



Evidence base paper to support a proposed Direction under Article 4 of the Town and Country Planning (General Permitted Development) Order 2015 (as amended)

Conversion of dwelling units (Use Class C3) to houses in multiple occupation (Use Class C4)

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1. Introduction

- 1.1 The purpose of this paper is to provide evidence in support of a proposal to make a non-immediate borough-wide Article 4 direction to remove permitted development rights for the conversion of single family dwellings (Use Class C3) into small houses in multiple occupation (HMOs) (Use Class C4).
- 1.2 Under planning law, different types of properties are identified under different Use Classes. These are defined in the Planning Use Class Order (2010). According to the Planning Use Class Order (2010), there are generally two different types of HMO. The first type is small HMOs under C4 Use Class – Houses in multiple occupation. Small HMOs are dwelling units occupied by between three and six unrelated individuals, as their only or main residence, who share basic amenities such as a kitchen or bathroom. The second type is large HMOs which are under Sui Generis Use Class. These are properties with seven or more unrelated individuals who (also) share basic amenities such as a kitchen or bathroom. The table below is provided as a summary of the relevant use classes.

Table 1. Planning use classes

Type of home	Planning use class
Family homes occupied by a single family	C3
HMO occupied with between three and six people (small HMO)	C4
HMO occupied with seven or more individuals (large HMO)	Sui generis

Source: Planning Use Class Order (2010)

- 1.3 At present, changes of use between single family dwelling houses (C3) and ‘small’ HMOs (C4) do not require planning permission as this is ‘permitted development right’ under Schedule 2, Part 3 – Changes of Use, Class L of the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended). Changes of use from single family dwelling houses (C3) or small HMOs (C4) to ‘large’ HMOs (Sui Generis) do need planning permission.
- 1.4 The Government has given Councils the power to remove certain ‘permitted development rights’ in all or part of their area through Article 4 of the General Permitted Development Order 2015 (as amended) if they consider it is appropriate to do so and there is sufficient planning justification. When adopted, the effect of the Article 4 direction results in a requirement for planning permission for certain types of development that would otherwise not require an application for planning permission. A sound evidence base case must be submitted to the Secretary of State detailing why the removal of permitted development rights is required.
- 1.5 In this paper, the Council has used a range of data sources to form an evidence base to provide information of the trends, spatial distribution, density and impact of HMOs across the borough. Whilst some of the data is considered to be out-of-date such as Census data, it is still considered to be the most up-to-date data of verified sources. Limitations of the evidence are highlighted in each section.

- 1.6 This paper considers whether it would be appropriate to restrict permitted development rights for changes of use to small HMO's and the expediency of making an Article 4 direction.

2. Background

- 2.1 HMOs make an important contribution to the private rented sector (PRS) by catering for the housing needs of specific groups/households and by contributing to the overall provision of affordable or private rented stock.
- 2.2 In areas where they are not properly managed, HMOs can have a negative impact on the community and the local environment. This could be related to the social impact by way of creating unbalanced communities which can face higher pressures on facilities and services in the area; environmental and physical impacts through poor maintenance and quality of HMOs; and economic impact as a knock-on effect on local housing markets by inflating property prices leading to competition between the privately rented landlord and the owner-occupier.
- 2.3 The Communities and Local Government's (CLG) "Evidence Gathering – Housing in Multiple Occupation and possible planning responses" (2008) sets out the potential negative impacts of HMOs and how local authorities can respond to the challenges of high concentrations of poorly managed HMOs. The issues highlighted in the report include:
- Anti-social behaviour, noise and nuisance
 - Imbalanced and unsustainable communities
 - Negative impacts on the physical environment and streetscape
 - Pressures upon parking provision
 - Increased crime
 - Growth in the private sector at the expenses of owner-occupation
 - Pressure upon local community facilities,
 - Restructuring of retail, commercial services and recreational facilities to suit the lifestyles of the predominant population
- 2.4 Tower Hamlets Council recognises that HMOs form part of the overall housing stock and contribute to meeting housing needs for individuals or families who cannot access other types of market housing or affordable housing. However, due to their possible adverse impacts, the report has been prepared to explore whether there is a need for a more attentive management of existing and future HMOs through the planning system.

3. Policy context

National

- 3.1 The National Planning Policy Framework (NPPF, 2019) does not set out specific guidance on HMOs. Paragraph 61 of the NPPF states that *“the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies”*.
- 3.2 In addition to the above, paragraph 7 of the NPPF states that *“the purpose of the planning system is to contribute to the achievement of sustainable development”*. At a very high level, the NPPF explains the objective of sustainable development as *“meeting the needs of the present without comprising the ability of future generations to meet their own needs”* (NPPF, paragraph 7).
- 3.3 In order to achieve sustainable development, the planning system has three overarching objectives: economic, social and environmental. The social objective seeks to ensure that *“a sufficient number and range of homes can be provided to meet the needs of present and future generations”* (NPPF, paragraph 8.b).
- 3.4 Paragraph 53 of the NPPF states the following:

“The use of Article 4 directions to remove national permitted development rights should be limited to situations where this is necessary to protect local amenity or the well-being of the area (this could include the use of Article 4 directions to require planning permission for the demolition of local facilities).”

Regional (London)

- 3.5 The current London Plan (2016) recognises the importance of HMOs. Paragraph 3.55 of the London Plan states the following:

“Shared accommodation or houses in multiple occupation is a strategically important part of London’s housing offer, meeting distinct needs and reducing pressure on other elements of the housing stock, though its quality can give rise to concern. Where it is of reasonable standard it should generally be protected and the net effect of any loss should be reflected in Annual Monitoring Reports. In considering proposals which might constrain this provision, including Article 4 Directions affecting changes between Use Classes C3 and C4, borough should take into account the strategic as well as local importance of houses in multiple occupation”.
- 3.6 Policy 3.5 Quality and design of housing developments requires housing developments to be of the *“highest quality internally, externally and in relation to their context and to their wider environment”*. Specific standards and guidelines on how to achieve high quality housing is set out in the Mayor’s Housing SPG (2016).
- 3.7 Policy 3.9 Mixed and balanced communities states that *“a more balanced mix of tenures should be sought in all parts of London, particularly in some*

neighbourhoods where social renting predominates and there are concentrations of deprivation”.

- 3.8 The draft London Plan maintains the Mayor’s current position on HMOs and the provision of high quality housing accommodation.

Local (Tower Hamlets)

- 3.9 The adopted Local Plan does not set out specific guidance on HMOs. Local Plan policy SP02 Urban living for everyone of the Core Strategy (2010) seeks to ensure that *“all housing is appropriate, high-quality, well-designed and sustainable”*. Policy DM4 Housing standards and amenity space of the Managing Development Document (2013) requires all housing developments to have *“adequate provision of internal space in order to provide an appropriate living environment”* and appropriately sized amenity spaces.
- 3.10 The draft Tower Hamlets Local Plan 2031 supports the current approach for a delivery of a high-quality, appropriate housing. In addition, draft strategic policy S.H1: Meeting housing needs of the draft Local Plan seeks all housing to *“take appropriate account of cumulative development”*.
- 3.11 Detailed development management policy D.H7: Housing with shared facilities (houses in multiple occupation) of the draft Local Plan sets out an approach for dealing with large HMOs. The policy requires development to not result in the loss of existing family housing, be located in an area of high transport accessibility, and not to have significant amenity impacts on the surrounds. Policy D.H7 requires all HMOs to comply with relevant standards outlined in the draft detailed development management policy D.H3: Housing standards and quality, which requires developments to meet the minimum internal and external space standards and ensure the delivery of liveable and appropriate residential accommodation.

4. Local evidence

- 4.1 In order to understand the patterns and trends under which HMOs are created, their existing clustering in the borough and potential impacts on the environment, a range of information has been analysed and separated into three prevailing sections.
- 4.2 The first part of the evidence (4A) considers the opportunities in which HMOs are created, as well as factors which may contribute to the demand for HMOs. The evidence looks at the existing housing stock in terms of accommodation and tenure to understand the level of private rented sector in the borough. In line with the population growth in the borough, this paper focuses on the degree of changing student population which is likely to be a contributing factor to the increase of HMO’s demand. This has served as a focus due to the evidence being more readily available, however, it is accepted that there would be other contributing factors which might increase demand for HMOs due to their affordability and flexibility

- 4.3 The second part of the evidence (4B) analyses the spatial distribution of the existing HMOs. In order to be able to illustrate this, the information is derived from the housing licensing schemes that exist in the borough, planning applications and enforcement cases related to the use of HMOs. The data also considers the Council tax register data and its relevance to understanding the existing HMOs.
- 4.4 Finally, the last part of the evidence (4C) looks at potential impacts of HMO's and their clustering. In doing so, we looked at previous researches on the quality of living accommodation in HMOs and their impact on the surrounding area in terms of amenity, crime and anti-social behaviour, external appearance of properties and on-street parking.

