

EXECUTIVE

Date: Tuesday 28 February 2023

Time: 5.30 pm

Venue: Rennes Room, Civic Centre, Paris Street, Exeter

Members are invited to attend the above meeting to consider the items of business.

If you have an enquiry regarding any items on this agenda, please contact Mark Devin, Democratic Services Team Leader on 01392 265477.

Entry to the Civic Centre can be gained through the rear entrance, located at the back of the Customer Service Centre, Paris Street.

Membership -

Councillors Bialyk (Chair), Wright (Deputy Chair), Denning, Ghusain, Morse, Parkhouse, Pearce, Williams and Wood

Agenda

Part I: Items suggested for discussion with the press and public present

1 Apologies

To receive apologies for absence from Committee Members.

2 Minutes

To approve and sign the minutes of the meeting held on 7 February 2023.

(Pages 5 -
20)

3 Declarations of Interest

Councillors are reminded of the need to declare any disclosable pecuniary interests that relate to business on the agenda and which have not already been included in the register of interests, before any discussion takes place on the item. Unless the interest is sensitive, you must also disclose the nature of the interest. In accordance with the Council's Code of Conduct, you must then leave the room and must not participate in any further discussion of the item. Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

4 Local Government (Access to Information) Act 1985 - Exclusion of Press and Public

It is considered that the Committee would be unlikely to exclude the press and public during consideration of any of the items on the agenda, but if it should wish

to do so, the following resolution should be passed:-

RECOMMENDED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the particular item(s) on the grounds that it (they) involve(s) the likely disclosure of exempt information as defined in the relevant paragraphs of Part 1, Schedule 12A of the Act.

5 Questions from the Public Under Standing order No. 19

To receive questions relating to items on the Agenda from members of the public and responses thereto.

Details of questions should be notified to the Corporate Manager Democratic and Civic Support by 10.00am at least three working days prior to the meeting. Further information about speaking at a committee can be found here: [Speaking at a Committee](#)

6 Appointment of two directors to the Board of Exeter City Living

To consider the report of the Chief Executive & Growth Director.

(Pages 21
- 28)

7 Review of the Article 4 Direction and Houses in Multiple Occupation Supplementary Planning Document

To consider the report of the Director of City Development.

(Pages 29
- 120)

8 Council consultation response to the proposed submission version of the Teignbridge Local Plan

To consider the report of the Director of City Development.

(Pages
121 - 136)

9 Lord Mayoralty

To nominate the Lord Mayor Elect and the Deputy Lord Mayor Elect for the 2023/24 Municipal Year.

Date of Next Meeting

The next scheduled meeting of the Executive will be held on **Tuesday 4 April 2023** at 5.30 pm in the Civic Centre.

A statement of the executive decisions taken at this meeting will be produced and published on the Council website as soon as reasonably practicable.

Find out more about Exeter City Council services by looking at our web site <http://www.exeter.gov.uk>. This will give you the dates of all future Committee meetings and tell you how you can ask a question at a Scrutiny Committee meeting. Alternatively, contact the Democratic Services Officer (Committees) on (01392) 265115 for further information.

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EXECUTIVE

Tuesday 7 February 2023

Present:

Councillor Bialyk (Chair)

Councillors Wright, Denning, Ghusain, Morse, Parkhouse, Pearce, Williams and Wood

Also present:

Councillor Jobson (as an opposition group Leader); and

Councillor D.Moore (as an opposition group Leader).

Apologies:

Councillor K. Mitchell (as an opposition group Leader)

Also present:

Chief Executive & Growth Director, Deputy Chief Executive, Director Corporate Services, Director Net Zero Exeter & City Management, Director of City Development, Director Finance, Service Lead Net Zero & Business, Service Lead Housing Needs & Homelessness, Asset Management Lead, Organisational Transformation Programme Lead and Democratic Services Team Leader

12

MINUTES

The minutes of the meeting held on 10 January 2022, were taken as read, approved and signed by the Chair as a correct record.

13

DECLARATIONS OF INTEREST

A Member declared the following interest:-

- Councillor Wright - Minute No. 25.

14

QUESTIONS FROM THE PUBLIC UNDER STANDING ORDER NO. 19

No questions from members of the public were received.

15

UPDATE ON THE RECRUITMENT APPOINT A NEW CHIEF EXECUTIVE AND HEAD OF PAID SERVICE

The Leader advised that a report for noting would be presented to Council on 21 February 2023, which would outline the process for recruiting a new Chief Executive and Head of Paid Service. He confirmed that, in accordance with Standing Orders, the post would be internally advertised from 8th February 2022, with interviews expected to take place in March 2023. A report on the appointment would be brought to Council for approval.

16

URGENT MATTER - RESPONSE TO THE DRAFT EAST DEVON LOCAL PLAN UPDATE CONSULTATION

The Executive noted the urgent matter of the response from Exeter City Council to the Draft East Devon Local Plan Consultation, run by East Devon District Council until 15th January 2023.

Members were advised that due to the timings of the consultation and Exeter City Council's meeting dates it was not possible for the Executive to consider a draft response in advance of its submission and that the response to the consultation was treated as an urgent matter. In accordance with the Council's Constitution, it had been discussed with the Council Leader, the Portfolio Holder for City Development and Planning and the Chair of the Strategic Scrutiny Committee.

Members noted that the response letter identified concerns relating to East Devon having consideration to Exeter City Council's proposed development Strategy for brownfield sites to protect surrounding greenspaces. All other local District Councils were also being asked to consider the implications of large scale development on the edge of Exeter to ensure sustainable development.

RESOLVED that the urgent matter be noted.

17

GENERAL FUND / HRA ESTIMATES AND CAPITAL PROGRAMME 2023/24

The Executive received the report on the proposed General Fund revenue estimates for 2023/24 and recommending the Band D level of Council Tax for 2023/24. This report also included the proposed Capital Programme for 2023/24 and future years, and the proposals in respect of the Housing Revenue Account.

Particular reference was made to the following:-

- The provisional settlement for the General Fund Revenue position was received in December 2022 and final settlement was received on 6th February 2023, which indicated that the final settlement was the same as the provisional settlement for the city.
- The New Homes Bonus was confirmed as £672,000 for its final year. An announcement was expected from the Government on a new replacement scheme for future years.
- There had been considerable financial pressures faced by the Council, with a significant funding gap following additional budgeting for the national staff pay awards. The reductions required were over £6 Million, however funds set aside during the Covid Pandemic had been used to reduce the impact for the financial year, leaving a £3 Million saving to be made to balance the budget.
- The One Exeter programme had been set up to help address the funding shortfall, the outcome of the work had enabled the Council to propose a balanced budget which identified additional sources of income and service reductions totalling £3.7 Million.
- The Government had extended its non-domestic energy support package, which the tariff had been set below the level budgeted for.
- The Council had previously supported another Council in its claim that Leisure services should be classified as non-business for VAT. It had been widely reported that HMRC were expected to announce that they accept Leisure services being classified as non-business for VAT, which would mean much of the Leisure income would no longer attract VAT.
- The Council Tax being proposed for Exeter City Council was £175.13 for Band D properties which was a rise of £5.08, at 2.99%, which was the maximum amount allowed before triggering a Referendum.

- There were similar cost pressures for the HRA. The Government had announced a limitation on rent increase to 7%, which was lower than 11.1% inflation rate. A balanced budget had been set, however the amount of minimum reserves for the HRA had been reduced.
- Borrowing costs for the General Fund Programme had significantly risen during the previous six months. The Capital Programme had been reviewed by the Corporate Property team and Engineering team to identify the highest priority projects for Health and Safety matters and a revised programme had been submitted. The work involved had been in-depth and the proposals presented to Members were based on officer recommendations.
- The Capital Programme was monitored on a quarterly basis and there was a process for Members to request projects being put back onto the programme once affordable funding has been identified.
- The HRA Capital Programme was significant, totalling £19.3 Million, of which £11.8 Million would be used to make improvements of existing housing stock, whilst £7.5 Million would be put toward the provision of new Council homes.

The Leader highlighted the officer recommendations, which would be supported and emphasised the need for the Capital Programme to be reviewed. The Leader moved an additional recommendation to the Capital Programme as follows:-

- That Council approve £100,000 for the refurbishment of St. Thomas Splashpad, enhancing its life and ensuring that it is available for use as soon as possible. As with other proposed replacements of play equipment, it is proposed to fund the project using CIL.

It was explained that the reason for the additional recommendation was that the facility was an important asset to the residents in St. Thomas and other Wards in the city.

Councillor D. Moore, as an opposition group leader, spoke on this item. She acknowledged the serious impact of the budget cuts on both discretionary and statutory services and enquired on what engagement and information will be undertaken with the public on the proposed budget cuts?

The Leader advised that he would provide responses to the questions raised.

During the discussion the following points were raised:-

- thanks were given to the Director Finance for the work on the report, Members briefings and information provided to all Councillors.
- the Council Tax rate for Exeter would be lower than other areas and the work undertaken to date was commended;
- thanks were also provided to the officers, Directors, and Service Leads, for undertaking difficult decisions to help set a balanced budget;
- the inclusion of the St. Thomas Splashpad onto the Capital Programme was welcomed and would be a benefit for residents and communities;
- it was a difficult period for the HRA but a fair budget had been set which would continue to support providing decent homes for tenants; and
- The budget would enable the Council to continue to provide an affordable and quality service to its residents.

In response to a Members' question, the Director Finance advised that when the HMRC make the announcement on removing VAT from leisure services, then any reclaim of VAT would be back dated to 2021 when leisure services were brought in-house.

Following the discussion, the Leader moved and was seconded by Councillor Wright to amend the first recommendation in the report which was voted for unanimously and supported.

RECOMMENDED that Council:-

- (1) approve the overall spending proposals in respect of its revenue and capital budgets;
- (2) approve the Council Tax for each Band be submitted to the Council as set out in section 8.19.3 of the report, subject to Devon County Council, the Office of the Devon and Cornwall Police and Crime Commissioner and the Devon and Somerset Fire Authority confirming their Band D levels respectively;
- (3) approve the revised Council Tax levels submitted to Council on 21 February 2023, when the actual Council Tax amounts for Devon County Council, Devon and Cornwall Police and Crime Commissioner and the Devon and Somerset Fire Authority are set; and
- (4) that Council approve £100,000 using CIL funding, for the refurbishment of St. Thomas Splashpad, to enhance its life and ensuring that it be available for use as soon as possible.

18

CAPITAL STRATEGY 2023-24

The Executive received the report which sought approval of the Capital Strategy 2023/24. The report provided Members with details on the longer-term policy objectives and the resulting Capital Strategy requirements, governance procedures and risk to the Capital Programme.

Particular reference was made to the main change in the financial year that the increase in borrowing and amended approach to setting the Capital Programme, with a focus on health and safety has been stressed in the Strategy.

RECOMMENDED that Council approve the Capital Strategy as set out in Appendix 1 of the report presented at the meeting.

19

THE PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL AUTHORITIES (INCORPORATING THE ANNUAL STATEMENT OF MINIMUM REVENUE PROVISION)

The Executive received the report on the proposed 2023/24 Prudential Indicators for capital finance for adoption by the Council and set the annual statement of Minimum Revenue Provision (MRP), which would be incorporated within the Budget Book for approval at the full Council meeting as per the statutory requirement.

Particular reference was made to the following:-

- The Minimum Revenue Provision statement provided an analysis of how the Council sets aside a statutory amount for the repayment of debt. The Council opted to use the Asset Life Annuity method, which allowed the Council to repay the cost of borrowing in a similar manner to a repayment mortgage. The Council only had to set aside an amount which relates to borrowing for capital assets.

- The MRP payments allowed for voluntary repayments of debt and as of 2023, the Council still had over payments of £3.86 Million. The proposal in the report would result in a MRP charge for 2023/24 of £1.783 Million.
- The Prudential Code provided a range of indicators to allow Members to analyse Capital expenditure and the amount of debt. The code was split between the MRP indicators for the Capital Programme and Treasury management.
- The Capital Financing requirement set out how much the Council needed to borrow to finance the Capital Programme, the operational boundary indicator was the amount of borrowing the Director Finance was allowed to make and the authorised limit was the total amount of debt allowed to be borrowed.

Councillor D. Moore, as an opposition group leader, spoke on this item. She enquired at what point would financing costs be considered unsustainable for the General Fund.

The Leader advised that he would provide responses to the question raised.

RECOMMENDED that Council approve the adoption of:-

- (1) the Prudential Indicators set out in Appendices A-C of the report presented at the meeting; and
- (2) the Annual Statement of Minimum Revenue Provision for the Council.

20

TREASURY MANAGEMENT STRATEGY REPORT 2023/24

The Executive received the report which sought the adoption of the Treasury Management Strategy Report and the incorporated Annual Investment Strategy 2023/24, as required under section 15(1) (a) of the Local Government Act 2003.

