

Houses in Multiple Occupation

# Article 4 Direction

Supporting Case for Article 4 Direction in parts of Bootle,  
Litherland, Seaforth, Waterloo and Southport

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## Introduction

This study provides the evidence to support the designation of an Article 4 Direction for Houses in Multiple Occupation in parts of Sefton. An Article 4 Direction is made under the Town & Country Planning General Permitted Development Order 1995 (as amended) and removes Permitted Development Rights. Article 4 Directions do not stop development; they mean that planning permission is required. Article 4 Directions are intended for use in exceptional circumstances and must be supported by robust evidence which demonstrates harm to local amenity and the suitable planning of the area.

Houses in Multiple Occupation (HMOs) are an important source of low cost, private sector housing for those on low incomes, seasonal workers, students, and those seeking temporary accommodation. HMOs arise in areas with good access to public transport (in particular bus routes) and local services as well as large single family dwelling houses that can be sub-divided into much smaller and more affordable accommodation.

However HMOs tend to concentrate in areas that provide such conditions raising concerns about their impact. HMOs and their concentration can be associated with the following issues:

- poor standards of accommodation
- loss of local character
- reduction in environmental quality
- increased noise complaints
- increased anti-social behaviour
- loss of single family dwelling houses
- increased levels of crime
- increased pressures on car parking
- dominance of private renting
- increased pressure upon local services
- changes to local retail provision

Housing tenure is changing nationally and in Sefton. Levels of home ownership have fallen whilst private renting has increased. More people are finding it difficult to buy their own home.

The delivery of affordable housing has therefore never been more important. Since the 2008 credit crunch and the following economic downturn affordable housing is in greater demand. This demand has increased for a number of reasons including:

- the increasing affordability gap as housing costs continue to rise faster than household incomes;
- the more cautious approach to mortgage lending which has resulted in lower income multiples being approved for mortgages and the need for larger deposits to secure a mortgage;
- the difficulties for households in getting onto the property ladder and facing more limited housing choices leading to a greater reliance on the private rented sector;
- the changes to welfare reform that make the private rented sector less accessible for those on the lowest incomes;
- the cautious approach of investors and housing developers following the economic downturn; and
- the increased reliance on the planning system to deliver affordable housing through S106 funding.

Within this context there is greater pressure for more affordable HMO accommodation. The planning system has an important role to play in managing this pressure whilst protecting and enhancing the qualities that make Sefton such a distinctive place where people want to live. This Study will demonstrate the harm arising from Houses in Multiple Occupation (HMOs) on the proper planning of the area and therefore will justify the designation of an Article 4 in parts of Sefton to ensure that all proposals for new HMOs in these areas are assessed through the planning system.

The Housing Act 2004 defines a HMO as an entire house, flat or converted building which is let to three or more tenants who form two or more households, who share facilities such as a kitchen, bathroom or toilet.

## **The Planning and Housing Background**

### Sefton's Local Plan

Policy HC4 of the Local Plan 'House Extensions, Houses in Multiple Occupation and Flats' sets out that 'development involving the conversion of buildings to Houses in Multiple Occupation will be permitted where it will not cause significant harm to

- the character of the area or
- the living conditions for either the occupiers of the property or for neighbouring properties'

As the change from a dwelling house to a small House in Multiple Occupation (up to six unrelated people living together in a single household) currently does not require planning permission this assessment of harm can be assessed.

### Sefton's Strategic Housing Market Assessment 2014

This Study identifies a net shortfall of 434 affordable homes per annum (around 7,800 affordable homes over the period from 2012 to 2030), if all households in housing need were to be provided with an affordable home. This is significantly above likely (or realistic) levels of affordable housing delivery and such a scale of need is unlikely to be fully addressed through the Section 106 process. The level of need identified provides an evidence base for seeking to maximise affordable housing delivery.

It will be important for the Council to also recognise the different levels of affordable housing need in different parts of the Borough. In particular the analysis suggests a surplus of affordable housing in Bootle and Netherton and significant shortfalls elsewhere. In Bootle and Netherton, there does appear however to be a mismatch between the existing stock and an overall need for smaller dwellings; as well as a potential need for intermediate housing and housing for older people.

Given the viability of residential development within the Borough and the availability of funding for affordable housing, it is unrealistic to assume that all housing needs can be met through provision of new affordable housing. Part of the gap between need and potential future supply of affordable housing will be met by the Private Rented Sector.

The analysis also suggests that there is a surplus of rented housing in Bootle and Netherton. However, this is an overall finding with the evidence suggesting that there are shortages of particular sizes and types of affordable housing (e.g. one- and two-bedroom units and housing for older people).

In addition to the provision of new affordable housing, the Council was advised to investigate how better use of the existing housing stock could be made to meet housing need (recognising that the Council does not own/manage stock such investigations would need to be conducted with its stock owning, housing association partners). This particularly applies to Bootle and Netherton where an overall surplus of affordable housing is identified but with a shortage of smaller homes, intermediate housing and accommodation for older people.

There is also clear role for policy to seek to encourage investment and improve standards within the Private Rented Sector. The Council already has an important enforcement role and should work to develop ways to improve the housing offer for households seeking private rented homes.

### Sefton Housing Strategy 2016-21

To address Sefton's future housing challenges, five strategic housing priorities and key themes have been identified through consultation and evidence gathering:

- Driving Housing quality in communities and neighbourhoods;
- Meeting people's housing needs;
- Enabling People to live independently;
- Tackling Barriers to obtaining suitable housing for the most vulnerable and ensuring equal access to housing services;
- Effectively utilising Council assets to support housing delivery.

To support and deliver the priorities of the Sefton Housing Strategy a delivery framework has also been published. Those are relevant to HMOs are:

- Working closely with Private Sector Landlords to improve housing quality by attracting high quality landlords to invest in Sefton and reduce the number of 'non decent homes'
- Raise housing standards across all tenures and reduce the number of 'non-decent' homes with particular focus on those with the worst conditions
- Reduce the numbers of empty homes and neighbourhood empty homes 'hot spot' concentrations
- More effective use of the Council's Planning powers to help manage impact of HMOs where necessary
- Helping to reduce health inequalities through improved housing conditions
- Meeting the housing needs of more diverse and the most vulnerable communities

### HMO and the Planning Use Classes Order

HMO are considered a separate category of land use. Land use activities are set according to the planning use classes order<sup>2</sup>. Uses are grouped into classes A, B, C and D and sui generis (a use like no other and not within a specified class). HMO fall within both Use Class C4 and sui generis. Legislation<sup>3</sup> sets out when planning permission is or is not required for changes to the use of land and buildings, and the circumstances under which such changes can be undertaken.

A Use Class C4 HMO is one that is not used by more than three to six unrelated people. A HMO larger than this (i.e. with more than 6 unrelated people) is classed as a sui generis use.

Currently it is permitted to change from a Class C3 dwelling house to Class C4 HMO property without planning permission. Converting dwellings to HMO, when classed as sui generis will require planning permission. Likewise a conversion from a HMO to flats will require planning permission.

It is permitted to change a Class C4 HMO property back to a Class C3 dwelling house without planning permission. The Article 4 Direction will not prevent the conversion of Class C4 HMOs back into dwelling houses.

Use Class C4 was introduced in April 2010. This change was made in response to concerns around the impact of concentrations of HMOs in certain areas in terms of anti-social behaviour, crime, parking and pressure on facilities particularly in university and coastal towns.

However the April 2010 change to the Use Classes Order was revoked six months later in October 2010 by the Coalition Government. This was in response to private landlords' organisations who argued that the need to seek planning permission could reduce the supply of private rented accommodation. When making this change in October 2010 the Government made clear that local authorities would be able to use their existing direction making powers to restrict changes of use by requiring planning applications where they saw it as necessary.

Directions are made under the Article 4 Direction of the Town & Country Planning General Permitted Development Order. They remove Permitted Development Rights. Article 4 Directions do not stop development; they mean that planning permission is required. Article 4 Directions are intended for use in exceptional circumstances where evidence suggests that development under Permitted Development rights such as the spread of HMOs harms local amenity or the proper planning of an area.

## Population

The latest ONS mid-year population estimates indicate that there were 273,700 people resident in Sefton in mid-2015 – a reduction of 100 recorded in the 2011 Census (273,800) – this latter figure is a decrease of 3.2% since 2001. Figure 1 below shows the population change estimated since 2001. The table suggests that over the past ten years the population of all areas in Sefton other than Southport has declined with Bootle seeing a drop in population of nearly 9%. The figures compare with a regional population increase of 5% and a national increase in resident population by 8%.

Population Change (2001 -2011)				
Area	Population (2001)	Population (2011)	Absolute change	% change
Southport	90,329	90,381	52	0.1%
Formby	24,999	23,845	-1,154	-4.6%
Maghull/Aintree	39,159	37,338	-1,821	-4.7%
Crosby	50,835	49,097	-1,738	-3.4%
Bootle	39,362	35,896	-3,466	-8.8%
Netherton	38,270	37,233	-1,037	-2.7%
Sefton	282,954	273,790	-9,164	-3.2%
North West	6,729,764	7,052,177	322,413	4.8%
England	49,138,831	53,012,456	3,873,625	7.9%

Figure 1 – Population Change 2001-2011

The government’s latest [2014 based] Population Projections suggest limited population growth for Sefton between 2014 (273,500) and 2039 (282,800); an overall increase of around 9,300 or 3.4% increase over the next 25 years. The greatest projected growth will be in the over 65s age group, by around 24,800 or 40.7%, while the over 85 age group is projected to increase by around 9,600, or 115.6% by 2039. Correspondingly, the number of adults of working age is due to fall by 16,000, or 10.5%. The projected growth in the number of very elderly people (i.e. over 85s) is greater than the anticipated overall population increase in Sefton to 2039. The highest proportions of those over 65 will continue to live in Formby and especially Southport.

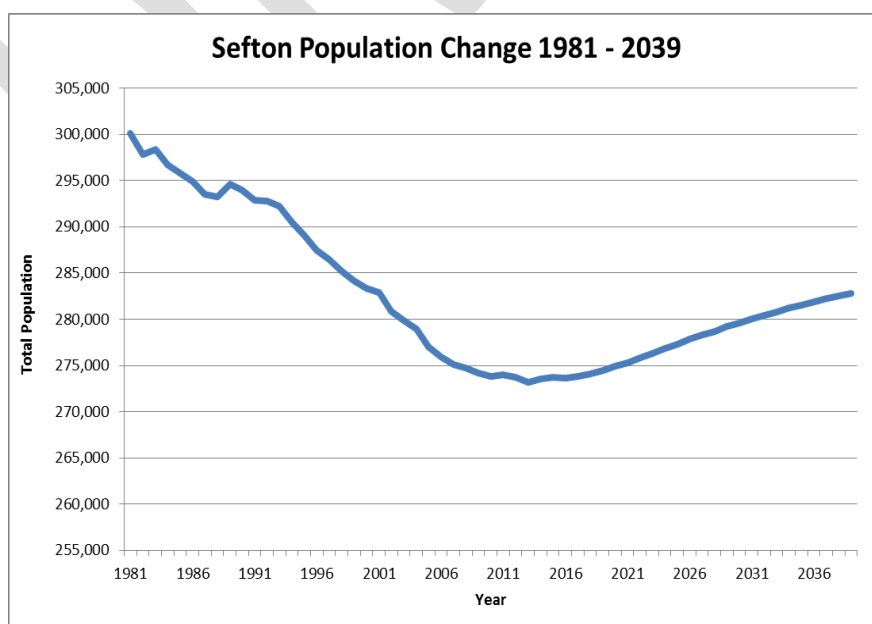


Figure 2 – Sefton Population Change 1981-2039

## Demographics

Figure 3 below provides a profile of Sefton by age and sub-market area. Overall the Local Authority has a comparatively smaller proportion of younger people. 33.4% of its residents are under 29 years of age compared with 37.5% across the North West and 37.5% across England. The authority has a greater proportion of older people. 27.5% of the Sefton population are over 60, compared to 22.8% across the North West and 22.3% across England as a whole. The pattern of age distribution differs within each sub-market area and reflects the difference within each distinct community. Bootle and Netherton have a higher than average population in the 'Under 15' age group at 18.9% and 18.3% respectively and smaller '75 plus' populations, at just 6.0% in Bootle. Formby, Southport and Aintree however have significantly older populations than the average for the North West and England. Almost 13% of Formby's population are '75 plus' for example, compared to 7.7% in both the North West and England.