4A Conditions and contributing factors

Housing stock

- 4.5 This section analyses the available information in relation to the existing housing stock in terms of accommodation type and tenure. The accommodation type of properties helps in understanding which properties have the potential to be converted to HMOs while the tenure looks at the extent of private rented sector in which the conversions from dwellinghouses to HMOs happen.

Accommodation type

- 4.6 In 2017, the total number of properties with 3+ bedrooms was 30,010 compared to 81,430 properties with 1 and 2 bedrooms¹. While larger properties are more likely to be converted into HMOs, it should be noted that communal spaces within smaller properties such as living rooms have the potential of being occupied as bedrooms. As a result, this presents a risk for the borough's housing stock because smaller residential units could also get converted into HMOs.

Tenure

- 4.7 The evidence² suggests that there has been a significant increase in the proportion of private sector housing in the borough. Around 37% of the private rented housing has been built since 1990 which compares to 12.6% across the rest of the country. The private rented sector in the borough has risen from 18.3% in 2003 to around 39% in 2014 which includes the majority of a period when approximately 20% of the whole housing stock in the borough was built³. Given the fast pace of growth being delivered in the borough, particularly in the eastern part, it is assumed that the trend of larger private rented sector has continued to increase over the last five years.
- 4.8 According to Table 2 below, Tower Hamlets had a higher percentage of PRS than the rest of London (25.1%) and England (16.8) in 2011. The red highlighted wards

¹ See Appendix A for detailed information on accommodation types.

² London Borough of Tower Hamlets Housing Evidence Base, June 2016

³ See Appendix B for detailed information on the borough's housing stock.

in Table 3 have been experiencing more than the borough's average of the private rented properties⁴ which was 32.6% in 2011. This can be linked to the areas' specific conditions.

4.9 Blackwall and Cubitt Town, Canary Wharf and Whitechapel are the areas that have been experiencing the most significant levels of housing and commercial development in the borough. Canary Wharf, along with the Island Gardens and Limehouse areas, is also in proximity to good transport links and hubs. Other areas such as St Katherine's and Wapping, and Spitalfields and Banglatown are near town centres which offer good access to a wide range of shops, facilities etc.

4.10 Furthermore, some of the wards with a high percentage of PRS are important on a more strategic level which potentially justifies the high levels of PRS. Whitechapel is an area of London-wide importance with its life-science centre known as the Med-City while Canary Wharf is of international importance as a financial centre.

Table 2. Tenure for each ward in comparison with London and England averages

Ward name	Owner occupier [%]	Social rented [%]	Private rented [%]	Living rent-free [%]
Bethnal Green	25.8	47.3	25.8	1.1
Blackwall and Cubitt Town	28.1	24.5	46.1	1.3
Bow East	25.9	42.8	30.3	1
Bow West	33.1	39.0	26.7	1.2
Bromley North	17.8	54.8	26.0	1.4
Bromley South	18.9	54.8	24.8	1.5
Canary Wharf	27.0	22.4	49.0	1.6
Island Gardens	33.9	22.1	42.4	1.6
Lansbury	21.4	57.5	20.1	1
Limehouse	37.5	19.4	41.8	1.3
Mile End	22.0	51.4	25.8	0.8
Poplar	20.8	50.9	27.2	1.1
Shadwell	22.6	53.7	22.2	1.5
Spitalfields and Banglatown	25.9	34.3	38.6	1.2
St Dunstons	25.1	54.3	19.3	1.3
Stepney Green	24.5	51.6	22.3	1.6
St Katharine's and Wapping	45.1	13.6	39.8	1.5
St Peter's	23.4	43.2	32.3	1.1
Weavers	25.5	43.5	30.0	1
Whitechapel	22.7	31.3	44.8	1.2
LBTH	26.6	39.6	32.6	1.2
London	49.5	24.1	25.1	1.3
England	64.1	17.7	16.8	1.4

Source: Census 2011

Student accommodation

4.11 Tower Hamlets is one of the fastest growing boroughs in the country. The projected population increase will create a higher demand for residential units of all types, sizes and tenures. Given that HMOs present a type of lower income housing, a

⁴ See Appendix C for a mapped representation of the privately rented properties.

particular population group that is often likely to contribute to the higher demand for HMOs is students.

4.12 Properties occupied by students, such as student halls, that are managed by an educational establishment which has signed up to an approved code of practice are not considered to be HMOs. According to the Student Accommodation Survey (University of London Housing Services, 2015), 28% of students in London were living in a shared flat/house rented from either a landlord or letting agent. However, the report acknowledged the limitations of the methodology used for the survey, and it was estimated that over 40% of students were renting from private landlords in 2015.

4.13 Tower Hamlets is home to two universities, the Queen Mary University of London with campuses in Mile End and Whitechapel, and London Metropolitan University with the School of Art located in Aldgate. After Camden and Islington, Tower Hamlets has the 3rd largest proportion of student bedspaces in the capital, accommodating 12% of the stock (approximately 7,000 bedspaces) and much of the accommodation being delivered is by private operators and not by the two Universities⁵.

4.14 Table 3 below evidences the increase in student population between 2001 and 2011 which equals to a net increase of 31.7%. The data focuses on full-time students which are more likely to find accommodation in the proximity to the university and within the borough.

Table 3. Changing student population in Tower Hamlets, 2001-2011

Qualifications	Census 2001	Census 2011 data	Net change 2001-2011	Net change [%]
Full-time students Economically active: In employment	3,540	7,402	+3,862	+52.2%
Full-time students Economically active: Unemployed	1,343	2,544	+1,201	+47.2%
Full-time students Economically unactive	11,967	14,724	+2,757	+18.7
Total	16,850	24,670	+7,820	+31.7

Source: Census 2001 and Census 2011

4.15 It is assumed that this trend in growth has continued since 2011 with QMUL attracting more research with the Med-City initiative⁶ and LMU's high rate of full-time students⁷. This potentially creates a greater need for more flexible

⁵ London Borough of Tower Hamlets Housing Evidence Base, June 2016

⁶ City Fringe Opportunity Area Planning Framework, Greater London Authority, December 2015

⁷ <https://www.londonmet.ac.uk/about/our-university/university-publications/key-statistics/>; Accessed on 31st May 2019

accommodation such as HMOs in the borough as the students are likely to search for shared accommodation to which the market would eventually respond.

4B Spatial distribution and extent

Housing licensing

- 4.16 The following sub-sections look at different types of housing licenses in order to provide an understanding on the current spatial distribution of HMOs. The assessment includes a mapping exercise for the mandatory licensing scheme, a postcode analysis for the additional licensing scheme and the current number of properties included in the selective licensing scheme.
- 4.17 The Housing Act 2005 requires landlords of certain types of houses in multiple occupation to be licensed by the local authority. At present, there are different licensing schemes depending on the type of property and number of tenants. Table 2 below summarises the relevant requirements for each of the licensing schemes: mandatory, additional and selective. Mandatory and additional licensing schemes relate solely to HMOs while selective licensing scheme relates to any private rented property which could include HMOs given that this type of accommodation is usually rented by the private sector.
- 4.18 A summary of the three licensing schemes in the borough is set out in Table 4. Further information on each of the licensing scheme is set out below.

Table 4. Current private rented licensing schemes in Tower Hamlets

Scheme	Type of privately rented property	Wards affected	Duration of scheme
Mandatory HMO licensing	All HMO's that have 5 or more tenants from two or more households sharing amenities. Does not include purpose built blocks of flats	All Wards	Not limited, a three year licence is normally issued
Additional licensing	Any privately rented multiple occupied premises with three or more tenants from two different households. Includes purpose built blocks of flats	All Wards, excluding the Selective Licensing Area	Scheme locally designated, expires April 2024, is renewable by local designation. Five year licences normally issued.
Selective licensing	Any privately rented property, irrespective of property size or number of tenants	Weavers, Whitechapel, Spitalfields and Banglatown – pre 2014 ward changes	Scheme locally designated, expires October 2021, is renewable by local designation. Five year licences normally issued

Source: Tower Hamlets Environmental Health data

Mandatory HMO licensing

4.19 The government has decided to change the scope of mandatory licensing from the previously used criteria. From the 1st of October 2018, mandatory HMO licensing includes the following:

- all HMOs with 5 or more occupiers living in 2 or more households regardless of the number of storeys;
- self-contained flats where there are up to two flats in the block and one or both of the flats are occupied by 5 or more persons in two or more separate households regardless of the block being above or below commercial premises.

