

DECISION-MAKER:	CABINET		
SUBJECT:	REVISED HOUSES IN MULTIPLE OCCUPATION SUPPLEMENTARY PLANNING DOCUMENT		
DATE OF DECISION:	19 APRIL 2016		
REPORT OF:	LEADER OF THE COUNCIL		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Dawn Heppell	Tel: 023 8083 3828
	E-mail:	Dawn.heppell@southampton.gov.uk	
Director	Name:	Mark Heath	Tel: 023 8083 2371
	E-mail:	Mark.Heath@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
None	
BRIEF SUMMARY	
The Revised Houses in Multiple Occupation Supplementary Planning Document (SPD) sets out how the Council will determine planning applications for new Houses in Multiple Occupation (HMO). It provides further guidance on the adopted Local Plan Review policy and updates the HMO SPD which was adopted in March 2012. When adopted it will be a material consideration in the determination of planning applications.	
RECOMMENDATIONS:	
(i)	To adopt the Revised Houses in Multiple Occupation Supplementary Planning Document;
(ii)	To delegate authority to the Planning & Development Manager, to make minor editing changes to the document prior to publication.
REASONS FOR REPORT RECOMMENDATIONS	
1.	To provide a clear and updated planning policy for Houses in Multiple Occupation (HMOs).
2.	To address issues raised with the implementation of the current Houses in Multiple Occupation SPD (adopted 2012).
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3.	Not to adopt the Revised SPD. This would not address important issues that have arisen since the original SPD was adopted.
4.	To adopt a modified version of the SPD with all the changes except applying a consistent 10% threshold across the City. This would not address the impact of HMOs in areas where a 20% threshold is currently applied.
DETAIL (Including consultation carried out)	
5.	The Revised Houses in Multiple Occupation Supplementary Planning Document (HMO SPD) sets out how the Council will determine applications for new HMOs. It replaces the original HMO SPD, adopted in March 2012. It

	restricts the change of use of dwellinghouses to HMOs in areas with an overconcentration of HMOs. Planning permission is not currently granted for new HMOs in local areas where 10% (within the wards of Bassett, Swaythling and Portswood) or 20% (all other wards) of dwellings are HMOs. The proportion is assessed within a 40 metre radius of the application property.
6.	The Revised HMO SPD proposes the following principal changes:
7.	<u>Change to threshold</u> - Removal of the 20% threshold for the concentration of HMOs, to apply a 10% threshold throughout the City
8.	<u>'Sandwiching'</u> - Introducing a new policy preventing the 'sandwiching' of properties between two HMOs
9.	<u>'Exceptional circumstances'</u> - Clarification of the policy on exceptional circumstances, stating that where 80% of properties in the area considered are existing HMOs the threshold approach will not apply
	Background
10.	HMOs provide much needed housing accommodation in the City. There are around 7,000 HMOs across the City, representing over 9% of the City's private sector housing stock (Housing Strategy 2011-15).
11.	A large number of HMOs in one area however can change the physical character of that area, and this can lead to conflict with the existing community. It is for this reason that it is important the planning system provides appropriate control over the mix of housing types across the City and avoids increasing the overconcentration of HMOs.
12	An Article 4(1) direction removed the permitted development rights of house owners to convert a single dwelling house into an HMO in Southampton. Planning permission is now required to convert a dwelling-house into a small/medium HMO. Planning permission was already required for large HMOs. The SPD is a material consideration in determining applications.
	The need for review
13.	The main concern with the SPD as it currently exists is whether it provides adequate protection for balanced residential communities: principally the percentage of HMOs within the 40m radius; and whether it provides reasonable protection to safeguard existing family homes from being 'sandwiched' on either side by HMOs.
14.	These issues were investigated by a Scrutiny Inquiry Panel from November 2013 to May 2014 and endorsed by Cabinet in June 2014. Workshops were held in 2015 with stakeholders (residents associations and landlords/letting agents) to gather their views on the SPD. It is clear that revising the SPD will not meet all the concerns and objectives of the various stakeholders but will enable the Cabinet to adequately address the main concerns with the SPD as set out in this report. This will enable more effective use of the Article 4(1) Direction.
15.	Since the SPD was adopted the National Planning Policy Framework (NPPF) has been produced by government and replaced previous national guidance. Revising the SPD will enable it to be aligned with national policy. In addition, since the adoption of the SPD a 10% threshold has been widely adopted nationally by Councils including Portsmouth City Council and Bournemouth Borough Council.

