

**Manchester City Council
Report for Resolution**

Report To: Communities & Neighbourhoods O&SC – 2 March 2010
Executive – 10 March 2010

Subject: Change to Planning Use Classes Order

Report of: Head of Planning

Summary

To report on the forthcoming change to the Planning Use Classes Order which will create a specific definition of a House in Multiple Occupation; and to set out proposals for an interim policy approach on this issue.

Recommendations

That the Executive:

1. Notes the contents of this report.
2. Approves the outline interim policy position in Paragraph 2.2 for development control purposes.

Wards Affected: All

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	The proposed interim policy approach will help to maintain neighbourhoods with a balanced population mix. Retaining economically active and highly skilled people within the City will contribute to the high performance of its economy.
Reaching full potential in education and employment	The proposed interim policy approach will help to maintain neighbourhoods with a balanced population mix thereby supporting facilities such as schools; and also services which provide employment.
Individual and collective self esteem – mutual respect	The proposed interim policy approach aims to assist residents in living together more harmoniously.

Neighbourhoods of Choice	The interim policy approach will contribute to maintaining a diverse housing stock in neighbourhoods across the City.
--------------------------	---

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

None

Financial Consequences – Capital

None

Contact Officers:

Name: Peter Babb
Position: Head of Planning
Telephone: 0161 234 4501
E-mail: p.babb@manchester.gov.uk

Background documents (available for public inspection):

Student Strategy Implementation Plan – Executive October 2009
Draft Town and Country Planning (Use Classes) (Amendment) (England) Order 2010

1.0 Introduction

- 1.1. Problems caused by high concentrations of Houses in Multiple Occupation (HMOs) have become an issue in a number of towns and cities across the country. High concentrations can have a detrimental effect on the local environment as well as impacts on social cohesion and services within an area. Manchester, along with other local authorities, has lobbied the government for greater planning powers to be able to tackle these problems.
- 1.2 Following consultation on this topic which the City Council has responded to, the Government is to introduce an amendment to planning legislation in relation to HMOs. From April 6th 2010 a specific definition of a HMO will be introduced in a new Use Class under the Town and Country Planning (Use Classes) Order. This will mean that a material change of use from a dwelling house (Class C3) to a HMO (C4) will require planning permission. The government has indicated that the new 'planning' definition of a HMO will be closely aligned to that used in the Housing Act 2004 – this equates to three or more (up to a maximum of six) unrelated people living together and sharing facilities for cooking and/or personal hygiene. (Currently legislation allows up to six unrelated persons to live together without the need for planning permission). Reference to "HMO" in this report means the 'new' planning definition of a HMO.
- 1.3 Households where care is provided will still be included in the C3 definition where not more than six residents are living together. Planning permission will not be needed for a Class C4 HMO to change back to a C3 dwelling house.
- 1.4 Members will be aware that during the consultation process for the Local Development Framework Core Strategy, and through other channels, significant numbers of residents and their representatives in parts of South Manchester have raised concerns that the letting of housing, traditionally for single families is distorting the housing market and population profile. The result is that the nature of particular areas is changing, or is at risk of change, in terms of the types of shops and facilities available, making these areas less sustainable. This applies especially to privately rented student houseshares in parts of Fallowfield, Old Moat and Withington wards. To date, the Council has not been able to control this sort of housing, as planning permission had not been required to let a property to a group of unrelated people. The change to the Use Classes Order set out above will enable the Council to refuse permission for HMOs where it considers permission would be inappropriate on the basis that it would cause demonstrable harm, and the purpose of this policy is to provide clarity over the circumstances where further HMOs would or would not be deemed to be appropriate. The change to legislation will not apply retrospectively therefore existing households which would be classed as HMOs under the new legislation will not be subject to any planning enforcement or control.
- 1.5 The Student Strategy Implementation Plan, reported to Executive in October 2009, included an action under Objective 4 to put in place a Local Development Framework Core Strategy policy to restrict further HMOs where

they would be inappropriate. As the amendment to the Use Classes Order comes in on the 6th April, the interim policy position set out below would therefore apply from this date and it is the intention that the approach will be developed further over the next few months.

2.0 Interim Policy Position

2.1 Objective

To control the spread of Houses in Multiple Occupation to ensure that neighbourhoods retain a balanced community in the interests of sustainability and to prevent residential disamenity.

2.2 INTERIM POLICY POSITION (from 6th April 2010)

The City Council will not permit conversion of a C3 dwelling houses to a C4 House in Multiple Occupation where this would have a negative impact on the sustainability of neighbourhoods and residential amenity in the surrounding area.

2.3 Examples of negative impacts would include causing an unacceptable increase in noise, disturbance or impact on the streetscene; causing a loss of housing which would traditionally have catered for families, which would contribute to unbalancing the population mix to such an extent that the character of the area would be threatened in terms of the types of services and facilities available.

2.4 This interim position will be developed further and brought back to Executive. Options for how this policy could work to control HMOs include using a threshold approach across the whole of the City; and using a mapped area of restraint where no further conversions are permitted, coupled with a threshold approach outside of this area.

3.0 Threshold Approach

3.1 A threshold approach towards controlling HMOs has been used in other Core Cities (though only for purpose built accommodation under the current legislation). Such an approach would need to state that within a specific distance from the application site a conversion to a Class C4 HMO would not be permitted where concentrations of specific types of housing exceeded a certain percentage. The threshold would be the percentage which the Council feels is a 'tipping point' related to how the nature of the area can start to become changed in terms of the facilities and services provided and where the concentration of HMOs begins to have an impact on residential amenity. The policy would prevent further loss of Class C3 dwelling houses, which generally provide accommodation for families, to Class C4 HMOs. A threshold approach would provide a consistent approach across all areas of the City and would avoid concentrations of HMOs developing in areas which are currently balanced.