Members noted that the Department for Levelling Up, Housing and Communities (DLUHC) Guidance on Local Authority Investments required the Council to approve an investment strategy before the start of each financial year, which included both financial and non-financial investments.

There were no significant changes to report, however Members were provided an overview of the liability benchmarking included with Appendix 1 of the report, which highlighted the new indicators from the Prudential Code for the Treasury Management Strategy on analysing borrowing.

Councillor D. Moore, as an opposition group leader, spoke on this item and enquired that the report stated there were no Net Zero or climate change implications, but investments were being made in certain banks such as Barclays and what advice was being received in relation to achieving Net Zero targets?

The Leader advised that he would provide responses to the questions raised.

RECOMMENDED that Council adopt the new Treasury Management Strategy and delegations contained therein.

21

EXETER COUNCIL TAX PREMIUMS 2024/25

The Executive received the report which sought Member's agreement to the levying of Council Tax premiums within the City, which would take effect from 1 April 2024, subject to the Levelling Up and Regeneration Bill (Bill 169 2022-23) receiving Royal Assent.

The policy was designed to encourage taxpayers to use or allow others to use premises as their main residence and enable empty properties to be brought back into use, while providing funding to the collection fund which will be shared between the Council and the major precepting authorities in line with their share of the Council Tax.

Particular reference was made to the following:-

- The changes outlined in the report would allow the Council to charge a premium for empty properties after one year and further premiums for properties which have been empty for more than five years.
- Although the Levelling Up and Regeneration Bill was pending Royal Assent, the Council needed to approve the recommendations before March 2023, to provide the required 12-month notice period in respect of the proposed changes.
- It was estimated that there would be an additional £1.5 Million in income from Council Tax, of which around 8% would be received by the City Council.

Councillor D. Moore, as an opposition group leader, spoke on this item. She welcomed the proposals. She advised that she would welcome a discussion with the Leader about a proposal to potentially increase the supply of housing by retaining single person relief for those renting out rooms.

Members welcomed the report and clarification was given that owners of empty homes were contacted to bring them back into use.

The Leader advised that there was a Housing Strategy being undertaken and homes was a focus in the potential Tier 2 devolution model. He further advised that the Council Tax premiums were specific to the proposal and an additional recommendation on single person relief was a separate matter to recommendations in the report.

RECOMMENDED that Council:-

- (1) approve the application of the current premium of 100% for all dwellings which are unoccupied and substantially unfurnished (empty dwellings) from a period of one year with effect from 1st April 2024;
- (2) approve the application of a premium of 100% for all dwellings which are unoccupied but substantially furnished with effect from 1st April 2024; and
- (3) grant delegated authority to the Section 151 Officer to implement the policy in line with the Council's requirements and any guidance given by the Secretary of State.

The Executive received the report on the annual review of the One Exeter work programme and the plans for the next 12 months. The One Exeter work programme was initially agreed by Executive in February 2021 and aimed to deliver a fit for purpose organisation and meet the requirements of the Medium-Term Financial

Plan (MTFP). This report focusses on those elements of the work programme that aim to deliver a fit for purpose organisation.

Members noted that significant work had been undertaken by the Strategic Management Board (SMB) and Operational Management Board (OMB) and the One Exeter team and also noted the involvement of the Trade Unions. A Staff Sounding Board has also been established to give employees from every service a voice on the programme. The work had also included discussion and oversight from the Leader and Deputy Leader.

Particular reference was made to the work undertaken over the previous 12 months, which included:-

- The formation of an employee wellbeing framework which was developed with staff, and informed by a recent staff survey. The framework would be reported to SMB in February 2023.
- A draft values and behaviours framework had been developed to reflect what staff feel is important for the organisation in the future. It is intended that the new framework will help to advance joined up and cross service working. The draft values and behaviours will be shared with Members.
- Performance and development reviews were being introduced and will enable employees to reflect on their performance and how they have demonstrated the values and behaviours.
- Service reviews were undertaken to identify opportunities to deliver a fit for purpose organisation and identify a 15% budget reduction over the life of the Medium Term Financial Plan. Proposals identified for 2023/24 were included as part of the budget setting process. The reviews have also identified potential proposals for subsequent financial years.

Going forward, over the next four months there will be a focus on developing the customer access strategy to establish a vision for how the Council will interact with and support customers in the future. The strategy will be presented to Members in due course. Work was also being undertaken for an organisational re-structure, which was scheduled for April 2024

Councillor D. Moore, as an opposition group leader, spoke on this item. She welcomed the report and noted the large amount of work involved, welcoming staff involvement. She enquired about the customer access strategy and addressing the widening inequality in Exeter and how it would affect customer needs. The Leisure service review showed leisure services as being cost neutral, and she asked whether there was a timescale attached to this.

The Leader advised that he would look at issues of widening inequalities but issues will be picked up as the work progressed.

During the discussion the following points were raised:-

- Staff who have led and engaged with the programme were commended, particularly ahead of the Covid Pandemic, which allowed staff to work remotely and introduce hybrid options to continue dealing with the needs of the city; and
- Services are being continually reviewed and change is difficult, however, staff have been positive with engaging with the process to help develop efficient systems and address implications of budget cuts.

In response to questions raised by Members, the Deputy Chief Executive advised that the Council would be working to create a new culture for how it interacts with customers but that there will be channels and support available for customers without access to online services or who have complex needs. Work would be undertaken to improve accessibility of the Council website and customer insight would be used to test ideas and changes.

RECOMMENDED that Council note the progress with the programme.

23

ANNUAL PAY POLICY STATEMENT 2023/24

The Executive received the report on the Council's Annual Pay Policy Statement 2023/24, which was a statutory requirement requiring approval by Full Council each financial year in line with legislation, which the Council was obliged to publish.

Members were advised that there were three statutory Chief Officers at the Council - the Chief Executive and Head of Paid Service, the Council's Monitoring Officer and Section 151 Officer. Members were referred to the remuneration for the Chief Officer roles in the Appendix 1 of the report, which outlined the pay grades for the Chief Officers and the median relationships between the pay earnings.

Members noted that the Pay Policy stated that the pay multiple of the Chief Executive would be monitored annually and should it fall between the annual salary paid to a full time employee on the lowest spinal column point or if the annual full time salary payable to the Chief Executive became greater than 10, then a report would be brought to full Council for Member's consideration.

RECOMMENDED that Council:-

- (1) approve the Pay Policy and Appendices for publication in accordance with the legislation; and
- (2) grant delegated authority to the Director - Corporate Services to make necessary amendments to the pay policy statement following any changes in legislation or subsequent increases in pay.

24

GENDER PAY GAP REPORT

The Executive received the report on the Gender Pay Gap, which was a statutory requirement of the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, for local authorities who employed over 250 or more employees.

Members noted that the average rate of pay for females was higher than males at Exeter City Council and the difference had decreased from 5% in the previous year to 3.91%. Members also noted that there were nearly three times the number of males working in lower quartile earnings than female staff.

Particular reference was made to the national survey on gender pay gaps from the Office of National Statistics (ONS), which highlighted that the median pay was 8.3% less for females than males, which was the opposite at Exeter City Council. The ONS survey also highlighted that the overall gap between female and male pay had been decreasing since 1997, but showed the overall average female pay gap for part time working was 2.9% higher than that of males.

During the discussion the following points were raised:-

- The Council should be proud that women were paid more, compared to the national trend; and
- Due to the historic nature of certain jobs, male staff were in lower paid jobs, while there were more female staff in management roles, which was welcomed.

The Leader commented on the ONS data, which showed the pay rise issues across the country and reflected on the cost-of-living crisis. He was pleased the Council supported its staff and honoured pay rises and working with the trade unions.

RECOMMENDED that Council:-

(1) note the Findings and Observations as follows:

- the average rate of pay for females is higher than males across the Council;
- the difference had decreased slightly since last year from 5.00% to 3.91%; and
- there were nearly three times more males in the lower quartile of earnings than females.

(2) approves the publication of the Gender Pay Gap Report on the Exeter City Council website, as well as on the centrally held database on gov.uk; and

(3) approves the annual review of the report to track the relationship between both female and males earnings.

25

EXETER HOMELESSNESS & ROUGH SLEEPING PREVENTION STRATEGY
2023 - 2027

The Executive received the report requesting approval of new homelessness and rough sleeping prevention strategy 2023-2027, to note the achievements of the previous 2016-2021 strategy and the findings of the 2022 homelessness needs assessment. The Strategy, would cover a five-year period until 2027 and contained five high level priority areas, which were outlined in report presented.

Particular reference was made to the Strategy and priorities, which were based on evaluation feedback from various stakeholders, outcomes from the previous strategy, the findings and data from the needs analyses from 2022, stakeholder feedback and representation from partnership agencies who were involved with the Homelessness Task and Finish Group.

A draft of the Strategy document went out to public consultation between November and December 2022, with nearly 90% of the feedback in support of the priorities with some concerns regarding ultimate delivery. However, action plans would be co-designed with stakeholders with a completion date for the delivery plans set for the end March 2023 to be implemented from 1st April 2023.

Members noted that the strategy was not an Exeter City Council document per se but a wider joint working document to incorporate partners and joined-up work streams. Actions of the strategy would look to include the recommendations from the Homelessness Task and Finish Group, plans for which would be integrated into the Strategy action planning. Members further noted that there was a priority on establishing a board focussing on homelessness reduction, which would consist of a range of stakeholders and partners.

Councillor D. Moore, as an opposition group leader, spoke on this item. She welcomed the report and enquired on the partnerships and whether the report would be submitted to the various partners for signing off? She further enquired how

the strategy would relate to the Council Housing Advisory Board for matters relating to tenants and mediation on Council services.

During the discussion the following points were raised:-

- the report was welcomed and thanks were given to the team for the work undertaken;
- thanks were also given to the Portfolio Holder for Customer Services & Council Housing for requesting the formation of the Homelessness Task and Finish Group, during their time as the Chair of the Strategic Scrutiny Committee;
- the Government's short term approach to funding would make delivering an end to rough sleeping by 2024 difficult; and
- homelessness was a challenging area with many constraints, however the Strategy was a great opportunity to bring a level of excellence to the city and working with partners would support bringing the ambitions forward.

The Leader commented on the volume of work undertaken between 2019-2022 with various partners and stakeholders and recognised the work they had undertaken with communities.

RECOMMENDED that Council approve the strategic priorities for the new Homelessness Strategy and the proposed governance arrangements.

26

NATIONAL PORTFOLIO ORGANISATION FUNDING 2023 TO 2026

Councillor Wright presented the recommendations of the report and declared a non-pecuniary interest and left the meeting during consideration of the following item.

The Executive received the report which sets out the recommendations for £147,000 per annum of funding to the National Portfolio Organisations (NPO's), following the announcement of Arts Council's England's investment programme.

Exeter City Council had previously supported grant funding to the National Portfolio Organisations over a three-year period, which was due to end in March 2023. The report sought approval of funding to the four organisations listed in the report for a total of £147,000 split between the four organisations.

Particular reference was made to the funding allocations making a reduction of £100,000 a year; however the funding would be reviewed on an annual basis, to monitor the impact the funding has had on the organisations.

Councillor D. Moore, as an opposition group leader, spoke on this item. She enquired on the annual time frame for funding reviews. The organisations as charities, would require notice of any future funding cuts. Assurance was sought from the Portfolio Holder, that the organisations would be notified in the autumn period each year.

The Leader advised that the timing of future funding reviews for the National Portfolio Organisations was partially out of the Council's control and that organisations would be notified accordingly.

During the discussion the following points were raised:-

- arts and culture was important for the city and the decision to cut back on funding was difficult, though it was noted that Exeter City Council had continued to fund organisations where other authorities had ceased funding; and

- during times of uncertainty for residents, having access to arts and culture was very important.

RECOMMENDED that Council approve:-

(1) approve the funding in accordance with the table below:

Organisation	Annual Funding
Exeter Phoenix	£75,000 plus £51,000 rent grant
Exeter Northcott Theatre	£57,000
Exeter UNESCO City of Literature	£5,000
Libraries Unlimited	£10,000
TOTAL	£147,000 plus £51,000 rent grant

- (2) approve the new service level agreements for 2023-26 based on the agreed National Portfolio Organisations business case for delivery; and
- (3) note the three year commitment and annual reviews to take into account the Council's financial position.

27

PARKING TARIFFS 2023

The Executive received the report on the proposed amendments under the Parking Places Order to improve the regulation of Council car parks and to support the aims of reducing traffic congestion and addressing the goal of a carbon neutral Exeter by 2030.

The recommendations in the report were developed and researched as part of the One Exeter programme and it was anticipated that they would support generating an annual income of over £10 Million to the Council. This would include sales from existing daily car park tickets, parking permits, Penalty Charge Notices and rental income. As part of the proposed changes, what the parking fees funded would be presented to customers of the car park.

