

PLANNING COMMUNITIES EXECUTIVE ADVISORY PANEL Monday 27 March 2023

Report Title	Houses in Multiple Occupation
Report Author	Bernice Turner – Senior Planning Officer (Local Plans) Bernice.Turner@northnorthants.gov.uk
Relevant Executive Member	Councillor David Brackenbury – Executive Member for Growth and Regeneration

List of Appendices

Appendix A: Houses in Multiple Occupation Investigation and Evidence Paper, March 2023

Appendix B: Equalities Screening Assessment

1. Purpose of Report

- 1.1. To introduce the findings of the Houses in Multiple Occupation (HMO) Investigation and Evidence Paper, as set out at Appendix A, and consider options and recommendations for the introduction of Article 4 Direction, alongside the preparation of supporting planning policies for the North Northamptonshire Strategic Plan and other complementary measures.

2. Executive Summary

- 2.1. This report sets out the work undertaken to date to consider options and recommendations for the management of HMO.
- 2.2. The HMO Investigation and Evidence Paper in Appendix A sets out the evidence and conclusions drawn following a review of the options. It recommends the introduction of Article 4 Direction for a specifically defined area of Kingswood, Corby, with the preparation of supporting planning policies through the North Northamptonshire Strategic Plan and other complementary measures to help manage HMO development in areas experiencing social and environmental issues and to better understand the issues associated with HMO and trends over time, so that the services can respond effectively and ensure the highest standards of licensing and governance of dwellings in this category.

3. Recommendations

3.1. The Planning Communities Executive Advisory Panel is recommended to:

- a) Consider the HMO Investigation and Evidence Paper in Appendix A and decide what comments, if any, it wishes to submit to the Executive.

Reason for Recommendations:

3.2. The rationale for the recommended options is documented in the HMO Investigation and Evidence Paper in Appendix A that provides a robust and credible evidence base. Consideration by the Panel is sought ahead of presenting to the Executive.

Alternative Options Considered:

3.3. The HMO Investigation and Evidence Paper documents all options considered, along with the main positive and negative aspects of each option, which are summarised within section 5 of the report.

4. Report Background

4.1. Investigation into the possible use of Article 4 Directions for HMO in North Northamptonshire was instigated by Members at the Planning Policy Executive Advisory Panel meeting on 19 July 2021.

4.2. A cross-department officer working group was established to lead the investigation under the governance of the Planning Communities Executive Advisory Panel, formerly the Planning Policy Executive Advisory Panel, with interim reports provided to the Panel on 21 February 2022, 16 May 2022, and 24 October 2022.

4.3. As reflected in the HMO Investigation and Evidence Paper, the investigation conducted between July 2021 and January 2023 involved:

- Using existing data and other information available to the Council, both nationally and locally.
- Public consultation to understand the views of HMO landlords, tenants, and others living or working near HMO developments.
- Detailed GIS based spatial analysis.
- Street surveys to capture photographic evidence.
- Development of comprehensive local area profiles for the hotspots with the highest number and concentration of HMO.
- Review and analysis of consultation responses on the Scope and Issues for the North Northamptonshire Strategic Plan.

- Consultation and collaboration with key stakeholders, including Northamptonshire Police, Northamptonshire Fire and Rescue, Environment Agency and Western Power Distribution.

5. Issues and Choices

5.1. The investigation affirms that the Council needs to take a collective response to managing HMO developments. Four options are considered in detail within the HMO Investigation and Evidence Paper in Appendix A, as follows:

- 1) Introduce non-immediate Article 4 Direction to withdraw specific permitted development rights to convert dwelling houses to a small HMO without planning permission within a specifically defined area of Kingswood, Corby, alongside the preparation of supporting planning policies for the North Northamptonshire Strategic Plan.
- 2) Introduce Additional or Selective Licensing.
- 3) Consider a package of complementary measures, including but not limited to, improvements to monitoring systems and processes, publication of further information to support landlords and tenants, extension of voluntary Landlord Accreditation scheme and review of enforcement arrangements.
- 4) Consider the need for more detailed policies for specific areas to supplement the Strategic Plan.

5.2. These options are not mutually exclusive, and indeed may be more effective if they are combined or work in parallel. In pursuing any option or permutation of options that result in a change in the regulatory framework, the Council will need to satisfy itself that there is sufficient evidence to justify its approach because of the regulatory requirements of introducing planning statutory instruments and licencing control requirements.

5.3. The HMO Investigation and Evidence Paper sets out an appraisal of each option and recommendation, as summarised below.

Option	Positive	Negative	Recommendation
1	Allow planning control in determining the appropriateness of small HMO developments on a case-by-case basis. Many of the HMO that are raising concerns in the local community are 'small' HMO benefiting from the associated permitted development rights, which currently fall outside planning controls.	<p>Risk of displacement with new HMO established outside designated area with less regulation.</p> <p>There could be a rush of HMO conversions before Direction takes effect.</p> <p>Demanding on staff time and risks diverting limited resources away</p>	The concentration of HMO and evidence gathered supports the introduction of Article 4 Direction within a defined area of Kingswood, Corby to protect local amenity and wellbeing.