4.20 In May 2019, Tower Hamlets had 330 HMOs with a mandatory license. According to the most recent available data, this is twice less than in Royal Borough of Greenwich and one fifth less than in Boroughs of Lewisham and Wandsworth. However, Tower Hamlets has around 40% more mandatory HMOs than Waltham Forest Borough and twice as much than Borough of Hackney.

4.21 Map 1 is a graphic representation of HMOs registered through the mandatory licensing scheme. It appears that there is a higher number of HMO clusters in the southern part of the Isle of Dogs, but there are also smaller clusters around the Bow area to the east of the borough. The highest numbers of HMOs lies in the western part of the borough, mainly around roads well served by public transport such as Mile End Road, Whitechapel Road and Commercial Road. It should be noted that this data does not cover smaller sized HMOs, i.e. 3-4 people household, as it includes only properties with 5 or more people.

Additional HMO licensing

4.22 On 1st April 2019, LBTH introduced an additional licensing scheme which includes properties with three or more tenants forming two or more different households irrespective of the property type, i.e. it includes flats and houses. The additional licensing scheme does not apply in the three wards where the selective licensing currently operates.

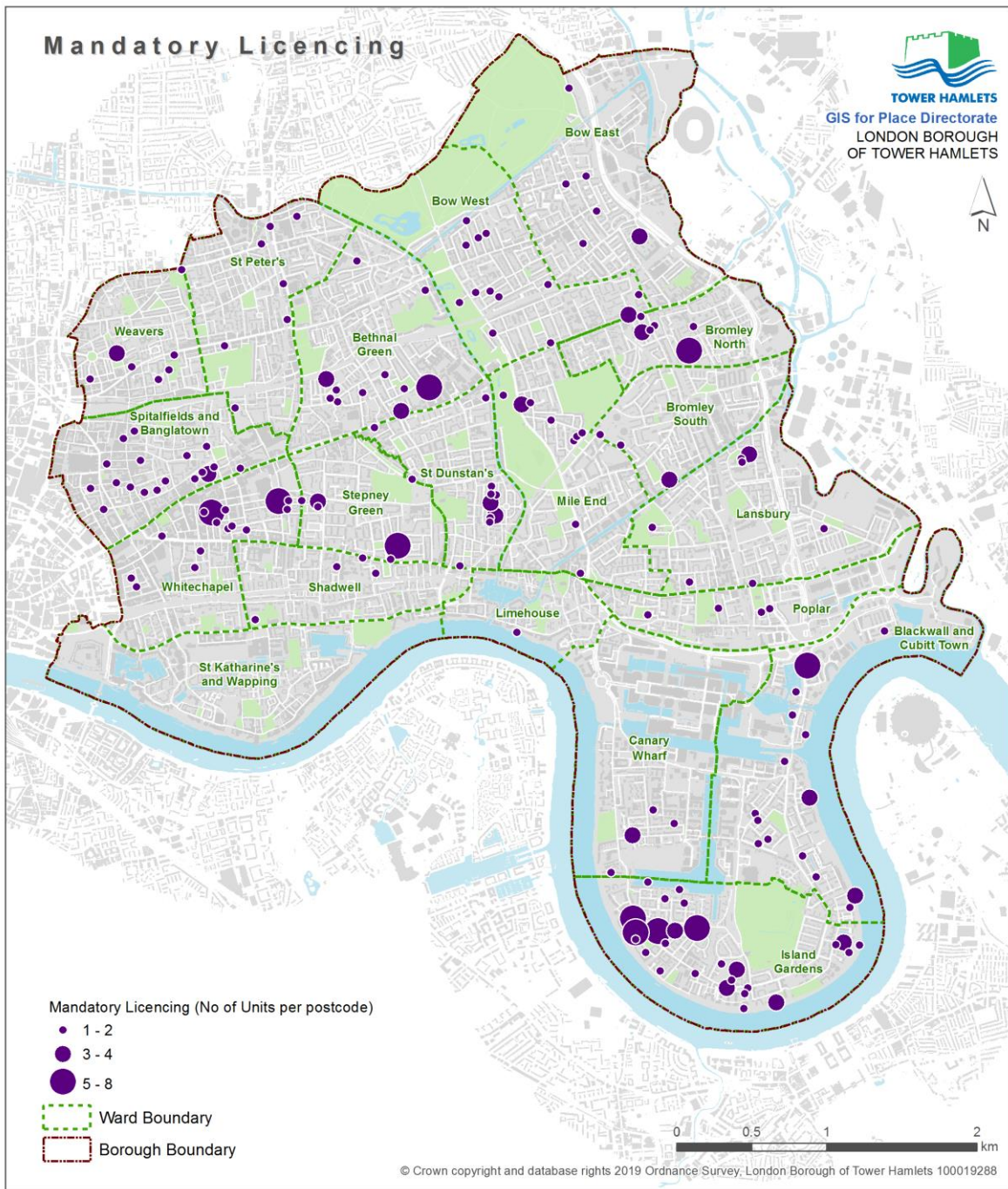
4.23 Within the first three months of the introduction of an additional HMO licensing, less than 100 properties obtained a license. Given the very early stage of the additional licensing scheme, it was considered too crude to look at the spatial distribution of properties with licenses as it is very likely for this number to higher. However, a postcode analysis shows that properties with the obtained additional licenses tend to be dispersed across all parts of the borough.

Selective licensing

4.24 The selective licensing started in October 2016. This scheme requires all privately rented properties within the wards of Weavers, Whitechapel, Spitalfields and Banglatown to apply for a license excluding properties needing a licence under the mandatory scheme.

4.25 In May 2019, there was circa 4,000 privately rented properties in the three selected wards. This represents approximately one fifth of the total number of properties in the subject wards. The selective licensing data provides information on all privately rented properties which captures small HMOs given that this type of accommodation is usually provided by the private sector.

Map 1. Spatial distribution of properties registered under mandatory licensing scheme



Source: Tower Hamlets Environmental Health data

Council tax register

- 4.26 This section considers the relevance of the Council tax data when looking at the current extent and spatial distribution of HMOs. However, the definition of HMOs for Council tax purposes is different to that contained in the Housing Act 2004 and relates to a property occupied by persons who do not constitute a single household.
- 4.27 Analysis of different surnames has a potential to demonstrate the amount of HMOs in the borough. However, different surnames do not necessarily mean occupation by different households or unrelated individuals.
- 4.28 HMOs properties can be rented through a single tenancy. As such, the Council tax register could indicate a different categorisation of the data. This is often the case with students living in shared accommodation.
- 4.29 Due to the up-front identified limitations of the Council tax data, it was considered that the information would neither be reliable nor representative, and was not taken into consideration as part of the assessment.

Planning register

- 4.30 The Council's planning register contains data on received planning applications and enforcement cases relating to the use of HMOs. This information helps in understanding the spatial distribution of the existing HMOs and areas in which their clustering has been occurring for a period between 2008 and 2018.

Planning applications

- 4.31 According to the planning register, the Council has received a total of 72 applications over the previous 10 years (2008-2018) as listed in Table 5. While this number does not appear to be high, it should be noted that since April 2010, Use Class C4 is under 'permitted development' meaning the number of applications would have been reduced significantly for the analysed period of time.