Area	Population Proportions (%)					
	Under 15	15 -29	30 - 44	45 - 59	60 - 74	75+
Southport	15.7	16.1	17.1	21.0	18.1	12.1
Formby	15.0	13.1	15.2	20.9	22.9	12.9
Maghull/Aintree	13.9	16.3	16.6	22.8	18.7	11.8
Crosby	15.3	17.3	17.4	24.0	16.5	9.4
Bootle	18.9	22.0	19.2	20.0	14.0	6.0
Netherton	18.3	19.7	18.7	21.0	14.0	8.4
Sefton	16.1	17.3	17.4	21.6	17.2	10.3
North West	17.5	20.0	19.8	19.8	15.1	7.7
England	17.7	20.0	20.6	19.4	14.6	7.7

Figure 3 – Population proportion by age band

Generally it is younger people that access smaller, less expensive homes, including HMOs. This is due to difficulty accessing mortgages, fewer opportunities to rent social housing, transient employment opportunities and lower wages. Areas that have a higher than average number of younger people, will often experience higher demand for smaller, less expensive accommodation. This will generate a demand for smaller, cheaper accommodation and provide an incentive for owners of homes to consider sub-dividing to maximise profits.

## Household Structure

Figure 4 below shows the household structure in the Sefton according to the Census in 2011 (again to allow comparisons across areas), compared with the regional and national profiles. Sefton has a higher proportion of pensioner only households and relatively few households with dependent children. In total, 26% of households in Sefton are entirely composed of people aged 65 and over; this compares with 21% both regionally and nationally.

For sub-areas there are also some notable differences with Formby in particular having a high proportion of pensioner only households (35%) and Bootle having a high proportion of lone parents. Bootle also has a very high proportion of single non-pensioner households – these make up 25% of all household types in this sub-area and compares with 16.5% of the whole of Sefton and just 9% in Formby.



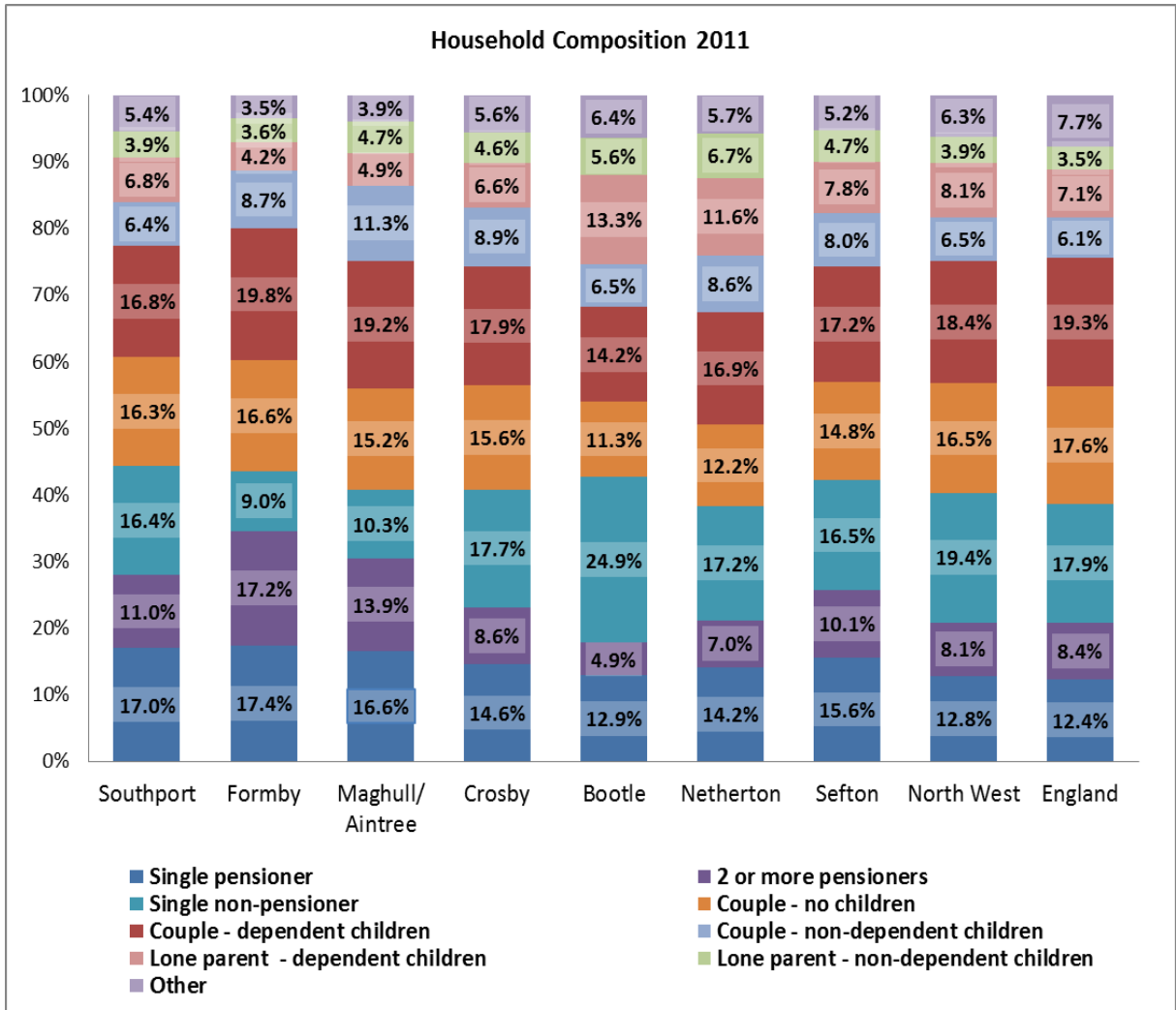


Figure 4 – Household Composition 2011

The consequences of this household composition is similar to the age structure as single people are more likely than those in couple or families to access smaller, less expensive accommodation. This is due to less need for larger accommodation and these household being reliant on a single wage.

**Tenure Profile**

In 2011 it was estimated there were 124,605 dwellings in the Borough. Additional analysis of the 2011 Census reveals that around 71% of households in the Borough were owner-occupiers (including shared ownership) – this is notably above both the regional and national average. The social rented sector across Sefton is smaller than found regionally or nationally. The Census data also shows a private rented sector which is smaller than either the regional or national average.

As of 2011 it was estimated that around 13% of households live in the private rented sector – this compared with 15% for the region and 17% nationally at that time. The number of households living in the private rented sector has risen significantly in line with national increases – an estimated 15,804 households live in private rented accommodation (2011) which is 64% higher than the figure (of 9,616) recorded in the 2001 Census.

At a sub-area level, there are particularly high levels of owner-occupation in Formby and Maghull/Aintree (and to a lesser extent Southport and Crosby) with the level of private renting being particularly high in Southport and Bootle. The proportion of households living in social rented stock is also somewhat variable with the most notable figures being the very small numbers in this tenure in Formby and Maghull/Aintree and a high proportion in Bootle and Netherton.

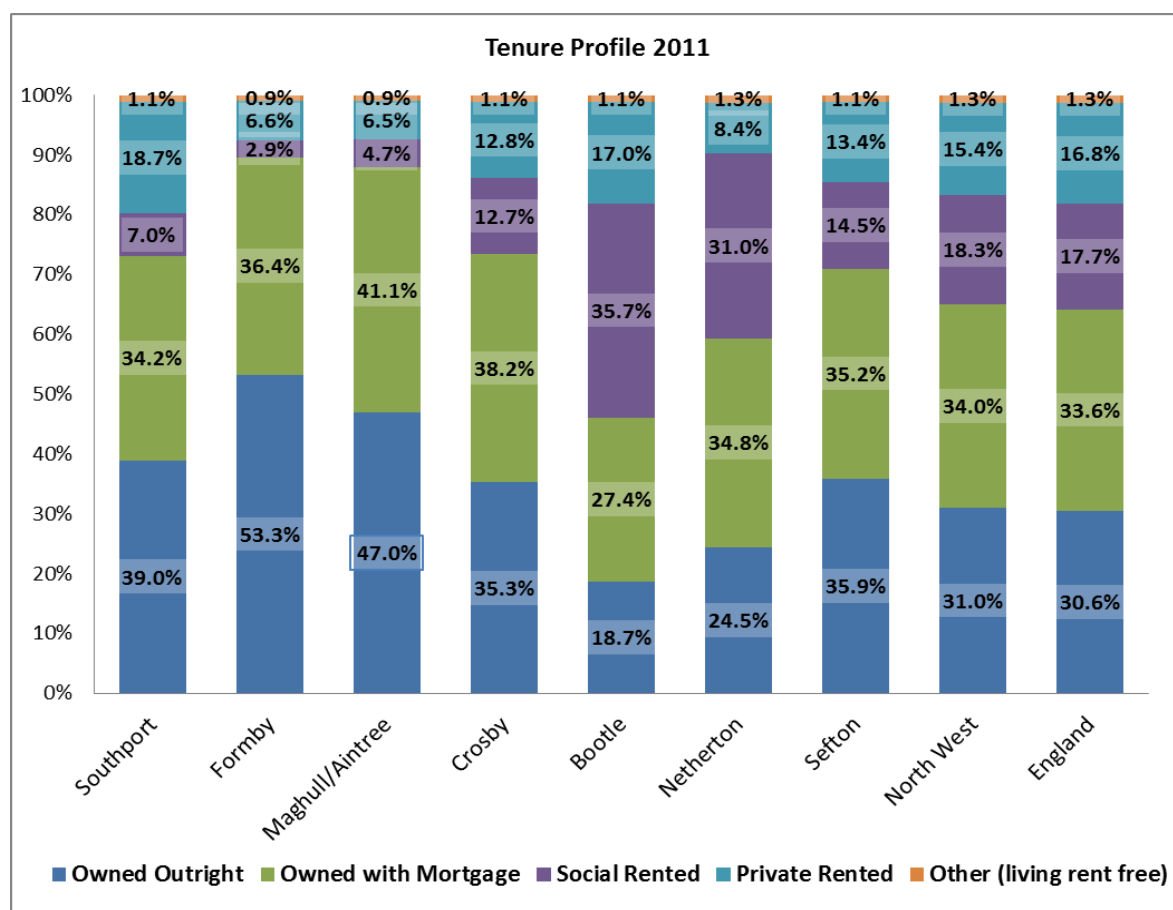


Figure 5 – Tenure Profile 2011

The above information would suggest that Bootle and Southport have a quite buoyant private rented housing sector, when compared to other parts of Sefton. This may reflect the social-economic profile of the residents of these areas or the fact that in these areas the rental income provides a good investment for owners when compared to selling.

The change in the proportion of households living in different tenures is shown in figure 6 (below). As well as clearly showing the growth in the private rented sector the data also shows a significant reduction in the proportion of households owning homes with a mortgage or loan. This trend is again consistent with regional and national data. The data also shows a notable decrease in the size of the social rented stock which may limit the ability of lower income and more vulnerable people to meet their housing needs.

Sefton Change in Tenure (2001 – 2011)				
Tenure	2001	2011	Change	% Change
Owned outright	39,623	42,334	2,711	6.8%
Owned with	47,046	41,467	-5,579	-11.9%

mortgage				
<b>Social rented</b>	18,649	17,063	-1,586	-8.5%
<b>Private rented</b>	9,616	15,804	6,188	64.4%
<b>Other</b>	1,913	1,262	-651	-34.0%
<b>Total</b>	116,847	117,930	1,083	0.9%

Figure 6A - Sefton Change in Tenure (2001 – 2011)

Change in Privately Rented Tenure (2011 – 2016)					
	2011 Census	April 2015	Change	% Change	Estimated Privately Rented Tenure Proportion
<b>England</b>	3,716,000	4,747,000	1,031,000	27.7%	19.6%
<b>Sefton</b>	15,804	20,182	4,378	27.7%	16.8%
<b>Estimated PRS</b>					

Figure 6B - Change in Privately Rented Tenure (2011 – 2016)

Since the 2011 Census, the proportion of people nationally who rent privately has increased by 27.7% from 3,716,000 to 4,747,000.

It is reasonable to expect that this rate of increase (27.7%) could also be applied to Sefton as it is similar to the Borough's annual rate of increase in this housing tenure since 2001.

The local, and national trend, towards the private rented sector is symptomatic of the well reported difficulties of people able to access mortgages and of a restricted supply of new housing. This squeeze has pushed many households, often younger households, into the rented sector. As there is also a shortage of social rented accommodation many households have been forced into the private rented sector. This has pushed up demand in this sector, increasing prices, and has made it viable for landlords to sub-divide homes to take advantage of the increased demand and to maximise income.

### Affordable Housing Need

A Strategic Housing Market Assessment (SHMA) was published in 2014. This identified that Sefton had a total affordable housing requirement of approximately 7,815 homes over the period 2012-2030 which is equivalent to about 434 affordable homes a year. The need for affordable homes is more prevalent in different areas within Sefton. The table below sets out the estimated annual need for new affordable housing in each of Sefton's key settlements.

