

HOUSE IN MULTIPLE OCCUPATION (HMOS): CHANGES TO PLANNING LEGISLATION

Proposals

We propose to:

- retain the current legislative provisions i.e. the C4 use class for small HMOs and the permitted development rights to change from a C4 HMO to a C3 dwelling house
- amend the legislation to make changes of use from C3 dwelling houses to C4 HMOs permitted development as well
- amend the compensation provisions for Article 4 directions to reduce local authorities' liability to pay compensation.

Our aim is that the necessary legislation will be laid before Parliament at the beginning of September and the changes will come into effect on 1 October 2010.

Background

There is a current blanket requirement for applications for planning permission for material changes of use from dwelling houses to small HMOs. This imposes a regulatory burden on landlords and local authorities in those areas where HMO development is not a concern. There is a risk that this will deter prospective landlords from entering the market and endanger the supply of what is a vital source of low cost housing in many areas.

However there is a belief that the planning system needs to enable local people to take action to deal with specific local problems such as those which can be associated with concentrations of HMOs.

The proposals outlined above will mean that, in future, any change of use between C3 dwelling houses and C4 HMOs can take place freely without the need to submit planning applications. Where there are concerns about the impact of future HMO development in a particular area, local authorities will be able to use existing powers, in the form of Article 4 directions, to remove the permitted development rights and require planning applications for such changes of use.

There will be costs associated with the use of Article 4 directions. In order to reduce local authorities' liability we are proposing to apply the compensation provisions inserted by s189 of the Planning Act 2008 to this kind of development. Currently local authorities are liable to pay compensation for the 12 months following the effective date of the direction. We intend to make changes to the compensation provisions to limit their liability further so that they are only liable if they choose to implement Article 4 directions with immediate effect or with less than 12 months notice. In delivering local solutions it will be for authorities to make a judgement on whether the benefits outweigh the costs associated with taking action.

Consultation Questions

- Do you consider that the proposals will allow local areas to take action without imposing unnecessary burdens on unaffected areas?
- If not, why not? What do you think could be done, within the constraints of the current planning framework, instead?
- Do you think there will be unintended consequences as a result of the proposed changes? If so what will they be and how do you think they could be mitigated?
- Do you think there are any other changes which need to be made to make this approach work more effectively e.g. to HMO definition?
- Do you have any information on costs/benefits which would be relevant to impact assessment?
- Do you think LPAs will choose to issue Article 4 directions with immediate effect or less than 12 months notice?
- How should we monitor the impact of these proposals and assess their success? What is the best review approach?
- Do you have any comments on the legislation as drafted?