3.2 The Council does not have a complete record of all HMOs in the City which would fall within the C4 definition. The categories of accommodation listed

below could be used to try and cover as many different types of 'houseshare' accommodation as possible, and are data sources which can be easily used to provide percentages of accommodation within these categories for a defined area. Use of this data will be investigated when the interim policy is prepared in more detail. There is a degree of inaccuracy associated with each of these data sources but they will be considered as a starting point for addressing this issue.

- Council Tax data. Properties exempt from paying council tax because they are entirely occupied by full time students can be identified however council tax does not give the number of occupants. Therefore there is the potential for this category to include a limited number of non-HMO households, for example situations where a student was living alone or with only one other person in a self contained flat would still be C3 dwelling houses, however the vast majority of student houseshares are likely to be HMOs.

It is also possible to identify households where there are at least two occupants and all but one are disregarded for council tax purposes, for example students living with a non-student. This data source is unlikely to be used in the policy as it is likely to incorporate a higher percentage of non-HMO households. There are no records of other HMOs, which are groups of unrelated adults sharing, and council tax data does not identify these.

- Properties recorded on the Housing Information Unit's database as registered HMOs. Registered HMOs are recorded by the Council and include licensed HMOs (HMOs which meet specific criteria) as well as others which the City Council has recorded for a specific reason, for example when it has focused on conditions in a particular area. A large number of HMOs in the City do not need to be licensed (for example because they are lower than three storeys) therefore this data source alone would not include enough types of HMO/shared housing to make a threshold policy meaningful.
- C4 HMOs. Where planning permission is given in the future for a change of use to a C4 HMO this will be recorded to help build up a clearer picture. Any household that would count as a HMO from the 6th April but existed in this format previously, without being defined as such, will not necessarily be known to the Council.

3.3 Where the City Council has other evidence that concentrations of HMOs are higher than the threshold percentage to be used in the policy, but the HMOs do not fall into these categories of accommodation, a conversion would not be permitted.

3.4 What needs to be considered fully is the approach towards blocks of self-contained flats (which are not HMOs), in terms of how they are counted if using a threshold approach. For example whether a purpose built block

should be counted as one non-HMO household so that concentrations of houses falling within the data sources above appear higher.

4.0 Threshold approach combined with a mapped Area of HMO Restraint

- 4.1 This approach would restrict any further HMOs within the boundary of a mapped area of restraint. A threshold approach, as described above, would be used outside the mapped area so that other parts of the City would be protected from over-concentrations of HMOs.
- 4.2 The boundary of the area of restraint could cover a geographical area which the Council considers is at risk in sustainability terms if there was any further loss of single family housing.
- 4.3 Using a map gives a clear message to landlords/residents/developers about where C4s will not be permitted, whilst using a threshold approach outside of this provides a consistent approach in all other areas. However such an approach would require regular monitoring to ensure that boundaries remain based on the most up to date information, (with the boundary needing to be drawn very carefully initially so that inappropriate areas are not included). The boundary is likely to need to be drawn at a more fine grain scale than Super Output Area boundary level.
- 4.4 Using a map alone is not believed to be appropriate as it would not enable control over an increase in the number of HMOs in an area which was currently balanced and there would be a risk that it would merely shift the problem to other areas e.g. those just outside the boundary of the restraint area.

5.0 Next Steps

- 5.1 The two potential policy approaches require further investigation and a report will be brought back to Executive setting out the interim policy position in more detail. Further work which will be done as part of this will include a more detailed examination of the data sources as well as testing the approaches using an example application for conversion from a C3 dwelling house to a C4 HMO. Following the report back to Executive, the intention would be to consult on the agreed interim policy to ensure that threshold levels are set at an appropriate level etc. If substantial amendments are necessary after the consultation period, the rewritten policy will be brought back to Executive again after this.
- 5.2 The Publication version of the Core Strategy will reflect the policy position, and will be consulted on in line with statutory requirements.

6.0 Contributing to the Community Strategy

(a) Performance of the economy of the region and sub region

- 6.1 The proposed interim policy approach, and as will be developed further, will help to maintain neighbourhoods with a balanced population mix – retaining economically active and highly skilled people within the City will contribute to the high performance of its economy.

(b) Reaching full potential in education and employment

- 6.2 The proposed interim policy approach, and as will be developed further, will help to maintain neighbourhoods with a balanced population mix thereby supporting facilities such as schools; and also services which provide employment.

(c) Individual and collective self esteem – mutual respect

- 6.3 The proposed interim policy approach, and as will be developed further, aims to assist residents in living together more harmoniously.

(d) Neighbourhoods of Choice

- 6.4 The interim policy approach, and as will be developed further, would contribute to maintaining a diverse housing stock in neighbourhoods across the City so that they retain a balanced population and a range of facilities can be sustained.

7.0 Key Polices and Considerations

(a) Equal Opportunities

- 7.1 The policy aims to create neighbourhoods with a balanced population profile, sustaining a range of facilities, so that all sectors of the community will benefit.

(b) Risk Management

- 7.2 At present the interim policy approach set out in paragraph 2.2 is only an outline of the direction which the Council will be taking on this issue. The approach will be more detailed once developed further in a later report, however it will not be part of the statutory development plan or in a Local Development Document so will not have as much weight as it would do if it were.

(c) Legal Considerations

- 7.3 The interim policy will not be part of the statutory development plan but it sets out the direction that the Local Development Framework Core Strategy policy will take. It will be a material consideration for development control purposes.