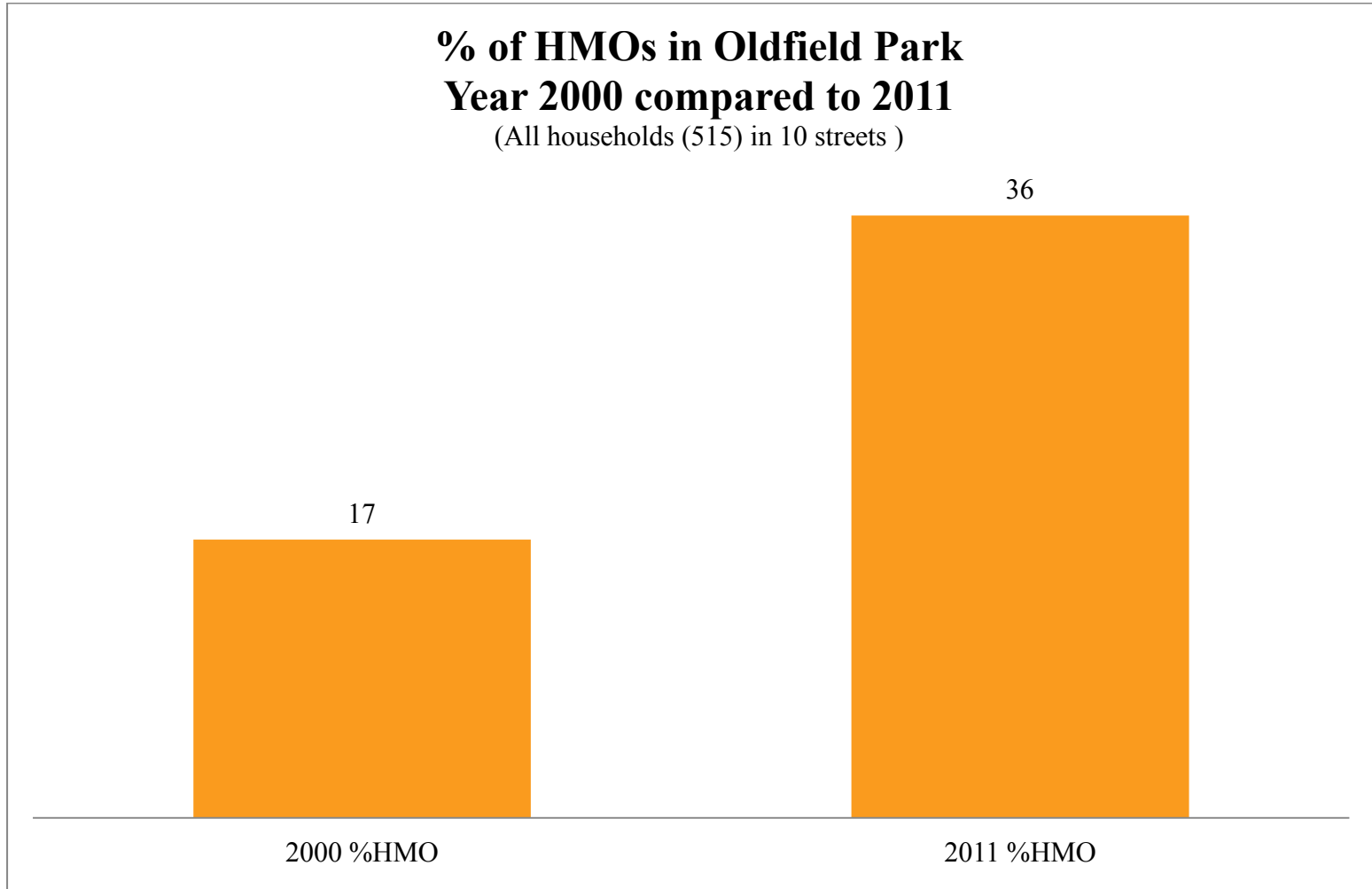
## **Appendix E**

### **Changes in HMO numbers between 2000 and 2011**

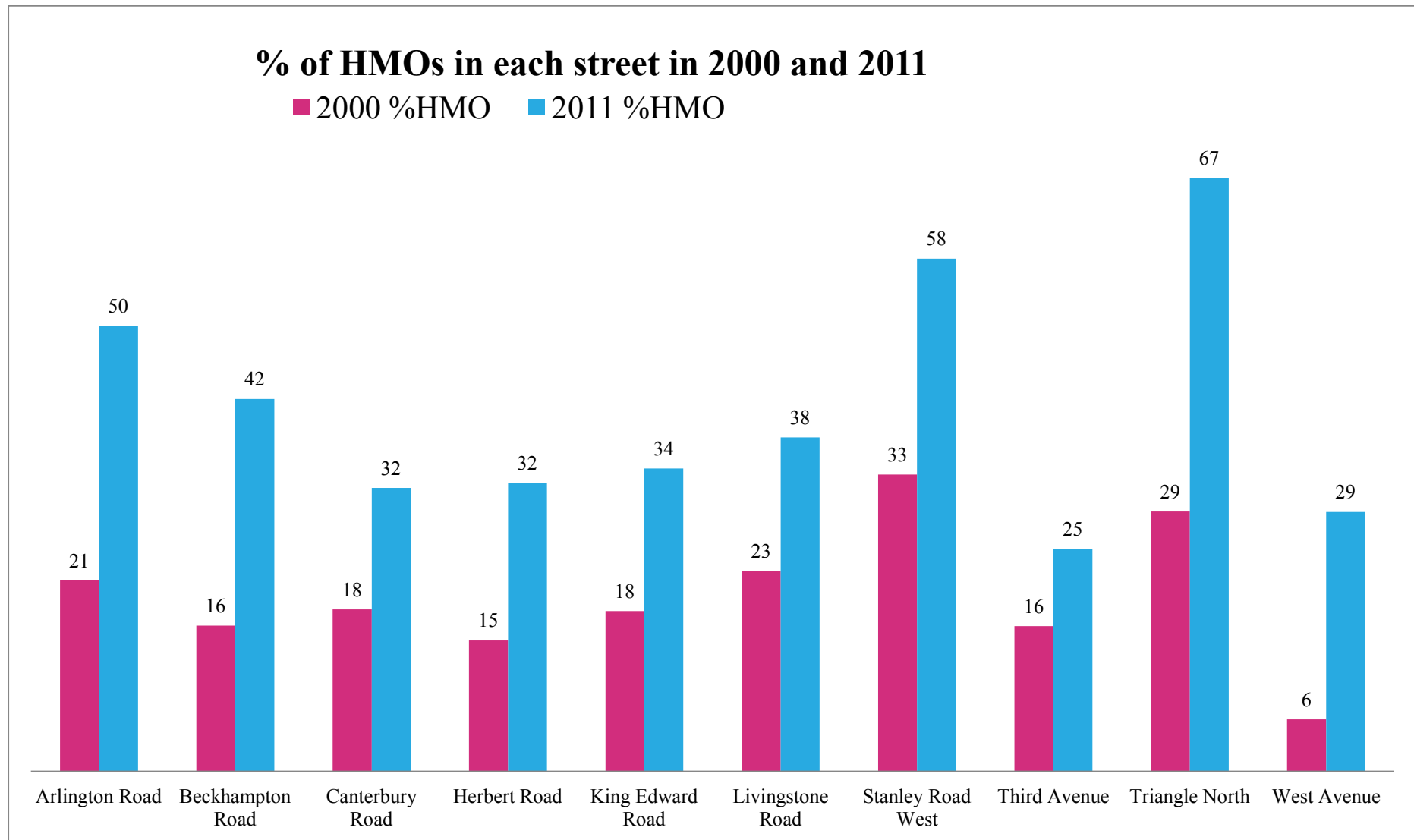


## E1 The HMO effect on the Community in