

<b>REPORT TO:</b>		Resources, Overview and Scrutiny	
<b>DATE:</b>		10 December 2024	
<b>PORTFOLIO:</b>		Cllr Munsif Dad: Leader of the Council	
<b>REPORT AUTHOR:</b>		Chief Planning and Transportation Officer	
<b>TITLE OF REPORT:</b>		Houses in Multiple Occupation – Article 4 Direction, Evidence Base and Supplementary Planning Guidance (SPG).	
<b>EXEMPT REPORT (Local Government Act 1972, Schedule 12A)</b>	<b>Options</b>	Not applicable	
<b>KEY DECISION:</b>			
	<b>Options</b>	If yes, date of publication:	

**1. Purpose of Report**

- 1.1 To present to Overview, Resources and Scrutiny the draft versions of:
  - i. The evidence base document supporting the need for an Article 4 Direction that would remove permitted development rights for houses in multiple occupation in 9 wards in Hyndburn. This is attached at Appendix 1, and;
  - ii. Supplementary Planning Guidance on Houses in Multiple Occupation that would be used to help determine planning applications for Houses in Multiple Occupation (Appendix 2), and;
- 1.2 To seek the observations of Resources, Overview and Scrutiny on the proposed Article 4 Direction, the Evidence Base (Appendix 1) and Policy on Houses in Multiple Occupation (Appendix 2).
- 1.3 Owing to the close timing of Cabinet (4<sup>th</sup> December 2024) and Resources, Overview and Scrutiny (10<sup>th</sup> December 2024) and the fact that the Cabinet will consider the report first, the information being presented to both meetings on Houses in Multiple Occupation is essentially the same. A verbal update will be provided to Resources, Overview and Scrutiny on the outcome of the Cabinet meeting on 4<sup>th</sup> December 2024.

**2. Recommendations**

- 2.1 That Resources, Overview and Scrutiny support the approach being taken to Houses in Multiple Occupation.

2.2 That were appropriate and agreed by the Portfolio Holder, recommendations made by Resources, Overview and Scrutiny are taken into consideration in the Article 4 evidence base / policy that is being proposed.

### **3. Reasons for Recommendations and Background**

3.1 On 4<sup>th</sup> December 2024 a detailed report was taken to Cabinet recommending that the Council support the making on a “non-immediate” Article 4 Direction that would remove permitted development rights in 9 Hyndburn wards for small HMO’s. The same report contained the evidence base / justification for the proposed approach (Appendix 1) and the proposed policy framework that would be consulted upon (Appendix 2).

3.2 Over the past 18 months there Council has seen a significant increase in the number of planning applications for Houses in Multiple Occupation (HMO’s). These applications have given rise to objection from neighbouring residents and concerns about the impact that large numbers of care homes and children’s homes will have on an area.

3.3 One of the shared aims of the Corporate Strategy (2023-2028) and the adopted Hyndburn Core Strategy is to provide for a greater choice and quality of housing in the Borough. To help deliver this objective the Core Strategy sets out a number of key priorities:

- To provide sufficient housing of the right size and type to meet local needs, including those in need of affordable and supported housing or requiring larger family homes, higher value homes and homes to cater for an aging population. This will provide a more balanced housing supply with a choice of property types and tenure.
- To ensure that all new property will be built to high standards, in sustainable locations, making the best use of brownfield land and to designs which minimise carbon emissions and relate well to local character.
- To ensure that areas of low demand housing are regenerated with a wider range of improved and new housing and supporting facilities, including local health centres and public open spaces.

3.4 The Core Strategy recognises that access to good quality affordable housing is an essential human need and is vital to the creation of sustainable, mixed communities. The provision of a balanced housing market within Hyndburn is a key priority and the Core Strategy seeks to achieve this primarily through the development of larger family homes in sustainable locations. This policy framework was established in response to the housing problems that have historically been witnessed in Hyndburn. At its worse, the Borough suffered housing market failure due to the high concentrations of poor quality terraced houses coupled with low demand, contributing to high levels of deprivation in central areas of Hyndburn. Whilst much has been done to help address these issues, large areas of the Borough still suffer from high levels of deprivation and associated problems. These areas are characterised by having:

- High density of terraced and low value housing
- High numbers of rented properties
- Higher than average health issues
- Low average wages

- Higher than average number of people of allowances
- Higher rates of crime and disorder
- Poor quality environment

3.5 It is important to acknowledge that HMOs have widened the housing choice within the Borough, particularly providing affordable accommodation for young professionals, alongside low-income households who may be economically inactive or working in low paid jobs, and tackling the issues of a large number of vacant dwellings within the Borough. HMOs operated by government partnerships also provides essential temporary accommodations for asylum seekers, homeless people, ex-offenders, etc. The development of HMO's has also served to steadily reduce the level of vacant properties in the Borough.

