



Introducing a definition of houses in multiple occupation  
into the Use Classes Order  
**Impact assessment**



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occupation into the Use Classes Order  
**Impact assessment**

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March 2010

ISBN: 978-1-4098-2343-8

## Summary: Intervention & Options

<b>Department /Agency:</b> Communities and Local Government	<b>Title:</b> Impact Assessment of Introducing a definition of houses in multiple occupation into the Use Classes Order	
<b>Stage:</b> Final proposal/Implementation	<b>Version:</b> Final	<b>Date:</b> March 2010
<b>Related Publications:</b> Houses in multiple occupation and possible planning responses: consultation - Summary of Responses		

**Available to view or download at:**

<http://www.communities.gov.uk/publications/planningandbuilding/housesmultipleresponses>

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**What is the problem under consideration? Why is government intervention necessary?**

The concentration of houses in multiple occupation (HMOs) can result in unintended consequences that can create friction with the local community and can also lead to both positive and negative effects upon a local housing market area including social, economic, as well as environmental and physical impacts. Particular concern has been raised about the impact of HMOs occupied by students. These concerns focus around the creation of summer 'ghost towns', increased noise, litter, pressure on car parking and anti-social behaviour. Government intervention is required to allow local authorities greater control over the unwanted effects of HMOs where there are problems.

**What are the policy objectives and the intended effects?**

The main policy objective is to allow local planning authorities greater control over the unwanted effects of HMOs.

This policy change will increase the number of new HMOs which require planning permission allowing local authorities the opportunity to consider the impacts of such proposals. Where local authorities have concerns about the impacts of HMOs in particular areas they will be able to adopt local policies to control the density and spread of HMOs or to introduce standard conditions for HMO development e.g. to deal with parking or noise issues. Planning applications will be assessed against these local policies allowing local authorities greater control over HMOs.

**What policy options have been considered? Please justify any preferred option.**

1) Do nothing - baseline

2) Amend the Town and Country Planning (Use Classes) Order 1987 (as amended) (the Use Classes Order) to introduce a definition of a HMO.

The preferred option is option 2 as this will fulfil our objective of allowing local planning authorities greater control over the unwanted effects of HMOs.

**When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?**

CLG will review the policy after 3 years. In order to provide a baseline for the review CLG will commission a survey of local authorities on the impacts of HMOs now. This survey will be repeated in 3 years. We propose that elements such as the mix of housing within key areas previously identified as having a problem with high numbers of HMOs will be evaluated.

**Ministerial Sign-off** For final proposal/implementation stage Impact Assessments:

***I have read the Impact Assessment and I am satisfied that (a)it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b)the benefits justify the costs.***

Signed by the responsible Minister:



.....Date: 8 March 2010

## Summary: Analysis & Evidence

Policy Option: 2

Description: Amend the Use Classes Order to introduce a definition of HMO

COSTS	ANNUAL COSTS		Description and scale of <b>key monetised costs</b> by 'main affected groups'	
	One-off (Transition)	Yrs		
	£ Neg		<p>We have estimated that there may be an average additional 8,500 planning applications pa. Of these we estimate that 4.6% pa will give rise to appeals.</p> <p>Costs to applicant and fees for application for planning permission.</p> <p>Costs to appellants for appeals arising from refused/ not determined applications</p> <p>Costs to local planning authorities from increased number of appeals arising from refused/not determined applications.</p> <p>Costs to the Planning Inspectorate from increased number of appeals arising from refused/not determined applications</p> <p>No transitional costs as relies on existing planning system.</p> <p>The changes would not be retrospective.</p>	
	<b>Average Annual Cost</b> (excluding one-off) £ 2-21m		<table border="1" style="width: 100%;"> <tr> <td style="text-align: right;"><b>Total Cost (PV)</b></td> <td><b>£20-210m</b></td> </tr> </table>	<b>Total Cost (PV)</b>
<b>Total Cost (PV)</b>	<b>£20-210m</b>			
<p><b>Other key non-monetised costs</b> by 'main affected groups' May result in a reduced number of HMOs coming into the housing market. Possible higher rents paid by occupants of HMOs if there is a reduction in supply. There may also be additional costs to local planning authorities from an increase in enforcement action however it has not been possible to quantify this.</p>				

