

Appendix 2: Article 4 Direction Consultation Responses

A. Online Questionnaire

1. Do you agree that there is a need for the planning authority to have some control over the number of houses in multiple occupation (HMO)	YES	100	71.40%
	NO	40	28.60%
IF YES move to Q6			

IF NO answer the following			% of 40 responders (of all responses)
2. There are not enough HMO's in the city. We need as many as we can get.	Y/N	32	80% (23%)
3. The amount of HMO's makes no difference to the quality of the environment	Y/N	32	80% (23%)
4. It is not important to protect the quality of the environment and the character of residential areas	Y/N	9	22% (6%)
5. There are already too many HMO's and more won't cause any more harm	Y/N	8	20% (5%)
END – Thank you			

IF YES to Q1 answer the following			% of 100 responders (of all responses)
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6. The whole of the city should be covered by a restriction that would require a planning application for a HMO proposal	YES	95	95% (68%)
	NO	5	5% (3%)
IF YES move on to Q8			
IF NO answer Q7 then move on to Q8:			

7. What parts of the city should be the subject of control:	List all wards in alphabetical order		
Arboretum		1	
Battenhall		2	
Bedwardine		4	
Cathedral		1	
Claines		2	
Gorse Hill		0	
Nunnery		1	
Rainbow Hill		1	
St Clement		3	
St John		4	
St Peter		2	

St Stephen	2
Warndon	0
Warndon Parish North	0
Warndon Parish South	0

8. If the City Council was to implement the Direction immediately it would have to pay developers the equivalent of what they could earn from letting out the HMO.	YES	47	47% (33%)
Do you agree that the City Council should defer implementation for 12 months to avoid having to pay compensation to landlords?	NO	53	53% (38%)

Monitoring Information: OPTIONAL (CAN ANSWER ALL, PART OR NONE)

Age:	Under 25	5	3.7%
	25 – 34	10	7.4%
	35 – 44	28	21.5%
	45 – 54	35	26.9%
	55 – 64	33	24.4%
	65 – 74	19	14.1%
	75+	5	3.7%
	Prefer not to say	5	3.7%

Disability: Do you consider yourself to be a Disabled person? (i.e. do you have physical or mental impairment which has a substantial long term adverse effect on your ability to carry out day to day activities?)	Yes	9	6.4%
	No	119	85.0%
	Prefer not to say	12	8.6%

Gender:	Male	75	53.6%
	Female	60	42.8%
	Prefer not to say	5	3.6%

Ethnicity: Ethnic origin categories are not about nationality, place of birth or citizenship. They are about the group to which you as an	White	White British	123	87.8%
		White Irish	1	0.7%
		Eastern European	1	0.7%
	Mixed/Multiple ethnic group	Any other white background	5	3.6%
		White and Black Caribbean	0	0.0%
		White and Black African	0	0.0%

individual perceive you belong. Choose ONE section from A – G, then tick ONE box to best describe your ethnic group or background.		White and Indian	0	0.0%
		White and Pakistani	1	0.7%
		White and Bangladeshi	0	0.0%
		White and Chinese	0	0.0%
		Any other Mixed background	0	0.0%
		Indian	2	1.4%
		Pakistani	1	0.7%
	Asian or Asian British	Bangladeshi	0	0.0%
		Chinese	0	0.0%
		Any other Asian background	1	0.7%
	Black or Black British	African Caribbean	0	0.0%
		Any other Black background	0	0.0%
	Gypsy or Traveller		0	0.0%
	Other Ethnic Group	Arab	0	0.0%
		Any other ethnic group	0	0.0%
	Prefer not to say		5	3.6%

Occupation	Employed Full-time	55	46.2%
	Employed Part-time	12	10.1%
<i>Tick one box only</i>	Unemployed	9	7.6%
	Self-employed	22	18.5%
	Student (part time or full time)	3	2.5%
	Retired	18	15.1%

Household questions			
How many people live in your household?		1 to 11	
Do you own or rent your accommodation?	Own outright	66	48.9%
	Own with mortgage or loan	56	41.5%

Part own and part rent (shared ownership)	1	0.7%
Rent (with or without housing benefit)	11	8.1%
Live rent free	1	0.7%

B. Additional Representations

In addition to the online questionnaire, the City Council offered the opportunity for individual representations to be made.

36 additional represents were received of which 26 were supportive of an Article 4 Direction and 10 were opposed to the proposal.

