

Decision Maker: DEVELOPMENT CONTROL COMMITTEE

Date: 20 May 2021

Decision Type: Non-Urgent Non-Executive Non-Key

Title: HOUSES IN MULTIPLE OCCUPATION

Contact Officer: Ben Johnson (Head of Planning Policy and Strategy)
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Chief Officer: Tim Horsman, Assistant Director (Planning)

Ward: (All Wards);

1. Reason for report

- 1.1 This report considers information relating to Houses in Multiple Occupation (HMOs) and the nature and scale of HMOs in Bromley. The report sets out the options available for controlling HMOs in the Borough and whether such options are justified given the available evidence.
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2. RECOMMENDATION(S)

- 2.1 To note the impacts of HMOs identified in this report and the accompanying evidence base document at Appendix 1.
- 2.2 To continue to monitor, and keep up-to-date, evidence relating to HMOs in the Borough, including seeking more information on smaller HMOs borough wide and within existing and developing clusters.
- 2.3 To report back to Development Control Committee when further data and / or guidance is available, particularly data from the 2021 Census, which suggests that additional planning controls may be necessary.

Impact on Vulnerable Adults and Children

1. Summary of Impact: None
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Corporate Policy

1. Policy Status: N/A
 2. BBB Priority: Quality Environment, Excellent Council, Healthy Bromley
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Financial

1. Cost of proposal: No Cost
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Planning Policy and Strategy
 4. Total current budget for this head: £0.568m
 5. Source of funding: Existing Revenue Budget for 2021/22
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Personnel

1. Number of staff (current and additional): 10fte
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: N/A
 2. Call-in: Not Applicable
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Procurement

1. Summary of Procurement Implications: None
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: there have been no formal requests for comments from Ward Councillors but officers have had discussions with some members regarding their specific concerns about HMOs.

3. COMMENTARY

Background

- 3.1. In May 2020, Development Control Committee noted a report regarding Houses in Multiple Occupation (HMO)¹. The May 2020 report set out background information and relevant legislation and policy relating to HMOs.
- 3.2. Officers have subsequently worked closely with colleagues in Public Protection and Housing to develop an evidence base for HMOs in Bromley, to help inform any future Council actions relating to HMOs. This evidence base document is provided at Appendix 1.
- 3.3. Whilst the London Plan has been adopted in the intervening period, there has been no further national or regional policy or guidance, or relevant outcomes from the national response to the Covid 19 pandemic, which is materially relevant.

HMO evidence base

- 3.4. The evidence base document provides details on relevant planning and licensing policy and legislation for HMOs. It identifies that HMOs can have positive impacts but also that there are some common adverse impacts which can arise. The document then sets out the most up-to-date data relating to the number of HMOs, their geographic spread and information on any adverse impacts of HMOs (from licensing, public health, planning enforcement and housing enforcement data).
- 3.5. Table 1 (taken from the evidence base document) details the total number of licensed HMO.

Table 1: HMO Licences by Planning Use Class and Postcode, based on figures available at end of April 2021

HMO Licences	Planning Use Class	Number of Licences	Spread by postcode	Licences within postcode
5 person & 6 person	C4	108	BR1	21
			BR2	12
			BR3	15
			BR4	1
			BR5	23
			BR6	13
			BR7	2
			SE19	1
			SE20	14
			SE26	5
			SE9	1
7 persons and above	Sui Generis	67	BR1	14
			BR2	7
			BR3	11
			BR5	12
			BR6	8
			BR7	2
			SE19	1
			SE20	11
			SE9	1
Total		175		175

¹ Report available from: <http://cdslbb/documents/s50081785/Houses%20in%20Multiple%20Occupation.pdf>

- 3.6. As shown in Table 1 and the evidence base document, there are specific postcodes with relatively higher numbers of HMOs, but there is little evidence to suggest that this has manifested into specific adverse impacts.
- 3.7. The BR5 postcode in the Cray Valley has a large number of 'minimum standards' HMOs (properties which only achieve the bare minimum national amenity standard); more than half of the total 'minimum standards' HMOs in the entire Borough are in this area.
- 3.8. Officers are aware of interest from several HMO providers who wish to purchase property in the Borough and convert to HMOs. This includes interest in properties in Biggin Hill. As highlighted in the evidence base document, there is no in-principle harm associated with HMOs, hence the intent to convert is not considered to be a strong material reason for introducing specific controls. Moreover, evidence of the operation of HMOs elsewhere in Bromley suggests that adverse impacts have been minimal, as shown by the limited number of formal investigations into supposedly problematic HMOs.