BENEFITS	ANNUAL BENEFITS		Description and scale of <b>key monetised benefits</b> by 'main affected groups'	
	One-off	Yrs		
	£ neg		<p>It has not been possible to monetarise benefits at this stage however the key benefits are summarised below.</p>	
	<b>Average Annual Benefit</b> (excluding one-off) £ Not quantified		<table border="1" style="width: 100%;"> <tr> <td style="text-align: right;"><b>Total Benefit (PV)</b></td> <td><b>£ Not quantified</b></td> </tr> </table>	<b>Total Benefit (PV)</b>
<b>Total Benefit (PV)</b>	<b>£ Not quantified</b>			
<p><b>Other key non-monetised benefits</b> by 'main affected groups'</p> <p>Local planning authorities - able to better control concentration of HMOs and to direct HMO development to areas of need; enable them to create and maintain sustainable and mixed communities. Cost savings - as result of less litter, noise and car parking problems associated with concentrations of HMOs. Avoid 'ghost towns'. Landlords – possible increase in rental income if there is a reduction in supply. Local community – more say in development, less litter, parking etc problems. These benefits will vary significantly by local authority area.</p>				

**Key Assumptions/Sensitivities/Risks** Growth rate of HMOs 1- 5%. 50-75% of new HMOs are considered a change of use by new definition. The remaining 25-50% would either have required planning permission under existing rules anyway or don't require planning permission because they are not considered to be a material change of use.

Price Base Year 2009	Time Period Years 10	<b>Net Benefit Range (NPV)</b> £ -£20m to - £210m	<b>NET BENEFIT (NPV Best estimate)</b> £ -115m
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What is the geographic coverage of the policy/option?	England			
On what date will the policy be implemented?	6 April 2010			
Which organisation(s) will enforce the policy?	Local planning authorities; SofS			
What is the total annual cost of enforcement for these organisations?	£ neg			
Does enforcement comply with Hampton principles?	Yes/No			
Will implementation go beyond minimum EU requirements?	Yes/No			
What is the value of the proposed offsetting measure per year?	£			
What is the value of changes in greenhouse gas emissions?	£			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	No	No	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)				
Increase of	£ 11m	Decrease of	£	<b>Net Impact</b> (Increase - Decrease) £ 11m

Key:

Annual costs and benefits: Constant Prices

(Net) Present Value

### Background

1. Houses in multiple occupation (HMOs) make an important contribution to the private rented sector by providing housing to meet the needs of specific groups/households and by making a contribution to the overall provision of affordable housing stock. However, problems caused by high concentrations of HMOs have been highlighted by a number of towns and cities across the country.
2. The problems identified focus on:
  - Anti-social behaviour, for example noise nuisance
  - Litter
  - Parking problems
  - Reduced opportunities for low cost home ownership
  - Closure of under-used community facilities, such as schools and churches, or pressure on over-used community facilities
  - Loss of community balance.

### What has Government already done?

#### *HMO licensing*

3. The Housing Act 2004 introduced mandatory licensing for certain types of HMO - those that are over 3 storeys and are occupied by 5 or more people forming 2 or more households. In addition local authorities have been given the discretion to apply to the Secretary of State to extend licensing to smaller types of HMO. The Act also introduced powers for local authorities to license all privately rented property in areas which suffer or are likely to suffer from significant and persistent anti-social behaviour. This is known as selective licensing.
4. The Housing Act also introduced the definition of a HMO the main elements of which consist of a house or flat with 3 or more tenants who form 2 or more households and share a kitchen, bathroom or toilet.
5. The powers under the Housing Act provide local authorities with the opportunity to secure improvements in the manner in which properties are managed and maintained. They are not directly about controlling the scale and distribution of a large volume of stock in multiple occupation.

### Current planning legislation

6. In the Use Classes Order, use class C3 covers dwelling houses used by a single person, any number of persons living together as a family or by not more than 6 people living together as a single household (including a household where care is provided).
7. HMOs are unclassified by the Use Classes Order and are considered to be sui generis (of its own class). Therefore, as a general rule, planning permission will be needed before a dwelling house can undergo a material change of use to a HMO. However, this will depend upon the circumstances of each particular case and it is possible for a dwelling house which was occupied by a family to then be occupied by a group of up to 6 individuals living as a single household without the need for planning permission.