Members noted that car parking had not recovered to pre-Covid figures, with some commuters still working from home, either full time or part time, which would have a longer term impact on car parking across the city. However, footfall in the city had increased by 0.1% from the 2019 figures.

Particular reference was made to the income being set aside for maintenance and a schedule of work to improve the look of car parks, safety and carbon reduction was being undertaken. Members also noted that body cameras for the enforcement team would be purchased through the Shared Prosperity Fund.

The next stage of work would be focussed on the implementation of the car parking strategy review to encourage the use of electric vehicles and decarbonising car parks. Work would also begin on attaining a Parking Places Order.

The Director Net Zero and City Management expressed his thanks to the Service Lead Net Zero & Business for the work undertaken and the consistent approach taken.

Councillor D. Moore, as an opposition group leader, spoke on this item. She sought clarification on the charge periods outlined in the report.

The Leader advised that the chart outlined in the report was the correct charge period.

During the discussion the following points were raised:-

- advertising what the car parking fees contributed to the city would be welcomed by residents;
- the report was welcomed and added a fresh approach to car parking, notably the allocation of money to improve security and cleansing of car parks; and
- the report moved car parks away from premium car parks and zoning additional car parks centrally would also support reducing the number of vehicles in the city centre whilst improving the footfall figures.

RESOLVED that the Car Park Places Order 2014 be amended as follows:-

- (1) to change the zoning of a number of City Centre car parks;
- (2) to change the 'Premium' zone to 'Central';
- (3) to extend the charge period from 8am - 6pm to 8am - 10pm for all Central and Zone 1 Car Parks, and for Car parks located in Topsham from 9am - 5pm to 8am - 6pm;
- (4) to increase the fee to purchase a seasonal parking permits and increase the number of city centre car parks that accept a seasonal parking permits;
- (5) to increase the fee to purchase a discounted business and residential parking permit;
- (6) to charge for events held in City Council car parks;
- (7) to introduce a fee for electricity use through Electric Vehicle charge points in City Council car parks;
- (8) to charge owners of electric vehicles that qualify for a residential parking permits; and
- (9) to set aside £72,000 from the additional income for maintenance and improvements to city centre car parks and carbon reduction measures.

28

ONE EXETER – COST REDUCTION PROPOSALS

The Executive received the report on the One Exeter Cost Reduction Proposals to reduce costs across the Council in 2023/24 to deliver a fit for purpose organisation and meet the requirements of the Medium Term Financial Plan (MTFP).

The report responded to the challenges to identify a balanced budget for 2023/24 by reducing the Council's costs. The outlined proposals had been formed through a detailed review of discretionary services, a review across all services and additional proposals identified by the Strategic Management Board. The full details were contained in Appendix B. Appendix A of the report was a Part 2 item due to containing information which may identify individual staff.

The Deputy Chief Executive expressed her thanks and commended the Strategic Management Board, Operational Management Board, Trade Unions and Portfolio Holders and all who had worked on delivering the proposals in addition to their regular responsibilities.

Particular reference was made to the following:-

- The proposals would amount to over £3.9 Million of savings but there would be an impact on staff. A large proportion of the General Fund is staff costs and where cost reductions have been made.

- The Organisational Change Policy had been followed to form a carefully scrutinised business case and consultation with staff had commenced.

The Leader advised that the meeting would need to be moved into Part 2 in order to discuss and vote on the business change proposals contained in Appendix A of the report.

29 **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - EXCLUSION OF PRESS AND PUBLIC**

In accordance with Regulation 5, Paragraph 5, Part 2 of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 concerning the procedures prior to private meetings. The details of the representation had been included on the agenda with the statement of response to the representation.

The Leader advised that the reason for the exemptions was that it was in the public interest to maintain the exemption as the report was making a recommendation to Council and therefore the 28 day notice period did not apply.

The Leader moved and was seconded by Councillor Wright to move the meeting into Part 2, was voted for unanimously and supported.

RESOLVED that under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following items on the grounds that they involved the likely disclosure of exempt information as defined in paragraph's 2, 3 and 4 of Part 1, Schedule 12A of the Act.

30 **ONE EXETER – COST REDUCTION PROPOSALS**

The meeting was moved into Part 2 to allow a full discussion on the details contained in Appendix A of the report.

The Chair opened the debate for discussion with Members and Opposition Leaders. Councillor D. Moore, as an opposition group leader, spoke on this item. She enquired on whether there would also be public engagement on the budget cuts.

It was confirmed that appropriate statutory consultation had been undertaken. The challenging timescales to develop proposals for cost reductions as a result of the increased financial challenge for the Council has meant that it was not possible to do meaningful public consultation for setting the budget for 2023/24 but public consultation would be an area of focus for setting future years' budget.

Members debated the report and thanked the Directors and Officers for the report and addressing a difficult matter in a fair manner.

RECOMMENDED that Council approve:-

- (1) the initial Organisational Change Business Case proposals set out in Appendix A of the report, which was a Part 2 item, containing personal information identifying members of staff; and
- (2) the cost reduction proposals set out in paragraphs 8.4 to 8.8 and detailed in Appendix B of the report presented at the meeting.

31 **CITY CENTRE PARKING**

The Executive received the report on terminating the existing lease on the Exeter Market Street car park, for the City Council's own use. The proposal would provide a new income stream to the City Council, to support our Medium Term Financial Plan and address issues of anti-social behaviour within this particular car park.

There would be a cost to terminate the lease, to compensate NCP of £100,000, as well as an income of £55,000 to the City Council. Members were provided with an overview of the one off costs required to bring the car park in house.

The car park was expected to generate an annual income of between £96,000 and £170,000 a year. Members noted that a business case would be brought forward on refurbishing the car park as a secure city centre car park, which would include the results of a public consultation for views on requirements for a secure city centre car park.

In response to a Member's question, the Director Corporate Services advised that parking tenants were entitled to an automatic renewal and a longer term notice would need to be provided on compensation in order to terminate the tenancy.

RECOMMENDED that Council approve:-

- (1) for the City Surveyor to take the necessary steps to terminate the existing lease of the Exeter Market Street car park, on the grounds that it is required for the Council's own use, as a public car park;
- (2) that the Market Street car park be included in the Council's Parking Places Order and placed within the Central zone; and
- (3) for the Service Lead for Net Zero & Business to write a business case to re-develop the car park into a city centre secure car park.

32

VAUGHAN ROAD DEVELOPMENT SITE

The Executive received the report on the financial position, viability and the capital and grant requirements to deliver the first phase of the Vaughan Road development scheme, following received tenders for the first phase. The report also outlined the procurement arrangements for the next phases and overall cost expectations for the entire scheme.

Members noted that the Brownfield site viability had been a challenge, but would provide 35 new affordable homes for the HRA as part of Phase 1, which would be covered through existing borrowing funds. Phases 2 and 3 would look to provide 91 homes in total.

Members welcomed the report and thanked officer for their hard work and engagement with tenants.

RECOMMENDED that Council:-

- (1) note the content of the report and the funding arrangements to deliver phase A of the scheme;
- (2) agree for up to £5 Million of capital spend to be retained from Right to Buy receipts to deliver the first phase of the scheme, to deliver 35 new homes (and a community room) into the Housing Revenue Account (HRA). This is in addition to the £9.2 Million already borrowed and approved for the scheme;
- (3) note that there would be an expected additional budget (borrowing) of £13 Million required to deliver the remaining 56 homes on the site, across two

- phases, and further reports would be submitted to Members on each of these phases; and
- (4) approve that a Development Agreement be entered into with Exeter City Living Limited, to carry out and complete the first phase of Development together with the second and third Phases being conditional upon further Council approval.

(The meeting commenced at 5.30 pm and closed at 7.52 pm)

Chair

The decisions indicated will normally come into force 5 working days after publication of the Statement of Decisions unless called in by a Scrutiny Committee. Where the matter in question is urgent, the decision will come into force immediately. Decisions regarding the policy framework or corporate objectives or otherwise outside the remit of the Executive will be considered by Council on 21 February 2023.

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REPORT TO EXECUTIVE

Date of Meeting: 28 February 2023

REPORT TO COUNCIL

Date of Meeting: 18 April 2023

Report of: Chief Executive & Growth Director

Title: Appointment of Two Directors to the Board of Exeter City Living

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1 This report informs Council of a decision made by the Shareholder Representative to appoint two new directors to the Board of Exeter City Living (ECL). The appointments are temporary until 31st December 2023. The decision was made under reserved matters under the Management Agreement for Exeter City Living.

2. Recommendations:

2.1 That members note the decision taken by the Chief Executive & Growth Director under delegated powers to appointment two directors to the Board of Exeter City Living on a temporary basis.

2.2 That Members note that once a new Shareholder Representative has been identified to replace the Chief Executive & Growth Director (CX & GD), that Shareholder Representative will undertake a review of ECL to include a review of progress, governance, future direction and the appointment process for the Managing Director position. The findings of the review, along with any appropriate recommendations will be brought forward for members' consideration.

3. Reasons for the recommendation:

3.1 Grant Thornton acting in its capacity as the Auditor for the Exeter City Council 2020-21 Auditor's Annual Report recommended that the Council should review the governance arrangements for ECL to ensure that conflict of interest between the statutory officers who are also Board members is addressed. The recommendation was that the Council addressed the conflict of interest created by the appointment of the S.151 Officer and the Monitoring Officer to the Board and consider whether the Council should appoint an independent Director of Finances.

3.2 The Leader of the City Council has confirmed that he is happy to accept the recommendations of the Auditor. The Director of Corporate Services and the Director of Finances resigned from the Board of ECL and therefore there are vacancies.

3.3 Consultants have been engaged to recruit two new Non-Executive Directors (NEDs) but a short temporary solution is required to ensure Board meetings are quorate and decisions can be made. The Board recommended that the Development Director of the company and the Finance Manager be appointed immediately to the Board to ensure continuity and momentum is maintained. The Chief Executive & Growth Director has delegated power to make such decisions and he consulted with the Leader and Deputy Leader of the City Council in their capacity as portfolio holder and members of the shareholder Group, they confirmed they were supportive of the decision.

4. What are the resource implications including non financial resources

4.1 Any financial implications are likely to be associated with a consideration of whether an honorarium is warranted.

5. Section 151 Officer comments:

5.1 Any honorarium would be funded by Exeter City Living and therefore there are no financial implications, impacting the Council for Council to consider.

6. What are the legal aspects?

Please see below.

7. Monitoring Officer's comments:

The Monitoring Officer can confirm that the process followed complies with the Management Agreement. The importance here is that these appointment have been made as a temporary measure to ensure that the company remains quorate and therefore able to continue operating.

8. Report details:

8.1 ECL was incorporated in June 2018 and the Management Agreement was signed in December 2018. It is one of four companies incorporated by the City Council and collectively they are known as Exeter City Group. Only Exeter City Living Limited is presently trading. They are all private companies limited by shares and Exeter City Council is the sole shareholder of Exeter City Group and Exeter City Group is the sole shareholder of Exeter City Living. Appointing directors to the Board of ECL is a reserved matter of the Management Agreement and therefore the Shareholder can take that decision.

8.2 An early review of the Company recommended the Board of ECL should be expanded and include the Council's Chief Finance Officer, and the City Solicitor.

8.3 Council agreed to put two Council directors on the Board of ECL, and changed the Shareholder role from Director to the Chief Executive & Growth Director. The CE&GD to be supported by the Leader and Deputy Leader, the three would carry out the function of the Shareholder Rep. Expressed formally the CE&GD with formal delegated decision making powers exercised in consultation with the Leader and Deputy leader of the City Council.

8.4 Following the recommendations of the external auditor and the declaration of the Leader to accept those recommendations, a governance review has been undertaken by

the CE&GD. A number of changes have taken place in the intervening period, the MD of ECL has resigned and the Operations Director has stepped into the role of the Interim MD and the CE&GD will be leaving the Council on 31st March. Consultants have been appointed to support recruitment of two NED roles and shortly a process will be agreed on the recruitment of the MD role. Finally members will receive a report on the governance review. In the meantime there is a pressing issue of ensuring the Board remains quorate. The Interim Chair of the Board has requested on behalf of the Board that two of the Operations team, the Finance Manager and the Development Director, take seats on the Board and therefore guarantee a Board that is quorate. The CE&GD has consulted with the Shareholder group and has confirmed the recommendation and a decision under the Management Agreement has been made. In accordance with the practice in making urgent decisions a report is being presented to Council to inform Council of that decision.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 An effective ECL Board supports the Exeter 2040 Vision states:

"Every resident will have a home that is secure, affordable and healthy in a balanced and connected neighbourhood that supports wellbeing and reduces social isolation."

9.2 ECL directly contributes to the Strategic Priority in the Corporate Plan:

"Housing & Building Great neighbourhoods and Communities."

