



Report of the Director of City Development

City Centre Plans Panel

Date: 6th November 2008

Subject: Houses in Multiple Occupation (HMOs)

Electoral Wards Affected: All

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Executive Summary

Houses in Multiple Occupation (HMOs) fulfil a useful function in providing relatively short term accommodation. However, large concentrations of HMOs can cause problems and these have been well documented, particularly in university towns and cities, such as Leeds.

For some time, local communities have expressed concern about the impact of HMOs with regard to loss of family housing stock, demographic imbalance, transient communities and the difficulties experienced in delivering local services. Local Authorities have historically had a great deal of difficulty in exercising control over HMOs, particularly in planning. Whilst the Housing Act 2004 introduced mandatory licensing for many forms of HMOs, this is concerned with safety and housing quality, rather than land use planning. It is often argued that many of the initiatives in place deal only with the symptoms of large concentrations of HMOs, but do not deal with the causes in planning terms. These concerns have been expressed most recently to Communities and Local Government (CLG), who commissioned ECOTEC Research and Consulting Ltd to undertake an evidence gathering exercise. A report outlining the findings of the research has now been published (September 2008).

The aim of the research was to identify good practice, test if good practice could have wider application and also determine how planning can tackle these problems. Leeds is one of five focus areas included in the research and is praised for its good practice. Consideration is also given to changing planning legislation, specifically the Use Classes Order, and the report concludes that CLG ought to conduct further research into the effects that this would have. Such legislative changes have already taken place in Northern Ireland in 2004. This is one of the key areas where many community organisations feel that Local Authorities could obtain tighter planning controls, assisted by the correct Policies, in order to realise the objectives of sustainable, cohesive communities.

1.0 Purpose of this Report

- 1.1 This report is intended to update Plans Panel Members on the recent work carried out for Communities and Local Government (CLG) in relation to Houses in Multiple Occupation (HMOs). ECOTEC Research and Consulting Ltd have now produced a final report for CLG outlining their research, findings and recommendations. For information, a full copy of the final report can be viewed by following the web link:
<http://www.communities.gov.uk/publications/planningandbuilding/evidencegatheringresearch>
- 1.2 This report also aims to advise on what the implications of ECOTEC's findings are for Leeds.

2.0 Background Information

- 2.1 In Leeds, the larger part of the student population live in shared houses, forming part of the traditional housing stock. This is often housing which may well otherwise be used for family housing. Despite planning policies and initiatives which try to deal with the effects of student developments in the locality, one of the key overriding problems is that the vast majority of student accommodation requires no planning permission to be used in the nature that it is (i.e. to accommodate six individuals or less). Where the Council has tried to pursue enforcement action against what are considered to be unauthorised HMOs, appeals have often been allowed on the basis that the property arguably still functions as a single dwellinghouse. This undermines the Council's Policies and initiatives to try and improve local environments and create more sustainable communities.
- 2.2 A large proportion of the student accommodation is concentrated in inner north west Leeds, particularly in the Headingley and Hyde Park and Woodhouse Wards. Local residents, and in particular Leeds HMO Lobby, have made repeated representations to the Inner North West Area Committee, who have requested that the Council should lobby for legislative change. Leeds HMO Lobby is part of the National HMO Lobby, which has been campaigning for a number of years on issues affecting communities with high concentrations of HMOs. Through the exchange of ideas between the HMO Lobby and officers, a paper was presented to the Core Cities group, of which Leeds is a member. It was agreed that Leeds and Nottingham, who share similar issues with student HMOs, should write jointly to CLG to offer solutions. In addition, contact was made with the Local Government Association (LGA), Planning Advisory Service and the Planning Officers Society. Through the process of lobbying, officers have sought to keep Members abreast of progress, in addition to Leeds North West MP, Greg Mulholland, who is also a member of the All Party Parliamentary Group for Balanced and Sustainable Communities, which has an interest in HMO issues.