Oldfield Park

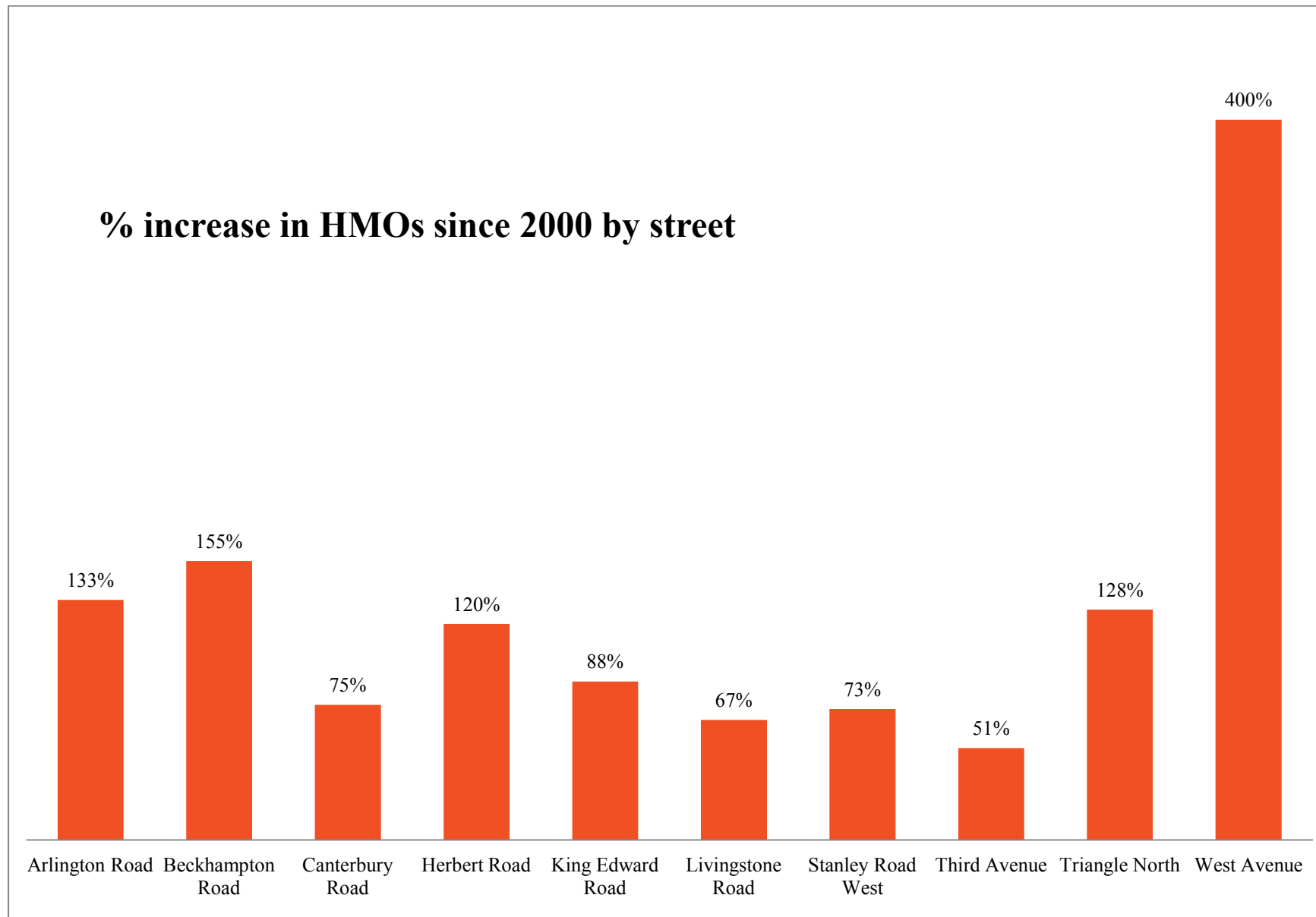
Mr Chris Wilmot and Cllr Will Sandry collected data from electoral registers from 2000 and 2011 has been collected from 10 random streets in Oldfield Park - a total of 515 homes. This shows that the numbers of HMOs have more than doubled.



The Graph below shows the percentage of HMO's in each street in the year 2000 compared to 2011.