3.6 However, at a time when corporate policies are seeking to improve the quality of housing across Hyndburn, there is a concern that the uncontrolled development of houses in multiple occupation in these areas will serve to lower the quality of housing and only serve to increase the social problems experienced in these areas. Higher than average concentrations of rented properties and houses in multiple occupation can have an unacceptable adverse impact on the socio-economic profile of these areas and as a consequence may result in families moving out of central areas and contributing to a spiral of decline at a time when the Council is working to improve these areas.

#### **Need for an Article 4 Direction – Appendix 1 – Evidence Base**

3.7 The communities in Hyndburn face a wide range of socio-economic challenges. Many of Hyndburn's Wards are within the top 10% of the most deprived wards in England when measured against a variety of indicators, and a similar number are also in the top 20% most deprived. Over the past 20 years, Hyndburn's position in the indices of deprivation has steadily fallen and the steady increase in the numbers and concentrations of Houses in multiple Occupation are likely to have contributed towards this and make improvements to Hyndburn's position steadily more difficult.

3.8 It is no coincidence that the wards with the lowest house values are also characterised by higher levels of deprivation and higher numbers of HMO's. Whilst these areas were once characterised by failing housing markets with high levels of vacant properties, owners of vacant properties are now finding companies and agencies keen to manage their properties to accommodate people with range of needs such as people on release from prison, mental health needs or refugees with no home. This in turn places additional burdens and stress on already deprived communities.

3.9 The report at Appendix 1 sets out the evidence that justifies the making of an Article 4 Direction in 9 wards in Hyndburn.

#### **The need for a Policy Framework (Appendix 2)**

- 3.10 If an Article 4 Direction is successfully implemented, it will mean that planning permission is required for the development of small houses in multiple occupation in the wards subject to the Article 4.
- 3.11 Whilst the Hyndburn Core Strategy sets out a broad strategy for the development of more family homes in the Borough, it was developed at a time when houses in multiple occupation were not an issue. The Development Management DPD was developed in a way that dovetailed with the Core Strategy and whilst it seeks to improve the quality of housing across the Borough, it does not contain a detailed policy framework to help determine planning applications for houses in multiple occupation.
- 3.12 The Supplementary Planning Guidance (SPG) on Houses in Multiple Occupation at Appendix 2 seeks to set out a policy framework for the determination of planning applications for houses in multiple occupation submitted in Hyndburn.
- 3.13 This Supplementary Planning Guidance is intended to expand upon policy or provide further detail to policies in Development Plan Documents and the emerging Hyndburn Local Plan 2040. This document does not have development plan status, but it will be afforded weight as a material planning consideration in determination of planning applications. This Supplementary Planning Guidance remains a consultation draft until it has been consulted on and taken back to Council to be adopted.
- 3.14 This SPG will apply to all planning application for development consisting of a change of use of a building from a use falling within the Use Class C3 (a family dwelling or flat for example) to Use Class C4 (small HMO) with the areas as shown at Figure 1 of Appendix 2. It will also apply to planning applications for the change of use from Use Class C3 to 'sui generis' large HMOs in the whole Local Authority Area.
- 3.15 The guidance will not apply retrospectively to existing HMOs. It should be noted that change of use from a small HMO (class C4) to dwelling house is permitted development and does not require planning permission. However, permission is still required to change a large HMO (sui generis) into a dwelling house.
- 3.16 In addition to this guidance, other considerations and policies from the Hyndburn Development Plan documents and the emerging Hyndburn 2040 Local Plan may also be relevant to the consideration of a planning application for an HMO, depending on individual circumstances.

#### **4. Alternative Options considered and Reasons for Rejection**

- 4.1 There are essential three alternative options open to Cabinet:
- Do not take forward the HMO Article 4 Direction
- Alternative options would be to not introduce an article 4 direction, in which case conversions to small HMOs would remain permitted development across the Borough or to apply the article 4 direction to more wards of the Borough.