Table 5. Planning applications, 2008-2018

Type and number of planning application	Approvals	Refusals	Other (Withdrawn, Disposed)
Full Planning Permission	31	12	12
Certificate of Lawfulness for existing use	8	3	0
Certificate of Lawfulness for proposed use	6	0	3

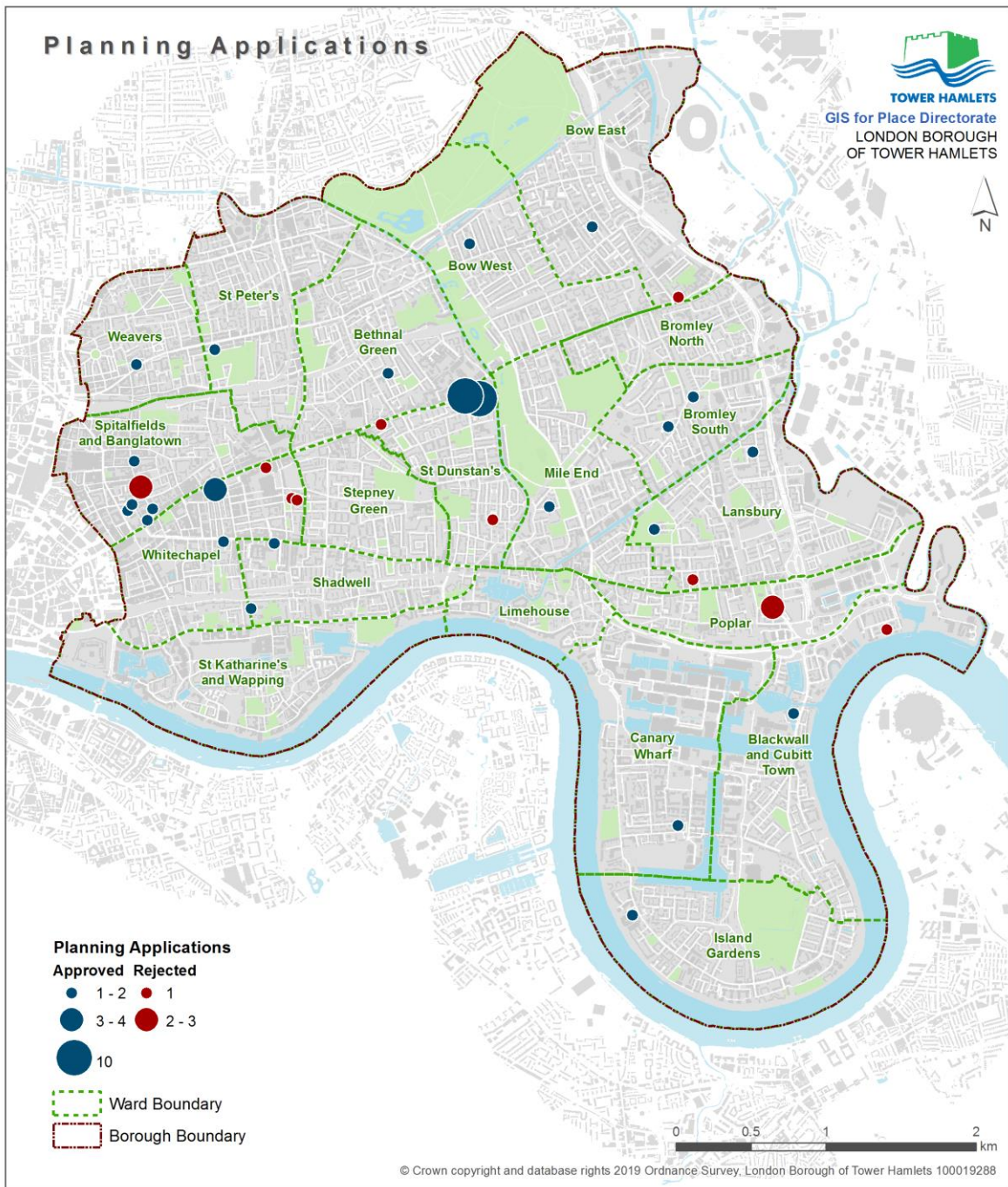
Source: Tower Hamlets Planning Register

- 4.32 A closer analysis of the planning applications for full planning permissions shows that the prevailing reasons for refusal include the loss of single family homes and inadequate facilities such as undersized bedrooms, insufficient communal areas

and lack of amenity space. In terms of certificates of lawfulness for existing use, it seems that applicants often fail to provide sufficient information in terms of precision and clarity for the established use as an HMO.

4.33 Map 2 below shows the spatial distribution of properties that have been subject to planning applications listed in Table 5. It appears that higher concentration of HMOs exists in the western part of the borough, closer to the Central Activities Zone and in the close proximity to the two QMUL's campuses. Other parts of the borough had been subject to occasional planning applications relating to HMOs and appear to be located in various parts of the borough.

Map 2. Spatial distribution of properties subject to planning applications



Source: Tower Hamlets Planning Register

Planning enforcement cases

4.34 According to the planning register, the Council dealt with 127 enforcement cases against unauthorised dwelling conversions and uses as HMOs in the last 10 years (2008-2018). Half of the enforcement cases had no formal breach and more than one fifth was not expedient to take enforcement action or was considered immune from enforcement action as these changes were covered under the permitted development rights.

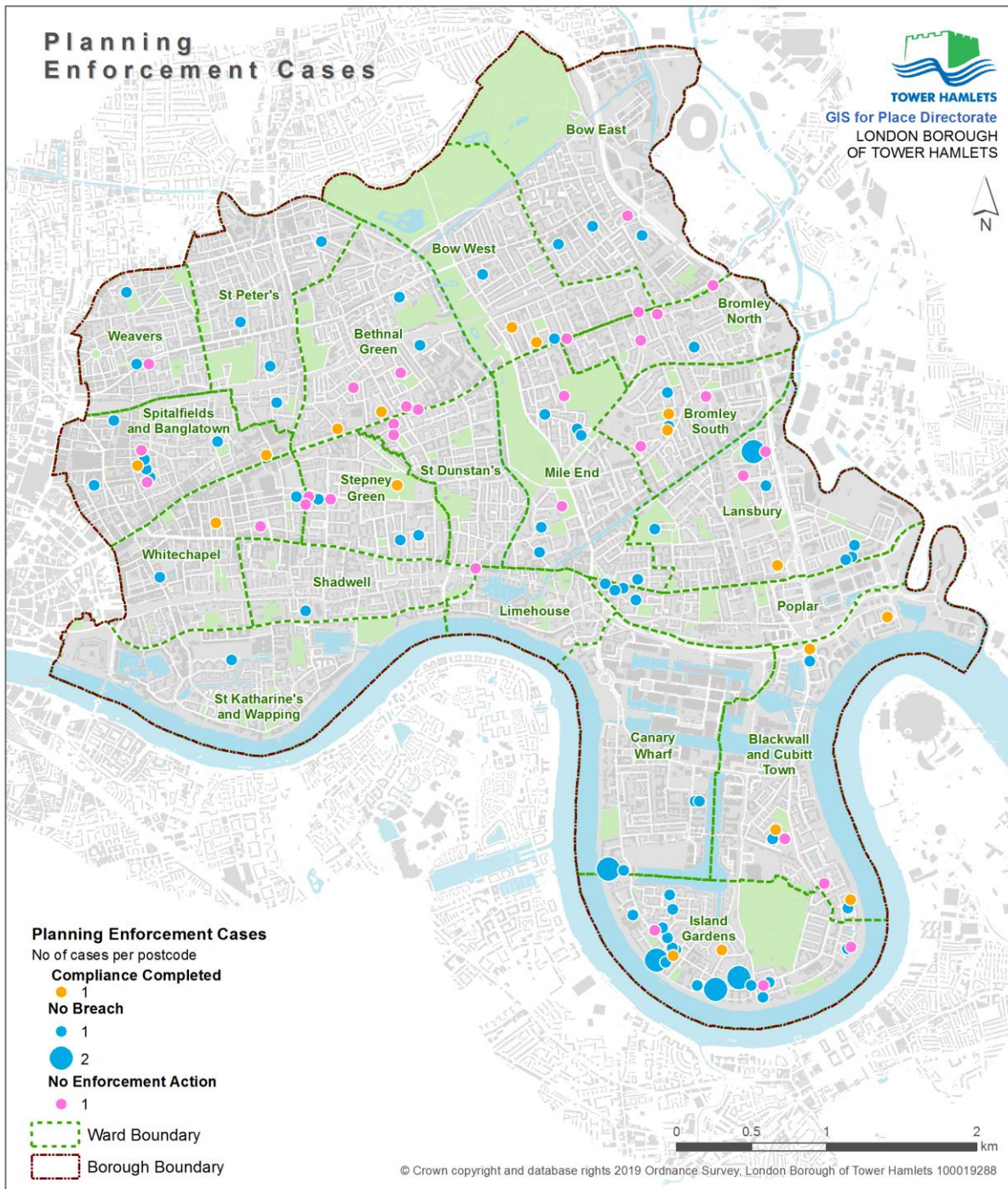
Table 6. Enforcement cases 2008-2018

Type of decided action	Number of cases
Breach Resolved	6
Compliance Done With No Formal Action	8
Enforcement Complied With	1
Immune from Enforcement Action	6
Immune from Enforcement	1
No Breach	69
Not Expedient to take Enforcement Action	27
No Further Action	4
Planning Permission Granted	5

Source: Tower Hamlets Planning Register

4.35 The map below illustrates the spatial distribution of properties that have been subject to enforcement and are listed in Table 6. According to Map 3, it is evident that HMO use is not clearly concentrated in two parts of the borough as that is the case with planning applications. The enforcement cases had been diffused across all parts of the borough with a peak in the most southern part of the borough which coincides with the licensing data.

