

Report to:**PLANNING COMMITTEE****Relevant Officer:**

Susan Parker, Head of Development Management

Date of Meeting:

25 January 2022

ARTICLE 4 DIRECTION: DWELLINGS (C3) TO SMALL HOUSES OF MULTIPLE OCCUPATION (HMO'S) (C4)**1.0 Purpose of the report:**

- 1.1 To seek the Planning Committee's approval to confirm the non-immediate Article 4 Direction made on 1 October 2021 to remove permitted development rights across the Blackpool borough for dwellings (Class C3 of the Town and Country Planning Use Classes Order) to be converted into small Houses of Multiple Occupation (HMOs) (Class C4 of the aforementioned Order) without the need for planning permission.

2.0 Recommendation(s):

- 2.1 To recommend to the Cabinet member the confirmation of the non-immediate Article 4 Direction to approve to prevent change of use from Class C3 (dwellings) to Class C4 (small HMOs) without planning permission.

3.0 Reasons for recommendation(s):

- 3.1 To ensure that planning permission is required for the creation of small HMOs from dwelling houses to give the Council control over their quantity, quality and location. This will support the Council's pursuit of a more balanced housing stock and cohesive, healthy and sustainable local communities across the borough.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

- 3.3 Other alternative options to be considered:

Do not confirm the Article 4 Direction meaning that dwellings (class C3) can change to small HMOs (class C4) without the need for planning permission and without therefore being subject to any planning control.

4.0 Council Priority:

- 4.1 This report is particularly relevant to the second Council priority:

- Priority 2 – Communities: Creating stronger communities and increasing resilience

5.0 Background Information

- 5.1 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, and reflect the conversion in recent decades of many holiday properties to small units of poor quality permanent

residential accommodation. The result is an extremely unsustainable and unbalanced housing market across much of the borough.

- 5.2 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 12th worst in terms of the extent of deprivation. With regard to income levels, Blackpool comes 3rd 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 12th worst living environment.
- 5.3 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.
- 5.4 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.
- 5.5 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.
- 5.6 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 per calendar month, a small HMO for 3 to 6 people can achieve a rental of £845-£1,690 per calendar month (based on lower quartile). They are therefore desirable prospects for developments.
- 5.7 Officers believe 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.
- 5.8 Cabinet member decision number PH68/2018 was made on 18 September 2018 to authorise the making of a non-immediate Article 4 Direction and this decision can be viewed here: [Decision - ARTICLE FOUR DIRECTION TO PREVENT THE CHANGE OF USE TO HOUSE IN MULTIPLE OCCUPATION WITHOUT PLANNING PERMISSION \(blackpool.gov.uk\)](#)
This authorised a decision to carry out the necessary consultation and subsequently an evidence base has been prepared along with a consultation statement, both of which are appended to this report.
- 5.9 The Article 4 Direction was made on 1 October 2021. A notice was placed in the press and site notices were displayed in 66 locations across the borough, including all Council offices, libraries and sports centres, the town centre and all designated district and local shopping centres. The Secretary of State was notified of the Direction along with all defined Crown Bodies. Interested parties had eight weeks to comment on the introduction of the Direction with the consultation period ending on 29 November 2021.

- 5.10 No representations were submitted in respect of the Direction.
- 5.11 Queries were received seeking clarification of the purpose of the Direction and to ask how it would affect existing C4 HMOs and these were answered by officers.
- 5.12 No objections have been received from the Secretary of State or any of the Crown Bodies notified.
- 5.13 In light of the above, it is considered that the Article 4 Direction preventing change of use from class C3 to C4 should be confirmed. The Direction will come into force on 2nd October 2022, one year after the Direction was made. This delay is necessary to avoid any risk of compensation claims being made against the Council.

5.14 Does the information submitted include any exempt information? No

5.15 List of Appendices

Appendix 6(a)– Consultation Statement

Appendix 6(b) – Evidence Base

6.0 Financial considerations:

6.1 No direct impact, but the creation of a more balanced housing stock and healthier communities could be expected to reduce pressure on public services.

7.0 Legal considerations:

7.1 The Town and Country Planning (General Permitted Development) Order 2015 (as amended) sets out a range of development that can be carried out without needing express planning permission from the Local Planning Authority. This legislation makes provision under Article 4 for the Secretary of State or a Local Planning Authority to make a direction that the permissions granted in the Order do not apply either in full or in part to a specified geographic area. This provision is subject to some limitations and any Direction must be expedient, i.e. there must be robust justification for its introduction.

7.2 An Article 4 Direction can be made on either an immediate or non-immediate basis. An immediate Direction immediately removes permitted development rights. This could result in a financial impact or loss of income for persons who would otherwise have been able to benefit from permitted development rights. Any person so affected would have a right to claim compensation accordingly from the body implementing the immediate Article 4 Direction. A non-immediate Direction, such as this one, does not come into force straight away. Compensation claims cannot be made against a Local Planning Authority introducing an Article 4 Direction if 12 months or more are allowed to elapse between the Direction being made and coming into force. As a result, it is proposed that this Article 4 Direction, made on 1 October 2021, does not come into force until 2 October 2022.

8.0 Risk management considerations:

8.1 The Council could be liable to compensation claims for lost income were the Direction to come into force within 12 months of being made. As such, it is proposed that the Direction will not come into force until 2 October 2022 to avoid this risk.

9.0 Equalities considerations:

9.1 None.

10.0 Sustainability, climate change and environmental considerations:

10.1 None.

11.0 Internal/External Consultation undertaken:

11.1 Not applicable.

12.0 Background Papers

12.1 None.