10. What risks are there and how can they be reduced?

10.1 The decision seeks to address an issues raised by the Auditor and to ensure the Board can go about making decisions in a timely fashion.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In making this decision to appoint two directors to the board no potential impact has been identified on people with protected characteristics as determined by the Act

12. Carbon Footprint (Environmental) Implications:

12.1 ECL has been set a distinctive low carbon goal that is notably focused on building homes to passivhaus standard. There is no suggestion that this environmental goal should be diminished and there are no direct carbon/environmental impacts arising from the decision.

13. Are there any other options?

13.1 The decision is to note. Alternatives could be considered with the governance review that is being undertaken.

Chief Executive & Growth Director, Karime Hassan

Author: Chief Executive & Growth Director, Karime Hassan

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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Equality Impact Assessment: Appointment of Two Directors to the Board of Exeter City Living

The Equality Act 2010 includes a general duty which requires public authorities, in the exercise of their functions, to have due regard to the need to:

- **Eliminate discrimination**, harassment and victimisation and any other conduct that is prohibited by or under the Act.
- **Advance equality of opportunity** between people who share a relevant protected characteristic and people who do not share it.
- **Foster good relations** between people who share a relevant protected characteristic and those who do not

In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

Authorities which fail to carry out equality impact assessments risk making poor and unfair decisions which may discriminate against particular groups and worsen inequality.

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
Executive – 28 February 2023 Council – 18 April 2023	Appointment of Two Directors to the Board of Exeter City Living	2.1 That members note the decision taken by the Chief Executive & Growth Director under delegated powers to appointment two directors to the Board of Exeter City Living on a temporary basis.	No potential impact has been identified on people with protected characteristics as determined by the Act

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
		2.2 That Members note that once a new Shareholder Representative has been identified to replace the Chief Executive & Growth Director (CX & GD), that Shareholder Representative will undertake a review of ECL to include a review of progress, governance, future direction and the appointment process for the Managing Director position. The findings of the review, along with any appropriate recommendations will be brought forward for members' consideration.	

Factors to consider in the assessment: For each of the groups below, an assessment has been made on whether the proposed decision will have a **positive, negative or neutral impact**. This is must be noted in the table below alongside brief details of why this conclusion has been reached and notes of any mitigation proposed. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

High impact – a significant potential impact, risk of exposure, history of complaints, no mitigating measures in place etc.

Medium impact – some potential impact exists, some mitigating measures are in place, poor evidence

Low impact – almost no relevancy to the process, e.g. an area that is very much legislation led and where the Council has very little discretion

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	N/A	N/A	no potential impact has been identified on people with protected characteristics as determined by the Act
Disability: as defined by the Equality Act – a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse impact on their ability to carry out normal day-to-day activities.	N/A	N/A	no potential impact has been identified on people with protected characteristics as determined by the Act
Sex/Gender	N/A	N/A	no potential impact has been identified on people with protected characteristics as determined by the Act
Gender reassignment	N/A	N/A	no potential impact has been identified on people with protected characteristics as determined by the Act
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	N/A	N/A	no potential impact has been identified on people with protected characteristics as determined by the Act
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	N/A	N/A	no potential impact has been identified on people with protected characteristics as determined by the Act
Age (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-75/80; older people 81+; frail older people; people living with age related conditions. The age categories are for illustration only as overriding consideration should be given to needs).	N/A	N/A	no potential impact has been identified on people with protected characteristics as determined by the Act
Pregnancy and maternity including new and breast feeding mothers	N/A	N/A	no potential impact has been identified on people with protected characteristics as determined by the Act
Marriage and civil partnership status	N/A	N/A	no potential impact has been identified on people with protected characteristics as determined by the Act

Actions identified that will mitigate any negative impacts and/or promote inclusion

Officer: Karime Hassan, Chief Executive & Growth Director

Date: 17 February 2023

REPORT TO EXECUTIVE

Date of Meeting: 28 February 2023

Report of: Director for City Development

Title: Review of the Article 4 Direction and Houses in Multiple Occupation Supplementary Planning Document

Is this a Key Decision?

Yes

Is this an Executive or Council Function?

Executive

1. What is the report about?

1.1 This report explains the progress made on reviewing the Article 4 Direction that restricts permitted development rights from dwellings (Use Class C3 of the Town and Country Planning (Use Classes) Order 1987 (as amended)) to Houses in Multiple Occupation (HMOs) (Use Class C4), together with the related HMO Supplementary Planning Document (SPD). It seeks approval to consult on options, including a preferred option, to revise the Article 4 Direction and HMO SPD and sets out a provisional timetable for consulting on and adopting the documents.

2. Recommendations:

2.1 That the Executive approves the draft revised Article 4 Direction (including the Article 4 area plan) attached at Appendix A and the draft revised HMO SPD attached at Appendix B for public consultation.

3. Reasons for the recommendation:

3.1 In late 2021, Executive resolved that the existing Article 4 Direction (hereafter referred to as the Direction) and HMO SPD (hereafter referred to as the SPD) should be reviewed following receipt of a petition from local residents. The initial review process is now complete and a preferred option to amend the Direction and SPD has been identified. This has allowed a draft revised Direction including an Article 4 area plan and a draft revised SPD to be prepared.

3.2 As the local planning authority for Exeter, the Council has a statutory duty to consult on the draft revised SPD before it can be adopted. As set out later in this report, there is no legal requirement to consult on a draft Direction. However, the close relationship between the Direction and the SPD mean it is prudent for the consultation process to cover both documents. This consultation will enable the wider community to inform the two documents as they evolve towards their final versions, will fulfil statutory requirements and will be in accordance with the Council's Statement of Community Involvement (SCI).

4. What are the resource implications including non financial resources

4.1 The budget for reviewing the Direction and SPD was approved by Council in December 2021. Staff resources have been identified and are considered within the report on the Local Development Scheme which is on the agenda for this meeting of the Executive. The review has implications for the wider resourcing of planning policy work.

4.2 Depending upon the option taken forwards following the review, there may be workload implications resulting from additional planning applications to be dealt with by the Council's Development Management Team.

5. Section 151 Officer comments:

5.1 There are no additional financial requests arising from this report.

6. What are the legal aspects?

6.1 The legal process for preparing and consulting on Supplementary Planning Documents is set out in Part 5 of the Town and Country Planning (Local Development) (England) Regulations 2004. The legal process for restricting permitted development is set out in Article 4 and Schedule 3 of the Town and Country Planning (General Permitted Development) (England) Order 2015. The Council will need to ensure that these procedures are adhered to when amending the existing Direction and SPD.

6.2 There is no legal requirement to publicly consult in advance on the making of an Article 4 Direction. However, given the close relationship between the Direction and the SPD, it would be prudent for the consultation process to cover both documents.

6.3 The Town and Country Planning (General Permitted Development) (England) Order 2015 provides that Article 4 Directions can be implemented with either non-immediate or immediate effect. Paragraph 8.12 of this report explains that the revised Direction will be applied with non-immediate effect. This will limit any claims for financial compensation from the Council made under section 108 of the Town and Country Planning Act 1990 that may arise from making the Direction.

6.4 Under the 'non-immediate' route to making a Direction, the Council is legally required to publicise the Direction in specified ways as soon as practicable after it is made. This includes giving notice to owners and occupiers of land within the area covered by the Direction and to the Secretary of State. Following this formal publication / notification process set by the General Permitted Development Order, a future decision on how to progress the Article 4 Direction's review can be made and the Council can decide to confirm the Direction.

6.5 Rights are reserved to the Secretary of State who has power to modify or cancel the Direction at any time before or after its confirmation. The Planning Practice Guidance states however that the Secretary of State will only intervene in Article 4 Directions where there are clear reasons for doing so.

7. Monitoring Officer's comments:

7.1 Members attention is drawn to the comments set out in 6 above- otherwise this report raises no issues for the Monitoring Officer.

8. Report details:

Background

8.1 In 2010, the Council made an Article 4 Direction to restrict homeowners' permitted development rights to use their properties as HMOs. The current Direction (see [article-4-direction-document.pdf \(exeter.gov.uk\)](#)) currently applies to an area around the University of Exeter's Streatham and St Luke's campuses (see [article 4 map a4 colour dec 2013.pdf \(exeter.gov.uk\)](#)) and was most recently updated in 2014. It was introduced by the Council as one of two planning policy responses to help manage the potential impact of increasing numbers of students living in Exeter and studying at the University¹. The HMO SPD was originally adopted in 2011 to accompany the Direction and was updated in 2014 (see [hmp spd document jan 2014.pdf \(exeter.gov.uk\)](#)). The 2014 SPD amplifies saved policy H5 of the Exeter Local Plan First Review which states that the conversion of dwellings to HMOs will be granted planning consent provided that, amongst other requirements, it does not "create an imbalance in the local community" (see paragraph 3.2 of the 2014 version of the SPD).

8.2 In early 2022, the Council appointed Figura Planning Ltd to review the Direction and SPD. This appointment stemmed from a recommendation made by Executive in November 2021 and carried by Council in December 2021, following receipt of a petition from local residents about the impact of increasing numbers of HMOs outside the area covered by the existing Direction.

8.3 Following extensive data collection, analysis and discussions with a broad range of stakeholders including Members, landlords, the University of Exeter, student representatives and Council officers, Figura has produced a report which is attached as Appendix C. The report reviews and assesses a range of options for the future of the Direction and SPD. A summary of the report was presented to Planning Member Working Group in January 2023.

National Planning Policy

8.4 The consultants' work has taken into account paragraph 53 of the National Planning Policy Framework, which sets out that the use of Article 4 Directions to remove permitted development rights should:

- Be limited to situations where a Direction is necessary to protect local amenity or the well-being of any area and
- In all cases, be based on robust evidence and apply to the smallest geographical area possible.

Options for the Direction and SPD

8.5 Based upon their background work, the consultants have identified five options for the future of the Direction and SPD. Detailed assessments of the options, including their

¹ The second policy response is the target to accommodate 75% or more of additional student numbers in purpose built student accommodation (PBSA), located on, or close to, the University campuses, at sustainable locations at or near to major transport routes, or in the city centre. This policy response is being reviewed through work on the Exeter Plan.

advantages and disadvantages, are provided on pages 46 to 49 of the consultants' report. The assessments are summarised in the table below.

Preferred option
<p>Option 2: Expand the Article 4 Area to include:</p> <ul style="list-style-type: none"> • Postcodes and output areas with 20% or more student properties, or which are expected to exceed that threshold in the near future • Postcode sector EX4 6 which has almost 30% student properties • The University of Exeter Streatham Campus and areas of PBSA that are contiguous with the affected postcode areas • Minor 'rounding off' including some non-residential postcodes to create a more contiguous/logical area • No change to the existing exempt areas (i.e. areas that were 'cut-out' from the area covered by the Direction in 2014 on grounds that they were already overwhelmingly student housing) <p>Advantages</p> <ul style="list-style-type: none"> • It is based on clear evidence and therefore is robust against objections and challenges • It will help to maintain some balance between student and non-student accommodation in affected area • It will not unduly restrict the provision of non-student HMOs • It will respond to the concerns and expectations of some residents • It conforms with the requirement of paragraph 53 of the National Planning Policy Framework (NPPF) that Directions should apply to the smallest geographical area possible <p>Disadvantages</p> <ul style="list-style-type: none"> • The relatively small expansion in the area has the potential reduce the supply of student HMOs, which may impact upon rents. However, this is uncertain
Other potential options
<p>Option 1: No change to the Article 4 Area.</p> <p>Advantages</p> <ul style="list-style-type: none"> • Changes in the number of HMOs since 2010 have been relatively limited in number/scope, mainly due to the success of the Council's PBSA planning policy • Future growth in student HMOs is expected to be slower than seen previously. <p>Disadvantages</p> <ul style="list-style-type: none"> • Some Council resources have already been spent to address this issue • Data indicates that some changes to the Direction can be justified • It is not possible to be fully certain that future growth in student HMOs will slow • It fails to respond to the concerns and expectations of some residents
<p>Option 3: Wider expansion of the Article 4 Area to include:</p> <ul style="list-style-type: none"> • Postcodes and output areas with 10% or more student properties (with a minimum of 2 student properties) • The University of Exeter Streatham Campus and areas of PBSA that are contiguous with the affected postcodes • Minor 'rounding off' including some non-residential postcodes to create a more contiguous/logical area • Expansion of the existing exempt areas within the Article 4 area to ensure some continued provision of student HMOs close to the University campuses in order to meet housing needs <p>Advantages</p> <ul style="list-style-type: none"> • It will not substantially risk the delivery of non-student HMOs in Exeter • It may be supported by residents within the wider expanded area <p>Disadvantages</p>