Option	Positive	Negative	Recommendation
	<p>Responds to local communities' concerns related to localised concentrations of HMO and associated issues in some areas.</p> <p>Ability to focus on worse affected areas in accordance with paragraph 53 of the NPPF.</p> <p>Clear planning policy will help assess planning applications.</p> <p>Evidence demonstrates a coincidence of issues with high concentrations of HMO in certain areas.</p>	<p>from other corporate priorities.</p> <p>Directions do not apply retrospectively and would only control future change of use.</p> <p>Rents could increase due to longer term impact on supply.</p> <p>Volatile HMO sector due to the cost-of-living crisis.</p> <p>Caution needs to be exercised with data and demonstration of correlation between HMO and concerns raised by community.</p>	
2	<p>Enable the development of a consistent approach across the private rented sector to help drive up standards.</p> <p>Raising standards will help improve neighbourhood amenity for all the local community and have a positive impact on property values, benefiting landlords and other property owners alike.</p> <p>Enable better information sharing as well as provide more accurate data to help future decision making affecting the private rented sector.</p>	<p>Increased cost and bureaucracy associated with licence applications.</p> <p>Demanding of staff time and risks diverting resources away from other priority housing activities.</p> <p>Secretary of State approval required.</p> <p>Currently a lack of evidence to justify this approach.</p>	<p>The evidence collected and analysed is insufficient to meet legal requirements for introducing discretionary licensing.</p>
3	<p>Package of measures to improve/transform service delivery.</p> <p>Enable joined up working and increased efficiencies.</p>	<p>Demanding on staff time and risks diverting resources away from other corporate priorities.</p> <p>In isolation, some measures are minimalist</p>	<p>Consider and review a package of complimentary measures as part of the transformation programme.</p>

Option	Positive	Negative	Recommendation
	Some measures can be easily implemented without major disruption or structural change and others are being explored.	which only tinker with current service delivery.	
4	<p>Opportunity to respond to issues that are not solely attributable to HMO but linked to wider issues connected to social exclusion, including poverty, family breakdown, mental illness, drug and alcohol misuse and community disorganization.</p> <p>Enable a corporate and collaborative approach to HMO issues and levelling up.</p>	<p>Demanding of staff and resources.</p> <p>Uncertainty regarding content of Strategic Plan and planning reforms creates challenging work environment and risks abortive work and costs.</p> <p>Uncertainty in context of restructuring proposals and capacity to implement.</p>	Additional policy development to be considered as part of updates to the Local Development Scheme to avoid scatter-gun approach to policy coverage and facilitate good project management that will ensure efficiency of resources and prioritisation of skills and expertise.

6. Next Steps

- 6.1. This report seeks authority to make a non-immediate Article 4 Direction. This requires a 12-month lead in period before the Direction becomes effective. On this basis, it is expected that the Direction would become operational by March 2024, subject to confirmation from the Executive Director of Place and Economy in consultation with the Executive Member for Growth and Regeneration.
- 6.2. The process of making Article 4 Direction requires local consultation. It is proposed that the consultation will be carried out in April/May 2023 for a six-week period.
- 6.3. The Council is obliged to take account of all comments made during the consultation period and consider whether these are material to the Direction as originally proposed. If significant amendments are needed this may trigger the requirement for further consultation. In this case the date for confirming the Direction will need to be reviewed.
- 6.4. The preparation of planning policies for the Strategic Plan formally commenced in March 2022 with the Scope and Issues consultation. Responses to the consultation were reported to the Panel on 14 December 2022. The planning policy work programme reported to the Planning Communities Executive Advisory Panel on 30 January 2023 indicated that Options consultation will be reported to the Panel in September 2023 and that updates to the Local Development Scheme will be considered.

- 6.5. Other complementary measures in support of the Article 4 Direction and planning policies for the North Northamptonshire Strategic Plan will continue to be considered and developed on a cross-department basis as part of the wider corporate transformation programme. The Planning Policy team will endeavour to keep Members updated either through briefings or through providing briefing notes where appropriate.
- 6.6. The evidence within the HMO Investigation and Evidence Paper suggests that there is further work to be undertaken before a case for discretionary licensing could be made.

7. Implications (including financial implications)

7.1. Resources, Financial and Transformation

- 7.1.1. Each of the options would require staff and other resources to implement properly and effectively.
- 7.1.2. The costs of the making of a non-immediate Article 4 Direction including consultation and implementation can be carried out within existing service budgets.
- 7.1.3. The investigation highlighted IT constraints and significant transformational opportunities.

7.2. Legal and Governance

- 7.2.1. Legislation relevant to HMO includes: The Licensing of Houses in Multiple Occupation (mandatory Conditions of Licences) (England) Regulations 2018; The Housing Act (2004); The Local Government Finance Act 1992; Town and Country Planning (Use Classes) Order 1987 (as amended).
- 7.2.2. Article 4 of the Town and Country Planning (General Permitted Development) Order 2015 allows a local planning authority to make an Article 4 Direction to remove permitted development rights. The procedure for making a Direction and the consultation requirements is set out in this report.
- 7.2.3. In adopting new regulatory regimes, the Council needs to be satisfied that it is doing so within powers that it has and that it reaches a decision(s) based upon robust evidence to avoid a legal challenge.