	Net affordable annual housing need	Net need per 1,000 households
Southport	203	5.06
Formby	64	6.31
Maghull/Aintree	118	7.58
Crosby	91	4.28
Bootle	-32	-1.98
Netherton	-9	-0.57
<b>Total</b>	<b>434</b>	<b>3.65</b>

Figure 7 – Affordable Housing Need in Sefton

The analysis shows a need for additional affordable housing in most areas of the Borough. Southport shows the highest numeric need (203 units per annum) while the highest need by proportion of existing households is in Maghull/Aintree (7.58 per thousand households), Formby (6.31 per thousand households) and Southport (5.06 per thousand households).

Both Bootle and Netherton show small surpluses of affordable housing, which is consistent with the relatively large stock of affordable housing along with some of the cheapest housing costs in the Borough.

It is expected that the identified affordable housing need will not be met through the section 106 process. It is expected that many of the households in affordable housing need will have their need met through the private rented sector.

The level of need identified above is therefore likely to result in an increased demand for private rented properties in the area (which confirms the estimates in figure 6B) and is likely to support the conversion of properties to smaller, affordable accommodation, including HMOs.

### Stock/Dwelling Profile

The figure below shows the types of dwelling in the Borough, regionally and nationally, from the 2011 Census. The data shows that Sefton has relatively few terraced homes and detached houses/bungalows when compared with national or regional figures. The proportion of semidetached properties is notably higher than other areas, making up 45% of the housing stock.

We also see marked difference between sub-areas with Formby having a high proportion of detached homes (42%) and Maghull/Aintree a very high proportion of semi-detached properties (over 70%). Both of these areas have relatively few flats/terraces. At the other end of the scale the stock in Bootle is more heavily concentrated on terraces and flats (together making up 75% of all homes); the highest proportion of flats is however seen in the Southport sub-area where over a quarter of homes are flats/maisonettes. The Crosby area (including Waterloo) has the second highest rate of flats and maisonettes.

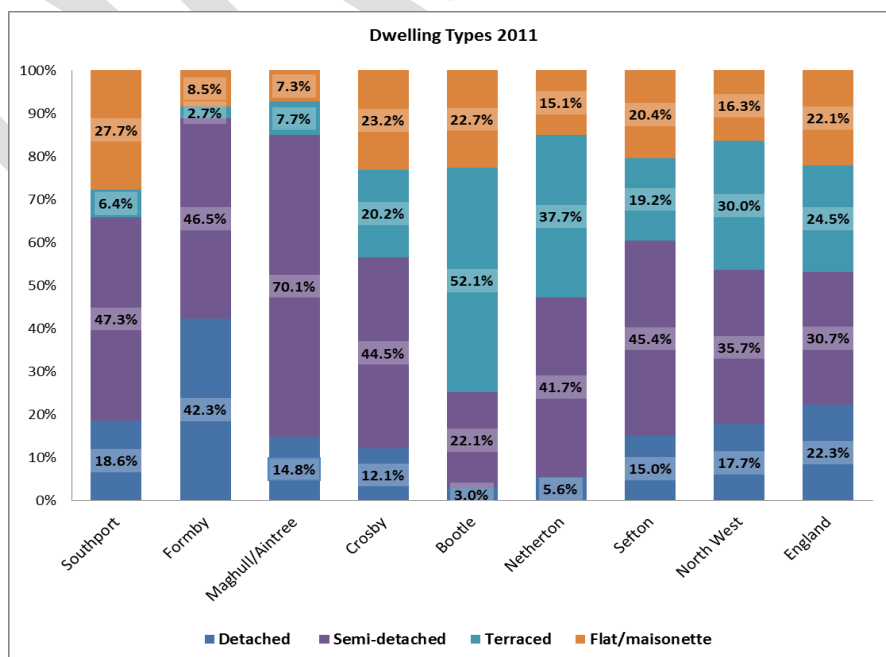


Figure 8 – Dwelling Types 2011

Using the 2011 Census data and comparing it with figures from 2001 we can study how the stock has changed over the past ten-years. The table below shows that the dwelling stock is estimated to have increased by some 3,748 homes with 85% of this increase being of flats/maisonettes. There have been moderate increases in the number of semi-detached and terraced homes and a small decrease in the number of detached properties. The number of flats/maisonettes has increased by 14% over the decade compared with a less than 1% increase in the number of houses (all categories combined).

Sefton Change in Dwelling Types (2001 – 2011)				
Dwelling type	2001	2011	Change	% Change
<b>Detached</b>	18,868	18,752	-116	-0.6%
<b>Semi-detached</b>	55,966	56,512	546	1.0%
<b>Terraced</b>	23,734	23,915	181	0.8%
<b>Flat/maisonette</b>	22,209	25,386	3,177	14.3%
<b>Other</b>	80	40	-40	-50.0%
<b>Total</b>	120,857	124,605	3,748	3.1%

Figure 9 - Sefton Change in Dwelling Types (2001 – 2011)

The increase in the number of flats has been partially caused by the increased sub-division of larger homes into flats. This is has been caused by the demand for private rented accommodation (as set out above) and the shortage of suitable social homes. The demand for HMOs has also been driven by these same socio-economic forces.

### Neighbourhood Character

To support the Design Supplementary Planning Guidance (2003) the Council produced Settlement Plans to describe the main features that make up the character of each of the main settlements in Sefton. The Settlement Plans identify the distinct character areas within each area, and are based on patterns of land use, building type and period of development.

- Southport

Southport is effectively a product of the 19th Century, developing from a collection of fisherman's huts in the late 18th Century into a fashionable resort by the mid-19th Century. The first phases of development saw the reclamation of the foreshore dunes with streets laid out in a rectilinear gridiron pattern between Lord Street and the Seafront promenade. Within this grid there developed a range of leisure, commercial uses along with large Victorian villas and terraces. The growth of the town in the late 19th/early 20th Century continued this grid-iron layout but with variations that give the town subtle variety in its form and character.

Development to the south and north of the town centre is characterised by large detached and semi-detached houses set in large plots within a curvilinear grid layout. To the south this development is confined to the west of the Liverpool – Southport railway line and takes in the Victorian settlement of Birkdale. This general pattern is continued but with semi-detached properties on smaller plots from the inter-war period both to the east of the railway and to north.

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development is confined to the west of the Liverpool – Southport railway line and takes in the Victorian settlement of Birkdale. This general pattern is continued but with semi-detached properties on smaller plots from the inter-war period both to the east of the railway and to north.

Ainsdale, separated from Birkdale by golf courses and dunes, has a Victorian centre next to the station which is surrounded by 1930's semi-detached properties. The Victorian and Edwardian residential development to the east of the town maintain the tight rectilinear grid-iron pattern of the centre with pockets of industrial premises located within the blocks.

Churchtown to the northeast of the town centre, although incorporated by Southport's expansion in the 19th Century, predates it as a settlement. It's more organic form is still visible within the surrounding grid.

Figure 10A below shows the different character areas of central Southport and shows that the broad character of the centre is large Victorian properties. To the north and east of the centre the dominant building type is smaller Victorian properties. The areas beyond, such as Birkdale, Ainsdale and Churchtown, are generally characterised by lower dense interwar development of semi-detached and detached homes. The photographs that follow figures 10A and 10B show some examples of typical housing development in the central Southport area.

- Bootle, Seaforth and Waterloo

The development of Bootle is largely due to the extension of the docks northwards from Liverpool. The first stages of development in the mid-19th century was rows of large terraced houses and detached villas for merchants. As the docks expanded, this led to the development of warehouses, industrial buildings and houses back from the waterfront. This produced a grid network of streets (main roads overlaid with a finer network of residential streets). This grid network remains largely the same despite the development since the second world war.

Seaforth, the area between Bootle and Crosby, is characterised by larger Victorian and Edwardian terraced houses. The historic centre on Seaforth Road retains evidence of its form before 1850, although its original character and structure has been damaged by the construction of the A5036 road corridor.

The development of Waterloo, and expansion of Crosby in general, was in response to the northward expansion of the docks and the associated growth of Liverpool and Bootle from the middle of the 19th Century onwards. The general pattern of development is characterised by the use of a regular grid-iron layout with larger three storey homes on main roads and smaller homes behind.

Figure 10B bellows shows the different character areas of the Bootle and Crosby area. This shows the Bootle and Seaforth are largely characterised by smaller Victorian properties, with larger Victorian properties becoming more prevalent in the Waterloo area. The areas beyond, such as Litherland, Netherton, Great Crosby and Thornton are more typically characterised by lower dense interwar and post war housing.

The photographs that follow figures 10A and 10B show some examples of typical housing development in the Bootle, Seaforth and Waterloo areas.