### Policy Objectives

8. This policy change will increase the number of new HMOs which require planning permission allowing local planning authorities the opportunity to consider the impacts of such proposals. Where there are problems associated with a concentration of HMOs in a

particular area local authorities will be able to adopt local policies to support mixed communities by controlling the density and spread of this type of housing. Planning applications will be assessed against these local policies allowing local authorities greater control over HMOs. By avoiding over concentrations of HMOs local authorities will be able to avoid the problems often associated with them - noise, litter, anti-social behaviour, lack of use of community facilities. It will be for individual local planning authorities to consider the balance of costs and benefits in their particular area in deciding whether to have local policies or not.

## Policy Options

### ***Option 1: Do nothing***

9. No changes would be made to planning legislation.

### ***Option 2: Amend the Use Classes Order to introduce a definition of HMO***

10. Introducing a definition of HMO into the Use Classes Order will give greater clarity over what constitutes a HMO and will therefore help local planning authorities to establish where there has been a material change of use to a HMO.

11. The definition of a HMO will be based on the definition in the Housing Act 2004.

12. Under these arrangements more new HMOs would require planning permission than is currently the case. However, as now, local planning authorities will still need to determine whether a material change of use has occurred depending on the individual circumstances of each case.

### ***Other options***

13. 3 other options were put forward in the consultation paper on this issue. These were:

- non legislative (local management) option - to leave planning legislation untouched and to focus on the dissemination of best practice
- use of Article 4 directions – this would require all HMOs to be defined in legislation. Conversion from a C3 dwelling to HMO would be deemed permitted development and therefore would not require an application for planning permission. Where local planning authorities experience problems with HMOs they could use Article 4 Directions to remove permitted development rights.
- amend the threshold in C3 class of the Use Classes Order – to provide a lower 'trigger' point (by substituting the number 6 with 3) for considering whether planning permission is required. (This proposal was considered under the same option as that which is being enacted.)

14. There was very little support for either the non-legislative option (6% of respondents who expressed a preference supported this option) or the use of Article 4 Directions (1% of respondents who expressed a preference supported this option). In terms of the non-legislative option, the vast majority of those who responded felt that the promotion of best practice could not sufficiently deal with the problems associated with high concentrations of HMOs with student occupations. On the use of Article 4 Directions, many respondents felt that this option would be overly bureaucratic and ran the risk of local authorities being subject to compensation payments to developers. These options were therefore discounted.

15. A high proportion of respondents who expressed a preference (65%) supported changing the Use Classes Order but did not distinguish between the options of lowering the threshold in C3 or introducing a specific definition. Of those who did distinguish between these options, support was fairly evenly split. Problems identified with lowering the C3 threshold

included that it would not remove the ambiguity which exists over what constitutes a 'single household'. After consideration of the consultation responses, it was decided that Option B, introducing a specific definition of HMO into the Use Classes Order, was the preferred approach as it was felt that this would give greater clarity on what constitutes a HMO and bring the planning and housing legislation into line.

## Costs and Benefits

### 16. Sectors and Groups affected:

- Local authorities
- Landlords (those making planning applications)
- Social groups such as students, migrants, young professionals
- Residents
- Universities

#### ***Option 1: Do nothing***

17. There are no new or additional costs and benefits from this option. There is however, the ongoing cost of managing the effects of high concentrations of HMOs such as litter, noise, anti-social behaviour and the risk to underused community services.

#### ***Option 2: Amend the Use Classes Order to introduce a definition of HMO***

18. The Department considers that while the problems associated with high concentrations of HMOs may not be widespread they are felt very acutely at a street by street or neighbourhood level and therefore action is required. By amending the Use Classes Order to require planning permission for new HMOs, it will allow local planning authorities the opportunity to assess the impacts of such changes of use. Where local planning authorities have concerns about high concentrations of HMOs they may introduce local policies to limit the number of HMOs in a particular area. Alternatively they may choose to apply standard conditions to planning permission to address specific impacts such as noise or parking problems.

19. While we have sought to identify the potential impacts of this policy change in this assessment it has not always been possible to quantify them and they will, in any case, vary by location. It is for local planning authorities to take a view on the balance of costs and benefits depending on their particular circumstances.

