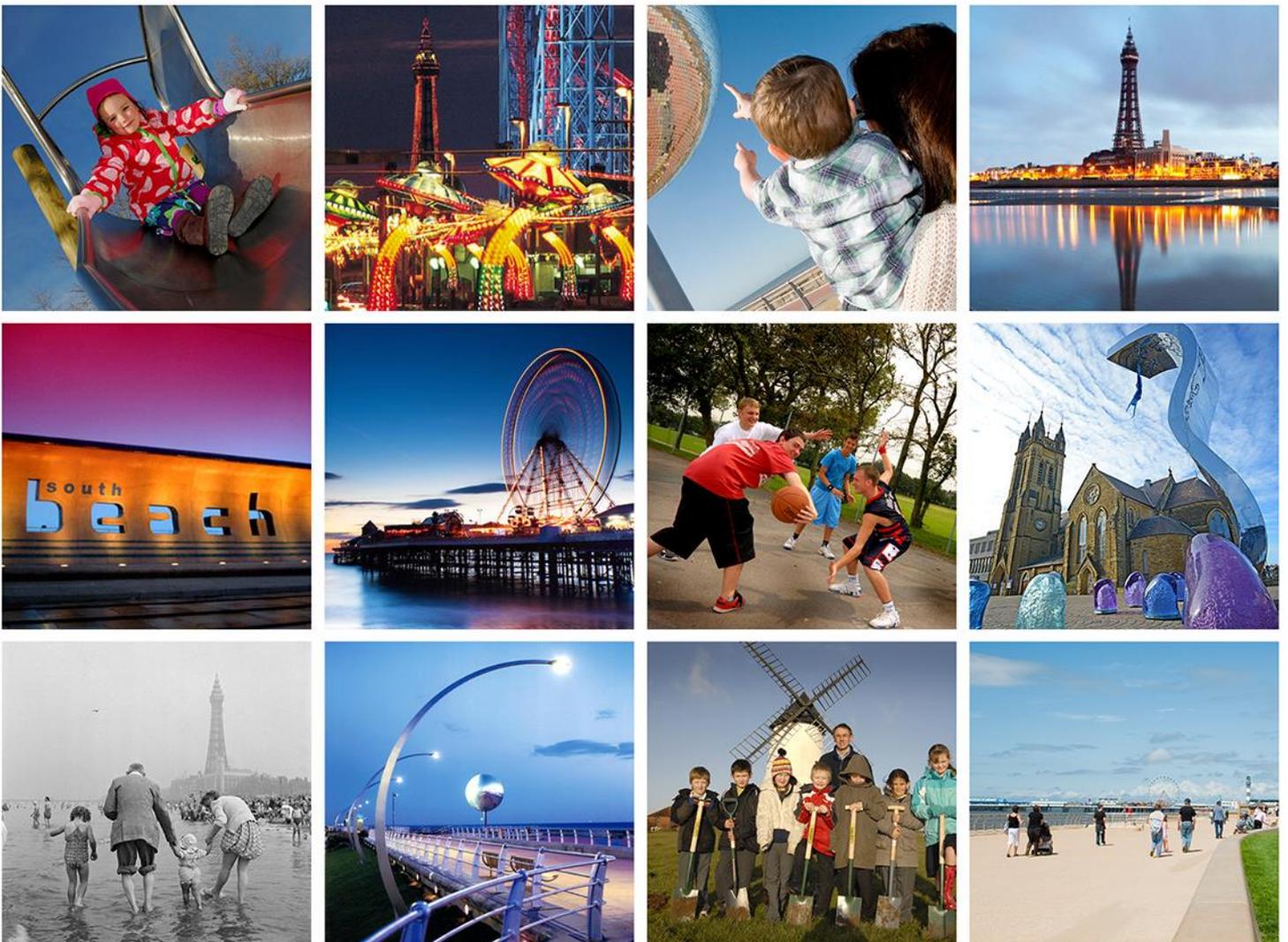


# HMO Article 4 Direction Consultation Statement

July 2021

**Blackpool Council**



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## Purpose of the document

This consultation statement has been prepared to explain what an Article 4 Direction is; what the Council is seeking to achieve with this Article 4 Direction; and why the Council considers it necessary. The statement will also explain how interested parties can get involved in the process.

## What is an Article 4 Direction

Not all forms of development require planning permission from the Council.

Some types of development benefit from what are commonly called “permitted development rights”. These are set out in the Town and Country Planning (General Permitted Development) Order 2015 (as amended).

However, where a Local Planning Authority (the Council) considers it necessary, it can make a direction under Article 4 of this legislation (an Article 4 direction) to over-ride the national allowances.

## What does this Article 4 Direction relate to?

The planning system categorises different land uses into different classes. These are all set out in the Town and Country Planning (Use Classes) Order 1987 (as amended). A dwelling-house, what most of us would typically think of as an ordinary house, falls within class C3 of this Order. A small house in multiple-occupancy (HMO) would fall within class C4. A small HMO is different to a house. A small HMO consists of 3 to 6 people who are unrelated and who share basic amenities such as a kitchen or bathroom but who otherwise live independently. A house can take many forms but is characterised as up to 6 people who live together as a household.