In light of the evidence presented in the Evidence Report (Appendix 1), it was considered appropriate to introduce the Article 4 Direction to the nine wards in Hyndburn (Barnfield, Central, Church, Clayton-le-Moors, Netherton, Peel, Rishton, Spring Hill, and St. Andrews) as these are the areas with the main concentrations of HMOs, and social/economic issues such as deprivation, high crime rate, and low property prices.

- Do not take forward the HMO SPD  
In this scenario, the Council is likely to receive increased number of planning applications for HMOs. Without detail policy guidance, the Council will not be able to effectively manage and steer future developments of small and large HMOs in a consistent manner in the areas subject to Article 4 Direction and the whole borough, which also lead to more appeals as applicants might challenge the Council's interpretation of policies in the current and emerging local plans used as reasons for refusal.

## 5. Consultations

- 5.1 Should Cabinet approve the making of a non-immediate article 4 direction, the broad timeline for consultation thereafter is as follows:

Task	Timeframe
Report to the Cabinet seeking approval for the making of the Article 4 Direction	December 2024
Make Direction and serve notice locally and to the Secretary of State with a consultation period of six weeks. The consultation will include the following elements: <ul style="list-style-type: none"> <li>- Advertisement in the local press</li> <li>- Display of the Article 4 Direction Notice at all libraries within Hyndburn (Accrington library, Great Harwood library, Oswaldtwistle library, and Rishton library) for a period of six weeks.</li> <li>- Display of notice in Accrington Town Hall</li> <li>- Notice published on the Council's web pages</li> <li>- Site notice</li> <li>- Correspondence to statutory consultees and other bodies</li> <li>- Consultation with Land Lords and Property Agents</li> </ul>	December / January 2024 for a period of 6 weeks
1. Collate comments and provide Council response to comments made during consultation.  2. Update Cabinet on the outcome of the consultation.  3. Cabinet to take decision on whether or not to	February / March 2025

confirm the Article 4 Directions.	
4. If confirmed, publish notice of the confirmation of the non-immediate Article 4 Direction. Note: The Direction will then come into force 12 months from the date of Notice.	
5. Give notice of confirmation of the Article 4 Direction to relevant bodies including the Secretary of State.	
<i>Note *If the consultation results in any representation that the Council considers necessitate 'material changes' to the document, then this would require a further round of consultation, which may alter the timetable relating to the date the direction notice may be confirmed or brought into force.</i>	<i>*(another six weeks)</i>
Article 4 Direction takes effect (non-immediate effect)	February / March 2026.
To monitor and review the Directions, considering whether the original rationale for the Directions remains valid.	On-going through Local Plan annual monitoring report

5.2 Consultation on the HMO Policy will be for eight weeks, consistent with regulations and the Council's Statement of Community Involvement. This represents an additional two weeks on the consultation timescales to take account of the holiday period. It will be advertised on the Council's website and the local press, and notifications sent to statutory consultees and those on the Local Plan consultation list. In addition, all private sector landlords registered who received a monthly landlord news bulletin from the Council and the agency providers for children homes within the borough (known to the Council) will be notified of the consultation. The document will be made available in local libraries, Accrington Town Hall, and foyer of Scaitcliffe House.

## 6. Implications

<b>Financial implications (including any future financial commitments for the Council)</b>	The implementation of a "non-immediate" Article 4 Direction means that the Council should not be liable for the potential compensation claims associated with an "immediate" Article 4 Direction.
<b>Legal and human rights implications</b>	The Equality Act 2010 introduced a new public sector equality duty under section 149. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The

	<p>Council must, in exercising its functions, have “due regard” to the need to: 1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act. 2. Advance equality of opportunity between people who share a protected characteristic and those who do not. 3. Foster good relations between people who share a protected characteristic and those who do not.</p> <p>Detailed assessment are provided within the Customer First Analysis behind Appendix 1 and 2 respectively.</p>
<b>Assessment of risk</b>	<p>The principle risk concerns the extent to which the policy documents will be given weight by Inspectors at appeal. Undertaking consultation on the draft policies helps to address this, but the SPG’s will not have development plan weight.</p>
<p><b>Equality and diversity implications</b>  <i>A <a href="#">Customer First Analysis</a> should be completed in relation to policy decisions and should be attached as an appendix to the report.</i></p>	<p>These are appended to the three documents at Appendix 1 and Appendix 2 of this report.</p>

**7. Local Government (Access to Information) Act 1985:  
List of Background Papers**

7.1 *Copies of documents included in this list must be open to inspection and, in the case of reports to Cabinet, must be published on the website.*

**8. Freedom of Information**

8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.