A summary of the possible impacts identified during the consultation is contained in the following table:

<b>Group</b>	<b>Benefits</b>	<b>Costs</b>
Landlords	Potential for increased rental income as result of increased demand if there is a reduction in supply of HMOs	Additional costs of planning applications/appeals  Potential for reduced rental income if unable to let property as a HMO  Need for/cost of planning permission may act as disincentive for new landlords to enter HMO market
Local authorities	Ability to exert greater control over HMOs and their impacts	Costs associated with increased need for enforcement action

	Costs savings associated with a reduction in the need to deal with problems such as noise, anti-social behaviour etc	Costs arising from increased number of appeals  Potential loss of HMO stock
Tenants of HMOs	Living in areas with less problems associated with noise, anti social behaviour etc	Potential reduction in supply of this type of low cost accommodation and therefore potential for rents to increase if there is a reduction in supply
Students	Living in areas with less problems associated with noise, anti social behaviour etc	Potential reduction in supply of this type of accommodation and therefore potential for rents to increase if there is a reduction in supply  Issues around possible longer commuting distances to university
Local community	More opportunity to influence development in their area  Less problems associated with noise, anti social behaviour etc	

Further explanation of the key benefits and costs is included below.

*Key benefits*

20. This policy change will mean that more new HMOs will require planning permission than is currently the case. This will allow local planning authorities to assess the impacts of such uses. Where local planning authorities consider that there are problems associated with HMOs, they can adopt local policies to better manage the concentration of HMOs in their area.
21. By controlling where concentrations of HMOs can occur local planning authorities will be able to better reduce the circumstances in which anti-social behaviour, litter, noise and car parking problems arise. This will lead to savings in local authority costs for dealing with these matters. There will also be social benefits arising as a result of a reduction in these problems.
22. Even where high concentrations of HMOs are not a problem this policy change could allow local planning authorities to use standard conditions when granting planning permission to HMOs to deal with specific issues such as noise or parking problems.
23. This policy change could also enable local planning authorities to create and support sustainable communities by encouraging a mix of housing types in areas previously dominated by HMOs. This could help secure the appropriate level of demand for community services and would enable local planning authorities to address the problem often identified as 'ghost towns' that can arise during vacation time in areas populated by students. 'Ghost towns' are often thought to be responsible for the closure of local services such as shops because of an inconsistent pattern of demand.

## Key costs

### General assumptions

24. We have assumed an indicative stock of 400,000 HMOs as the basis of this Impact Assessment. A 2006 review concluded that “currently no single data source or survey captures sufficient detail to provide a reliable picture of the current stock of HMO dwellings in England” (Evaluating the impact of HMO and Selective Licensing: the baseline before licensing in April 2006, CLG 2007). This figure therefore is based on our best estimate based on a variety of data sources.
25. We have assumed an average figure of 8,500 new planning applications per year (range 2,000-15,000 pa). There is no single reliable figure for the future growth rate of HMOs per year we have therefore assumed a range of between 1 and 5% per year. There is a range of evidence to suggest that this represents a reasonable range of possibilities, though actual growth may vary significantly year on year and in some years be negative. It is also impossible to know exactly how many new HMOs will require planning permission and we have therefore assumed an illustrative range of between 50 and 75% of new HMOs requiring permission than would otherwise be the case (the remaining 25-50% would either have required planning permission under existing rules anyway or don't require planning permission because they are not considered to be a material change of use). We have based the estimate of new planning applications on an average figure from these 2 ranges.
26. We have assumed 4.6% of applications give rise to appeals. This is based on the figure for the year to June 2009.
27. We expect the submission of additional planning applications for new HMOs to be spread over the year and therefore that the associated costs will be spread over the year.

### Costs to landlords

28. There will be a cost associated with the increase in the number of planning applications and related appeals for landlords. The total annual average cost has been estimated at £11.5m (range £2-21m pa) (this is made up of fees and administrative costs). This is based on the additional following assumptions:
- a change of use planning application fee of £335. There are no fees for submitting planning appeals.
  - the PWC Administrative Burdens Measurement Project suggests that the administrative cost of a small scale additional planning permission is in the range £725-1272<sup>1</sup>.
  - that most of the appeals will be determined by written representations. We have assumed an administrative cost of £500 although we consider that, in many cases, the additional cost of submitting an appeal will be lower as all the information needed will be provided at application stage and there will be no additional consultancy costs
  - landlord costs may be of the order of 2.5% - 5% of total rental income in year one. This would be a one off cost.
29. This change could also reduce flexibility in the privately rented sector. Houses of this size - generally three to four bedrooms - are often part of a landlord's rental portfolio without a particular type of occupancy in mind. In some cases the same property will be let to a family for a term and then individuals for the next term falling back to a family after that. If planning permissions were required to move between these uses it could cause the landlord to leave the market. However, in order to maintain as much flexibility as possible, a change from a HMO to a C3 dwelling house will be considered permitted development and will not require an application for planning permission under this proposal. Any subsequent change back to a HMO will only require planning permission where the HMO use has been extinguished. This is a matter for the local planning authority to determine in the first instance on a case by case basis but in practice we consider that if planning permission is obtained for a change of

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<sup>1</sup> <https://www.abcalculator.berr.gov.uk/>

use from C3 to C4 that planning permission will endure even if there is a temporary reversion to C3.