Map 3. Spatial distribution of properties subject to planning enforcement cases



Source: Tower Hamlets Planning Register

4C Housing conditions and impacts

Housing conditions

4.36 In order to understand the potential impacts of HMOs, the evidence starts with looking at the quality of provided accommodation and the living conditions of HMO's occupiers.

4.37 Private rented accommodation experiences more issues than other types of accommodation⁸. In 2011, it was found that 67% of all fuel poverty in the private sector is linked to rented properties. At the same time, 16% of residents lived in overcrowded private rented accommodation which is three times higher than the national average (5%) and also above the average for Inner London (14%). Fire safety is the biggest hazard in HMOs, representing 58% of all hazards.

4.38 Example of some of the issues of poor living conditions and ineffective management of HMOs are⁹:

- Lack of adequate fire precautions
- Insufficient kitchen, bathroom or toilet amenities
- Undersized bedrooms
- Poorly maintained amenities, leaks, damp and dirty conditions, pest infestations or overcrowding

4.39 While there is very limited evidence on the current housing conditions in the borough for the private rented properties, previous site visits carried out by the Development Management officers and colleagues in the Environmental Health Team revealed that properties can be in extremely poor conditions.

4.40 A more specific analysis related to the management and up-keep of residential properties which affects living conditions of their occupiers is provided in the following section on anti-social behaviour and crime.

Anti-social behaviour and Crime

4.41 This section analyses how HMOs can have a potential impact on their surrounding areas and residential amenity of the adjoining and neighbouring properties. This includes the examination of various complaints received by the Council between 2013 and 2016 and a spatial analysis of recorded criminality between 2010 and 2019.

⁸ London Borough of Tower Hamlets Housing Evidence Base, June 2016

⁹ London Borough of Tower Hamlets Cabinet Report, Wednesday 31 October 2018

4.42 According to DCLG¹⁰, anti-social behaviour (ASB) is deemed to occur when it falls into one of three categories:

- Crime: tenants not respecting the property in which they live, including vandalism, criminal damage, and robbery/theft or car crime
- Nuisance neighbours: noise, nuisance behaviour, animal-related problems, vehicle-related nuisance etc.
- Environmental crime: graffiti, fly-posting, fly-tipping, litter around a property, untidy front gardens, dilapidations.

4.43 The data shows that the complaints the Council had received can be categorised as follows:

- Complaints notices in the period April 2014 to March 2017 (1,384 cases) covering various notices to property owners such as requiring property information, improvement notices, prohibition orders or hazard awareness
- Miscellaneous complaints from April 2014 to March 2017 (3,384 cases) covering a wide range of issues including noise, begging, criminal damage, threatening and other criminal behaviour.
- Fly tipping reports from January 2013 to September 2016 (25,195 cases) covering all types of commercial, household and green and other waste based on Veolia raw data
- Missed food and waste collections from January 2013 to October 2016 (1,749 cases)
- Graffiti occurrences Jan 2013 to Oct 2016 (846 cases)
- Housing complaints from April 2014 to Mar 2017 (2,811 cases) covering reports of hazards, licensing enquiries and general advice
- Noise complaints April 2014 to March 2017 (18,083 cases) including domestic, commercial and construction categories
- Pest control call outs from April 2014 to April 2017 (12,010 cases). No details available of particular types of pests. Tends to be strongly seasonal
- Tower Hamlets Enforcement Officer System (THEOs) from April 2014 to September 2016 (11,638 cases). THEO data are collated by street wardens. Incident types vary with less emphasis on violent or drug related behaviour and more on litter fly tipping etc.
- Waste enforcement from Jan 2013 to September 2016 (5,798 cases).

4.44 A more detailed analysis of the above data is provided in the table below and it has been produced to indicate patterns and trends amongst the received complaints.

Table 9. Pattern and trend of anti-social behaviour in Tower Hamlets

ASB indicator	Rate per month	Seasonality	Trend
Complaints notices	36	Random	Slightly downward
General complaints	94	Summer	Level
Fly tipping	560	Summer	Slightly increasing

¹⁰ Approval steps for Additional and Selective licensing designations in England, 2010

Missed food and waste collections	38	Summer	Slightly downward
Graffiti	18	Random	Level
Housing complaints	78	Winter	Increasing
Noise complaints	502	Summer	Slightly downward
Pest control	325	Summer	No information
Tower Hamlets Enforcement Officer System	323	Random	Slightly downward
Waste enforcement	126	Summer	Increasing

Source: The potential for an extension of discretionary licensing in the London Borough of Tower Hamlets, Neighbourhood Knowledge Management

4.45 While different wards face different issues in terms of the ASB, there are some indicators positively associated with the size of the private rented sector more than others. The variables which are most positively correlated with the ASB indicators are noise complaints, housing complaints and housing notices which are the highest in Whitechapel, St Peter's, Bethnal Green, and Spitalfields and Banglatown wards¹¹. Two of these wards are included in the selective licensing which was introduced in order to deal with the significant and persistent problems of ASB, amongst other issues.

4.46 Map 4 below represents the spatial distribution of crimes across the borough between April 2010 to December 2018. The analysis of the data results in the following:

- St Peter's and Spitalfields and Banglatown have a high percentage of PRS and crime counts,
- Canary Wharf and Whitechapel have very high percentage of PRS and medium crime counts,
- Wards with medium percentage of PRS and medium crime counts are situated in the norther part of the borough such as Weavers, Bethnal Green, Mile End, Bow West and Bow East.

4.47 In addition to the medium to high percentage of PRS and crime counts, wards within the western part of the borough such as St Peter's, Spitalfields and Banglatown, Whitechapel, Weavers and Bethnal Green also have more HMOs which tend to be created in clusters as evidence in the spatial distribution section.

4.48 A comparison analysis was carried on a regional level where Tower Hamlets' wards were compared to other London boroughs' wards¹². It was found that between 2010

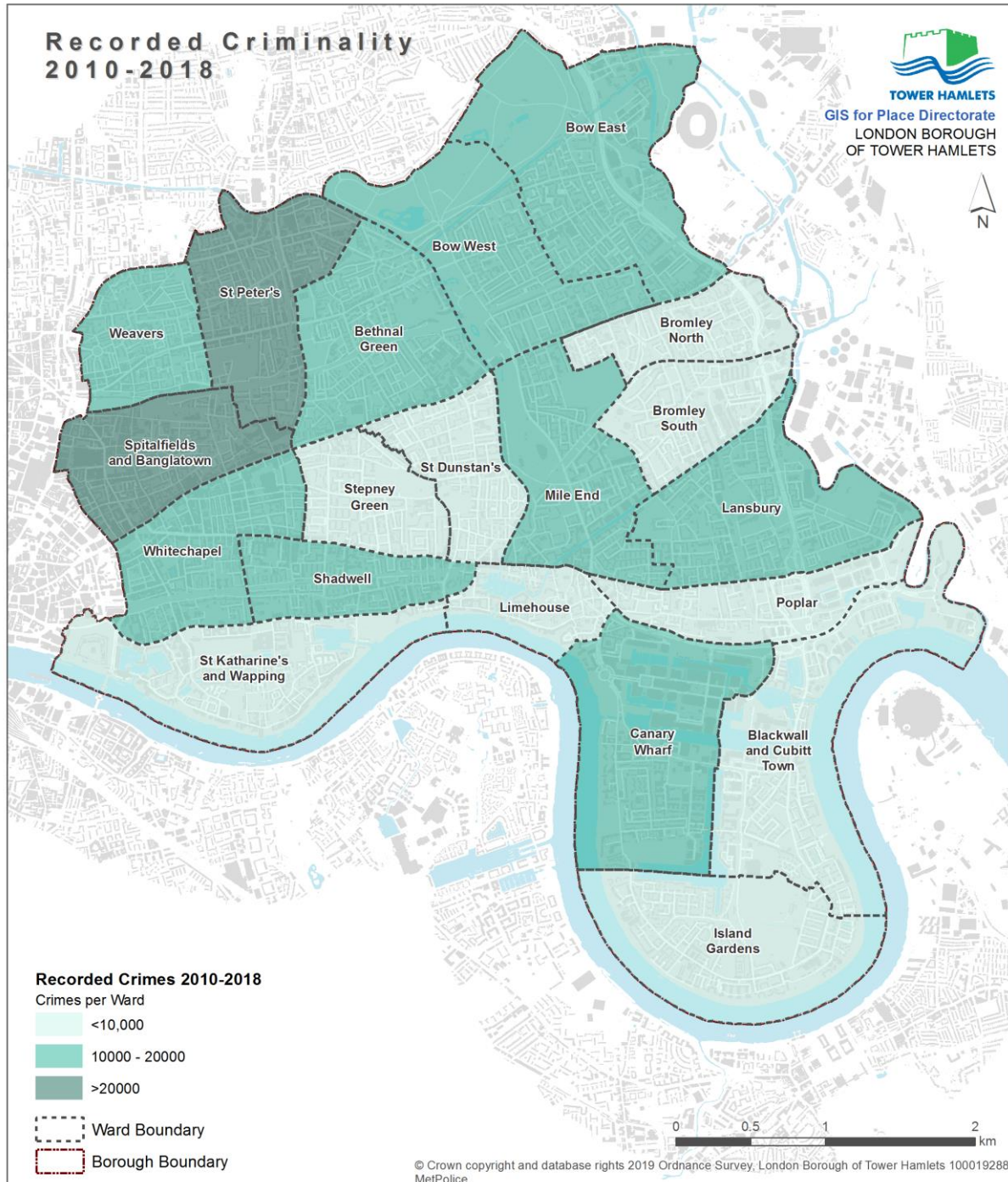
¹¹ The Potential for an extension of discretionary licensing in the London Borough of Tower Hamlets, Neighbourhood Knowledge Management
See Appendix D for detailed information on all wards.