Part 3 of the “permitted development rights” relates to changes of use. Class L of Part 3 allows a class C3 dwelling-house (house) to be converted into a class C4 small house in multiple-occupancy (HMO).

This direction would remove the “permitted development right” across Blackpool and would require anyone wanting to convert a house into a small HMO to obtain planning permission from the Council.

The use of a house as a large HMO for more than six persons always requires planning permission as this is considered to be a *sui generis* use.

## Why is this Article 4 Direction considered necessary?

Blackpool has a unique and extreme set of housing challenges.

These issues are rooted in the town's changing fortunes as the UK's largest seaside holiday resort. Three decades of decline in the tourism economy, and particularly the number of overnight visitors to the resort, has resulted in a significant number of guest house owners converting and subdividing their properties to permanent residential use. The result is an extremely unsustainable and unbalanced housing market across much of the borough.

The 2019 Indices of Multiple Deprivation ranked Blackpool as the most deprived area nationwide in terms of average rank, average score, and local concentration. Blackpool suffers from the most concentrated deprivation in the country and ranks as 12<sup>th</sup> worst in terms of the extent of deprivation. With regard to income levels, Blackpool comes 3<sup>rd</sup> from bottom nationally on the rank of average scores across the borough. Blackpool scores as the most deprived authority area for health and employment, and as the 12<sup>th</sup> worst living environment.

The defined Inner Area in particular is dominated by the private rented sector, with a significant oversupply of small, poor-quality bedsits and flats or Houses in Multiple Occupancy (HMO). This accommodation is often undesirable to anyone who can afford better.

Within Blackpool, some 80% of private rented accommodation is occupied by people on housing benefit with around 86% of new claimants originating outside of the borough. The availability of low-cost accommodation makes Blackpool attractive to low-income and vulnerable households and this reinforces the demand for this type of accommodation. This situation makes it difficult for stable and cohesive communities to form. The links between deprivation and poor quality living accommodation are well-established.

Blackpool therefore suffers from acute social problems that the Council is working hard to address.

Away from the defined Inner Area, housing stock is generally of a much better standard and is typically dominated by family housing. The Council is keen to safeguard the character of these areas and their attractiveness to families who will settle and contribute to their local community and neighbourhood.

Blackpool has a relatively depressed housing market with an average house price of £111,000. This makes property particularly affordable. Whilst the average rental value of a family home is £563 pcm, a small HMO for 3 to 6 people can achieve a rental of £845-£1,690 pcm (based on lower quartile). They are therefore desirable prospects for developments.

The Council believes that the permitted development allowance for change of use from a family home (use class C3) to a small HMO (use class C4) has the potential to further unbalance the housing market in the town and undermine efforts to establish more balanced and healthy local communities.

## Why does this Article 4 Direction cover the whole borough?

As previously mentioned, whilst the defined Inner Areas of Blackpool are characterised by a poor quality and imbalanced housing offer, the outer areas are dominated by family accommodation. The Council strongly believes that limiting the Article 4 direction to the defined Inner Area only would simply push the pressure for small HMO uses out into more established residential areas. This could compromise their character and appeal to settled families, and dissuade those in a position of choice from either staying in or moving to Blackpool. This would result in more widespread deprivation and undermine the Council's wider efforts to ensure that local communities across the borough are balanced, healthy and sustainable.

## What happens now?

The Council must consult on its intention to introduce an Article 4 direction for six weeks. After this period, it will consider any comments that have been made and a report will be presented to the Council's Executive or the relevant Cabinet Member. If this Committee agrees that it is appropriate to impose the Article 4 direction, a decision will be made and published to **seal the Direction**. The Direction will then come in to force one year later.

## Why will there be a one year delay?

The legislation dictates that a Local Planning Authority (in this case the Council) can be held liable to pay compensation if the imposition of an Article 4 Direction has a financial impact on a property owner. Given the financial gains that can result from the creation of small (class C4) HMOs, and the number of properties across Blackpool that could currently convert to a small (class C4) HMO without planning permission, the potential compensation claim could be considerable. However, if the Council gives one year's notice of the imposition of an Article 4 Direction, it cannot be held liable for compensation.

## Once the Article 4 Direction is in place, will it be possible to development small HMOs anywhere in Blackpool?

If the Article 4 Direction proposed is brought into force, the change of use of houses into small (class C4) HMOs will require planning permission.

Planning permissions may be granted in certain circumstances there is an identified and robustly justified housing need, such as shared accommodation to meet the needs of students or medical staff on temporary placement at Blackpool Victoria Hospital. Small (class C4) HMO accommodation may also be necessary to meet the needs of residents with particular support requirements due to their mental or physical health needs.

The Local Plan Part 2: Site Allocations and Development Management Policies will include policies

relating to specialist types of accommodation and every planning application will be assessed on its own merits.

## How do I comment on this proposed Article 4 Direction?

This consultation period will run for six weeks from **02 March 2020 to 13 April 2020**.

If you would like to make a comment on the Council's proposal to introduce this Article 4 Direction please do so in writing either by email or letter to:

[planning@blackpool.gov.uk](mailto:planning@blackpool.gov.uk)

Development Management  
PO Box 17  
Municipal Buildings  
Corporation Street  
Blackpool  
Lancashire  
FY1 1LZ

Please make it clear in your correspondence that your comments relate to the proposed C3 to C4 Article 4 Direction.