The issues raised were:

Supporting Article 4 Direction

Noise and disturbance from converted half of semi-detached houses
Impact of parking demand in areas with inadequate off-street provision
Loss of family housing by developers being able to pay more to buy
Impact on schools of loss of local children in HMO hot spot
More on campus student accommodation should be available
Problems associated with absentee landlords
Creation of ghettos due to proliferation
Problems associated with conversion of terrace houses into HMOs
Loss of affordable housing
Problems caused by inadequate soundproofing
Vehicle congestion impacting on access for emergency vehicles
Need for limitation on numbers
Impact on character of area by lack of social cohesion
Lack of compliance with standards
Additional litter
Implications on Council Tax revenue for the City Council
Anti social behaviour

Opposing Article 4 Direction

Elsewhere Article 4 Direction has reduced house values by up to 30%
Reduces availability of beds in the private rented sector, pushing up rents without increasing standards
It discourages students, who want convenient local housing, which hurts the local economy.
Reduced investment in housing stock which in turn affects the local construction industry & economy.
Anti-student and affect young professionals, the vulnerable and those on low incomes.
Does not reduce anti-social behaviour for which there are already adequate measures in place.

Ensure investment outside Worcester affecting the local economy and the continuing growth of Worcester itself as a growing University City.

Enough fair and just planning rules already apply to ensure good economic and social responsibilities are observed and maintained by professional investors and developers.

Many streets are filled with families who cause enough of the above types of issues.

Failed to consider the consequences for the housing market and the knock-on economic consequences of restricting the supply of accommodation for young working people.

Evidence is based on uncritical assumptions which appear to be prejudicial and under-informed. There is no evidence that correlates the incidences of antisocial behaviour with the concentrations of student HMO's for instance.

The report does not acknowledge significant numbers of well-run HMO's in the City.

There is no sign that the extra burdens on the planning system have been considered in terms of the burden upon ratepayers and credibility of the planning system.

A better approach would be to apply its resources to identifying and managing problematic HMOs rather than using the planning system as a perceived 'quick fix'.

There is a clear need (and ambition) to provide intermediate accommodation such as an HMO would offer as the necessary stability and 'leg up' for deserving, but unfortunate, members of society.

Summary

In total therefore there was a total of 176 representations of which:

- 126 supported the Council's proposal (71.6%)
- 50 objected to the proposals (28.4%)

C. National Landlords Association

The NLA made a detailed representation that raised the following issues. The City Council's response to each issue is included:

NLA:

It is our view that the introduction of Use Class C4, in relation to HMO accommodation, is unnecessary and serves only to create greater confusion and bureaucracy for the private rented sector.

However, it is the NLA's contention that the establishment of a small HMO (as defined by the recent regulations) does not represent a substantial change of use in terms of the burden imposed on local infrastructure. The usage of local services is unlikely to be greatly different for a property shared by three unrelated renters than a family with teenage dependents.

Response:

Nevertheless Use Class C4 exists and Government accepts that there will be circumstances when local authorities will consider there to be an adverse effect on the character and amenity of its location to justify an Article 4 Direction. Government revised the Article 4 Directions in recent years to allow greater flexibility for LPA's to introduce Article 4 Directions.

Of course one HMO, as stated by the representation, may in and of itself, not necessarily generate the degree of impact to harm an area (but there are demonstrable cases where they can), nevertheless the cumulative effect does result in harm.

NLA:

The flexibility and affordability that HMOs and shared housing provide are critical for many who either cannot afford or do not want the liabilities involved in owning their own home or indeed living on their own.

The introduction of the Article 4 Direction will push many graduating from university out of Worcester.

Shared housing is an important form of housing for migrants.

Response:

The City Council recognises the importance of the shared housing market for all of the groups identified above for whom motivations will be different but the demand for affordable accommodation is important. However in providing such housing it is particularly important to ensure that the available accommodation is provided in a manner that is conducive to a balanced society in which the amenity of all residents is safeguarded as much as possible. Consequently in a city in which there is evidence of a harmful cumulative effect of HMO's it is important to ensure that the provision is balanced.

There also needs to be consideration of the next step for all of these groups, as well as others, who will, having better themselves or settled into long-term partnerships, seek to secure affordable homes. There is evidence to demonstrate that the increase in HMO's has had a significantly harmful effect on the availability, and consequently, affordability of small family accommodation in the city. The study produced for the City Council used in the original report to Cabinet evidences this and a number of responses to the consultation have provided anecdotal examples of families being unable to compete with developers on price for family-sized accommodation.

There are certain types of properties that are suitable for conversion to HMO's, in appropriate locations. The City Council will ensure that there is a policy in place to demonstrate the criteria for approval of HMO applications.

However the issues of the negative impact of cumulative effect can be achieved through an Article 4 Direction.

NLA:

If a person is attempting to purchase a house to rent out, will not know if they will be able to rent out the property. A process will need to be put in which will allow the prospective landlord to know if they can rent out the property prior to purchasing.

Response:

The introduction of an Article 4 Direction will not prevent a landlord from renting out a property. A house can be rented as a house without the need for any involvement in the planning process and it is important to note that the private landlord sector has an important part to play in the provision of family housing in a balanced housing market.

However permission will be required to convert from a house to small HMO (as conversion to a large HMO already requires permission). If there is evidence (and this has been demonstrated by the City Council) that there is a cumulative harm caused by the proliferation of HMO's, it is the role of planning process to consider the wider public good even if it may effect the business plans of an individual.