¹² Metropolitan Police data.

and 2018, the following six LBTH's wards were included in the 100 London wards that had experienced the highest levels of crime in the metropolitan region:

- St Peter's – 8/100
- Spitalfield & Banglatown – 18/100
- Bethnal Green – 58/100
- Weavers – 78/100
- Mile End – 100/100.

Map 4. Spatial distribution of recorded crimes in the borough



Source: Metropolitan Police Stats and data; Accessed on 25th March 2019

Character of the area

- 4.49 The following paragraphs look at the potential impact on the physical and social changes to the character and appearance as a result of HMO's and, in particular their clustering.
- 4.50 Unlisted properties and properties outside conservation areas benefit from other permitted development rights which include larger home extension where owners are allowed to apply for prior approval for extension of 6m in the case of a terraced house and 8m for detached houses. By creating additional space which can amount up to 30sqm on average for terraced dwellinghouses and even more for detached houses, properties would often be sufficiently large to be subject to a subsequent conversion to an HMO. The current legislation provides sufficient flexibility for a legitimate use of different PD rights that the Council cannot manage properly and which can result in HMOs clustering as well as changes to the character of the area.
- 4.51 In 2007, the Council introduced a greater flexibility to home extensions within the Driffield Road and Medway conservation areas by enabling mansard roof extensions along Victorian terraces¹³. Some of these properties had been converted to flats in the 1990s and early 2000s; however, the majority of houses are still used as single family dwellinghouses that retain the original planform consisting of two-bedrooms, communal spaces and garden area. There are concerns about the potential of these properties being converted into HMOs under PD rights once they are sufficiently enlarged which could create HMOs in these parts of the borough.
- 4.52 In addition to the physical changes, HMO accommodation can result in the social changes to the areas as well. It is assumed that this could be in the form of providing mainly student HMO accommodation in the proximity to the universities or young population in the areas of good accessibility to employment hubs and public transport. The resulting population change can also be observed in new types of facilities and services in the area.

Parking permits

- 4.53 This section considers a potential impact of HMOs on highways network and in particular on-street car parking. The current Council's approach to car-free residential developments is also set out to understand how HMOs could potentially have an additional unmanaged impact on the borough's parking levels.
- 4.54 Tower Hamlets is a well-connected part of London. According to the Transport for London's Public Transport Accessibility Levels (PTAL), circa one half of the borough benefits from a good to excellent accessibility levels measured as 4-6 on a scale 1-6 where higher figures show better accessibility. The extensive public transport network in the borough will benefit from improvements to Docklands

¹³ Medway Conservation Area Character Appraisal and Management Guidelines (2017)
Driffield Road Conservation Area Character Appraisal and Management Guidelines (2017)

Light Railway and London Underground as well as the opening of the Crossrail stations at Whitechapel and Canary Wharf.

- 4.55 The adopted Local Plan policies SP09 of the Core Strategy (2010) and DM22 of the Managing Development Document (2013) seek to promote car-free developments in areas of good public transport accessibility and areas of existing on-street parking stress. Similarly, draft Local Plan detailed development management policy D.TR3 requires residential developments to be permit-fee in terms of on-street parking and all parking should be provided on-site.
- 4.56 The current terms and conditions of the Council's resident's parking permit scheme allows for a maximum of three on-street resident permits at the property. However, the current planning practice in the borough seeks all new and converted residential developments to be car-free due to the good public transport accessibility levels, exceeding capacity demand for on-street parking and high planned growth. Car-free developments also positively contribute to the reduction of the high air pollution in the borough. Therefore, it would appear that a maximum number of three permits only applies to the existing residential properties.
- 4.57 London Borough of Tower Hamlets Parking Stress Study (2011) found high parking stress during night-time. The study recommended the review of the parking stress on a location specific basis to ensure that the likely impact of planning applications is considered. While the number of maximum permits per one property is same for single family households and HMOs, an assumption is made that a number of different households at one property are more likely to have more than one permit than a single household.

5. Evidence summary

- 5.1 The presented evidence demonstrates a rapid growth of the private rented sector in Tower Hamlets since the 1990s. The numbers suggests that the PRS levels in the borough are higher than in the rest of the capital and the country. Notwithstanding the recent growth in the Build to Rent schemes across the borough, the analysed data shows that a significant amount of new housing forms part of the PRS which creates an opportunity for more HMOs to be created in the borough. (Section 4A Conditions and contributing factors – pages 7-9)
- 5.2 Mapping exercises found that HMOs tend to be dispersed across the whole of the borough which is consistent with the previous assessments¹⁴. However, certain clustering exists in the areas of high growth, good transportation interchanges and in the proximity to universities. (Section 4B Spatial distribution and extent – pages 10-16)

¹⁴ The Potential for an extension of discretionary licensing in the London Borough of Tower Hamlets, Neighbourhood Knowledge Management

- 5.3 The evidence suggests that HMOs can suffer from poor housing conditions such as insufficient internal spaces and a greater risk of housing hazards of which the fire hazard is the most common. Anti-social behaviour and crime are significantly higher in the western part of the borough which coincides with a higher proportion of existing HMOs. In addition, the analysed set of complaints demonstrates that these same areas suffer from poor conditions and management of the housing stock. (Section 4C Housing conditions and impacts – pages 17-21)
- 5.4 Limitations of this research have been set out for each topic separately; however, it should be noted that the presented data is not exhaustive and it is based purely on assumptions from previous researches. Given the hidden nature of permitted development rights in respect of the change of use from dwellinghouse to HMOs, it is considered that the exact number of HMOs in the borough is higher than presented in this paper.

6. Need for Article 4 direction

- 6.1 London Borough of Tower Hamlets has one of the highest housing targets in the country. In order to achieve these targets and provide sustainable places, a more effective management of current and future housing supply is needed. Considering the evidence, an assessment of the challenges and benefits of introducing the Article 4 direction for HMOs are presented in the sections below.

Need for family housing

- 6.2 There is a significant shortage of family housing units¹⁵ in the borough. Whilst the demand for larger homes is higher in the affordable sector rather than the market sector, it is important to ensure that there are various tenures and units sizes that can cater for diverse population in the borough such as growing families, but also for people and individuals who need and/or want to share.
- 6.3 According to the planning definition of C4 use class, small houses in multiple occupation provide accommodation for at least three unrelated individuals. This usually results in properties with 3 or more bedrooms being converted into HMOs. As a consequence, there is an even higher demand for family houses as the existing family housing stock gets reduced through permitted development rights.
- 6.4 The adopted and emerging Local Plan policies seek to protect existing family homes and maximise their future provision. The introduction of an Article 4 direction would help the Council manage the existing housing stock and monitor the extent of family housing units that gets converted into HMOs through the PD rights. This is further discussed in the implementation section below.