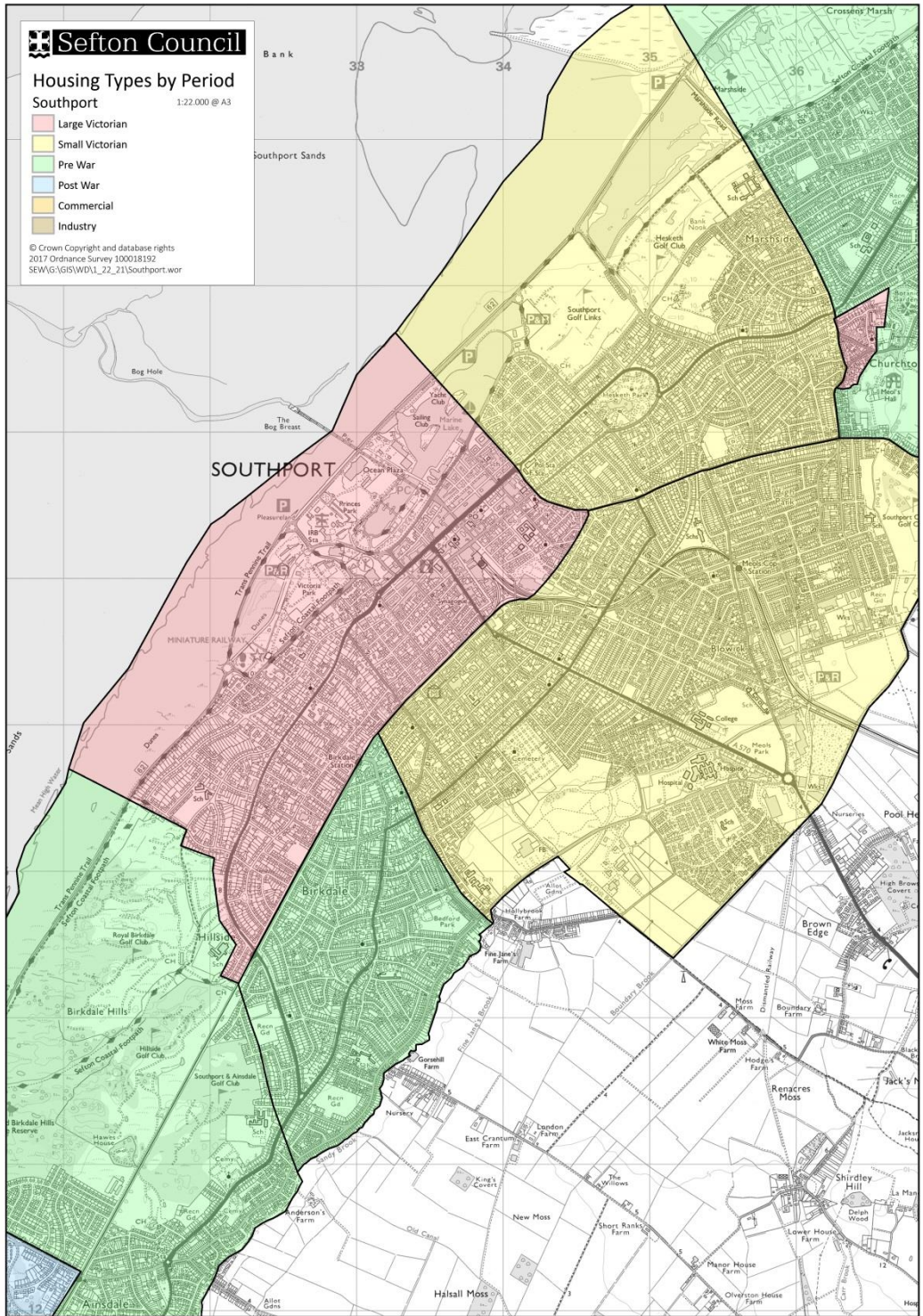


Figure 10A – Residential Character Areas Southport

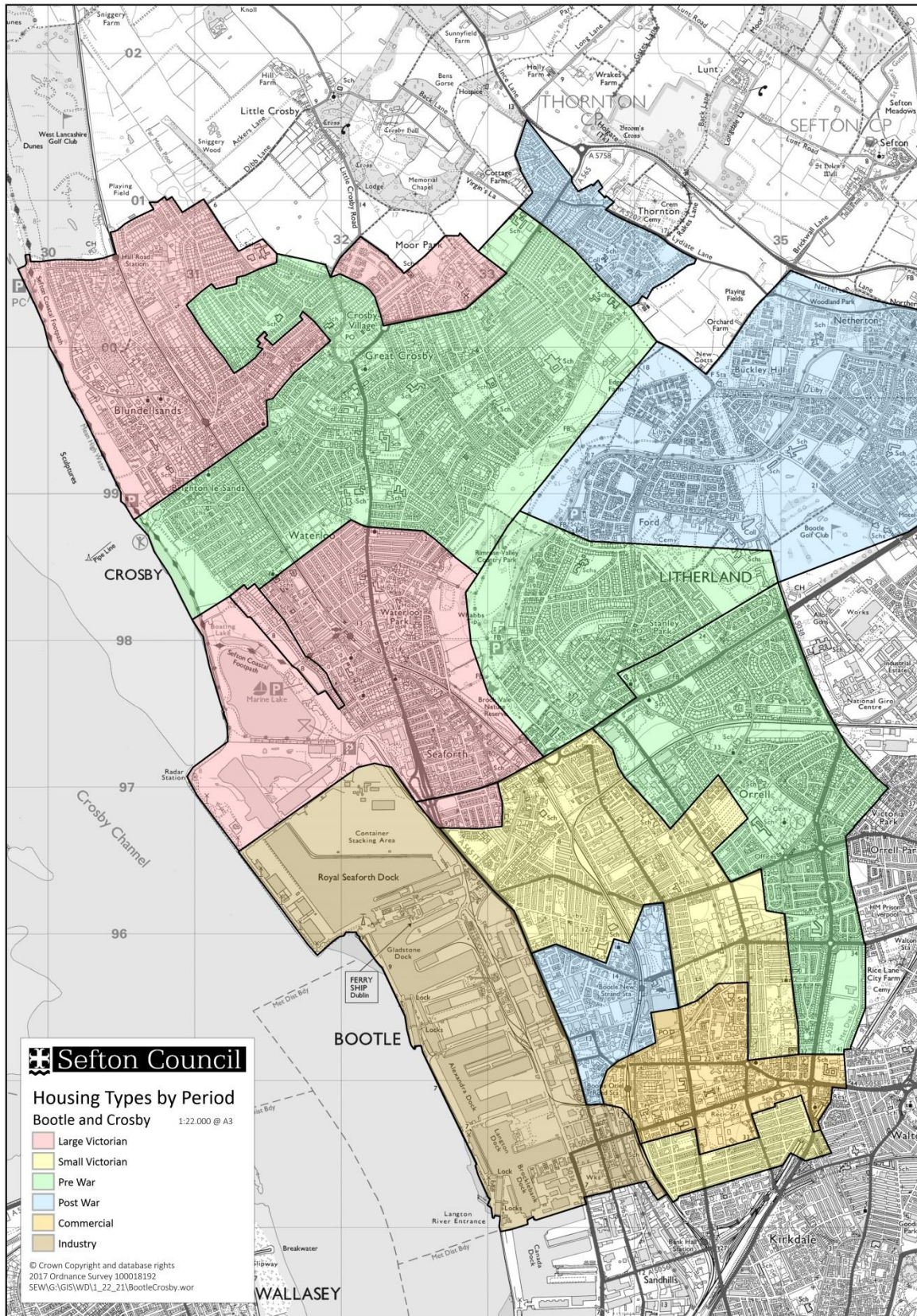


Figure 10B – Residential Character Areas Bootle and Crosby



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## Household Overcrowding

Data about overcrowding is available from the 2011 Census based on the ‘bedroom standard’. This is defined by the difference between the number of bedrooms needed to avoid undesirable sharing (given the number, ages and relationships of the household members) and the number of bedrooms available to the household. A household is defined as overcrowded if there are fewer bedrooms available than required by the bedroom standard.

Looking at how levels of overcrowding have changed over time we have reproduced data from the 2001 and 2011 Census about households with a negative occupancy rating (i.e. more people than rooms once a ‘common’ room has been discounted). This data shows that levels of overcrowding have hardly changed over time with some 2% more households failing this standard in 2011 than did in 2001 (an increase of 103). This increase in overcrowding is very low when compared with other areas – in the North West overcrowding increased by 23% from 2001 to 2011 whilst for England the increase was 32%.

Many of the individual sub-areas have seen a decrease in overcrowding over the past decade with increases only seen in Southport and Crosby. In both of these areas the changes in overcrowding have still been notably lower than seen either regionally or nationally.

Levels of household overcrowding based on occupancy rating (2001 - 2011)				
Area	Overcrowded 2001	Overcrowded 2011	Change	% change from 2001
Southport	1,982	2,337	355	17.9%
Formby	171	133	-38	-22.2%
Maghull/Aintree	401	326	-75	-18.7%
Crosby	848	896	48	5.7%
Bootle	1,153	1,138	-15	-1.3%
Netherton	1,043	871	-172	-16.5%
Sefton	5,598	5,701	103	1.8%
North West	152,248	187,816	35,568	23.4%
England	1,457,512	1,928,596	471,084	32.3%

Figure 11 - Levels of household overcrowding based on occupancy rating (2001 - 2011)

## Indices of Multiple Deprivation

The Marmot Review [“Fair Society, Healthy Lives”, 2010] notes that ‘The more deprived the neighbourhood, the more likely it is to have social and environmental characteristics presenting risks to health’. Parts of Sefton are amongst the most deprived 20% of areas nationally, notably areas in Bootle and central Southport. It is recognised that the quality of people’s living environment has a profound effect on their mental and physical health and wellbeing, and that health inequalities in Sefton are linked to the unequal impact of environmental influences on health and wellbeing. These ‘wider environmental determinants of health’ in Sefton relate to air quality and pollution, climate change, energy and affordable warmth, housing decency and affordability, transport and accessibility, the management of waste and access to greenspace.

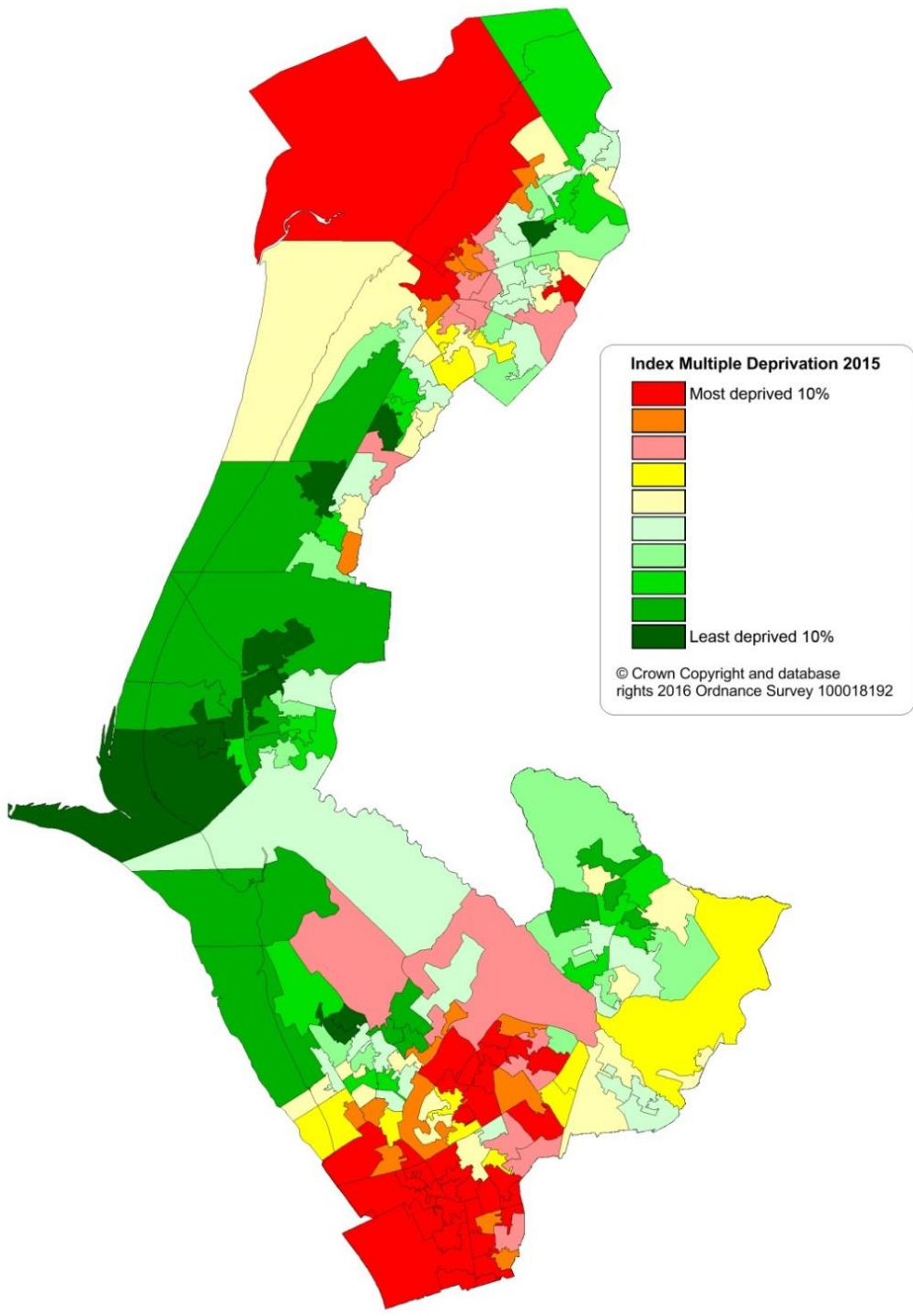


Figure 12 – Index of Multiple Deprivation 2015

## Economic Data

### House Prices

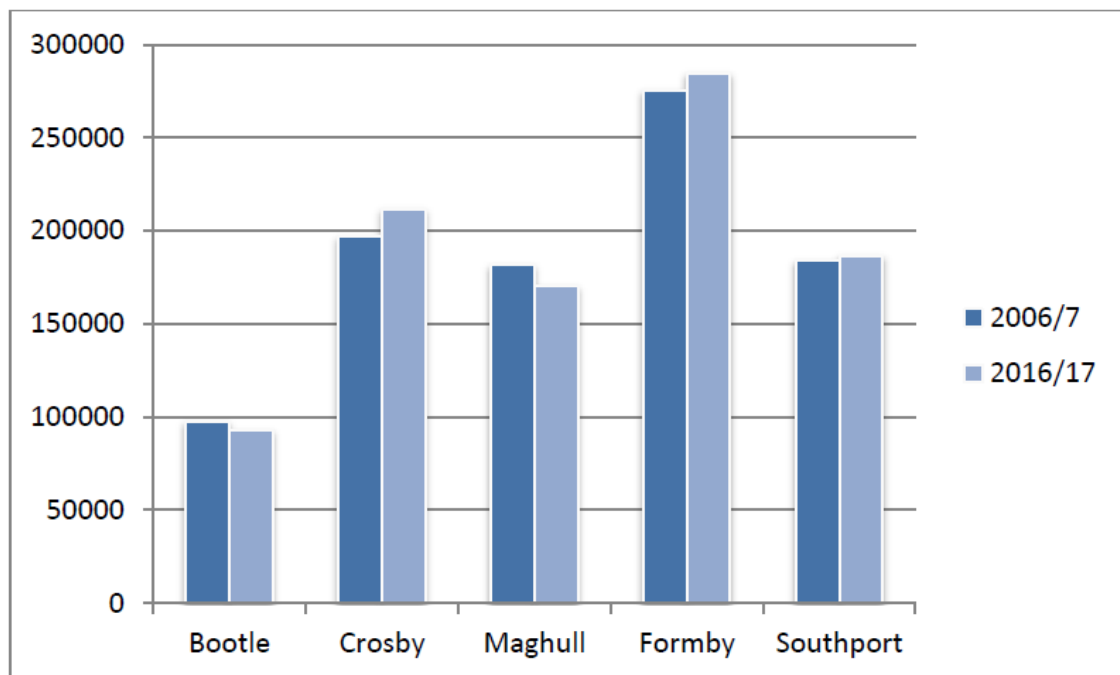


Figure 13 – House Prices in Sefton 2006/7 and 2016/17

Most of the sales in **Sefton** over the past year were terraced properties which on average sold for £124,065. Semi-detached properties had an average sold price of £194,000 and flats averaged at £75,900.

The majority of sales in **Bootle** during the last year were terraced properties, selling for an average price of £69,122. Semi-detached properties sold for an average of £126,852, with detached properties fetching £174,486.