<ul style="list-style-type: none"> • Small postcodes on either side of the boundary may regularly change between meeting/not meeting the 10% threshold, showing the volatility of the position and therefore drawing the boundary into question • Work to expand the exempt areas will require additional time and cost, and will likely result in significant concerns from affected residents • It is a significant departure from the Council's current planning policy approach to HMOs, potentially requiring the adoption of a new planning policy and SPD rather than an update of the existing SPD • It could require a higher rate of PBSA growth to meet student housing needs, with market delivery being uncertain • It is contrary to the NPPF requirement to apply Directions to the smallest geographical area possible
<p>Option 4: Article 4 coverage of the whole city</p> <p>Advantages</p> <ul style="list-style-type: none"> • Some support for this option was expressed during stakeholder discussions <p>Disadvantages</p> <ul style="list-style-type: none"> • It is highly contrary to the NPPF requirement to apply Directions to the smallest geographical area possible • It is not justified by evidence • It is a significant departure from the Council's current planning policy approach to HMOs, requiring the adoption of a new planning policy and SPD rather than an update of the existing SPD • It would severely inhibit the delivery of HMOs for non-students including low income households and households with specialist requirements (including Equalities Act protected characteristics) • It is unclear whether all future student growth can be achieved in the PBSA sector, which would be required if the number of HMOs was significantly restricted. • There would be significant resource implications for the Council's Development Management service, as all developments involving a change of use from dwelling to HMO changes of use would require a planning application
<p>Discounted option</p>
<p>Option 5: Remove the Article 4 Direction</p> <p>Advantages</p> <ul style="list-style-type: none"> • It will free up the student accommodation market, with the potential to reduce rents • There will be some resource benefits for the Council's Development Management service because it will result in a reduction in numbers of planning applications for residential conversions <p>Disadvantages</p> <ul style="list-style-type: none"> • There is likely be significant opposition from some residents • It is not justified by evidence and does not reflect the success of the existing Direction in balancing needs and impacts • It will remove all planning control over the expansion of HMOs in the city • It risks halting the development of PBSA due to market uncertainty arising from increased potential competition from HMOs, contrary to adopted Council planning policy • It may require a significantly increased resource for the Council's HMO Licensing service.

8.6 As shown in the table, of the five options, the consultants recommend option 2 as the basis of a revised Direction and SPD. Officers agree with the consultants' assessment that option 2 is most appropriate. Based upon the consultants' advice, option 2 is the

preferred option and therefore the draft Direction and draft SPD have been worded to reflect option 2.

8.7 The 2014 SPD states that the Council will resist any further changes of use to HMOs within the area covered by the Direction. This is on the basis that, within the area, the Council regards the existing proportion of properties with student Council tax exemptions to be an over-concentration of HMOs for the purposes of Local Plan Policy H5(b) and St James Neighbourhood Plan Policy C(e). Paragraph 5.2 of the draft SPD proposes that the Council will continue to apply this approach within the area covered by the proposed expanded Article 4 Direction.

Public consultation

8.8 To comply with relevant legislation, it will be necessary to publicly consult on proposals to revise the SPD for a minimum period of 4 weeks. As set out in paragraph 6.2 of this report, it would be prudent to consult on the Direction at the same time.

8.9 Whilst the draft Direction and SPD are worded to reflect option 2, for transparency the consultation material will contain information on all of the options in the consultants' report including the advantages and disadvantages of each.

8.10 Details of the consultation are to be determined, but it will be proportionate to the scale of the issue and available resources and will accord with the Council's adopted Statement of Community Involvement ([Exeter Statement of Community Involvement](#)) and Consultation Charter ([Consultation Charter \(exeter.gov.uk\)](#)), including in terms of accessibility. It will make use of 'Commonplace', the interactive online engagement platform that was used for recent Council consultations on the Exeter Plan and CIL Charging Schedule Review, together with face-to-face engagement opportunities.

Provisional timetable for implementing a revised Direction and SPD

8.11 The provisional timetable for implementing a revised Direction and SPD is as follows:

- May - July 2023: public consultation on a draft Direction and SPD
- July – September 2023: consultation responses used to inform preparation of final versions of the Direction and SPD
- November - December 2023: reports to Executive and Council seeking approval to make and publicise the Direction and to adopt the SPD
- November 2024: implementation of the Direction

8.12 Members will note the 12 month period between the third and fourth bullet points above. Implementing the Direction with immediate effect in December 2023 will leave the Council open to financial liability claims from applicants who can demonstrate that they have been adversely affected by changes to the area covered by the Direction – for example, from newly affected homeowners who have to apply for planning permission to convert to an HMO and have that permission refused. The 12 month period avoids this liability.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 The Direction and SPD consultation will be important in ensuring the delivery of the objective in the Council's Corporate Plan of building great neighbourhoods, by working towards avoiding community imbalances within the area covered by the Direction.

10. What risks are there and how can they be reduced?

10.1 There is a risk that significant support may be expressed during the consultation for an option which is not possible to implement, particularly if contrary to national policy. To reduce this risk, the consultation material will clearly explain the reasons for option 2 being selected as the preferred option whilst also underlining why other options are considered inappropriate.

10.2 There is a risk that the Secretary of State may choose to modify or cancel the Direction when it is made by the Council. The evidence base and undertaking robust and transparent public consultation on the Direction should reduce this risk.

10.3 The Government is currently consulting reforms to the Levelling-Up and Regeneration Bill, including amendments to national planning policy. The consultation includes a proposal that existing SPDs will only remain in force until the local authority is required to adopt a new Local Plan. If this proposal comes into force, it will affect the lifespan of the SPD. To reduce the risk of losing the planning policy controls afforded by the SPD, it may be necessary to incorporate its provisions into the emerging Exeter Plan in future.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal potential impact has been identified on people with protected characteristics as determined by the Act and an Equalities Impact Assessment has been included in the background papers for Member's attention.

12. Carbon Footprint (Environmental) Implications:

12.1 There are no direct carbon/environmental impacts arising from the recommendation to hold public consultation on the revised draft Direction and SPD. However, digital consultation methods will minimise the carbon footprint of the consultation.

13. Are there any other options?

13.1 The draft SPD must undergo statutory public consultation. Bringing the consultation forwards in time is not an appropriate option due to the need to avoid consulting during the pre-election period. Pushing the consultation further back into 2023 is not an appropriate option as it will delay the Council's ability to adopt the SPD and divert resources from consultation on the Exeter Plan which is due to commence in the autumn of 2023.

13.2 There is an option to amend the Direction without undertaking public consultation. However, as previously stated, this is not considered appropriate due to the close relationship between the Direction and the SPD. Robust and transparent consultation on the draft Direction may also reduce the risk of modification or cancellation by the Secretary of State.

Director for City Development – Ian Collinson

Author: Katharine Smith – Principal Project Manager, Local Plan

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

Houses in Multiple Occupation SPD, January 2014

Article 4 Direction Map, January 2014

Article 4 Direction Document, July 2011

Exeter Local Plan First Review

Contact for enquires:
Democratic Services (Committees)
Room 4.36
01392 265275

**TOWN AND COUNTRY PLANNING (GENERAL PERMITTED DEVELOPMENT
(ENGLAND) ORDER 2015 (AS AMENDED)**

**DIRECTION MADE UNDER ARTICLES 4(1) and (6) OF THE TOWN AND COUNTRY
PLANNING (GENERAL PERMITTED DEVELOPMENT) (ENGLAND) ORDER 2015 (AS
AMENDED)**

EXETER CITY COUNCIL HMO ARTICLE 4 DIRECTION 2023 (“the 2023 Direction”)

WHEREAS EXETER CITY COUNCIL (hereafter called “**the City Council**”) being the appropriate local planning authority within the meaning of article 4(4) of the Town and Country Planning (General Permitted Development) Order 1995 (“**the 1995 Order**”), made a direction on 9th November 2010, which was confirmed by the City Council on 16th December 2010 and which came into effect on 1 January 2012 (“**the 2010 Direction**”) as it was satisfied that it was expedient that development of the description set out in Schedule 1 below should not be carried out within the land and/or properties shown shaded pink on the plan at Schedule 2 of the 2010 Direction unless planning permission was granted on an application under Part III of the Town and Country Planning Act 1990 (as amended) (“**the 1990 Act**”) AND WHEREAS THE CITY COUNCIL being the appropriate local planning authority within the meaning of article 4(5) of the Town and Country Planning (General Permitted Development) Order 2015 (as amended) (“**the 2015 Order**”), are satisfied that the 2010 Direction should be cancelled.

WHEREAS THE CITY COUNCIL being the appropriate local planning authority within the meaning of article 4(5) of the 2015 Order are satisfied that it is expedient that development of the description(s) set out in Schedule 1 below should not be carried out within the land and/or properties shown outlined in green on the attached plans at Schedule 2 of this 2023 Direction (“**the Land**”), unless planning permission is granted on an application under Part III of the 1990 Act.

AND WHEREAS the City Council considers that development of the said descriptions set out in Schedule 1 below should not be carried out unless permission is granted by an application made under Part III of the 1990 Act.

NOW THEREFORE the said City Council in pursuance of the power conferred on them by articles 4(1) and 6 of the 2015 Order hereby direct that the 2010 Direction be cancelled and the permission granted by article 3 of the said 2015 Order shall not apply to development on the said Land of the description set out in Schedule 1 to this 2023 Direction.

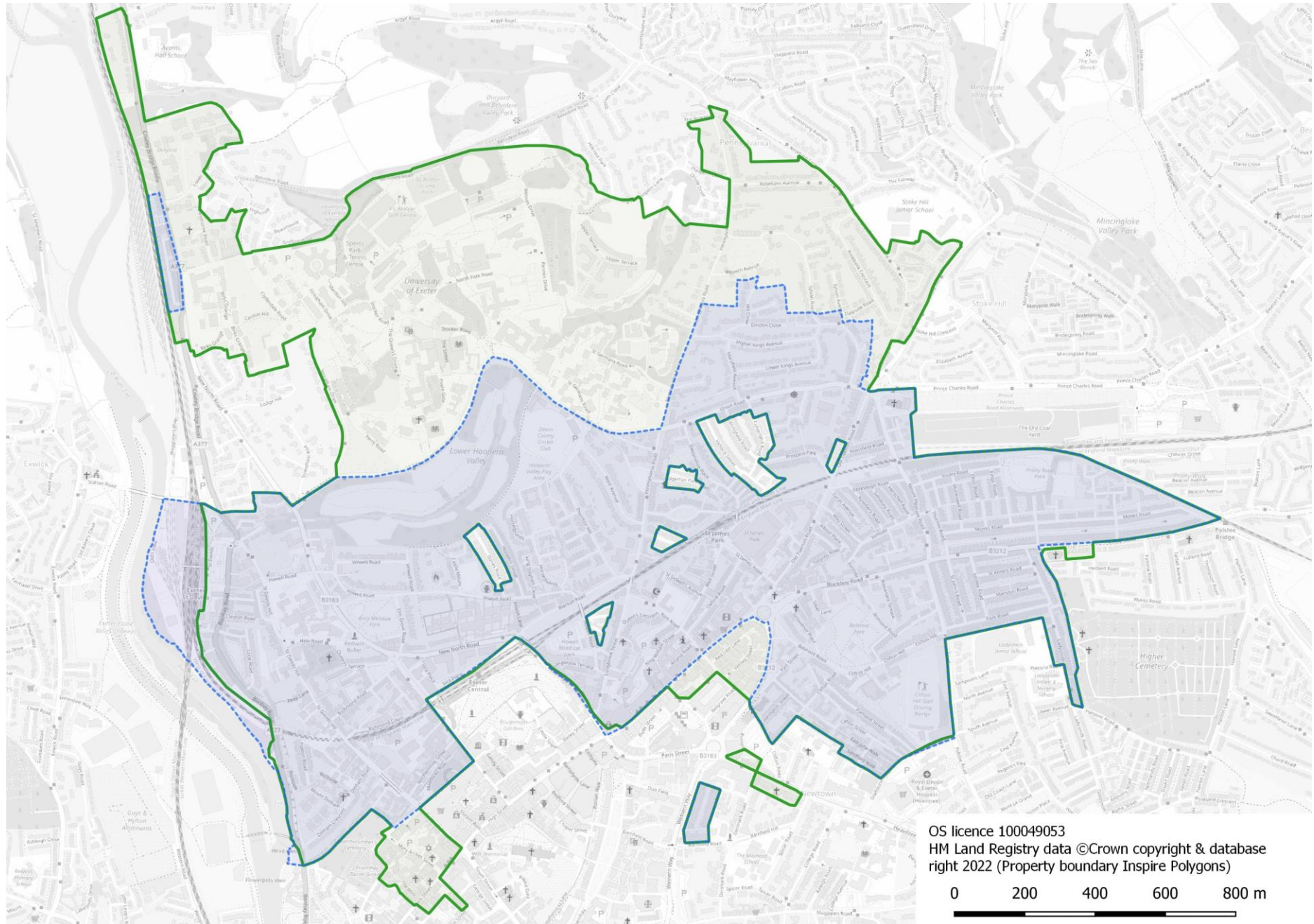
THIS CITY COUNCIL HMO ARTICLE 4 DIRECTION 2023 was made on [] 2023 under Articles 4(1) & (6) of the said 2015 Order.