The 'Northern Ireland Model'

- 2.3 In the joint letter from Leeds City Council and Nottingham City Council, it was suggested that CLG should consider an approach similar to the 'Northern Ireland model'. The approach taken in Northern Ireland has long been advocated by the National HMO Lobby. In Northern Ireland, the definition of an HMO is the same in both Planning and Housing terms. Furthermore, the Planning (Use Classes) Order (Northern Ireland) 2004 defines HMOs as being Sui Generis. This approach means that HMOs are more clearly and tightly defined and planning permission is required to change a use to and from them. This would give much greater control to Local Planning Authorities over the future development of HMOs.
- 2.4 In Northern Ireland, the existing use rights were conferred to those properties newly defined as HMOs. As such, only properties being used as HMOs post 2004 are subject to planning control.
- 2.5 In order for the above to work in England and Wales, this would firstly require the re-definition of HMOs in planning legislation to the definition provided in the Housing Act 2004, which defines an HMO as an entire house, flat or converted building which is let to three or more tenants forming two or more households, who share facilities. Secondly, HMOs would need to be removed entirely from Class C3, either by being deemed Sui Generis, as above, or by adding an additional Class C4. The benefit of this approach is that it would deal with HMOs in their entirety, counteracting the argument that such an approach is seeking to discriminate against students.
- 2.6 Whilst concentrations of students in HMOs is the primary issue in Leeds, the above approach would have significant benefit to many other towns and cities across the country, such as market and coastal towns with high concentrations of HMOs.

3.0 Main Issues arising from the ECOTEC research

- 3.1 ECOTEC Research and Consulting Ltd were commissioned by CLG to carry out an evidence gathering exercise to review the problems caused by high concentrations of HMOs. The purpose of the evidence gathering exercise was to:
- Identify good practice in areas that manage to cope relatively well with high concentrations of HMOs (particularly those occupied by students who tend to be transient, thus potentially causing problems around community cohesion and survival of community facilities),
 - Test whether these ideas could have a wider application in those areas that are having more difficulty with such issues and
 - Determine whether (and if so what) planning policy is a suitable lever to tackle these problems.

- 3.2 As part of their work, a series of five focus groups with interested parties were set up to obtain a more in-depth understanding of the issues faced in each of the particular localities. The focus groups were held in areas that were currently experiencing issues around high concentrations of HMOs and student populations, including Leeds, Nottingham, Southampton, Loughborough and Exeter.
- 3.3 Given that Leeds was one of the five focus group areas, Leeds City Council has been significantly involved in the evidence gathering exercise and made strong representations with regard to the need for legislative change, in addition to the initiatives that are already in place. Specifically, ECOTEC carried out a number of interviews with local stakeholders including Council officers and held a workshop with the Council's Shared Housing Group. The existence of this multi agency group was one of the areas where Leeds was praised in the final report. This work culminated in a seminar session held at CLG's headquarters, attended by officers and members of Leeds HMO Lobby.

Findings of the research

- 3.4 CLG have now issued their final report, which contains the observations and recommendations made by ECOTEC, following the evidence gathering exercise. The report considers the arguments put forward by all of the stakeholders and the existing local level initiatives. The report states that there is much good practice and organisations in Leeds are praised in a number of areas, as illustrated in the table at **Appendix A**, extracted from the report. The text of the report specifically highlights initiatives such as Leeds City Council's 'Area of Housing Mix' Policy, a dedicated Community Planning Officer, 'To Let' board controls, the Shared Housing Group and Shared Housing Action Plan (SHAP). Whilst the report refers to the 'Area of Housing Mix' as an area of good practice, it is however disappointing that little support has so far been received by the Planning Inspectorate through appeals against the refusal of planning permission.
- 3.5 The report goes on to suggest a number of options as follows:
- Option one – do nothing,
 - Option two – promote the use of non-planning related mechanisms and planning policy levers through wider dissemination, and
 - Option three – amend the Use Classes Order to provide a definition of HMOs and allow tighter planning controls over houses in multiple occupation.
- 3.6 The report acknowledges that many stakeholders consider that the existing initiatives only really deal with the symptoms of HMO problems, but do not deal with the causes. It is also recognised that many stakeholders consider that changes to the Use Classes Order are an essential part of trying to control the growth and location of HMOs in the future, as per the 'Northern Ireland model'. Nevertheless, it is also recognised that there are counter arguments to the above made by some stakeholders, particularly with

regard to avoiding any unintended consequences, such as increasing rents, undermining regeneration and creating resource pressures.

3.7 The report suggests that various actions can be considered in the short term and medium-term to long-term. In the short term, it is suggested that there should be:

- Wider dissemination of good practice.
- Monitoring of existing housing and planning powers to ensure that they are being adequately used – HMO licensing, Landlord accreditation, dedicated staff and the use of specific development plan policies etc
- A Task and Finish Group established by CLG to monitor the impact and effectiveness of current legislative powers and policies, identifying any weaknesses.