The consequence will be that potential developers will engage more with the LPA and will more carefully consider the appropriateness of the properties that they source for conversion. They will be able to make their decisions using engagement with the LPA at pre-application stage that will be based on a policy that will be introduced prior to the first implementation of the Article 4 Direction.

It is expected that there will be further engagement with the landlords sector prior to implementation to ensure the appropriate details are relayed.

NLA: Where a particular issue related to shared housing concentration has been identified, local authorities and enforcement agencies have extensive existing statutory powers to deal with such issues.

The NLA would recommend that rather than an Article 4 Direction is introduced, a more appropriate response would be to identify issues and assist landlords to develop the required knowledge and skills to improve the sector.

Response:

There are a number of measures that can be used against the inappropriate actions and tenants once a problem has been established at a particular location. However they are all reactive to a problem in a specific location and often, as NLA admit, take time to gather sufficient evidence to justify taking action. None of the measures are within the planning system. There is often call upon the Planning Enforcement Officer to take action in such circumstances but where there is no breach of planning control then no action can be taken.

There is evidence of a problem and it is growing. The planning system cannot control the existing conversions to HMO's but it can identify that there is a problem and the use of an Article 4 Direction, in conjunction with a policy for subsequent applications, is a justifiable and reasonable course of action to take to assist in the wider process of minimising the harmful effect of future house conversions.

NLA:

This measure will act as a distorting influence on the City's housing market as property with implied permission through existing use will be regarded as premium investment assets by landlords offering shared housing. While the presence, or lack of, C4 designated properties in certain localities will diminish the stability of property values according to consumer demand.

Response:

The evidence from the City Council does not support this view. It has been shown through questioning local estate agents that 60% of all small family sized properties sold across the city have been purchased for the buy-to-let sector, a considerable number of which are for conversion to HMO. The evidence demonstrates that the availability of such housing has decreased and, with scarcity, the cost of it has increased (particularly when buy-to-let investors are prepared to pay more than initial market value due to the potential return of conversion) and therefore the provision for small affordable market sector housing has diminished. This in itself has an impact on the stability of the market and the introduction of Article 4 Direction is a positive step to retain a degree of balance.

NLA:

"There should be particularly strong justification for the withdrawal of permitted development rights".

Response:

The evidence is compelling that there should be an Article 4 Direction. The issue is whether it should be specific to wards or streets or to the whole city. Other local authorities have undertaken citywide (in small to medium sized urban authorities) and others specific area Directions. There is evidence that some of the latter have resulted in a displacement of HMOs into the wider area. The City Council wishes to avoid that and has evidence that shows that the spread of conversions is growing as areas of high concentration have reduced numbers of available houses to convert. A material factor in considering whether the Direction should be citywide is the size of the city. It is a tightly compact urban area and is one of the smallest authorities in the country. Therefore the size of the area covered by the Direction is not particularly great and seeks to address a recognised issue regarding the growing proliferation of HMOs to the detriment of the balance of the housing market and to the harm of the amenity and character of areas.

The Direction will not affect existing HMOs but will seek to ensure that future HMOs are sited in appropriate properties and locations in accordance with policy.

D. Additional Comment on Objections

Detailed comments have been made regarding specific issues emerging from the consultation not addressed above. These are responded to below.

Evidence is based on uncritical assumptions which appear to be prejudicial and under-informed. There is no evidence that correlates the incidences of antisocial behaviour with the concentrations of student HMO's for instance.

Response:

It is important to note that the Council's stance on Article 4 Direction is not driven exclusively by the emergence of student accommodation HMO's. Elsewhere it has been identified that there is demand for a wide range of different housing needs and therefore it would be inappropriate to single out students for specific criticism. The purpose of the Direction is to establish a balance in housing.

The report does not acknowledge significant numbers of well-run HMO's in the City.

Response:

It is acknowledged that there are well run HMO's and it is the objective of the City Council to have all HMO's of such a standard, but that is a matter for Housing Services and is separate from the consideration of planning matters

There is no sign that the extra burdens on the planning system have been considered in terms of the burden upon ratepayers and credibility of the planning system.

Response:

There will be additional planning applications and enforcement cases. It remains to be seen how many. Objectors to the Direction have suggested that it would result in developers ending interest in Worcester and going elsewhere, thereby having no additional demand. That is an unrealistic position. Nevertheless officers are committed to working with landlords and developers prior to the implementation of the Direction to ensure that there is a wide understanding of the implications of the Direction.

A better approach would be to apply its resources to identifying and managing problematic HMOs rather than using the planning system as a perceived 'quick fix'.

Response:

The best approach is using both.

There is a clear need (and ambition) to provide intermediate accommodation such as an HMO would offer as the necessary stability and 'leg up' for deserving, but unfortunate, members of society.

Response:

This is recognised and supported. The introduction of the Direction does not result in there being no further HMO's but the right HMO in the right sized property in the right location. Existing and future demands can be accommodated if care is chosen in location and decisions are made in accordance with policy.