In accordance with Paragraphs 1(11) and 1 (12) of the 2015 Order, the City Council confirmed the Article 4(1) Direction on [] and shall take effect on

SCHEDULE 1

Development consisting of a change of use of a building from a use falling within Class C3 (dwellinghouses) of Schedule 1 of the Town and Country Planning (Use Classes) Order 1987 (as amended) to a use falling within Class C4 (houses in multiple occupation) of Schedule 1, being development comprised within Class L(b) of Part 3 of Schedule 2 to the 2015 Order and not being development comprised within any other Class.

SCHEDULE 2





Made under the Common Seal)
of **EXETER CITY COUNCIL**)
)
in the presence of:-)

Service Lead Legal Services
Team Leader - Housing & Litigation
Team Leader - ECL, Contracts Procurement & Licensing
Team Leader - Property, Planning and Non-Contentious

Confirmed under the Common Seal)
of **EXETER CITY COUNCIL**)
)
in the presence of:-)

Service Lead Legal Services
Team Leader - Housing & Litigation
Team Leader - ECL, Contracts Procurement & Licensing
Team Leader - Property, Planning and Non-Contentious

EXETER CITY COUNCIL

DRAFT SUPPLEMENTARY PLANNING DOCUMENT

HOUSES IN MULTIPLE OCCUPATION (INCLUDING CLASS C4 USES)

1 STATUS OF DOCUMENT

1.1 This draft Supplementary Planning Document (SPD) is proposed to replace the current SPD of the same name which was adopted by the Council in 2014. The SPD provides guidance on the conversion of dwellings to Houses in Multiple Occupation (HMOs) within the Article 4 Direction area. This draft was approved for consultation by the Council's Executive on 28 February 2023 alongside consultation on a proposed extension to the relevant Article 4 Direction.

2 BACKGROUND

2.1 The University of Exeter has grown significantly since 2006/7 from approximately 11,200 full time equivalent students to 27,300 in 2021/22. Future student numbers are uncertain, but the University forecasts limited further growth over the next five years.

2.2 With this growth in the student population, there has been a growth in the need for and amount of student housing. The Council's planning policy response has included adopting the current HMO SPD and making an Article 4 Direction to help manage the impact of increasing numbers of student-HMOs in certain parts of the City close to the University's campuses. These documents were last updated by the Council in 2014. At the same time the Council has focused on meeting additional student housing needs in Purpose Built Student Accommodation (PBSA). This has ensured that most of the growth in student numbers has been met by PBSA. Availability of PBSA has increased from around 2,000 bedspaces in 2007 to around 12,500 bedspaces in 2022.

2.3 Data on student Council Tax exemptions, PBSA planning permissions and HMO Licences gives a good indication of the location of student accommodation within Exeter. It is currently estimated that around 45% of students in need of housing can be accommodated in PBSA, which is the accommodation of choice for a large majority of first year students. Around 35% of undergraduate students are in HMO accommodation and around 20% live in the private rental sector. This information has been used to propose the alteration to the Article 4 area and revisions to the 2014 SPD.

3 PURPOSE OF GUIDANCE

3.1 The purpose of this proposed SPD is to clarify the implementation of Saved Policy H5 criterion (b) of the Exeter Local Plan First Review 1995-2011 (2005). Within the Exeter St James Neighbourhood Planning Area it also clarifies the implementation of Policy C1 criterion (e) of the Exeter St James Neighbourhood Plan (2013). The SPD may need to be updated further when the emerging Exeter Plan is adopted to clarify any relevant policies in that plan. This proposed SPD is designed to reflect the proposed expansion to the Article 4 Direction which is being consulted upon at the same time.

3.2 The law requires that planning decisions be in accordance with local and neighbourhood plans unless material considerations indicate otherwise. The relevant part of Exeter Local Plan First Review policy H5 states:

H5: THE CONVERSION OF DWELLINGS TO FLATS, SELF CONTAINED BEDSITTERS OR HOUSES IN MULTIPLE OCCUPATION AND THE DEVELOPMENT OF SPECIAL NEEDS OR STUDENT HOUSING WILL BE PERMITTED PROVIDED THAT: (...)

(b) THE PROPOSAL WILL NOT CREATE AN OVER CONCENTRATION OF THE USE IN ANY ONE AREA OF THE CITY WHICH WOULD CHANGE THE CHARACTER OF THE NEIGHBOURHOOD OR CREATE AN IMBALANCE IN THE LOCAL COMMUNITY.

3.3 The relevant part of the Exeter St James Neighbourhood Plan policy C1 is as follows:

C1: HOUSES IN MULTIPLE OCCUPATION

Changes of use to houses in multiple occupation (HMO) will not be permitted unless; (...)

(e) the proposal would not result in an over concentration of HMOs in any one area of the ward, to the extent that it would change the character of the area or undermine the maintenance of a balanced and mixed local community.

4 SCOPE OF GUIDANCE

4.1 The guidance in the current SPD applies to all planning applications for change of use from homes (Class C3 of the Use Classes Order) to Class C4 (houses in multiple occupation by three to six people) and to 'sui generis' HMOs of seven or more occupants, within the area covered by the Article 4 Direction. Within that Article 4 area, planning permission is required for a material change of use from Class C3 to Class C4. It is proposed to continue this approach within an Article 4 area that is updated to reflect recent increases in concentrations of student properties. The proposed area (which is subject to consultation) is shown for information outlined in green on Plan 1, but please note that the formal plan contained within the proposed Article 4 Direction is definitive in this regard. The SPD does not apply to PBSA. Neither does it impact on those areas excluded from but surrounded by the Article 4 Direction, shown for information on Plan 1 and which broadly include the following streets:

- Culverland Road
- Danes Road
- Edgerton Park Road
- Hillsborough Avenue
- Mowbray Avenue
- Old Park Road
- Springfield Road
- Victoria Street
- Wrentham Estate

4.2 The proposed restriction on further HMOs will not affect properties that can prove an existing lawful use as a HMO.

- 4.3 The Council first introduced an Article 4 Direction to control the conversion of dwellings to HMOs in 2010. Student Council Tax exemptions within the original Article 4 area amounted to 21.2% of homes at May 2013. In January 2014, the area where the restriction applies was extended to include two parts of Newtown ward and parts of Pennsylvania and Duryard wards which previously had fewer than 20% exemptions.
- 4.4 The Council now proposes to further extend the area covered by the Article 4 Direction to include additional postcodes where a 20% student Council Tax threshold has been reached or where there is clear evidence to show that it will be reached in the near future. It is also proposed to include the entirety of the EX4 6 postcode sector because it contains several pockets of very high concentrations of student housing, is close to the Streatham campus, shows some evidence of 'leapfrogging' pressure and currently has an overall concentration of 29% student housing. Finally, to ensure that the Article 4 area is reasonably contiguous, it is proposed that it should take account of features on the ground such as property and street boundaries. Should the amended Article 4 Direction be confirmed, this amended SPD (subject to any further amendments following consultation) will be adopted to ensure appropriate guidance continues to be available.
- 4.5 Applicants for planning permission are advised to consider the licencing requirements for HMOs which are set out on the Council's website: <https://www.exeter.gov.uk/housing/private-landlords/houses-in-multiple-occupation-hmo/houses-in-multiple-occupation/> . These include local and national space and amenity standards.

5 POLICY INTERPRETATION

- 5.1 The current SPD resists any further changes of use to HMOs within the area covered by the Article 4 Direction. In other words, within this area, the Council regards the existing proportion of properties with student Council Tax exemptions to be an over-concentration of HMOs for the purposes of Local Plan Policy H5(b) and St James Neighbourhood Plan Policy C1(e).
- 5.2 Under the proposed SPD, the Council will continue to apply this approach within the area covered by the proposed expanded Article 4 Direction.

6 EXCEPTIONAL CIRCUMSTANCES

- 6.1 The personal circumstances of an occupier, personal hardship, or the difficulties of businesses which are of value to the welfare of the local community may be material to the consideration of a planning application. Such arguments will seldom outweigh more general planning considerations. However, there may be cases where very localised communities are already so imbalanced that the policy objective of protecting a balance is unlikely to be achieved. In these cases owners of Class C3 dwellings may have difficulty in finding a purchaser for continued Class C3 use and may therefore wish to change to Class C4/HMO use. In considering whether to make an exception to the policy and this proposed SPD, in such cases the Council will have regard to:
- Local representations in support or objection from those directly affected by the proposal.
 - The proximity of existing Class C4 uses, larger HMOs or student Council Tax exempt properties where they might be likely to affect the amenities of normal family life (e.g. if there are such uses on both adjoining sides).

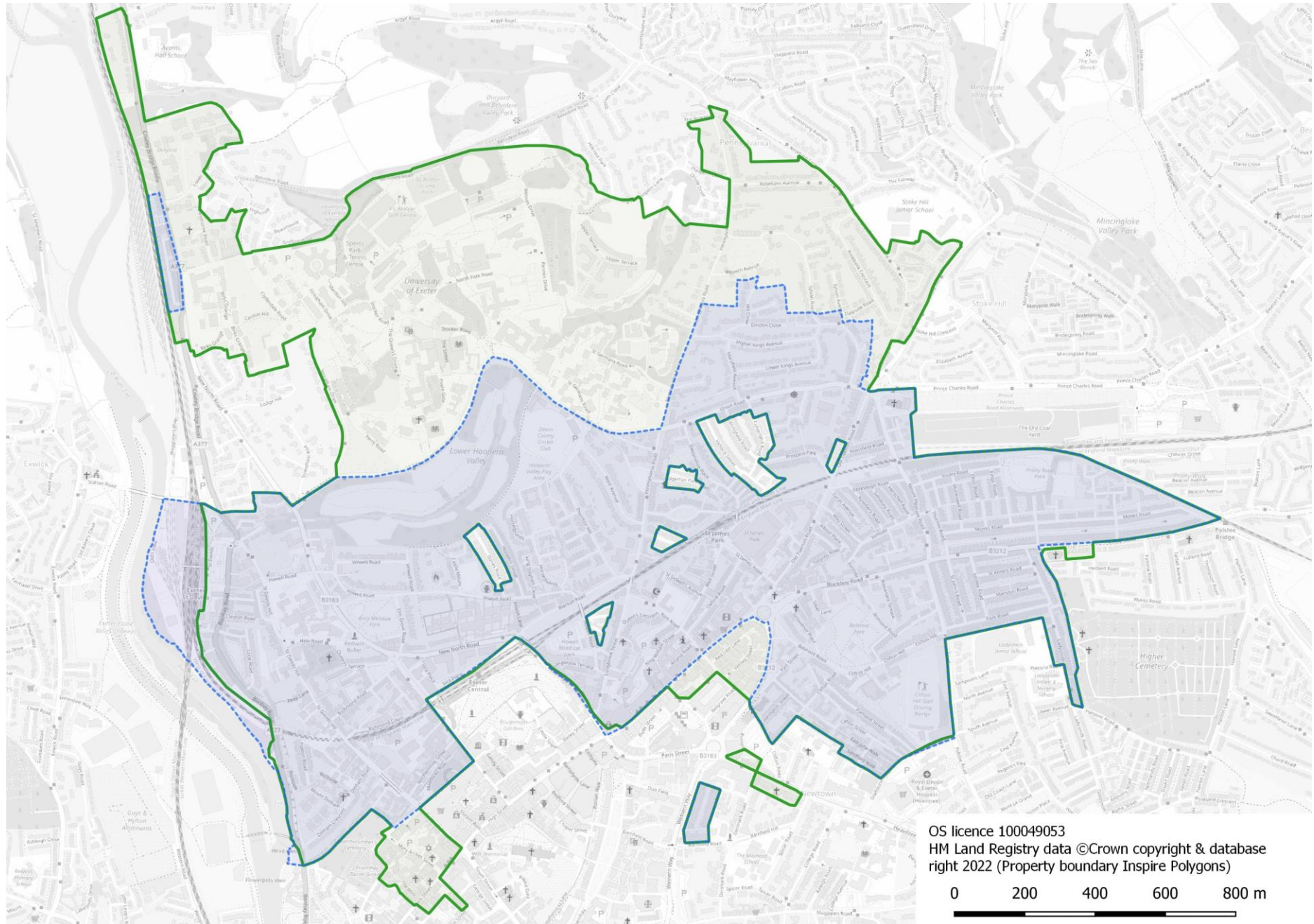
- Any demonstrable difficulty in achieving a satisfactory sale of a property as a Class C3 dwelling.
- Any other circumstances indicating the policy restriction is causing severe personal hardship.