Last year most property sales in **Seaforth** involved terraced properties which sold for on average £88,095. Semi-detached properties sold for an average price of £154,541, while flats fetched £86,250.

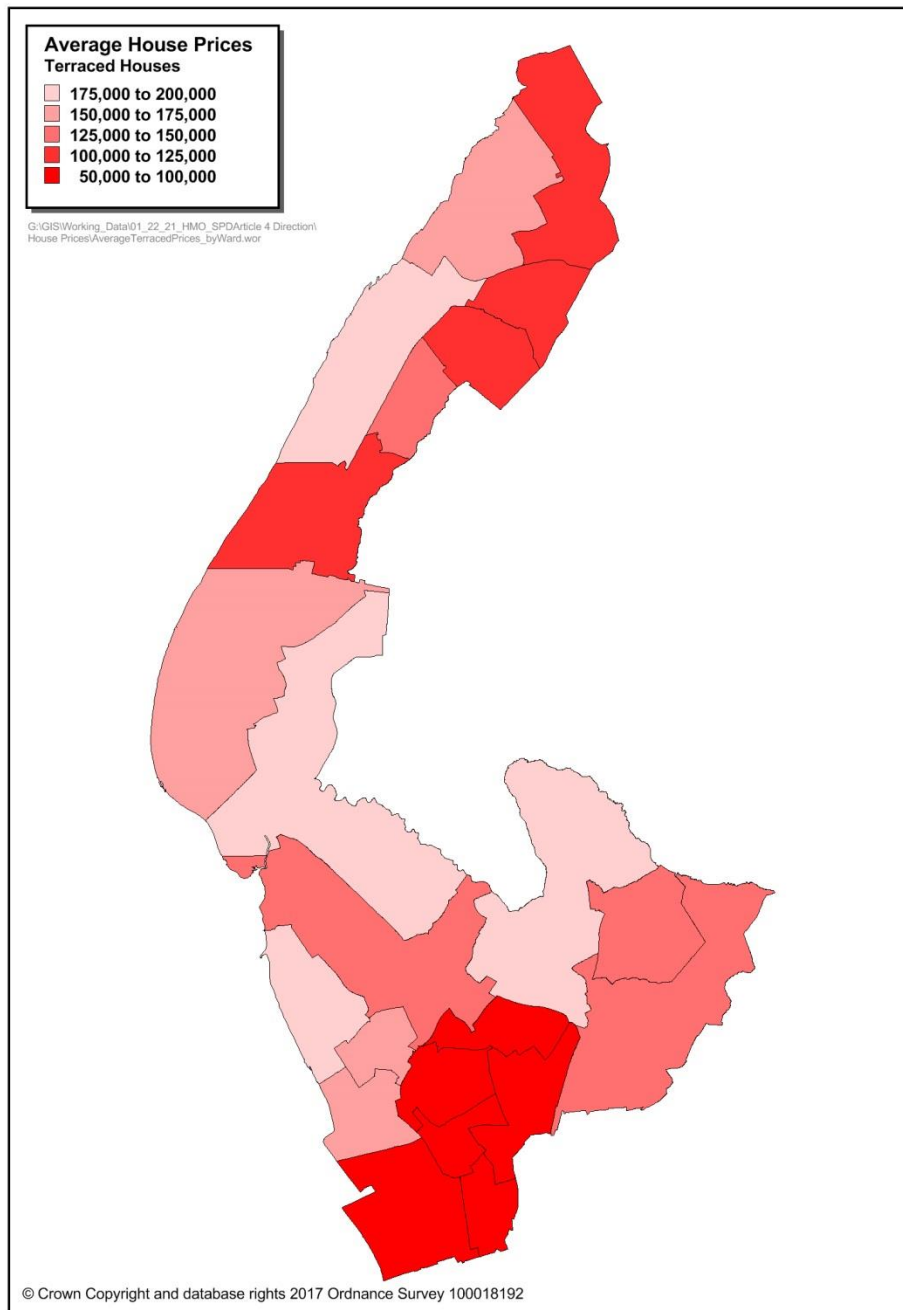
The majority of sales in **Crosby** during the last year were semi-detached properties, selling for an average price of £210,184. Terraced properties sold for an average of £155,702, with flats fetching £152,604.

The majority of sales in **Formby** during the last year were semi-detached properties, selling for an average price of £226,857. Detached properties sold for an average of £374,702, with flats fetching £156,633.

Most of the sales in **Southport** over the past year were semi-detached properties which on average sold for £165,626. Detached properties had an average sold price of £307,977 and flats averaged at £120,824.

The majority of sales in **Maghull** during the last year were semi-detached properties, selling for an average price of £179,290. Terraced properties sold for an average of £149,412, with flats fetching £104,813.

House prices are significantly lower in the Bootle area than in other parts of Sefton. Figure 13 below illustrates the average price of terraced properties across the borough (as at 2016). This shows that in much of South Sefton terraced properties are below £100,000. In much of Southport terraced homes are not much more being on average between £100,000 to £125,000.



**Figure 14 - Average Terraced House Prices in Sefton (2016)**

Figure 15 below shows a similar pattern for the average price of detached homes in the borough. Bootle and parts Southport have lower average prices than elsewhere.

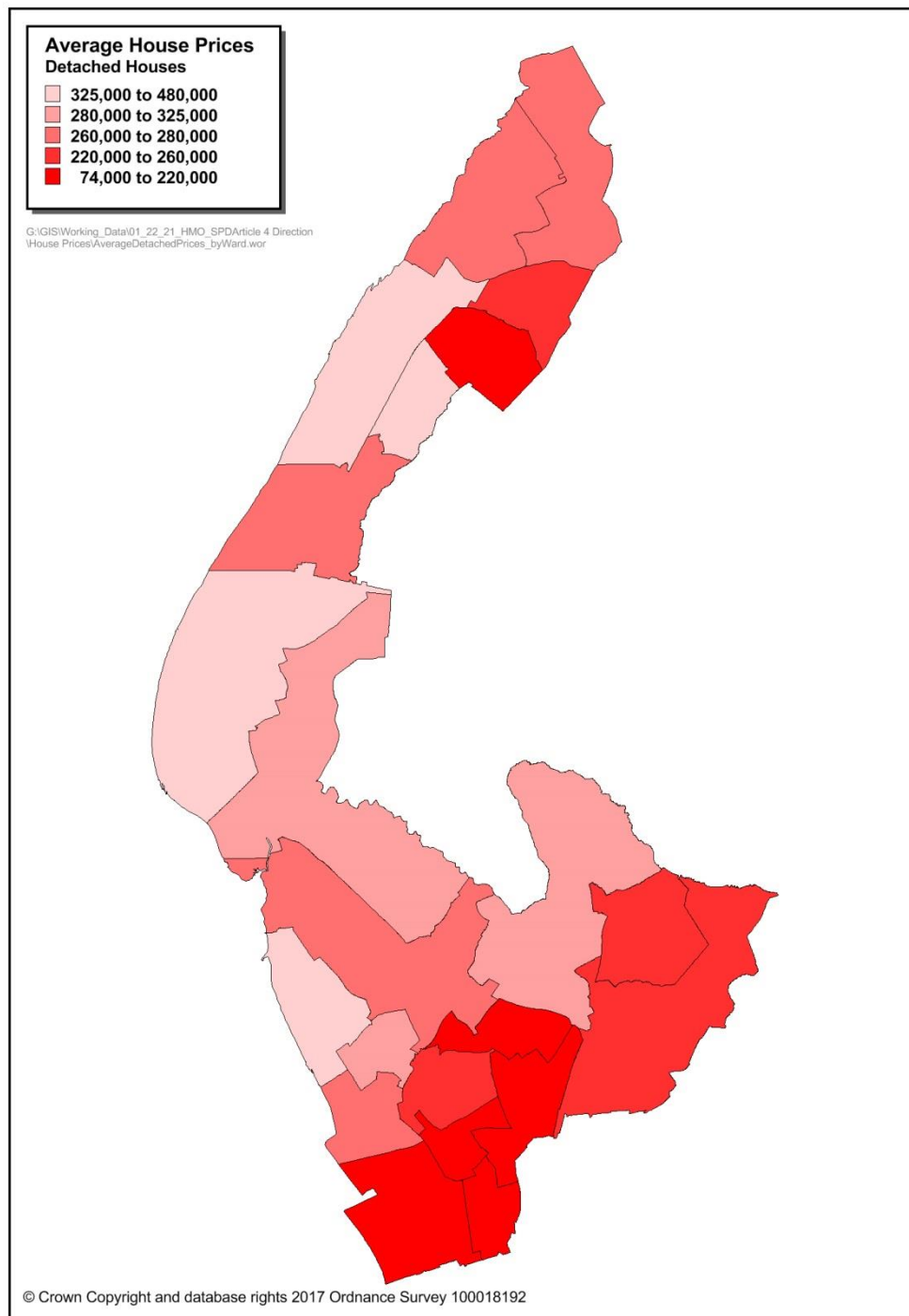
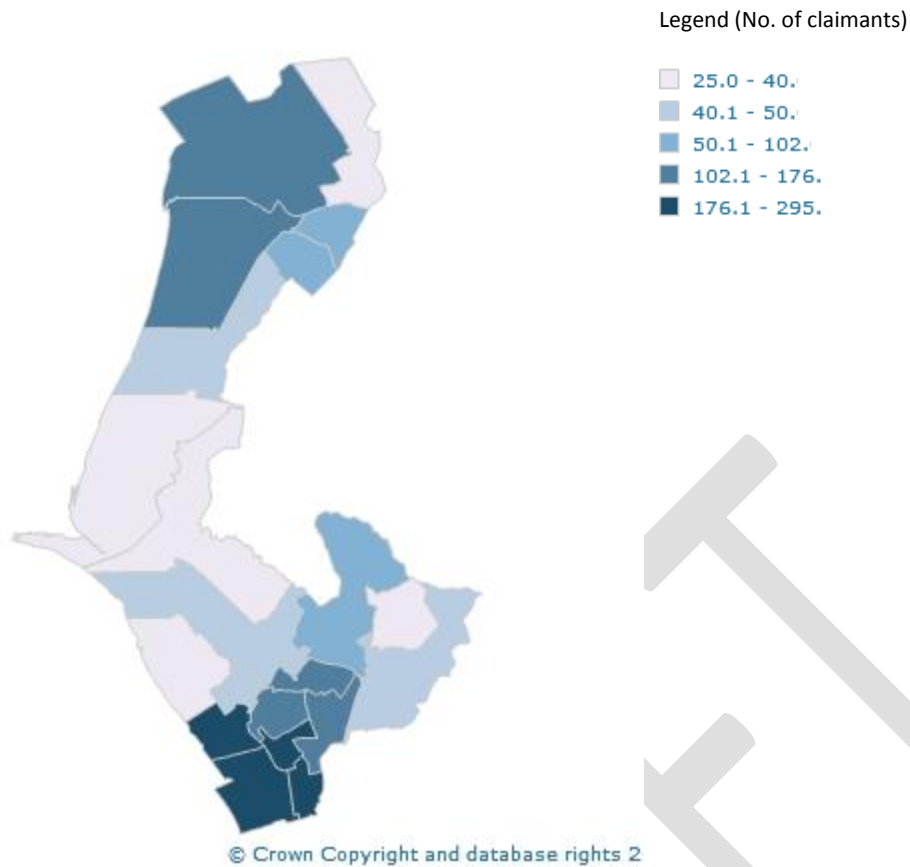


Figure 15- Average Detached House Prices in Sefton (2016)

### Unemployment Rate

Figure 16 below shows the number of total claimants of Job Seekers Allowance (JSA) in 2016 by ward. This shows that the wards in Bootle and central Southport have the most number of claimants. Linacre ward has 295 JSA claimants, whereas Harington ward in Formby had just 25.



**Figure 16 – Number of Job Seeker Allowance Claimants 2016**

### **Skills**

The skills profile of Sefton suggests a workforce with fairly typical qualification levels. Around a quarter of people aged 16 and over have no qualifications with 24% having level 4 qualifications and above (equivalent to degree level). These figures are virtually the same as for the whole of the North West although there are small differences from data for England where only 22% have no qualifications and over 27% are qualified to Level 4 or above.

For individual sub-areas we again see some notable differences; only 12% of people in Bootle and 13% in Netherton are qualified to Level 4 or above, this compares with 37% in Formby. Over a third of people aged 16 and over in Bootle and Netherton have no qualifications.