¹⁵ Family housing unit is defined as a property of three or more bedrooms

Mixed and balanced communities

- 6.5 In addition to the housing need, population growth puts the pressure on the existing and creates a demand for new physical and social infrastructure. This includes community facilities such as schools, healthcare, leisure facilities and open spaces, but also less visible infrastructure such as utilities, telecommunications etc.
- 6.6 Permitted development rights for the change of use from dwellinghouses to small HMOs result in a larger number of different types of households where might otherwise have not been planned for. The Infrastructure Delivery Plan (2017) does not plan for this 'additional population growth' which appears to be 'invisible' as it is subject to PD rights. As a consequence, HMOs could put a greater pressure on the services and social infrastructure in the area such as health, educational and other community facilities.
- 6.7 The removal of permitted development rights for the change of use from dwellinghouses to HMOs could ensure that communities' needs are being considered and reviewed through planning applications seeking to create new HMOs.

Living conditions

- 6.8 As the analysed evidence suggests, HMO properties often provide a poor standard of living accommodation which fails to comply with the relevant size standards. In addition to the inappropriate living conditions within existing HMOs, the Council does not have the ability to secure management plans, where they might be needed, in order to ensure adequate maintenance of HMOs in the future and also minimise the impact on the surrounding properties.
- 6.9 The introduction of an Article 4 direction would allow the Council to promote and secure high quality housing accommodation that provides appropriate internal and external spaces for future individuals. Furthermore, an impact on the living conditions of the surrounding properties could be managed through appropriate management plans.

Anti-social behaviour and crime

- 6.10 With regards to anti-social behaviour and crime, links exist between the private rented sector and HMOs in areas such as noise and housing complaints and housing notices. The introduction of an Article would give the Council the opportunity to review the proposed HMO proposals and ensure that such properties do not give rise to additional adverse impacts in terms of social and environmental issues.

Highways and parking

- 6.11 Similarly as the rest of physical infrastructure, HMOs can result in significant negative impacts on the highways networks in terms of capacity. Additional people at one property generate more deliveries and create a greater need for additional

on-street car parking as often off-street car parking could not be sufficient to cater for more households at one property.

6.12 The current Council's practice secures car-free agreements and appropriate facilities that encourage sustainable transport such as cycle storage for all new residential developments and conversions. This is in line with the national, regional and local planning policies which seek to promote active travel and reduce the need for car usage. With the introduction of an Article 4 direction, the Council would have a possibility to consider highways impact arising from the change of use from single family dwellinghouses to HMOs.

7. Options

7.1 As embedded in the NPPF, the use of Article 4 directions should be limited to situations where this is necessary to protect local amenity or the well-being of the area. Local planning authorities should not impose A4D as a tool to restrict developments of any kind.

7.2 The following options have been considered in order to create a mechanism for more effective management of HMOs, their impact and spatial distribution throughout the borough:

- Option 1 – Do nothing,
- Option 2 – Introduction of an Article 4 direction for certain areas/wards, and
- Option 3 – Introduction of a borough-wide Article 4 direction.

Option 1

7.3 This option would not introduce an Article 4 direction. As a result, the conversion of dwellinghouses to HMOs would continue under permitted development rights potentially resulting in the issues discussed above.

7.4 It is expected that the recently introduced additional licensing scheme for HMOs would achieve a higher quality of HMO accommodation in the borough. However, some of the issues covered by the planning system (such as loss of family accommodation, cumulative impacts, transport, waste and amenity impacts) are not included in the environmental health regime.

7.5 This paper found that some of the borough's challenges and issues could be linked to HMOs. As such, it is considered that the option of not introducing Article 4 direction is not be a suitable solution to better manage the borough's environment.

Option 2

7.6 Second option would introduce an Article 4 direction in certain wards and/ or areas that are seen as more problematic than others. However, the evidence shows that HMOs tend to be created across the borough, albeit with larger clusters in the western part of the borough and the southern part of the Isle of Dogs.

- 7.7 Furthermore, this option could potentially result, over time, in a higher percentage of HMO clusters in areas which are not covered by an Article 4 direction if the market reacts to localised planning controls. Issues such as disturbance to the residential amenity of surrounding properties and anti-social behaviour and crime could be displaced to these areas.
- 7.8 Option 2 could address certain issues in chosen areas; however, this could have a counter-action to other parts of the borough resulting in the same issues in other parts of the borough. As such, this option is not recommended.

Option 3

- 7.9 This option would introduce an Article 4 direction in all wards of the borough. As a result, planning permission would be required for every change of use from dwellinghouses to small HMOs.
- 7.10 It is considered that the option of a borough-wide Article 4 direction could ensure a more consistent and effective management of HMOs. However, it would be important to understand the implementation of an A4D as the current Local Plan does not provide detailed guidance on small HMOs and the draft Local Plan relates to large HMOs.
- 7.11 In addition, the Council would need to secure appropriate resources as it is expected that the number of planning applications relating to the change of use from dwellinghouses to small HMOs would increase.

8. Potential further guidance

- 8.1 Section 6 above explains how further development of unmanaged HMOs could adversely impact the borough. In order to properly manage the impact of HMOs, it is recommended to consider implementation guidance and/or strategy that would help in properly assessing planning applications relating to the change of use from dwellinghouses to small HMOs.
- 8.2 According to the need for an Article 4 direction, the following overarching principles could form part of the implementation guidance:
- loss of family housing,
 - management and cumulative impact of HMOs,
 - locations of HMOs,
 - amenity impacts,
 - transport implications, and
 - waste and environmental implications.

Loss of family housing

- 8.3 The current Local Plan policy SP10 of the Core Strategy (2010) and emerging Local Plan policy S.H1 seek to protect existing family homes in the borough due to the high housing targets and the shortage of family homes in the borough. Policies resist the conversion of family homes into smaller self-contained flats unless the conversion enables the retention of a family unit. In addition, conversion to other residential uses such as hostels or shared accommodation is resisted.
- 8.4 It should be noted that the Council's policies seek to prioritise affordable family homes. According to the latest Tower Hamlets Strategic Housing Market Assessment (2017), it was found that only 20% of 3+ bedroom units in the market sector are needed. As HMOs are generally part of the private rented sector, it is assumed that consideration at the planning application stage could mainly result in the loss of PRS family sized units.
- 8.5 Article 4 directions should not be used as blanket tools to refuse all future planning applications relating to the change of use from dwellinghouse to a small HMO. Therefore, it is imperative to understand how the guidance can help officers to reach a balanced decision when considering the housing conversion at the planning application stage.

HMO clusters and amenity

- 8.6 The current Local Plan policies SP10 of the Core Strategy (2010) and DM24 and DM25 of the Managing Development Document (2013) seek to promote good design and aim to protect residential amenity of the surrounding public realm and residents. Similarly,
- 8.7 High levels of HMOs have the potential to change the character of the area including physical changes such as alterations to the property, type of services and shops needed in the area, but also social changes such as a high portion of younger generations which are more likely to seek accommodation in the form of HMOs.
- 8.8 In order to protect the amenity of the surrounding residential properties and the public realm, the Council should consider securing management plans for the change of use from dwellinghouses to HMOs. The format and type of management plan would need to be developed.

Location and highways implications

- 8.9 Draft Local Plan policy D.H7 provides guidance on large HMOs and other types of housing with shared facilities and promotes their locations in the areas of high transport accessibility. In accordance with other Local Plan policies, HMOs would need to be secured as car-free which would result in occupiers not being eligible to apply for a resident permit.

8.10 The Council could potentially consider promoting smaller HMOs in more sustainable locations such as areas with good accessibility levels to public transport. However, careful consideration should be given to ensure that there is no HMOs clustering as a result.

9. Conclusion

- 9.1 Tower Hamlets is an inner London borough which is experiencing higher levels of private rented properties than the rest of London and England. The Council has introduced three licensing schemes to manage houses in multiple occupation; however, there are concerns that licensing would not necessarily capture all aspects of potential impacts as evidenced in this paper.
- 9.2 With the projected high degree of developments in the borough and the continued increase in population, the Council needs to manage the housing stock and environment more effectively to ensure the delivery of sustainable growth, also linked to the potential negative impact on their surrounding area. This can give rise to adverse impacts to the amenity of the area and change its character.
- 9.3 A number of options have been considered and it is recommended that a non-immediate borough-wide Article 4 direction could assist the Council in better management of HMOs.