### **To local planning authorities**

30. There are assumed to be no additional costs arising from the increase in planning applications as application fees cover local authorities' administrative costs. However there are likely to be additional costs associated with increased numbers of appeals. We have estimated the annual average cost to be around £42,000 (range £11,000 - £83,000 pa). This is based on the assumption that these cases will be dealt with by written representations and an average cost to local planning authorities of £141 per appeal (planning officer salary + 20% + accommodation for 1 day). There may also be costs associated with an increase in enforcement action e.g. where a landlord does not seek planning permission when it is required. It has not been possible to quantify these costs as it will depend on the individual circumstances.

### **To Planning Inspectorate**

31. There will be costs associated with determining the increased appeals. We have estimated the annual average cost to be approximately £300,000 (range £70,000 - £535,000). This is based on the full corporate cost of a planning inspector's time to determine the appeal (including direct costs of the inspector, chargeable overheads and administrative support) of an average £918 per day. Minor written representations cases take an inspector on average 1 day to deal with.

### **To tenants**

32. During the consultation on this proposal it has been suggested by some respondents that bringing in more stringent planning requirements could lead to a reduction in HMO stock or a delay in HMOs coming on stream either by acting as a disincentive for new landlords to enter the market or as a result of declined planning applications. Any reduction in supply could impact on those groups which typically occupy this type of accommodation e.g. students, migrants, those on low incomes, young professionals.
33. It has not been possible to obtain figures on the tenant make up of different groups. However in a survey carried out as part of a study commissioned by CLG in 2007, *Evaluating the impact of HMO and selective licensing: the baseline before licensing in April 2006*<sup>2</sup>, local authorities indicated that the main tenant type in their areas were:
- Unemployed aged under 30 – 36%
  - Employed aged under 30 – 25%
  - Full time students – 17%
  - Unemployed aged over 30 – 11.5%
  - Employed aged over 30 – 7.5%
  - Statutory homeless – 1.5%
  - Refugees or asylum seekers – 0.75%
  - Migrants – 0.75%
34. Respondents to the consultation did not provide any evidence in support of the suggestion that increased costs would tend to reduce supply. In any case the additional cost is relatively low when compared to the potential rental income (landlords could expect to receive anywhere between £800 and £3,200 per month for a 4 bed property depending on location) and as such is unlikely to result in a significant number of landlords choosing not to enter the HMO market. And local authorities will still have a duty to meet the housing needs of these groups and therefore are unlikely to seek to curb overall numbers of HMOs. We have therefore assumed for the purposes of this assessment that any impact on supply is unlikely to be significant.

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<sup>2</sup> <http://www.communities.gov.uk/documents/housing/pdf/evaluatinghmo.pdf>

35. Monetised costs of this policy will start in year one but the benefits are unlikely to be seen until later as the policy will result in a slow, cumulative change in the pattern of HMO development.

## Consultation

36. This proposal was one of the options put forward in the consultation paper, Houses in multiple occupation and possible planning responses, which can be found on the CLG website at <http://www.communities.gov.uk/archived/publications/planningandbuilding/housesmultipleconsultation?view=Standard>. The consultation was open to the public and lasted 12 weeks.

37. Overall 948 responses were received from the following groups:

- 75% from individuals
- 9% from local authorities
- 6% from residents associations
- 2% from environmental and community groups
- 2% from professionals and academics
- 1% from students including unions
- 1% from Government bodies
- 1% from Universities
- <1% from businesses; and
- 2% from other organisations.

38. In addition we have had meetings with key stakeholders including Local Government Association, British Property Federation, Residential Landlords Association, National Landlords Association, National Union of Students, Universities UK, HMO Lobby and representatives of other residents groups.

39. Overall 92% of respondents to the consultation who expressed a preference supported a change to the Use Classes Order.

40. In general organisations representing students are against legislative control. They cite their existing involvement in good practice schemes and the positive impact students can bring to local areas. They also raise concerns about tighter planning control leading to:

- equality issues because of the potential for displacement of social groups normally resident in HMOs; and
- possible reduction in the supply of HMOs.