Discussion of options for additional controls on HMOs

- 3.9. The evidence base document sets out options for controlling HMOs, notably the introduction of Article 4 Directions to remove permitted development (PD) rights which allow houses to convert to small HMOs without planning permission. Article 4 directions can be either immediate or non-immediate:
 - Immediate Directions can be made where PD rights present an immediate threat to local amenity or prejudice the proper planning of an area, however, the local planning authority (LPA) must have already begun the consultation processes towards the making a non-immediate article 4 direction. An immediate direction must be confirmed by the LPA within 6 months of coming into effect, in order to remain in force. Immediate Directions may trigger compensation liability; compensation can be claimed based on abortive expenditure or other loss or damage directly attributable to the withdrawal of PD rights; this could include differences in rental value between a C3 residential dwelling and an HMO, which could be substantial.
 - Non-immediate Directions should be limited to situations where this is necessary to protect local amenity or the wellbeing of the area. The potential harm that the direction is intended to address should be clearly identified. There should be justification for both its purpose and extent - a particularly strong justification for the withdrawal of PD rights relating to those covering the entire area of a local planning authority.
- 3.10. Weighing up the available evidence, particularly the extent of HMOs in the Borough and information regarding previous impacts, officers consider that there is currently little justification for putting in place Article 4 Directions to remove the C3 to C4 PD right, either Borough-wide or in specific areas.
- 3.11. This conclusion has also been informed by benchmarking against neighbouring Boroughs' activity relating to HMOs. Neighbouring boroughs appear to have been more significantly affected by the growth in HMO's, particularly smaller HMOs which are not controlled through the planning process, resulting in the application of area specific or borough-wide Article 4 directions. As shown in the evidence base document, the quantum of HMOs in these Boroughs is much greater than Bromley. It is noted that the Directions in adjacent Boroughs could have the effect of driving demand to Bromley if HMOs become more difficult to develop in these adjacent Boroughs. There is no evidence that this has occurred to date, but as part of maintaining an up-to-date evidence base, officers will monitor this to see if any trends materialise.

- 3.12. The evidence does indicate specific areas of which should be kept under review with potential for future action; there is a trend of increasing HMO provision (albeit limited) and concentrations of 'minimum standards' HMOs in the Cray Valley; and there is potential for a number of new HMOs in areas such as Biggin Hill, where previously there had been none.
- 3.13. Officers will draw on relevant data to maintain an up-to-date position on HMOs in the Borough, including Census 2021 data when available. Officers in planning, housing and licencing will continue to work closely together to assess the balance of the contribution of HMO's to meeting local and strategic housing needs and the impact on local neighbourhoods.

4. POLICY IMPLICATIONS

- 4.1. No specific policy implications arising from this report. As noted, HMOs can potentially cause adverse impacts with regard to policy objectives (e.g. quality of housing) but evidence does not suggest any particularly significant adverse impacts in the Borough currently. It is also noted that HMOs can also have positive impacts in terms of addressing housing need.

5. FINANCIAL IMPLICATIONS

- 5.1 No specific financial implications arising from the report. Continued work and research relating to HMOs will be undertaken using existing staff resource.

6. LEGAL IMPLICATIONS

- 6.1 No specific financial implications arising from the report.

Non-Applicable Sections:	IMPACT ON VULNERABLE ADULTS AND CHILDREN PERSONNEL IMPLICATIONS PROCUREMENT IMPLICATIONS
Background Documents: (Access via Contact Officer)	Development Control Committee report, 21 May 2020, HOMES IN MULTIPLE OCCUPATION - http://cdslbb/documents/s50081785/Houses%20in%20Multiple%20Occupation.pdf