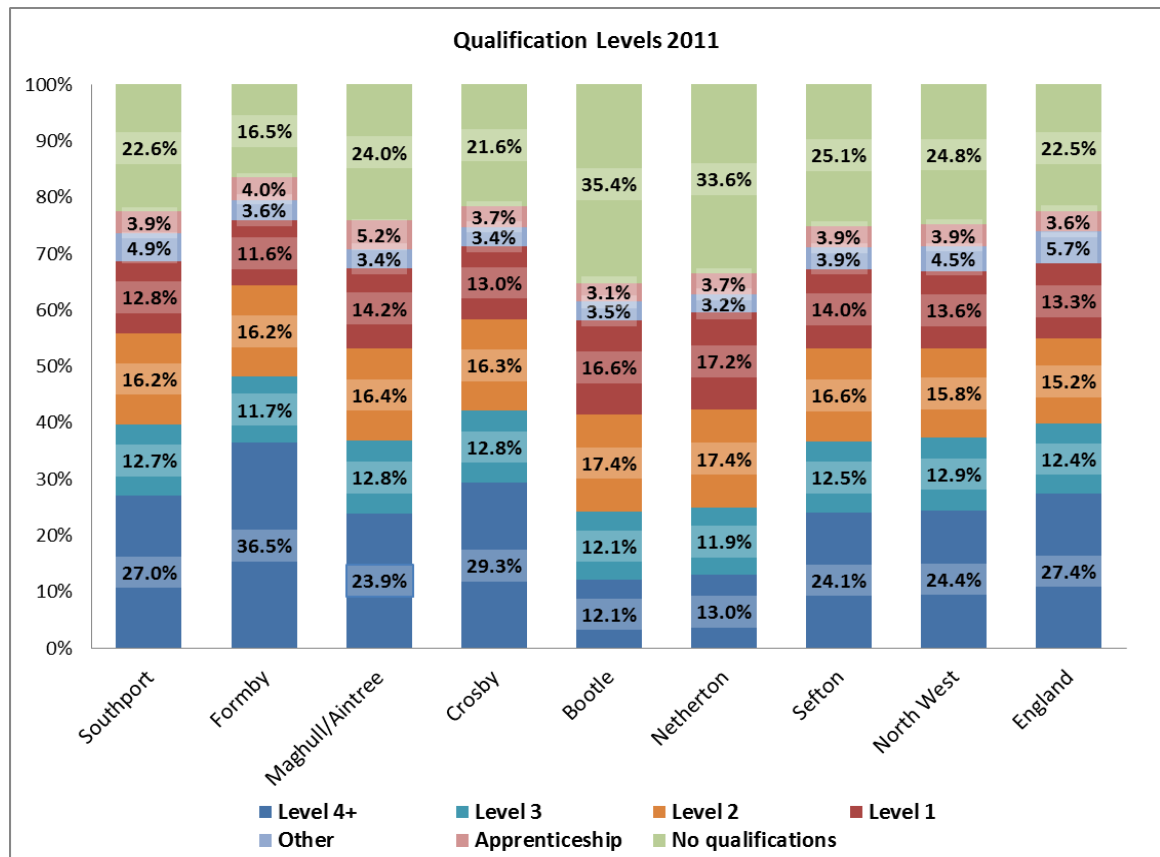


Figure 17 – Qualification levels 2011

The qualifications profile in Sefton is to a strong degree also reflected in the profile of employment by occupations. Again Sefton has a similar profile of occupations to regional figures with a lower proportion in managerial and professional occupations when compared with national data. The higher level of skills in Formby in particular can be seen in the occupational profile where there are the highest proportion of managers and those in professional occupations (37% compared with 14% in Bootle and 16% in Netherton). The lower than average skills in Bootle can also be seen with regard to the proportions in elementary occupations (15% are occupied in elementary occupations compared with 7% in Formby).



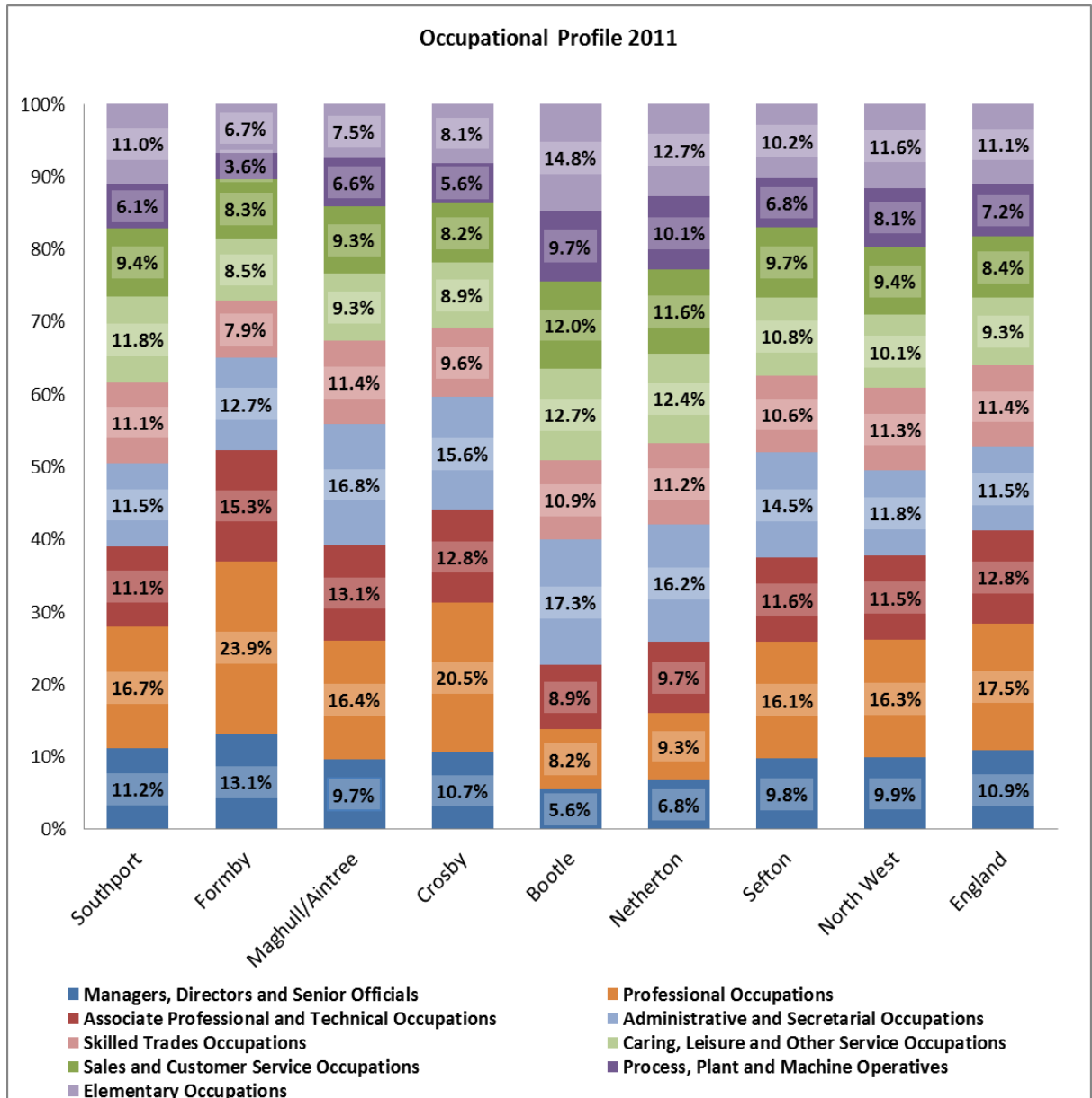


Figure 18 – Occupational Profile 2011

### Council Tax Band

A good indication of the quality and price structure of the housing stock is the distribution of dwellings by Council Tax Band. The figure below shows that across the whole of the Borough the distribution of Council Tax Bands suggests slightly lower dwelling values when compared with national data but higher values in a regional context. Across Sefton some 52% of homes are in Council Tax Bands A and B; this compares with 62% regionally and 44% nationally.

At a sub-area level differences are even more pronounced with the data indicating very high property values in Formby (and to a lesser extent Maghull/Aintree) with lower values being seen in Bootle and Netherton. In Formby the data shows that only 2.3% of homes are in Council Tax band A – this compares with around 31% Borough-wide and 83% in Bootle.

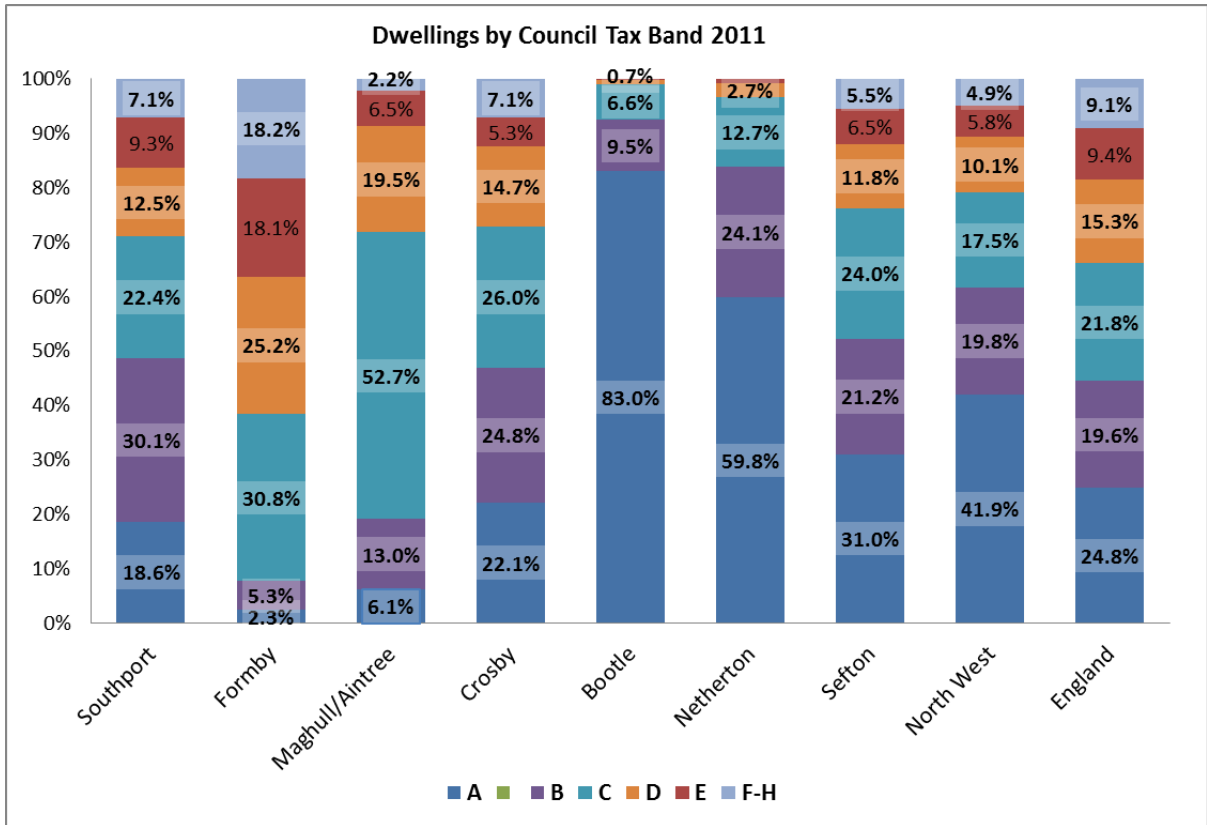


Figure 19 – Dwellings by Council Tax Band 2011

## Environmental Data

### Vacant Homes

The number of vacant (i.e. empty) homes in Sefton is 5,570 (based on October 2015 Council tax data), 4.41% of the total stock (including second homes and the remaining proportion of homes set for demolition in the Housing Renewal areas). Of the total number of vacant homes, 3,155 are classed as long-term vacant, i.e. vacant for more than six months (2.5% of the total housing stock). These vacancies are concentrated in south Sefton (mainly Bootle) and central Southport.