7.3. Relevant Policies and Plans

- 7.3.1. Improving standards of licensing and governance of HMO contributes to meeting the Council's corporate objectives as outlined within the Corporate Plan 2021-25, particularly objectives 1: Active, fulfilled lives; 2: Better, brighter futures; and 3: Safe and thriving places.

7.4. Risk

- 7.4.1. There is a risk that the evidence base does not meet the requirements of the legislation or policy and does not adequately support the case for the Article 4 Direction that results in cancellation of the Article 4 Direction by the Secretary of State meaning it cannot be implemented and the preparatory work is abortive. The HMO Investigation and Evidence Paper comprises a thorough and detailed analysis of data from multiple sources that has been compiled over several months aiming to ensure that the Article 4 Direction is fully supported by robust and credible evidence.
- 7.4.2. As set out in the report, making an immediate direction represents a potential cost risk to the Council. Making a non-immediate direction would remove this risk.

7.5. Consultation

- 7.5.1. A wide variety of evidence, including public consultation and intelligence from across multiple Council service areas, has been collated to justify the making of the Article 4 Direction, including both its purpose and extent.
- 7.5.2. A draft version of the HMO Investigation and Evidence Paper was circulated amongst Council officers, including those from Council Tax, Development Management, Environment Health, Planning Enforcement, Private Sector Housing, Building Control and Public Health.
- 7.5.3. There is a requirement for local consultation before the Direction is confirmed by the local authority.
- 7.5.4. The making of the Article 4 Direction is a two-stage process. The first stage involves the Council making the Direction and carrying out local consultation within the areas where it is proposed the Direction will take effect. The Council is required to publish and display local advertisements and site notices and other media. This will provide an opportunity for the residents, property owners, property agents and stakeholder groups to make comments on the proposal.
- 7.5.5. The Council is required to notify the Secretary of State of the proposal.
- 7.5.6. It is proposed that the consultation period will extend over a six-week period between April and May 2023. The Article 4 Direction will be publicised through:
- Local advertisement in the Evening Telegraph.
 - Notice displayed in local libraries.
 - Email notification to all Members.
 - Email notification to all contacts registered on the Planning Policy database.
 - Email notification to all HMO landlords, tenants and agents known to the Council.
 - The Councils website via the Consultation and Engagement hub.
 - Email notification to the Secretary of State.

7.5.7. Any representations received during the consultation period must be taken into account in determining whether to confirm the Direction. There will be a need to reconsult if this involves any material change to the Direction. However, if there are no issues with the original proposal then there is no reason why the Council cannot proceed to confirm the date on which it becomes effective.

7.6. Consideration by Scrutiny

7.6.1. Discussion at the Levelling Up Scrutiny Review Working Group on 3 May 2022 considered the impacts of high numbers of HMO in left-behind areas and the effects on the environment. Further discussion may be needed in the future to update the wider Scrutiny Commission of progress with this investigation.

7.7. Equality Implications

7.7.1. An Equality Screening Assessment (Appendix B) has been completed and endorsed with the Council's Equalities team demonstrating the introduction of the Article 4 Direction may positively impact all protected equality groups.

7.8. Climate Impact

7.8.1. The making of the Article 4 Direction and preparation of planning policies for the Strategic Plan will support the Council's ability to use its planning powers to ensure that new developments fully consider their climate impact in accordance with the corporate ambition for net zero by 2050 at the latest, including ensuring high standards for energy efficiency.

7.9. Community Impact

7.9.1. The making of the Article 4 Direction and preparation of planning policies for the Strategic Plan will support the Council's ability to use its planning powers to ensure that new developments fully consider their impact on the community in accordance with corporate priorities.

7.10. Crime and Disorder Impact

7.10.1. The making of the Article 4 Direction and preparation of planning policies for the Strategic Plan will support the Council's ability to use its planning powers to ensure that new developments fully consider their impact on crime and disorder in accordance with corporate priorities.

8. Background Papers

8.1. Planning Policy EAP on 19 July 2021 [Minutes of meeting where verbal briefing was given by Interim Planning Policy Lead Manager](#)

8.2. Planning Policy EAP on 21 February 2022 [Report on Houses in Multiple Occupation](#) (Agenda item 4)

- 8.3. [North Northamptonshire Strategic Plan Scope and Issues](#), March 2022
- 8.4. Planning Policy EAP on 16 May 2022 [Report on Houses in Multiple Occupation](#) (Agenda Item 5)
- 8.5. Council on 28 July 2022 [Response to Council Motion of 23 June 2022 on Houses in Multiple Occupation](#) (Agenda item 11)
- 8.6. Planning Policy EAP on 24 October 2022 [Report on Houses in Multiple Occupation](#) (Agenda Item 5)
- 8.7. Planning Policy EAP on 14 December 2022 [Report on North Northamptonshire Strategic Plan Scope and Issues Consultation](#) (Agenda Item 5)
- 8.8. Planning Communities EAP on 30 January 2023 [Report on Planning Policy Work Programme](#) (Agenda Item 4)