3.8 In the medium-term to long-term, should the evidence suggest that there is a need to consider amendments to the Use Classes Order, it is recommended that:

- Further examination into Northern Ireland's experience should be undertaken and an assessment made of how effective the measures have been.
- If legislative change is considered, attention must be paid to issues raised by stakeholders, including any unintended consequences, as mentioned above.

4.0 Implications for Council Policy and Governance

4.1 As previously outlined, the majority of the methods of good practice are already adopted by Leeds City Council and other stakeholder organisations. It is argued that these address the symptoms, but do not respond to the structural issues involved with community cohesion and demographic imbalance, which are the result of a high proportion of students. Therefore, the implications of this report for Leeds are associated with continuing to lobby CLG with regard to further designing and testing of any legislative changes as a specific short term action. Subject to any future changes to the Use Classes Order, the Council would need to draw up appropriate and robust development plan Policies to deal with HMO issues. We can of course identify any other areas of good practice that we can learn from and apply within the city.

5.0 Legal and Resource Implications

5.1 It is anticipated that officers, the Community Planner for Inner North West and groups such as the Shared Housing Group, Leeds HMO Lobby and other community organisations will continue to collaborate and assist with sharing good practice, as well as lobbying for legislative change.

6.0 Conclusions

6.1 The role of ECOTEC has been to undertake an evidence gathering exercise for CLG in order to review the problems caused by high concentrations of

HMOs. The report distils the issues and provides information on areas of best practice from the localities involved in the focus groups. Whilst the information on areas of good practice is useful, the report cannot go any further than to recommend that further research is carried out in relation to the Northern Ireland experience.

- 6.2 Leeds is often regarded by other local authorities as being at the forefront of good practice in dealing with the effects of high concentrations of HMOs. Clearly, despite these initiatives, there are still problems and so lobbying for legislative change is an appropriate course of action. Therefore, we must consider if there are any areas of good practice that we can learn from and also continue to lobby CLG, with support from the Core Cities, MPs, the National HMO Lobby and community groups, with regard to changes to the Use Classes Order, whilst being mindful of any unintended consequences.

7.0 Recommendations

- 7.1 Members are asked to note the contents of the report and comment as they feel appropriate. It is recommended that lobbying of CLG, MPs, the Local Government Association and other appropriate organisations continues in order to advance legislative change. Additionally, it is recommended that consideration be given to reviewing planning policy with regard to HMOs and student accommodation through the emerging Local Development Framework (LDF) process in order to ensure that we have robust policies in place.

Appendix A: Good Practice Checklist

Stakeholder	Type of Initiative	Examples of who has adopted this approach	What is the Purpose/Role of the initiative	How effective in dealing with the causes/symptoms of high concentration of HMOs and populations.	What are the Barriers/Constraints to implementation	Is there potential for Wider Application
Universities	University Housing Strategies	Leeds University Loughborough University	Guide the development of the University's accommodation strategy and its wider relationship with the community	The Strategy is aimed at easing the symptoms of demographic imbalance associated with concentration of student in certain areas of Leeds, whilst ensuring the provision of affordable, safe and accessible accommodation for students.	Collaborative working a range of stakeholders and a commons shared vision and shared priorities.	Yes. HEIs should be encouraged to make a clear statement concerning its housing responsibilities and its future development plans. Housing Strategies should be an integral part to the expansion plans of every HEI
	Community Strategy	Leeds University	Sets out a commitment to work effectively to the mutual benefit of neighbouring communities in the Inner North West of Leeds – via open & transparent communication, promoting community cohesion and matching resources to community priorities.	The strategy has identified a number of recommendations in response to the growth in the number of students living in areas close to the University. The actions arising from these recommendations are being taken forward in partnership with other stakeholders.	Partnership working with stakeholders is a key requirement to take forward effective actions as well as a sustained and ongoing dialogue	Yes. Partnership working amongst all stakeholders is a key element.

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	Community Relations Officer and off campus wardens	Leeds University Loughborough University Oxford Brookes University Nottingham University Southampton University Southampton Solent University	To help address the problems associated with the high percentage of students living in neighbouring communities and to ensure wider community engagement; off-campus wardens or university security can sometimes access university database to see if students are registered at a particular address; can offer a response service to local residents, e.g. at night. Loughborough has also given a senior manager responsibility for community relations, to ensure issues are taken to the top of universities	Good way of channelling concerns from the community	Resources to fund a dedicated post	Yes.
	Neighbourhood Help lines	Leeds University Loughborough University	Single point of contact for issues raised by members of the community.		To be effective in needs to be a joint initiative in partnership with other stakeholders and responsive to residents' complaints.	Yes.
	Disciplinary Procedures for anti-social behaviour	Loughborough University Exeter	Agreements on behaviour on and off campus, with potential disciplinary sanctions; can also have mechanism for writing back to complainant, so keeping residents informed		Throwing students out of university is rarely used. More effective in towns or cities with just one university, so easy to identify which HEI student is from	Possibly