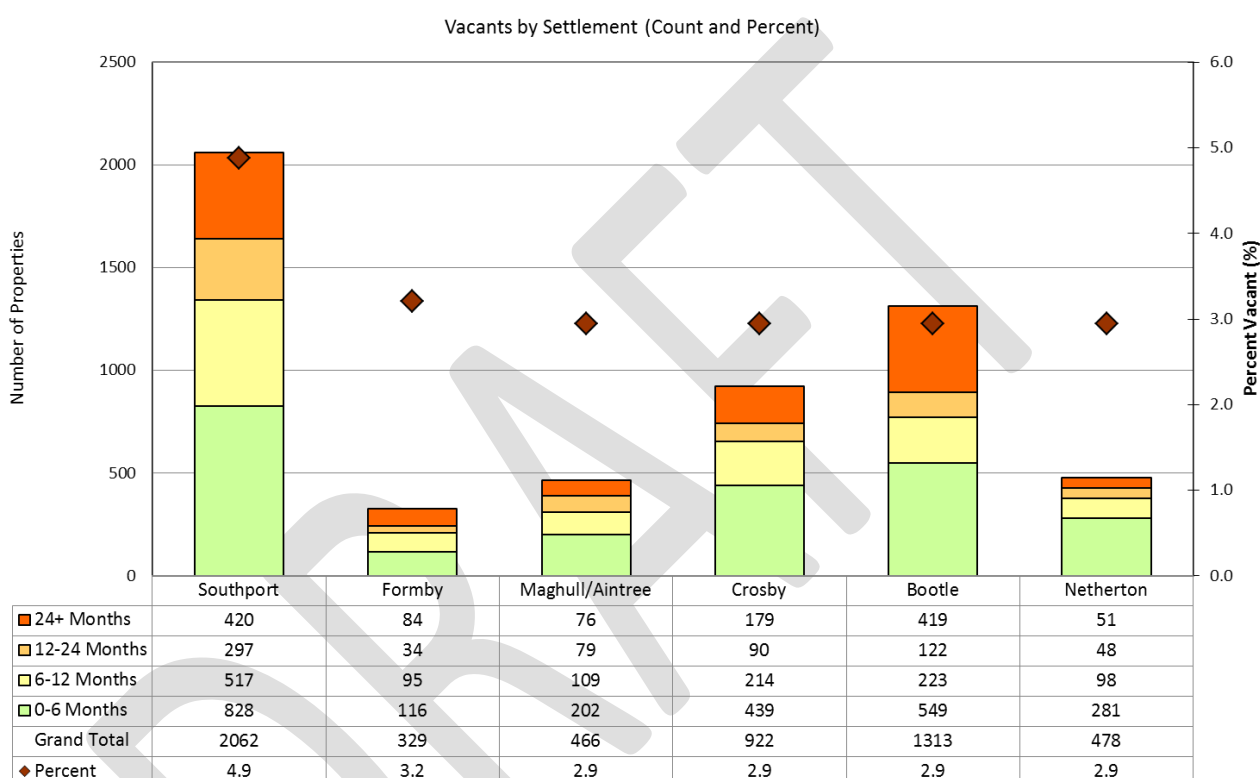


Figure 21 – Vacant homes by settlement October 2015

### Stock Conditions

Housing conditions overall within the private housing sector have improved since 2008. Over the five year period 2008 - 2013 the number of dwellings failing the Decent Homes Standard has decreased by 7,475 dwellings or 30.7%. The overall rate of non-Decency has witnessed a corresponding decline from 23.1% of private sector housing in 2008 to 15.8% in 2013. Within the Decent Homes Standard rates of non-compliance on Category 1 hazards and disrepair have also reduced. The proportion of economically vulnerable households in non-Decent homes has remained almost static over the period at 28% although this is against a background of significant increases in economic vulnerability over the inter-survey period. Levels of energy efficiency have improved significantly since 2008 as evidenced by an increase in average SAP ratings from 56 to 63 and a 36% reduction in annual CO2 emissions.

89,719 dwellings (84.2%) meet the requirements of the Decent Homes Standard and can be regarded as satisfactory. The remaining 16,858 dwellings (15.8%) fail the requirements of the Decent Homes Standard and are non-Decent. Within the Decent Homes Standard itself the following pattern of failure emerges:

- **4,069 dwellings (3.8%) exhibit Category 1 hazards within the Housing Health and Safety Rating System (HHSRS).**
- **10,665 dwellings (10.0%) are in disrepair.**
- **266 dwellings (0.2%) lack modern facilities and services.**
- **5,596 dwellings (5.3%) fail to provide a reasonable degree of thermal comfort.**

The majority of non-Decent homes fail on one item of the standard (13,362 dwellings – 79.3%); the remaining 3,495 non-Decent Homes exhibit multiple failures (20.7%). Costs to achieve Decent Homes within the private-housing sector are estimated at £102.915M averaging £6,105 per non-Decent home.

Variations in Decent Homes performance reflect significantly higher rates of failure for:

- The private-rented sector : 5,051 dwellings, 24.4%
- Flats in converted buildings (eg HMOs): 3,403 dwellings, 34.4%
- Dwellings constructed pre-1919 : 8,122 dwellings, 29.5%

Geographically, highest rates of Decent Homes failure are recorded for;  
East Southport, 2888 dwellings 25.9%  
North Southport, 2548, 22.3%  
Linacre and Derby, 2139, 26.5%

Significant parts of these areas will be included within the proposed Selective and Additional (HMO) licensing schemes.

	NON-DECENT HOMES	
	2008	2013
	%	%
<b>AREA COMMITTEE</b>		
Crosby	15.7	8.8*
East Southport	23.1	25.9
Formby	5.3	9.5
Linacre and Derby	40.9	26.5*
Litherland and Ford	26.8	15.1*
North Southport	19.0	22.3
Sefton East Parishes	50.3	11.2*
South Southport	14.7	16.8
St. Oswald, Netherton and Orrell	15.6	12.4
<b>TENURE</b>		
Owner-Occupied	22.0	13.7*
Private-Rented	35.2	24.4*
<b>ALL SECTORS</b>	<b>23.1</b>	<b>15.8*</b>

Figure 22 – Non-decent homes in Sefton 2008-2013

### Poor Property Conditions

#### Housing Standards Service Requests

There are circumstances in which a significant number of properties in the private rented sector are in poor condition and are adversely affecting the character of the area and/ or the health and safety of their occupants. Number of service requests from tenants living in privately rented homes recorded by the Housing Standards team can accurately identify local concentrations of poor property conditions by mapping each service request received.

Figure 23A below identifies the number and proportion of total (mappable) housing standards service requests received by Sefton Council over a four year period between April 2012 and March 2016. The results highlight that the rate of total service requests in each licensing area are much greater than the overall Sefton rate (21.7 requests per 1000 households). This evidence highlights that each of the licensing areas are disproportionately affected by poorer housing stock and poor property conditions.

Area	Waterloo/ Seaforth Additional HMO Licensing Area	Southport Additional HMO Licensing Area	Bootle Selective Licensing Area	Total Licensing intervention areas	Sefton Total
<b>Total Housing Standards Service Requests (April 2012 – March 2016)</b>	145	428	678	1251	2255

<b>Proportion of Total Housing Standards Service Requests (April 2012 – March 2016)</b>	6.4%	19.0%	30.1%	55.5%	100%
<b>Service Request rate per 1000 households*</b>	45.7	87.5	55.3	61.5	21.7

Figure 23A – Housing standards service requests 2012-2016 (\*Household Estimate based on 2011 Census)

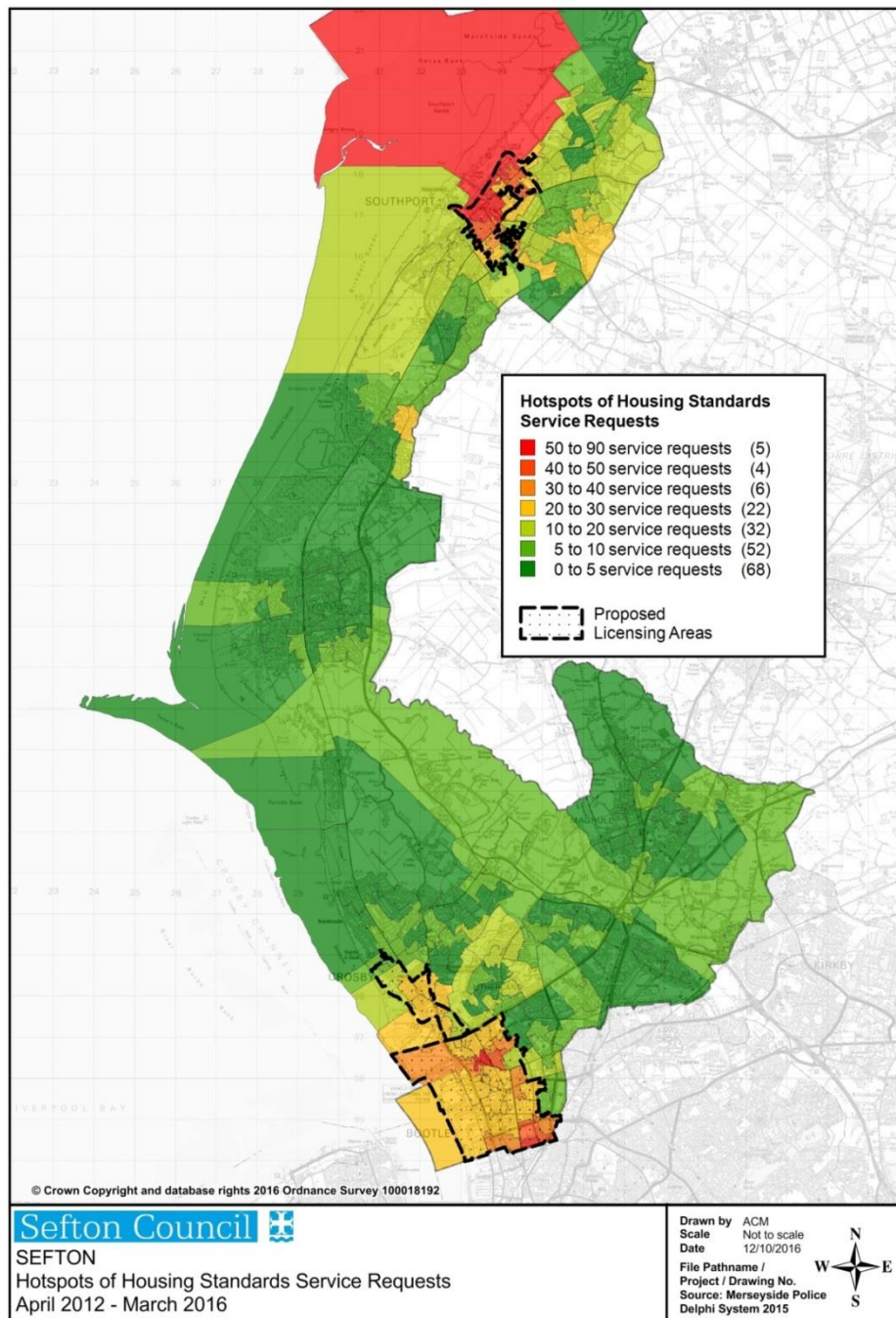


Figure 23B – Housing standards service requests 2012-2016

## Planning Enforcement

Figure 24 below shows the geographic distribution of enforcement complaints the Council's planning department has received in relation to Homes in Multiple Occupation over the past 10 years (2007 to 2017). These are clustered primarily in the Bootle, Seaforth and Waterloo areas in south Sefton and in the central Southport area.

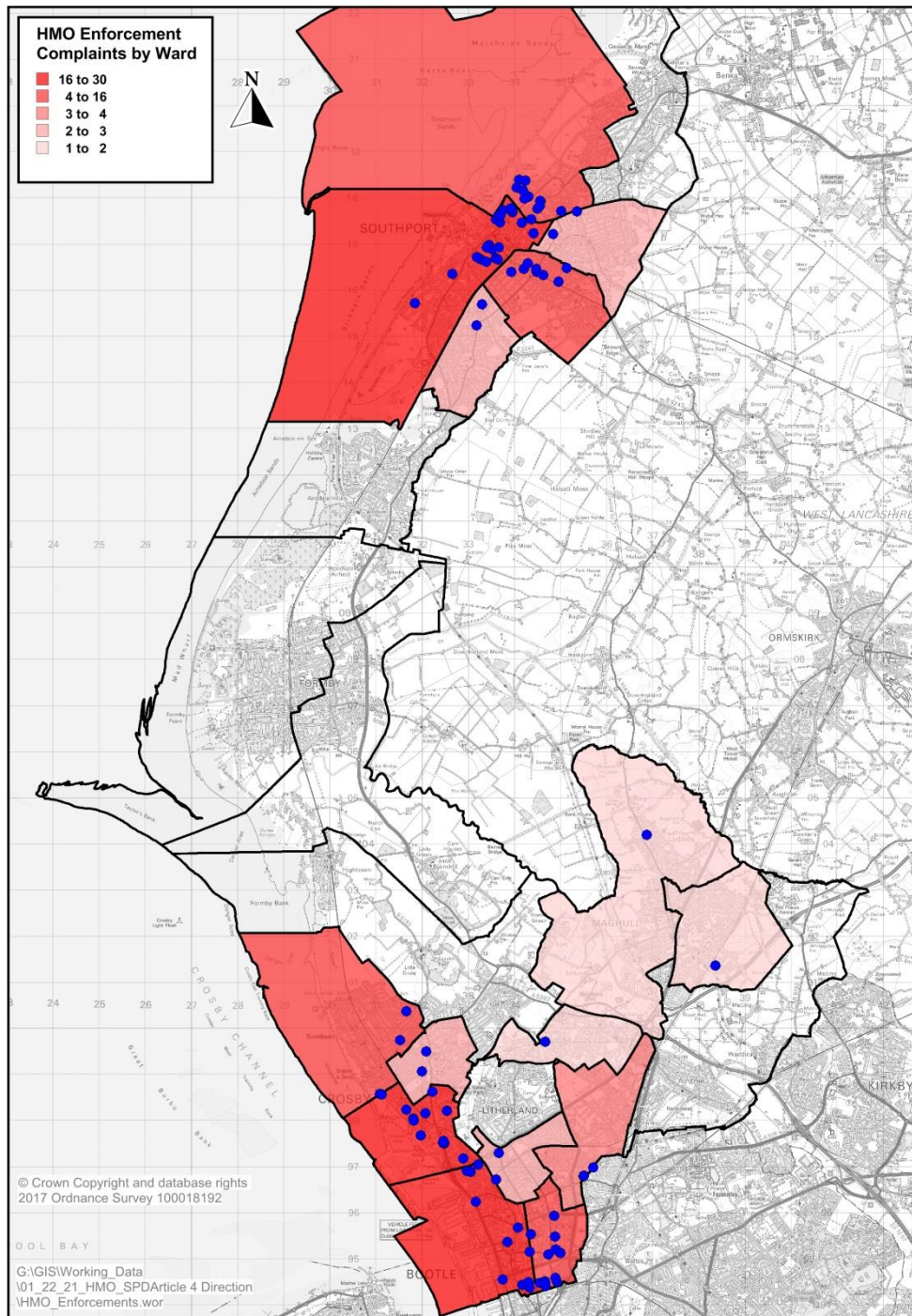


Figure 24 – HMO Enforcement complaints 2007-17

Below are a small number of examples of enforcement complaints that the Planning Department has dealt with. These illustrate the concerns that local residents have when properties convert to HMOs and that in many cases the lack of powers the Council has to manage these.