6.2 The Council will continue to monitor HMO licences, PBSA delivery and student Council Tax exemptions in order to consider future changes to the Article 4 Area and this proposed SPD.

7 FURTHER INFORMATION

7.1 *{This section will include details of how to engage with the consultation}.*

Plan 1 – Plans showing the extent of the area covered by the 2014 Article 4 Direction in blue and the extent of the area proposed to be covered by the expanded Article 4 Direction in green



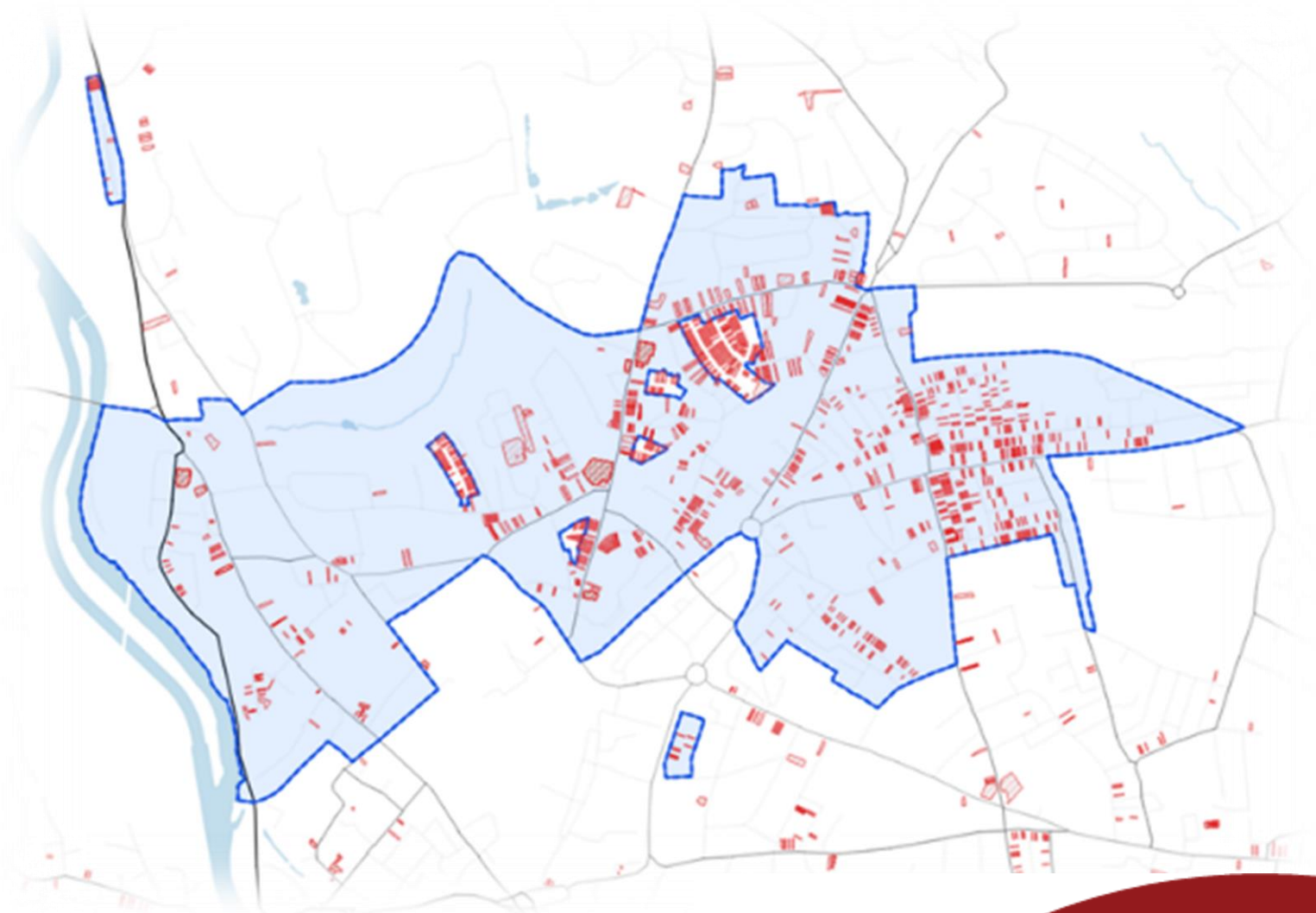


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2022 Review of Houses in Multiple Occupation: Data Update and Options Report

For Exeter City Council

2022-12-30



2022 REVIEW OF HOUSES IN MULTIPLE OCCUPATION: DATA UPDATE AND OPTIONS REPORT

Draft for internal Review: 2022-06-06

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Lead Consultant: Mary Elkington

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Executive summary

- An Article 4 Direction was made by the City Council in 2010 to control the change of use between private residences and Houses in Multiple Occupation (HMOs), reflecting the concern over changes in the character of residential areas close to the University and the potential impacts of continued growth in the university student population. This was supported by a Supplementary Planning Document (SPD) which sought to limit further concentration of HMOs in the Article 4 area and a target in the Exeter Core Strategy (2006-2026, adopted 2012) aiming to meet 75% of the growth in student numbers through purpose build student accommodation (PBSA).
- Between 2010/11 and 20/21 the average annual increase in the number of students **in Exeter** has been around 800 students per annum. The University believes that future growth will be at lower rates, and predicts a slight fall in numbers by 2026/27, although it needs to be noted that this is not entirely within their control. University participation in England has reached highest level and is not likely to rise.
- In mid March 2022 there were 1,385 licensed HMOs in Exeter. The majority of HMOs (1,049) are in the Article 4 area plus 246 in the excluded areas contained within the Article 4 area (e.g. Victoria Street). The remaining HMOs are spread across the city primarily providing housing to low-income single residents or co-housed people meeting specific needs requirements. We estimate there are around 9,100 habitable student bedspaces within HMOs.
- The current rate of new licensing for HMOs is slower than over the previous decade with around 15-20 net new HMOs per annum (accounting for a small number of licences that expire and are not renewed). Most of the currently licensed HMOs are expected to continue to operate as is for the foreseeable future.
- There were around 6,900 households with student Council Tax exemptions in March 2022. The majority were in halls and purpose-built accommodation, but 40% (2,742) were in private rental or HMO accommodation. Student households, including private rental, are spread more widely across the city than the HMO concentration areas.
- There are 65 postcode areas where more than 50% of residential properties are student households. Several areas outside the current Article 4 area have now passed a threshold of 20% of properties being student housing.
- The proportion of households in private rent has increased significantly over the past decade and many Exeter flat shares include graduates and young professionals. Private rental flatshares of around 3 or 4 students will not automatically trigger a mandatory HMO licence and differentiating between a flatshare and an HMO is complex. Discussions with Council officers make it clear that it would be outside the resources and scope of planning officers to investigate financial and physical relationships between housemates.
- The release of 2021 Census data at low level (Output Area) is scheduled for October/November 2022, however this survey may have anomalies, particularly for student populations, associated with COVID lockdown in March 2021. This analysis is based on address base, council tax and licencing records rather than census data to provide a robust assessment.
- Objective assessment of police reports shows no significant relationship between student housing and crime, with the exception of bike theft which is slightly higher in student areas. In relation to the street scene there are issues of inadequacy of waste storage for some HMOs. Noise complaints to ECC Environmental Health feature in the areas of highest student/HMO concentration, however most of these are recorded as temporary noise which can not be acted on.
- Growth in PBSA has come close to the Council's and University's shared target of housing at least 75% of growth in student numbers through growth in PBSA and there has been a significant increase in the number of students in PBSA. PBSA is most in demand from first year and foreign students and older students continue to seek housing in the private rental and HMO market.

- It appears that the Article 4 direction has an impact on the housing market with investors in the sector specifically seeking larger properties near the university but outside the Article 4 area. Some prices for these larger properties are higher based on investment value rather than single family dwelling value.
- Following the data analysis a range of policy and planning options are explored. Modest expansion of the current Article 4 area to include places where the 20% student property threshold has been met is recommended.

1 Introduction

- 1.1 In 2010 Exeter City Council made an Article 4 Direction on an area of the city to restrict permitted development rights from residential dwellings (Use Class C3) to Houses in Multiple Occupation (Use Class C4). A Supplementary Planning Document (SPD) adopted in 2011 clarified the 2005 Local Plan policy which sought to prevent ‘overconcentration’ of conversions from dwellings to Houses of Multiple Occupation (HMOs).
- 1.2 The Core Strategy, adopted in 2012, introduced a proactive focus on meeting growth in student numbers with purpose built student accommodation (PBSA). The following decade saw unprecedented growth in university student numbers in England with Exeter increasingly in demand by domestic and international students.
- 1.3 Figura Planning was appointed by Exeter City Council to update evidence and advise on a further revision of the Article 4 Direction and associated Supplementary Planning Document (SPD) to reflect changes since 2014, when the documents were last updated. The requirements of the brief can be summarised as follows:
- To undertake data collection and analysis.
 - To hold discussions with stakeholders to assess current and future student housing demand and issues.
 - To forecast how the pattern of houses in multiple occupation may change in the future.
 - To prepare a report containing evidence, analysis and policy considerations to inform recommendations to the council.
 - To produce a GIS-based map of the Article 4 area including any updates based on reassessment of evidence and Council objectives.
 - To ensure proposals comply with national and Development Plan policy and with legislation.
 - To assist the council with consultation on draft revisions to the Article 4 Direction and SPD (if required) and to provide further advice to the council arising from the consultation results.

1.1 Methodology

- 1.4 This technical report sets out the evidence analysis. In producing this report, the following approach has been taken:

Street Survey
Walkover Survey in/around university areas to assess street appearance and amenity
Data Analysis and mapping
HMO data
Student Council Tax exemptions
Detailed dwelling information
Calculating concentrations and mapping with comparison to existing Article 4 Area
Review student numbers growth and expectations
Stakeholder Interviews
University
Members / resident representatives
Landlords/Agents
Council Officers (Planning, licensing, etc.)
Policy Review
Effectiveness and Approaches

Legislative context
Local/National Policies

Review alternative approaches & Consider potential policy/strategy options

- 1.5 The following datasets were collected and used in the analysis and details are provided in section 3 of this report:
- Houses in Multiple Occupation Licences from Exeter City Council
 - Council Tax student exemptions from Exeter City Council
 - Energy Performance Certificates which provide information on size and tenure of dwellings
 - Higher Education Statistics Agency (HESA) data on numbers of students and types of accommodation
 - Information on student numbers and forecasts direct from Exeter University
- 1.6 Interviews/discussions were held with stakeholders within the city to get a range of views on the issues. Views or issues raised were considered alongside our objective assessment of the data and these are summarised in Section 5.1 of this report. The following stakeholders were contacted for interview and all responses were followed up with interviews:
- Elected Members local to the Article 4 area and/or with relevant responsibilities.
 - Exeter University and the Student Guild
 - Landlords owning 10 or more HMO licences
 - City Council officers in planning, environmental health and licensing
 - Resident associations and groups in affected areas

Data Quality Notes

- 1.7 Figures and maps in this report are based on data at March 2022. The data analysis was carried out primarily using GIS and database software, with some manual coding and cleaning of property level data. This allowed resolution of data issues such as duplicate addresses and missing or incorrect postcodes.
- 1.8 Information on numbers of students at Exeter University has been obtained both from the university itself and from the Higher Education Statistics Authority (HESA) website. It should be noted that some reported figures for Exeter University student numbers, such as HESA figures, include students at the **Cornwall campus**, though this report has sought to clarify where this is being reported.
- 1.9 **Information provided in this report is a snapshot in time** and overall data may hide nuances such as student terms or years spent outside the city or students leaving mid-course. Likewise, flatshares may frequently change between ‘all student households’ and mixed households of recent graduates and working adults. Year on year comparisons of distribution of council tax exemptions will vary. Since the March 2022 data was received there have been new releases of student data and ECC have updated the council tax status of PBSA residences.
- 1.10 Information from the 2011 census is considered largely out of date due to the local and national growth in university students and the rapid increase of households in private rental. The first data releases from the 2021 Census commenced in late autumn 2021. The 2021 Census uses information obtained during Covid, when many students were at their parental addresses in remote learning. Therefore, any interpretation of that information, as it emerges, may require significant caution in use.

1.11 All maps included in this report contain data that is published under Exeter City Council **OS licence 100049053** (2022) and data which is copyright to the following:

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- OS data ©Crown copyright and database rights 2022
- HM Land Registry data ©Crown copyright and database right 2022 (Property boundary Inspire Polygons)
- Royal Mail data ©Royal Mail copyright and database right 2022.

1.2 Background to current Article 4

1.12 During the early 2000's the University and the Council considered the impact of projected increases in student numbers for University of Exeter students. The University's 10-year plan, published in 2006, suggested that the number of students at the Exeter Campuses was expected to grow by 36% from its then 10,972 students. The government target to dramatically increase student participation, along with the introduction of tuition fees, led to dramatic increases in university student numbers in England from the early 00's onward. In fact, the growth in Exeter student numbers over the 10-year period 2006 to 2016 was closer to 68% rather than 36% with 18,459 students reported for the Exeter Campus in 2015/16.

