Report to: Cabinet **Date of Meeting:** 19 July 2012

Subject: Supplementary Planning Document – Houses in Multiple Occupation and Self-

Contained Flats.

Report of: Director of Built Environment Wards Affected: All.

Is this a Key Decision? Yes authority given through Rule 15 procedure

Is it included in the Forward Plan? No

Exempt/Confidential No

Purpose/Summary

Ask Cabinet to approve for consultation the emerging draft Supplementary Planning Document for assessing Houses in Multiple Occupation (HMO) and self-contained flats, and to revoke the Interim Planning Guidance "New Housing in South Sefton".

Recommendation(s)

That Cabinet:

- 1. Approve the draft SPD to go out for public consultation;
- 2. Revoke the Interim Planning Guidance 'New Housing in South Sefton'; and
- 3. It be noted that the proposal was a Key Decision but, had not been included in the Council's Forward Plan of Key Decisions. Consequently, the Chair of the Overview and Scrutiny Committee (Regeneration and Environmental Services) has been consulted under Rule 15 of the Access to Information Procedure Rules of the Constitution, to the decision being made by Cabinet as a matter of urgency on the basis that it was impracticable to defer the decision until the commencement of the next Forward Plan because: Our current planning policy on HMOs and flats is out of date due to recent appeal decisions (26th March 2012) and changes to the housing benefits system. This could leave the Council at risk from either granting planning permission for poor quality accommodation or facing appeals to the Planning Inspectorate where the Council may be liable to applications to pay legal costs.

How does the decision contribute to the Council's Corporate Objectives?

	Corporate Objective	Positive Impact	Neutral Impact	Negative Impact
1	Creating a Learning Community		Υ	
2	Jobs and Prosperity		Y	
3	Environmental Sustainability		Y	
4	Health and Well-Being		Y	
5	Children and Young People		Y	
6	Creating Safe Communities		Y	

7	Creating Inclusive Communities		Y	
8	Improving the Quality of Council Services and Strengthening Local Democracy	Y		

Reasons for the Recommendation:

To inform members about the draft SPD on HMOs and Flats, to approve the SPD for public consultation and to note the need to revoke the "New housing in South Sefton" Interim Planning Guidance (IPG).

What will it cost and how will it be financed?

Limited cost for public consultation not expected to exceed £500 but will be a maximum of £1,000. Consultation to be funded from the Local Plans Budget.

- (A) Revenue Costs
- (B) Capital Costs

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal				
Human Resources				
Equal	l ity No Equality Implication			
2.	Equality Implications identified and mitigated	Y		
3.	Equality Implication identified and risk remains			

Impact on Service Delivery:

The SPD will improve service delivery by enabling the Council to better advise developers before they make an application for HMOs and Flats, and allowing better and more consistent decision making when determining planning applications.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD1619/12) and Head of Corporate Legal Services (LD878) have been consulted and any comments have been incorporated into the report.

Various internal consultations have taken place with relevant teams to help in finalising the draft for consultation.

The consultation strategy was reported to the Consultation Panel on the 22nd June and to Planning Committee on the 27th June.

Are there any other options available for consideration? No.

Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet meeting. The Consultation is likely to follow within 2 to 3 weeks.

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Background Papers:

None.

1. Background

- 1.1 Changes in legislation and changes to the way housing benefit is calculated mean that the Council's planning policies on HMOs and flats are out of date and new guidance is needed.
- 1.2 The need for the draft SPD partly arises as a result of changes to the General Permitted Development Order which came into force in April 2010. This introduced a new Use Class C4 which means that dwellinghouses shared by three to six people do not need specific planning permission. The importance of the issue of HMOs is also increasing with demand for such properties through changes to the benefits system which will reduce the rates paid. Previously these would have been sufficient to cover a one bedroom flat but now these are only likely to pay for a room within a shared property. Similarly people who may have benefits that will have covered a two bedroom flat may now only be able to have a one bedroom flat
- 1.3 Recent appeal decisions for three HMO sites in Sefton have reinforced the need to clarify this issue. In these cases, the Inspector has confirmed that HMOs should provide acceptable living conditions for their occupants including a reasonable outlook.
- 1.4 As a result of the above, draft guidance has been prepared for the assessment of applications for Houses in Multiple Occupation (HMO) and self-contained flats. This will take the form of a Supplementary Planning Document (SPD). The report also notes the need to revoke the existing Interim Planning Guidance 'New Housing in South Sefton'.
- 1.5 The SPD recognises that flats and HMO bedsits created from conversion and sub-division of larger properties can make an important contribution towards housing supply. However, conversions and sub-division can also raise concerns relating to the quality of accommodation provided in terms of modern space and amenity standards. This guidance is intended to provide a consistent approach to assessing the quality of accommodation which will be more in line with current Merseyside Licensing Standards.