#### **440 Hawthorne Road, Bootle**

Conversion of 3 bedroom terraced house into a house of multiple occupation. Petition submitted on behalf of concerned neighbours and residents with the regard the detrimental impact on the local area. Site visit by enforcement officer confirmed this was a five person HMO and therefore did not require planning permission.

#### **29 Hyde Road, Waterloo**

Neighbour complained about change of use for a HMO. Proposal is for six units so therefore permitted development.

#### **38 Hornby Road, Bootle**

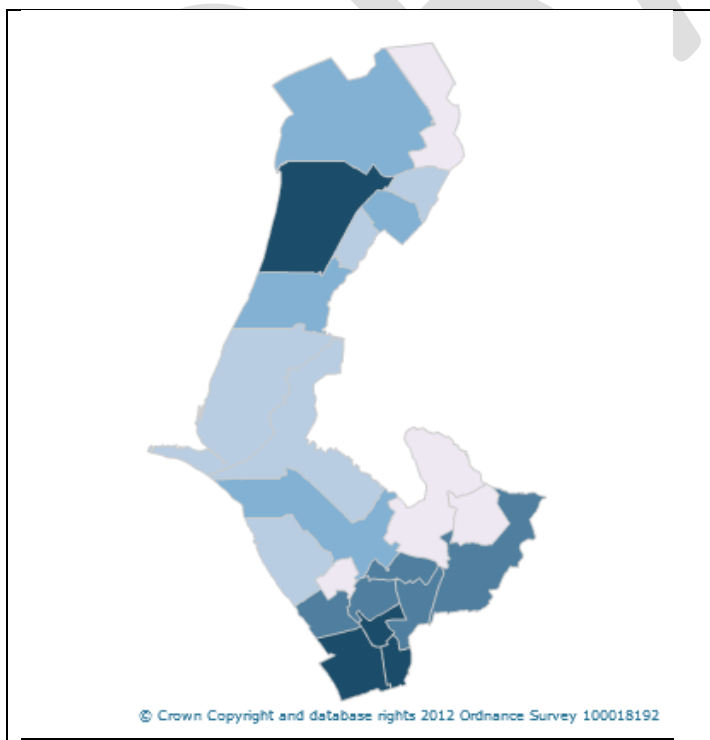
Resident complained that a HMO conversion would devalue their property. As it was a five person HMO it is permitted development.

#### **95 Worcester Road, Bootle**

Neighbour complained about the conversion to a HMO and that this would cause unacceptable noise. Inspection confirmed this was a five room HMO and planning permission is not required.

### **Crime**

#### **All crimes**



**Figure 25 – All crimes per 100 population by Sefton ward**



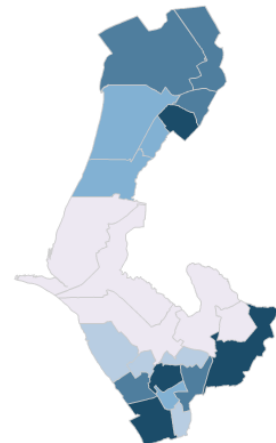
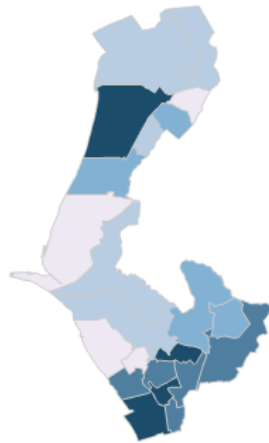
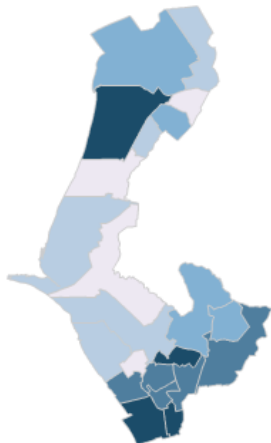
Figure 25 above shows that south Sefton, which includes Bootle, Seaforth, Litherland and Waterloo, and Central Southport, have the highest instances of recorded crime in Sefton. The darker colour shows the areas in which the highest number of crimes are recorded. These areas are generally the same areas which have higher density homes, greater levels of deprivation and more unemployment. Figure 26 below shows that the geographic spread of anti-social behaviour has a similar pattern to crime in general.

**Anti-social behaviour**

**All anti social behaviour**

**Rowdy Inconsiderate Behaviour**

**Nuisance Neighbours**



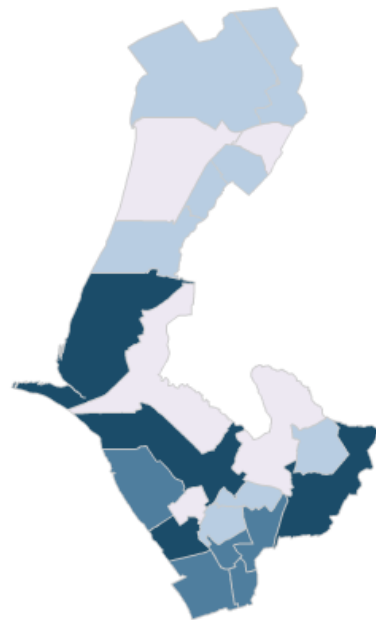
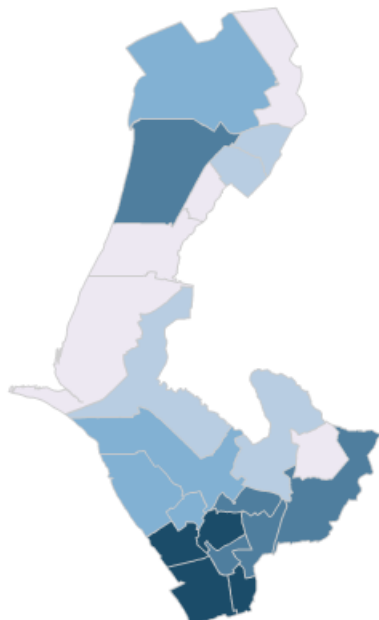
© Crown Copyright and database rights 2012 Ordnance Sur...

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**Fly Tipping**

**Dog Fouling**



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**Figure 26 – anti-social behaviour by type and ward (occurrences per 100 population)**

Crime and anti-social behaviour can have an impact of causing low demand in areas. This may force property owners to look at alternative means at letting properties, such as sub-dividing into smaller

accommodation. This can perpetuate the issues that already exist in these areas and further create issues of low demand.

DRAFT

## Conclusions

The information presented in this report identifies clear pockets of environmental, economic and social problems in some parts of Sefton. These demonstrate the potential for harm in these areas if the Council continue to provide permitted development rights for property owners to convert their homes into Houses of Multiple Occupation (HMO) (six individuals or less). HMOs provide for a far more intensive use of residential areas and result in a much larger population living in areas already of high density. This often leads to conflict and tension due to lack of space, pollution, poor environment and services being stretched. Residents of HMOs are often short term tenants and transitory and the perception is that they have less stake in the local neighbourhood when compared to the longer term residents.

Whilst the Council do not consider that all HMOs will cause or exacerbate the social, economic or environmental problems in Sefton, it does consider that in certain parts of the Borough there is the potential for harm. Therefore, the Council considers it is justified in these areas that permitted development rights to convert dwellinghouses to a HMOs will be removed, through the making of an article 4 direction.

The removal of permitted development rights will mean a proposal to convert to a HMO will require planning permission. This will allow the Council to fully assess the impact of the proposal on future residents, neighbouring residents and the neighbourhood as a whole. It will also allow the Council, if it were minded to approve the proposal, to require certain improvements, such as bin stores, sound insulation, etc.

The areas that the Council considers it appropriate to remove the permitted development rights in parts of Bootle, Seaforth Litherland, Waterloo and central Southport. These areas are identified on the maps below. The justification for the removal of permitted development rights to convert to a HMO is as follows:

- Bootle has a greater proportion of its population under 30 years of age. This demographic would be more likely to live a smaller accommodation.
- Bootle also has a higher proportion of its population who are single person households. These households are also much more likely to live in smaller accommodation.
- Bootle and Southport, and to a slightly lesser degree Crosby, have a greater proportion of households that privately rent. HMOs are mostly privately rented accommodation. Between 2011 and 2015 it estimated that the number of households whose home is in the private rented sector increased by 27%.
- Southport has the highest affordable housing requirement in Sefton. Bootle has the lowest.
- Bootle, Litherland and Seaforth have a much higher proportion of its housing stock as terraced homes. These are often smaller homes that can be easily converted to small HMOs. They are often in high density areas in which people are already living in close proximity to their neighbours.
- Central Southport and Waterloo is characterised by larger Victorian terraced and semi-detached homes with smaller terraced homes on the back streets
- House prices in Bootle, Seaforth, Waterloo and central Southport are broadly lower in value than those in other parts of Sefton.

- Bootle, Crosby and Southport have higher levels of overcrowding than other areas in Sefton, such as Formby and Maghull. As these are areas that also have are also characterised by higher density homes.
- The areas of Sefton that have the most areas in the 10% most deprived nationally include Bootle, Seaforth, Waterloo and Central Southport.
- The unemployment rate in Bootle, Litherland, Seaforth, Waterloo and central Southport is higher than in other parts of the borough.
- A greater proportion of residents of Bootle (and Netherton) have lower qualification levels than other parts of Sefton.
- Bootle, Netherton and Southport have a greater proportion of their working age population in lower paid employment types, such as sales, care and unskilled labour. Lower wages in these areas impacts on the choice and quality of accommodation that people have access to.
- The number of vacant homes is highest in Southport, Bootle and, to a lesser extent, Crosby. The provision of large numbers of HMO accommodation may be suppressing demand for other housing stock in these areas. Low demand for homes may make owners consider subdividing their property to HMOs which will exacerbate the issues.
- Bootle (Linacre and Derby wards) and Southport have the highest rates of homes that are in poor condition (i.e. do not meet the 'decent' standard). Across Sefton the rates of non-decent homes are markedly higher in the private rented sector than owner-occupied.
- Bootle, Litherland, Seaforth, Waterloo and Central Southport areas experience the highest rates of housing standards service requests due to poor housing and property conditions.
- Generally the towns in South Sefton (including Bootle, Litherland, Seaforth and Waterloo) and central Southport experience the greater instances of environmental and social problems, including crime, anti-social behaviour, nuisance neighbours, rowdy behaviour, fly tipping and dog fouling. These issues can be made worse by overcrowding and poor quality homes.
- Bootle, Litherland, Seaforth, Waterloo and central Southport have the largest number of complaints in relation to HMOs and planning enforcement. Many of the complaints cannot be resolved due to the conversion of the HMO being permitted development.

It is considered that these issues are long term problems that have many causes. These issues create a situation which makes these areas suitable for large numbers of smaller homes to be converted to HMOs through permitted developments rights. In turn this potential for conversions to HMOs is likely to exacerbate many of the issues listed above. It is therefore considered important that the Council seek to manage HMOs to ensure that the potential impact is considered.