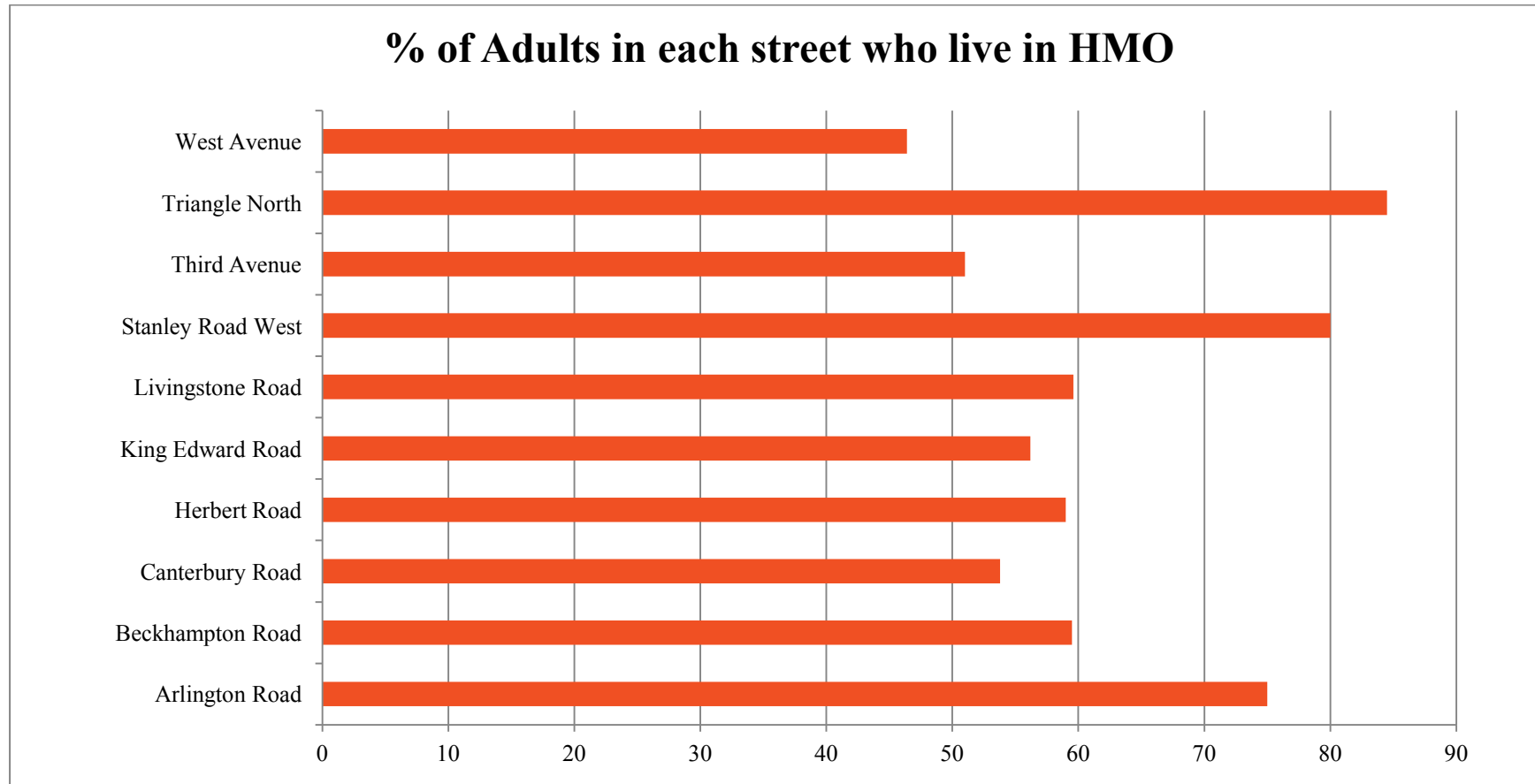


This graph shows the percentage increase of HMOs between 2000 and 2011 on a street by street basis





Finally, and perhaps most importantly in respect of a balanced community, the graph below represents the percentage of adults in any one street now living in an HMO



#### Notes on data source

- This data was collected by an Oldfield Park resident from the Electoral Registers of 2000 and 2011. Registers are available for inspection in the Bath Records Office.
- A property with three or more registered adults with different surnames was counted as an HMO<sup>1</sup>.

<sup>1</sup> It should be noted that this will not always be an accurate description.