16.	The Local Plan is now in the process of being reviewed and updated. Given the timescale for adoption, and the need for the SPD to be updated quickly, it is proposed that the Local Plan will be updated to reflect the revised SPD.
	Content of the Revised HMO SPD - Change of threshold
17.	The current SPD includes two thresholds; 10% in the wards of Bassett, Swaythling and Portswood and 20% elsewhere in the City. The 10% threshold was introduced to protect the character and balance of the northern wards and prevent a decline in family housing in areas with a significantly higher proportion of owner occupied households than the citywide average.
18.	It is now proposed to apply a 10% threshold across the City. This will provide consistency throughout the City. It is also in response to concerns reported by local residents to officers and members of the planning panel about the negative impacts of introducing a new HMO into their neighbourhood. The main concerns relate to negative amenity impacts from transient occupiers, disturbance from the more intensive use of a home (as the number of people living in a HMO property will generally be higher than in a residential dwelling) and greater demand for on street parking.
19.	A total of 111 planning applications for new HMOs have been processed since the threshold approach was implemented, an average of 25 per year. Most of these applications were in wards with a 20% threshold. The numbers of applications are low and the growth of new HMOs in widely known overly saturated areas is being limited. In addition the Council's experience in applying the SPD shows inspectors have supported 10% as a reasonable threshold.
20.	The overall proportion of HMOs in the western, north eastern and south eastern wards in the City is considerably below the 10% threshold and therefore the impact there is likely to be minimal. The proportion in the central wards of Bevois, Bargate and Freemantle is around 18%, significantly above the 10% threshold.
21.	The intention of the revision is not to prevent HMOs in wards with a high proportion of the HMO but to consider local circumstances in the immediate surrounds of the application property and redistribute HMOs over a wider area. Although the proportion within a ward may exceed 10%, this may not be the case in the local area (assessed as all properties in a 40 metre radius). Where there is a concentration above 10% in the local area, it will restrict further HMOs as the policy seeks to spread HMOs away from the most concentrated areas.
	Content of the Revised HMO SPD – sandwiching
22.	One of the concerns raised with the current SPD is the lack of a policy to prevent 'sandwiching'. This is where the introduction of a new HMO would result in an existing dwelling being 'sandwiched' by adjoining HMOs on both sides. In addition to increasing the local concentration of HMOs and potential amenity issues on both sides, 'sandwiching' can also reduce the opportunity for occupants to achieve a full market price for their property.
23.	The revised SPD specifically states that planning permission will not be granted where it would result in a residential property 'being sandwiched between two HMOs'.