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	Behaviour discussions	Southampton University	Discussions between university, student and local authority to discuss behaviour	Helps to come to a reasonable solution to the problems caused by individual behaviour. Shows severity of actions to students		Yes. Can build on the partnership approaches already in place between some universities and local authorities.
	Housing Awareness Weeks	Solent University	Increase awareness among students, can include promoting accredited properties or how to be a good neighbour for students	Deal with the issues of anti-social behaviour and help to encourage students away from areas where there is an existing concentration.		Yes, most Universities interviewed had similar mechanisms in place.
	Information sharing	Exeter	Sharing information on student properties between the local authority and university	A useful early step in understanding where the concentrations are	Data protection issues	Yes
Student Unions	Promoting awareness of community cohesion	Most student Unions in collaboration with HEIs Loughborough "Silent Student Happy Homes"	Student Accommodation Handbooks	To guide students when seeking accommodation, to encourage students to consider alternate areas for accommodation and to make them more aware of the responsibilities of being good neighbours	Collaborative working between the student unions and HEI as well as wider stakeholders. The necessary resources to deliver the initiatives.	Yes, these types of initiatives can be applied across all Universities and Student Unions.
	Promoting volunteering among students	Solent University	Engaging students in voluntary work, often in the local community	Limited effectiveness, though will increase student awareness of their local area and can increase community engagement between long-term residents and students		Yes, but also to promote this work further, as few residents will be aware of this

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Housing Providers/ Accommodation Agents	Landlord association sessions on studentification Unipol	Southampton Leeds Nottingham	Make landlords aware of issues Drive up property standards; provide clear information on the market to students and their parents, the local authority and landlords; provides a code of standards, which is higher than the statutory minimum		Just better landlords generally involved in landlord associations Cost to introduce and possible capacity constraints for Unipol	Yes Yes
	Landlord association code of practice	Exeter	A code establishing property standards and ethics, with the possibility of sanctions for offenders		Probably limited impact, as it is often the better landlords who are members of landlord associations	Possibly
All Stakeholders	Target Walksafe Scheme	West Yorkshire Police	Initiative runs at the start of the academic year and aims to ensure that student receives advice regarding the safest routes home		Co-ordinating approaches to student safety and Partnership working between the Police and the Universities and Student Unions.	Possibly

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Residents	Shared Housing or Community Strategies	Leeds and Loughborough	Joint strategies and action plans to co-ordinate stakeholders activities and to priorities activities.	Very effective in providing a co-ordinated and partnership approach to implementing shared actions. However, stakeholders argue that the various initiatives were only dealing with the symptoms and not the causes.	A commitment and shared vision from all stakeholders is required to take forward a partnership approach. Need to have the right people/organisations on board. The process can be resource intensive in developing and taking forward a shared approach.	Yes.
Residents	Partnership working	All areas visited	Voicing resident concerns; reporting particular issues; providing evidence; identifying appropriate agencies and individuals to contact	Important part of work	Much of the early discussions are reported to be residents letting off steam rather than talking about positive solutions	Yes
	Speaking at Freshers' Week	Loughborough	Engage students with long-term residents; offer long-term residents something constructive to do; raise student awareness of their local area			Yes, Could be taken on board by other Student Unions where this is an issue.
	Welcome packs	Exeter	Provide information to students about the local area; start to engage students with long-term residents		Cost	Possibly

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Local Authority	Landlord accreditation scheme	Southampton Nottingham	To bring up the property and management standards of private rented properties, often among student landlords but sometimes more widely. Sometimes run training on relevant issues (eg property standards)	Most effective in bringing up property standards	Often self-certification of properties, as schemes do not have the resources to inspect all properties. They are voluntary schemes, so not all landlords will become accredited	Often run in association with universities or through AUNK for student properties or carried out regionally for smaller authorities
	Community charters	Safer Polygon Charter, Southampton	Asking residents to sign up to a charter around noise, rubbish, parking and other forms of acceptable behaviour; possibility of informing university if charter is breached		Dependent on individual residents to sign up to charter	
	Balanced Community Policy	Nottingham	Can benefit from gaining cross-party support among councillors			
	Supplementary Planning Guidance promoting purpose-built halls	Nottingham Loughborough Exeter	Encourage the growth of purpose-built halls of residence by private firms to house students in designated areas; attempting to take the strain away from other areas. Can also be used as part of wider regeneration initiatives	Probably more closely managed than traditional HMOs	It still leads to a concentration of students where the halls are located	Yes