APPENDIX A – Accommodation types

Table A1. Accommodation types in Tower Hamlets in 2017

Bungalow					
1 bedroom	2 bedroom	3 bedroom	4+ bedroom	Unknown	All
80	20	10	0	30	140
Flat/Maisonette					
1 bedroom	2 bedroom	3 bedroom	4+ bedroom	Unknown	All
35,410	42,450	16,690	3,540	4,670	102,770
Terraced house					
1 bedroom	2 bedroom	3 bedroom	4+ bedroom	Unknown	All
280	3,060	5,910	3,430	860	13,530
Semi-detached house					
1 bedroom	2 bedroom	3 bedroom	4+ bedroom	Unknown	All
10	90	200	140	30	480
Detached house					
1 bedroom	2 bedroom	3 bedroom	4+ bedroom	Unknown	All
10	20	40	50	40	160
1-bedroom total	2-bedroom total	3-bedroom total	4-bedroom total	Unknown total	All
35,790	45,640	22,850	7,160	5,630	117,080

Source: Valuation Office Agency, Council Tax: stock of properties 2017 (Table CTSOP3.0: Number of properties by Council Tax band, property built period and region, county and local authority district)

APPENDIX B – Borough’s housing stock

Table B1. Private sector stock by age

Dwelling Age	No.	%
<1919	14,465	22
1919-1944	5,860	9
1945-1964	7,680	11
1965-1980	6,706	10
1981-1990	7,900	12
1990+	24,598	37
Total	67,209	100

Source: Private Sector Stock Condition Survey, 2011

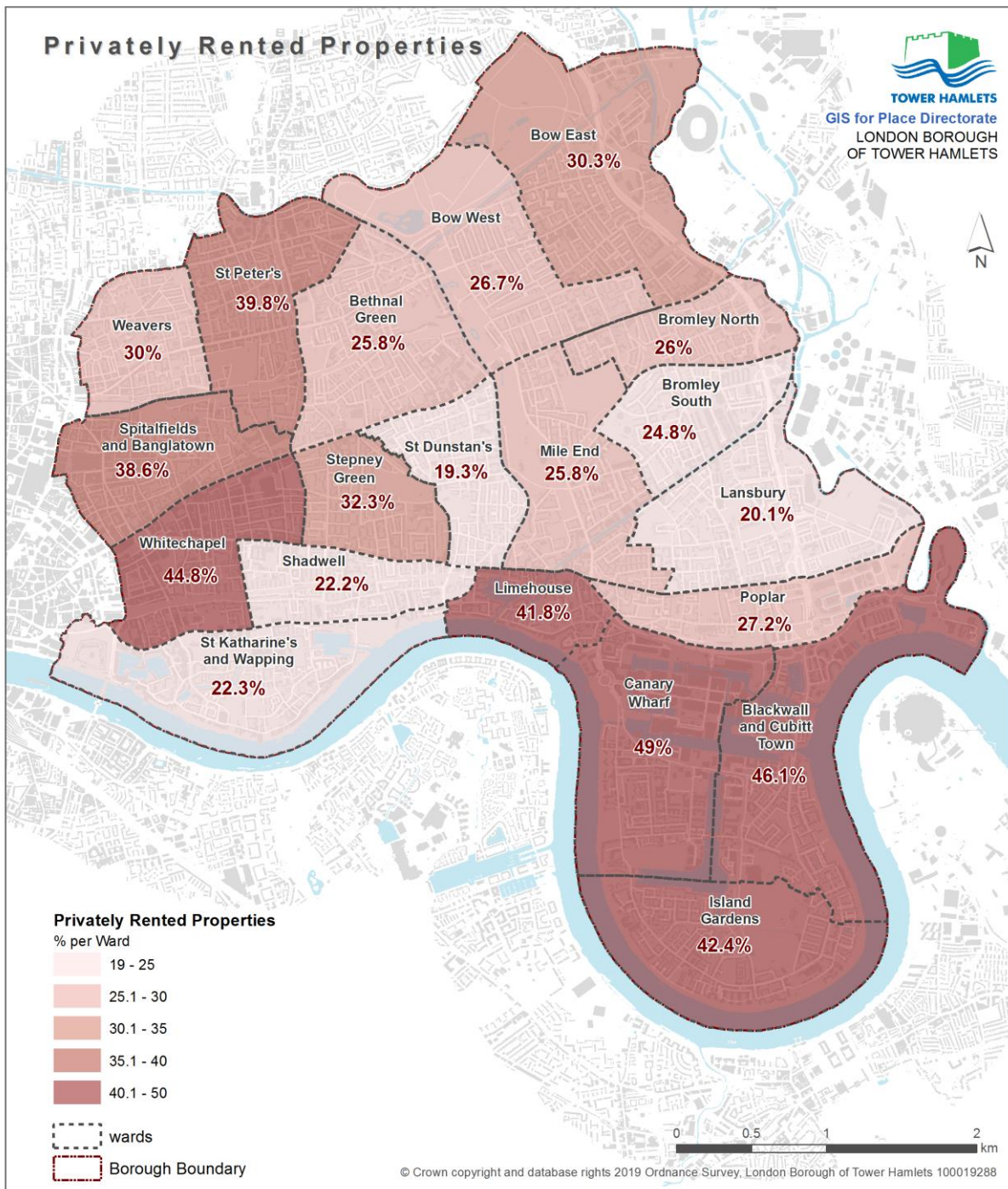
Table B2. Housing stock by age

Build period	Number of properties	Percentage [%]
Pre 1900	15,230	12.8
1900 to 1918	1,580	1.3
1919 to 1929	2,040	1.7
1930 to 1939	4,060	3.4
1945 to 1954	7,170	6.0
1955 to 1964	11,120	9.3
1965 to 1972	10,060	8.4
1973 to 1982	9,620	8.1
1983 to 1992	8,680	7.3
1993 to 1999	10,850	9.1
2000 to 2009	24,720	20.7
2010 to 2015	11,750	9.8
Unknown	2,550	2.1
All properties	119,430	100

Source: Valuation Office Agency, Council Tax: stock of properties 2017 (Table CTSOP4.0: Number of properties by Council Tax band, property built period and region, county and local authority district)

APPENDIX C – Private rented properties

Map C1. Spatial distribution of privately rented properties in the borough



Source: Census, 2011

APPENDIX D – Anti-social behaviour

Table D1. Ward table comparing the size of the private rented sector with housing conditions and ASB based on rank.

No.	Ward	Rank PRS	Housing notices	General complaints	Fly-tipping	Garden and food waste	Housing complaints	Noise complaints	Pest control	THEOS	Waste enforcement	Ward rank
1	Bethnal Green Ward	9	4	2	18	3	5	5	6	6	6	5
2	Blackwall & Cubitt Town Ward	2	13	18	20	11	10	13	16	19	17	17
3	Bow East Ward	7	18	13	12	4	7	6	15	13	7	12
4	Bow West Ward	12	10	9	14	1	3	8	12	8	8	8
5	Bromley North Ward	16	17	16	17	6	17	15	7	16	18	15
6	Bromley South Ward	19	14	15	19	17	16	16	11	20	15	19
7	Canary Wharf Ward	1	14	17	10	14	15	9	17	18	13	14
8	Island Gardens Ward	3	8	18	11	2	13	17	17	17	19	13
9	Lansbury Ward	14	3	18	2	5	2	10	3	11	11	6
10	Limehouse Ward	13	20	12	9	19	20	19	19	12	20	20
11	Mile End Ward	11	10	14	5	12	4	7	4	9	10	9
12	Poplar Ward	20	19	8	13	19	18	20	14	15	15	18
13	Shadwell Ward	15	5	4	8	14	8	14	8	5	5	7
14	Spitalfields & Banglatown Ward	8	1	10	4	13	9	1	2	1	1	2
15	St. Dunstan's Ward	18	8	7	7	6	14	11	13	14	12	10
16	St. Katharine's & Wapping Ward	6	16	11	16	16	19	12	20	7	14	16
17	St. Peter's Ward	5	7	3	3	9	5	2	1	4	4	1
18	Stepney Green Ward	17	12	5	15	8	12	18	5	10	9	11
19	Weavers Ward	10	6	1	6	9	11	2	10	3	3	4
20	Whitechapel Ward	4	2	6	1	18	1	4	9	2	2	3
Correl			0.20	-0.19	0.14	0.08	0.27	0.48	-0.22	0.14	0.15	0.23

Source: *The Potential for an extension of discretionary licensing in the London Borough of Tower Hamlets, Neighbourhood Knowledge Management*

Note: Private rented sector ranking based on high risk PRS analysis (Key: 1=highest, 20=lowest)