	Content of the Revised HMO SPD – exceptional circumstances
24.	The current SPD refers to exceptional circumstances where the vast majority of properties are HMOs and the retention of ‘1 or 2’ of the remaining dwellings would have little effect on the balance and mix of the community. This wording has restricted the application of exceptional circumstances.
25.	It is recognised that some limited areas of the City have such a high proportion of HMOs that their character has been fundamentally and irreversibly altered. In this situation some owner occupiers or long term residents who want to leave the street, may struggle to sell their property. The revised SPD therefore introduces an upper threshold limit above which the introduction of any new HMOs would not change the character. This is set at 80% of properties within the 40 metre radius.
	Consultation
26.	Before drafting the revised SPD, the Council held three workshops with residents associations and landlords/letting agents. Notes from these are included in Appendix 1. Residents associations expressed concerns about the impact of HMOs, argued for increases in the 40 metre radius and for a 10% threshold citywide. Landlords and letting agents reported increasing demand for HMOs and rent rises and practical difficulties identifying HMOs and determining a property’s planning history. Both groups expressed wider frustrations about how the licensing and planning systems work together.
27.	The revised SPD was published for consultation in March 2016. Comments were requested on the SPD and a short online survey was produced. The key issues raised and council responses are attached in Appendix 2.
28	A total of 22 written responses were received and 37 respondents completed the online survey. These were all submitted by either local residents (all the survey responses and 11 written responses); residents’ associations (9 written responses); or councillors and political groups. Although a formal response was not received from landlords, Appendix 2 includes the key issues raised in a meeting with landlords’ representatives on 24 March 2016.
29	Residents and residents’ associations were generally supportive of the 10% citywide threshold. There were suggestions that the threshold is applied over a larger area, to large HMOs and that halls of residence be counted in the assessment. Concerns were raised about the impact of large HMOs and their intensification. The introduction of a ‘sandwiching’ measure was supported but it was argued that this should also be applied to properties at the rear and opposite. There were concerns about exceptional circumstances and the further loss of family homes and impact on character. Many of the comments focused on the negative impacts of HMOs - changing the character of areas, issues such as anti-social behaviour, noise, and crime and parking problems and poor standards and maintenance, including front gardens.
30	Landlords’ representatives were concerned that the changes would stop new HMOs coming forward and therefore worsen housing problems. They suggested that a different threshold be introduced such as 15% citywide. They did not expect that new purpose built student accommodation would free up HMOs due to increases in student numbers. It was also argued that occupiers on low incomes needed to be in central areas and so would not benefit from any freeing up of student properties close to the university.

31.	Following comments received in the consultation, the latest draft SPD clarifies that the impacts of intensifying large HMOs are taken into account when considering applications for extensions (paragraphs 4.8.3 and 4.8.5). Also, the council will investigate whether the approach to flipping could be extended to enable more established HMOs to be rented out to families without changing their use (4.7.2). This may require changes to the Article 4 Direction. Further minor changes include updating text to refer to the additional license scheme and removing text applying to the consultation.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
32.	The SPD is prepared within the existing planning policy budget.
<u>Property/Other</u>	
33.	There are no property implications for the Council.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
34.	Sections 17, 19 and 23 of the Planning and Compulsory Purchase Act, 2004
<u>Other Legal Implications:</u>	
35.	The proposed SPD is determined having regard to the Equalities Act 2010 and the assessed impact on communities (see ESIA supporting this report) together with requirements of the Human Rights Act 1998, particularly article 1 of the first protocol which deals with the protection of property rights. The proposals set out in the SDP do impact upon private property interest in terms of restrictions on use / change of use to HMO status however these restrictions are required as proportionate and reasonable in the circumstances and necessary in order to achieve a legitimate aim – the protection of the wider public from over development of HMO’s within a mixed residential urban setting and the impact over concentration of a particular type of dwelling can have to social , economic and environmental well being or residents and character and amenity of an area.
POLICY FRAMEWORK IMPLICATIONS	
36.	The SPD provides further guidance on how policies H4 from the Local Plan and CS16 from the Core Strategy will be applied. These policies form part of the statutory development plan for the city and are appended in Appendix 5.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Notes from workshops in March and June 2015
2.	Summary of comments received following formal consultation
3.	Revised Houses in Multiple Occupation Supplementary Planning Document

4.	Equality and Safety Impact Assessment
5.	Policies H 4 and CS 16

Documents In Members' Rooms

1.	None.
----	-------

Equality and Safety Impact Assessment

Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.	Yes
---	------------

Privacy Impact Assessment

Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.	No
---	-----------

Other Background Documents

Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
-------------------------------------	---

1.	Representations on the draft Revised HMO SPD	Planning Policy Lower ground floor west wing, Civic Centre
-----------	---	---