41. Landlords and their representative organisations are also generally against legislative control. They raise concerns that such an approach might lead to a reduction in the supply of HMOs and a loss of flexibility in the private rented sector market. They also felt that some landlords would either conceal the number of occupants in their properties or simply not apply for planning permission, causing more HMOs to go underground.

42. Local authorities currently experiencing problems relating to high concentrations of HMOs recognise the advantages of best practice measures but do not consider that these are sufficient in themselves to deal with the problem.

43. Of local authorities without problems some consider that best practice is sufficient and that requiring planning permission could be burdensome while others think greater planning control is required.

44. Residents organisations are generally in favour of legislative change as the means of controlling the unwanted effects of HMOs.

## **Monitoring and evaluation**

45. CLG receives regular feedback from local planning authorities, practitioners and professional bodies on all areas of planning. We will monitor progress and evaluate the success of this policy change on an ongoing basis through this feedback.
46. More specifically we will review the policy change 3 years after implementation. In order to provide a baseline for the review CLG will commission a survey of local authorities on the impacts of HMOs now. This survey will be repeated in 3 years. We propose that elements such as the mix of housing within key areas previously identified as having a problem with high numbers of HMOs will be evaluated.

## **Specific Impact Tests**

### *Competition Assessment*

47. We do not consider that there would be a significant impact on competition. New entrants to the HMO market would face an increased cost associated with obtaining planning permission. This would be a one-off cost not an ongoing regulatory burden. We consider that this additional cost is relatively low when compared to the potential rental income (landlords could expect to receive anywhere between £800 and £3,200 per month for a 4 bed property depending on location) and as such is unlikely to result in a significant number of landlords choosing not to enter the HMO market. The proposal could also limit the geographic areas in which landlords could gain planning permission, if a local authority adopted a local policy to restrict the growth of HMOs in a particular area. However we consider that any such policies are likely to seek to limit the concentration of HMOs in specific areas rather than overall numbers in a local authority area and so there would be opportunities to develop new HMOs elsewhere.

### *Small Firms Impact Test*

48. Although this proposal will affect small businesses we do not consider that the impact will be disproportionate.
49. The types of HMOs that would require planning permission following introduction of a definition of HMO into the Use Classes Order would tend to be owned by smaller landlords. However we consider that the increased cost of having to obtain planning permission, when viewed in terms of the potential rental income, is relatively low. Where local authorities seek to limit numbers of HMOs in a particular area, they will still be required to meet the housing needs of people who typically occupy this type of housing and so will need to consider provision in other areas.
50. We specifically met with representatives of landlords including small landlords (the National Landlords Association and the Residential Landlords Association) to discuss amongst other things the impact on small landlords. No data as to the number of small landlords likely to be affected was supplied. The nature of the change to planning legislation and the intention of the change i.e. to require planning permission for smaller HMOs does not allow for exemptions to be made for properties owned by small landlords.

### *Sustainable development*

51. There is no foreseeable impact on the sustainable development agenda.

*Other environment*

52. There are no foreseeable environmental consequences as a result of the proposed change.

*Carbon Assessment*

53. There is no foreseeable impact on carbon.

*Health Impact Assessment*

54. There is no foreseeable impact on health.

*Race Equality Assessment*

55. We have undertaken an equalities impact screening with regards this proposal and have not identified any significant race equality impact.

56. It has been suggested during the consultation on this proposal that it might indirectly result in a reduction in the supply of HMOs which in turn might impact on the groups who typically occupy this type of low cost accommodation. Research has indicated that migrants are one of the main groups of occupants of HMOs. However local authorities will still be required to plan to meet the housing needs of these groups and as such we do not consider that this proposal will have a significant impact in this respect. As part of our monitoring and review of this policy we will keep equalities impacts under consideration.

*Disability equality*

57. There is no foreseeable impact.

*Gender Equality*

58. There is no foreseeable impact.

*Human Rights*

59. There is no foreseeable impact.

## Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

**Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.**

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	Yes	No
Sustainable Development	Yes	No
Carbon Assessment	Yes	No
Other Environment	Yes	No
Health Impact Assessment	Yes	No
Race Equality	Yes	No
Disability Equality	Yes	No
Gender Equality	Yes	No
Human Rights	Yes	No
Rural Proofing	Yes	No