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	Neighbourhood action weeks	Loughborough	Provide interaction between long-term residents and students; additional waste collection; tidying up area; makes street look better, as it get local people to take better care of their area			
	Police Community Support Officer	Loughborough	A role funded by the LA and university for particular areas			
	Street Scene	Leeds	Targeted cleaning initiative in Headingley.	Not that effective as the initiative is targeted at key times during the academic year such as end of term and end of year. To be effective it would require the service to be targeted on a permanent and regular basis.	Resources are a constraint as would require the Cleansing Services for the entire City to be focused on Headingley.	A similar targeted approach is used in Loughborough at peak times during the academic year.
	Fly posting Initiative	Leeds	To control fly posting in and around Headingley. The City Council has issued a contract to a company who provide drums located in Headingley where fly-posters can be displayed. Fly posting is prohibited elsewhere.	The scheme has been successful by discouraging posters to be plastered on buildings, bus shelters etc.	Resources associated with overseeing the contract etc.	Yes.

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	Flyer Control Zone	Leeds	The City Council has imposed a requirement for all businesses to require a licence to distribute flyers. This initiative aims to curb the amount of flyers that are handed out and on the spot fines are imposed for any one without a licence.	The scheme has reduced the number of flyers handed out and a knock on effect is a reduction in the amount of litter.	Resources to co-ordinate and manage this initiative.	Yes
	Skips at the end of academic year	Loughborough	Provide skips in student areas at the end of the academic year for bulk of rubbish	Effective in minimising rubbish on streets	Cost	Yes
	Student/HMO forum	Nottingham Loughborough Exeter	Bring together all the different parties involved, often with people at a high level; gets residents involved in decision-making.	Important for taking ownership of the problems and getting different agencies involved	Much of the early discussions are reported to be residents letting off steam rather than talking about positive solutions	Yes
	Cumulative Impact Policy	Leeds	Where pubs/takeaways apply to extend their opening hours, this policy allows the Council to resist applications on the grounds that the cumulative impact of these premises would be detrimental to the local area.	This initiative was previously used in the City Centre and on the back of this has since been rolled out to Headingley and eventually other parts of the City where problems are experienced.	Will require the development of a policy through Environmental health powers and will require enforcement.	Yes

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	Designated Public Places Order (DPPO)	Leeds	The order bans public drinking in Headingley.	The scheme reduced the level of drinking that previously took place outside of the bars/pubs in the local area and the nuisance associated with this.	This initiative has been adopted by many local authorities across the Country particularly in towns and city centres.	Yes
	Area of Restraint	Leeds Belfast	Identifies and designates an area whereby restraint mechanisms are placed upon certain forms of development i.e. Student housing or HMOs.	Leeds City Council Policy Area of Housing Mix (Policy H15) of the UDP. Started to encourage more purpose-built student housing outside the Area of restraint.	The effectiveness of these policies to control the concentration of student housing and in particular HMOs relies upon the need to have adequate policies in place. However, many local authorities and stakeholders felt that despite having policies in place their effectiveness could be undermined particularly on appeal unless the current Use Classes Order was amended to redefine HMOs and make them subject to planning permission.	Yes. It is argued that the LDF process do need to be put in place. However, the effectiveness will be influenced by Inspectors' decisions at both inquiries and on appeals.
	Threshold Policy	Nottingham Oxford Charnwood Glasgow	This policy approach aims to reduce the concentrations of HMOs by imposing a ceiling threshold upon which planning applications will be resisted.	It is too early in the day to determine the effectiveness of this approach and the successes to date varied across local authorities.		

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	Purpose-built Student Accommodation	Leeds Nottingham Loughborough	Support the development of purpose-built accommodation and its location away from established residential areas.	A substantial number of schemes have been developed in recent years and have tended to be private sector-led and through joint ventures with HEIs/PRS. Schemes have been promoted in areas which promote regeneration. However, to be effective they need to be located in areas with adequate supporting infrastructure such as public transport and local services and close to University facilities.	The location of these schemes needs to be carefully handled so as not to impact upon existing residential communities or increase polarisation.	