2 Current Policy

- 2.1 The current criteria for assessing applications for HMOs are set out in Sefton UDP policy MD3, but the changes to the legislation mean many of these criteria are out of date.
- 2.2 Current criteria for converting buildings into HMOs include the following:
 - the property, if in residential use, must have four or more bedrooms;
 - the property must not share a party wall with another dwelling;
 - the development should not result in a dwelling having a HMO on both sides;
 and
 - the development should not result in more than 2 adjoining properties being used as HMOs.
- 2.3 However, the new legislation allows dwellings of any number of bedrooms to be converted into HMOs for 3 to 6 people without the need for planning consent. This means that policy MD3 is unable to be strictly applied in all cases for HMOs.

- 2.4 Criteria (e) and (f) of policy MD3 are still relevant however, as they require proposals for HMOs to ensure they do not cause significant harm to the character of the area or to the residential amenity of occupiers and neighbours. The guidance will provide assistance in determining applications for HMOs for more than 6 people using similar criteria.
- 2.5 In addition to this, UDP policy MD2 refers to conversions to flats and the criteria contained within this policy along with Supplementary Planning Guidance Note 'New Housing Development' remain relevant. This guidance does not seek to replace this policy or SPG but will provide further assistance in assessing self-contained flats in terms of minimum space and amenity standards and in cases where self-contained flats are part of an HMO development.
- 2.6 This SPD will replace the existing Interim Planning Guidance (IPG) 'New Housing in South Sefton' which has become outdated. Cabinet is being asked to revoke the IPG.
- 2.7 In March 2012, the National Planning Policy Framework was issued which replaced previous national planning policy. The Framework indicates that planning authorities should seek to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities by planning for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community.

3 Main Issues

- 3.1 The main issues raised by HMOs are set out below:
- 3.2 The amenity of residents of HMOs, including; size standards for accommodation, having sufficient outdoor space, car parking, having a reasonable outlook and prospect, and internal noise between bedsits and flats.
- 3.3 The amenity of neighbouring properties and residents including; noise and disturbance caused by comings and goings and transfer of noise between adjoining properties.

4. What the SPD will address

- 4.1 It is the intention of this advice note to:
 - Clarify the definition of a HMO and links to the Housing Act 2004;
 - Define when planning permission is required for HMOs in light of 2010 legislation;
 - Provide minimum standards to be applied to HMOs and self-contained flats in terms of room sizes and other requirements; bring together existing standards set out under licensing standards.
- 4.2 The guidance will also clarify how policies DQ3 'Trees and Development' and DQ4 'Public Greenspace and Development' will apply to proposals for HMOs which are a mix of self-contained flats and bedsits.

5 Consultation

- 5.1 The approach to consultation has been discussed at the Consultation Panel on Friday 22nd June 2012. The Consultation Panel requested that a period of 12 weeks consultation is carried out rather than the 8 weeks as shown in our Statement of Community Involvement (SCI). This is to allow community groups more time to consider the document.
- 5.2 It is proposed to consult on this guidance note to get the views of interested parties. The following groups will be targeted for their views:
 - Landlords Association
 - Known local landlords
 - Housing Associations
 - The Housing Market Forum
 - Residents Groups
 - Other relevant groups
- 5.3 The Consultation will also include a notice in the local newspapers.
- 5.4 Cabinet are requested to approve this draft Supplementary Guidance Document for consultation which will be likely to start in July 2012.

6 SEA and HRA Screening

6.1 An assessment has been carried for whether a Strategic Environmental Assessment (SEA) and a Habitats Regulations Assessment (HRA) are required. The Statutory consultees have confirmed that neither an SEA nor an HRA are required.

7. Interim Arrangements

7.1 The SPD is unlikely to be formally adopted until the end of 2012 due to the time needed both for public consultation and for incorporating the results of the consultation into the final document. If the SPD is agreed by Cabinet for consultation, the Development Management Team will use this SPD as guidance for giving advice and making decisions for HMO and flat developments until it is formally adopted as policy.

8 Conclusion

8.1 This new guidance is needed to provide consistency and clarity in decision making in view of the change in legislation and changes to the benefit system.