1.13 To help manage local impacts, the Council introduced Supplementary Planning Guidance (SPG) in 2008. This SPG was based on the Exeter Local Plan 2005 policy H5 Diversity in Housing which sought to restrict conversion of dwellings to flats or HMOs where the proposals would "*create an over concentration of the use in any one area which would change the character of the neighbourhood or create an imbalance in the local community,*" The SPG identified areas where **25% of properties** were student households exempt from council tax and clarified that "**All forms of additional student accommodation that require planning permission will be resisted in these areas.**" Note that an SPG was a relatively informal statement of planning policy which should not be confused with a more formal SPD.

1.14 At the time to SPG was written, no consent for an HMO was required unless there were more than 6 students living together. Figure 1-1 shows the concentrations of student housing at that time. Up to 6 students sharing a dwellinghouse were considered C3 residential in common with most non-institutional residential.

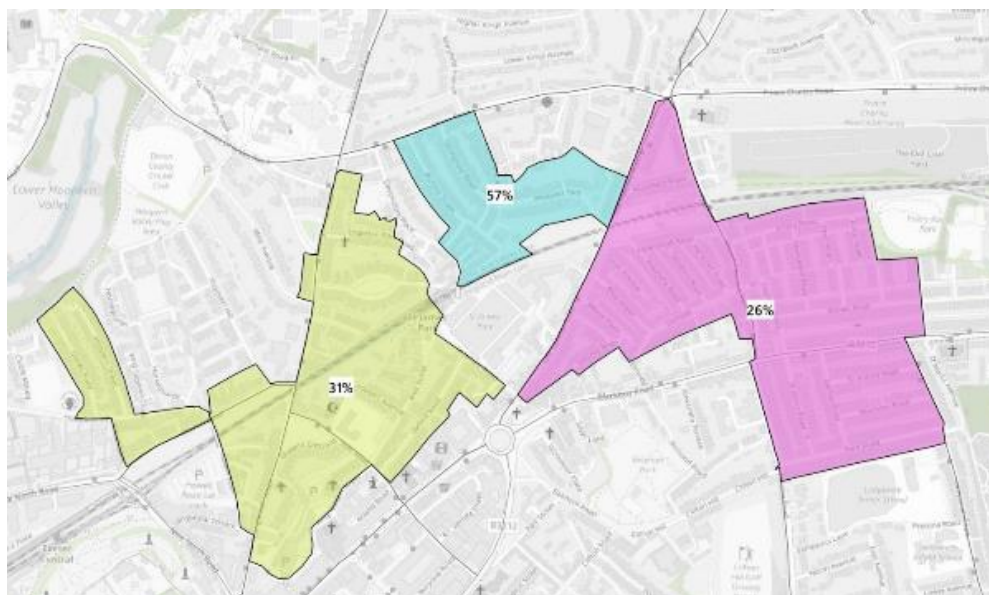


Figure 1-1 From 2007/8 SPG - percentage of student council tax exempt properties 2007

1.15 In March 2010 a use class for Houses of Multiple Occupation was introduced¹ with the following definitions:

- Class C3. Dwellinghouses
Use as a dwellinghouse (whether or not as a sole or main residence) by—
(a) a single person or by people to be regarded as forming a single household²;
(b) not more than six residents living together as a single household where care is provided for residents;
or
(c) not more than six residents living together as a single household where no care is provided to residents (other than a use within Class C4).
- Class C4. Houses in multiple occupation
Use of a dwellinghouse by not more than six residents as a “house in multiple occupation”. Class C4 does not include a converted block of flats to which section 257 of the Housing Act 2004 applies but otherwise has the same meaning as in section 254 of the Housing Act 2004.
- HMOs housing more than 6 residents are “sui generis” and do not have a use class, and licencing for these is mandatory.

1.16 It is important to recognise that the definitions and regulations of HMOs under housing and licencing legislation differ from those in planning. This report focuses on provision of HMOs and student housing in relation to planning in general and the Article 4 designation in particular. Applying for an HMO licence does not require the property to have planning consent, though a planning consent for HMO will likely include a condition requiring valid licencing.

1.17 Following government consultation, a change to the General Permitted Development Order (1995), effective September 2010, created permitted development rights to convert a C3 dwellinghouse to an HMO without the need for change of use planning permission. The council undertook

¹ Use Class Order 1987 as amended UKSI 2010/653

² Single Household is defined in the Housing Act 2004. Section 3.3 of this report discusses issues of identifying households in Shared Rentals vs HMOs.

assessment and consultation on the potential for an Article 4 direction to remove these new permitted development rights for conversion of residential properties to HMOs. The Article 4 was drafted based on a boundary that included many areas where Council Tax exemptions were in the range of 10-20% or lower but were considered to come under future pressure if the University population continued to expand.

1.18 Following this consultation, the current Article 4 direction was made in 2014 based on the assessment of streets and subareas where there were a high percentage of student households. This was confirmed for the broad area **subject to the removal of areas which already had high concentrations and the character of the area was fundamentally student housing**. The excluded areas were identified as

- Culverland Road
- Danes Road
- Edgerton Park Road
- Hillsborough Avenue
- Mowbray Avenue
- Old Park Road
- Springfield Road
- Victoria Street
- Wrentham Estate

1.19 The current Article 4 map is shown in figure 1-2.

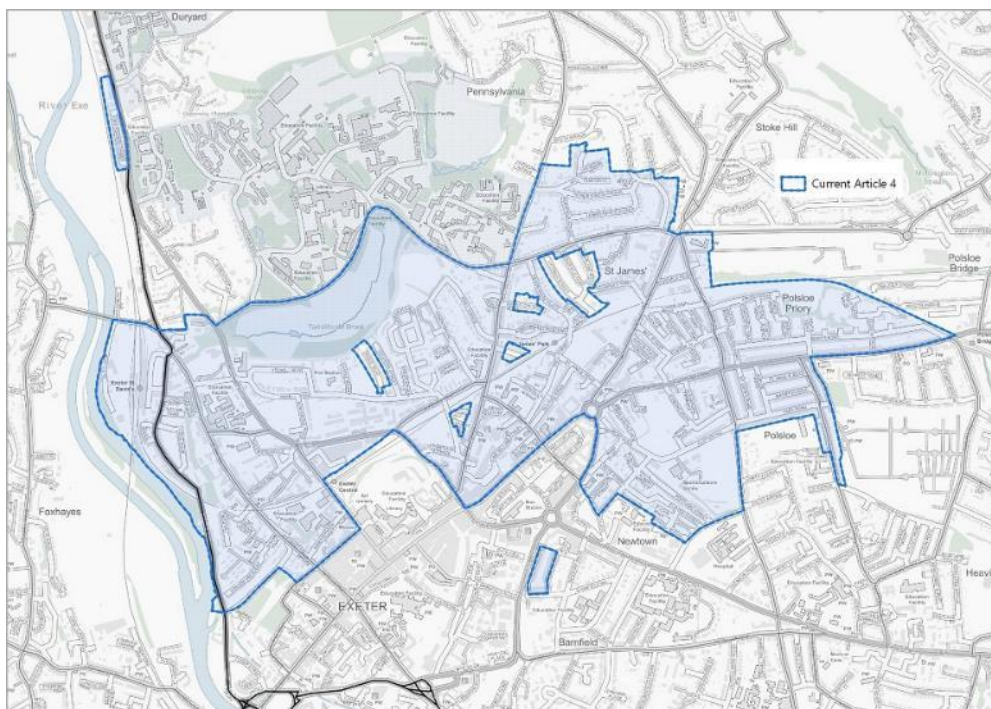


Figure 1-2 Current Article 4 area

2 Student numbers including recent trends

2.1 Student Numbers

2.1 The information provided by the University of Exeter for this report gives a figure of 27,276 full time equivalent students based at the Exeter campuses for the academic year 2021/22. This is different from general information provided by the Higher Education Statistics Authority (HESA) which is often reported in the press for reasons including that the HESA data **includes students based at the Cornwall Campus**.

2.2 Over recent years around 4% of students are part time (often mature students) and around 3.5% of students live at the parental home.

Table 2-1 FTE Student numbers in Exeter provided by UofE

Academic Year	Exeter Students	Less Live at home and Part Time
16/17	19,430	18,182
17/18	20,058	18,844
18/19	20,809	19,509
19/20	22,360	20,792
20/21	24,586	22,610
21/22	27,276	25,084

2.3 Around 25% of students enrolled at Exeter are graduate students (including taught students, research posts, mature students and PhD candidates) (HESA). Often these graduate students are members of more mature mixed households which do not appear as student council tax exempt and may be found across the city and neighbouring districts more generally.

2.4 General information on the types of accommodation of Exeter University students can be obtained from the HESA. A summarised version of the information is contained in table 2-2 below. The detailed numbers would differ from the figures above as the reported data **includes students based at the Cornwall Campus** (data not provided separately by HESA) and are for **full time students** only.

Table 2-2 HESA student accommodation data for University of Exeter (includes Cornwall)

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
PBSA (University)	26.0%	18.5%	24.5%	25.3%	24.2%	22.7%
PBSA (Private)	9.4%	14.7%	9.2%	7.9%	9.7%	9.9%
Parental/guardian home	2.8%	3.0%	3.0%	3.1%	3.4%	6.6%
Own residence	12.6%	13.5%	14.2%	14.4%	14.5%	16.8%
Other rented	42.7%	44.5%	44.3%	43.9%	43.8%	39.0%
Other	2.8%	2.5%	1.8%	2.3%	2.3%	3.4%
Not in attendance	3.7%	3.3%	3.1%	3.1%	2.2%	1.5%

- 2.5 Short term lets (which HESA call “other rented accommodation”) are temporary arrangements such as a yearly house share and would include student HMOs as well as ad hoc flat shares. Own residence includes a student’s permanent residence, which may be owned or rented by them. Parental homes include guardianships. The figures for students not in attendance include students who, for example, are on work placement or a language year abroad.
- 2.6 Based on data and interviews, the typical HMO resident is a 2nd or 3rd year undergraduate from the UK. Graduate students generally prefer private rentals for 1 to 3 people with standard tenancies though foreign students beyond first year may still prefer PBSA. The key factor in demand is easy walking or cycling access to the university.
- 2.7 From the HESA data there is a very clear pattern of first year students being accommodated in PBSA, while for students from 2nd year onward other private rental (including HMOs and flat shares) is the most common tenure. Over the past 6 years an average of 68% of first year students were accommodated in PBSA.

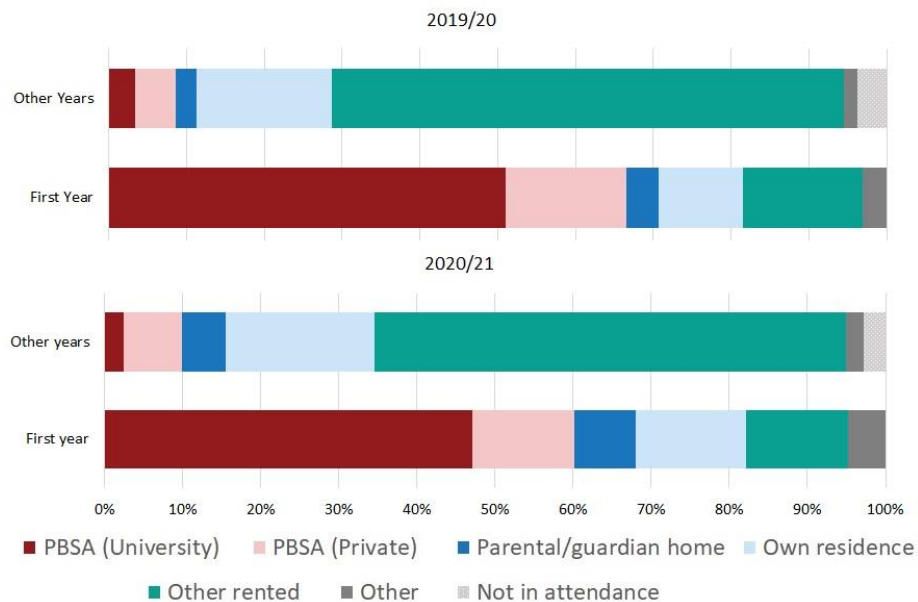


Figure 2-1 University of Exeter students by accommodation type (HESA data)

- 2.8 Using the University’s figures and looking over a longer time period, between 2010/11 and 2020/21 the long-term average annual increase of FTE students in Exeter has been around 800 students per annum. The 21/22 academic year in take was higher than anticipated as the covid-adjustment to A level results caused a larger than expected number of offers being taken up. It is expected that as these students complete studies student numbers will level off.

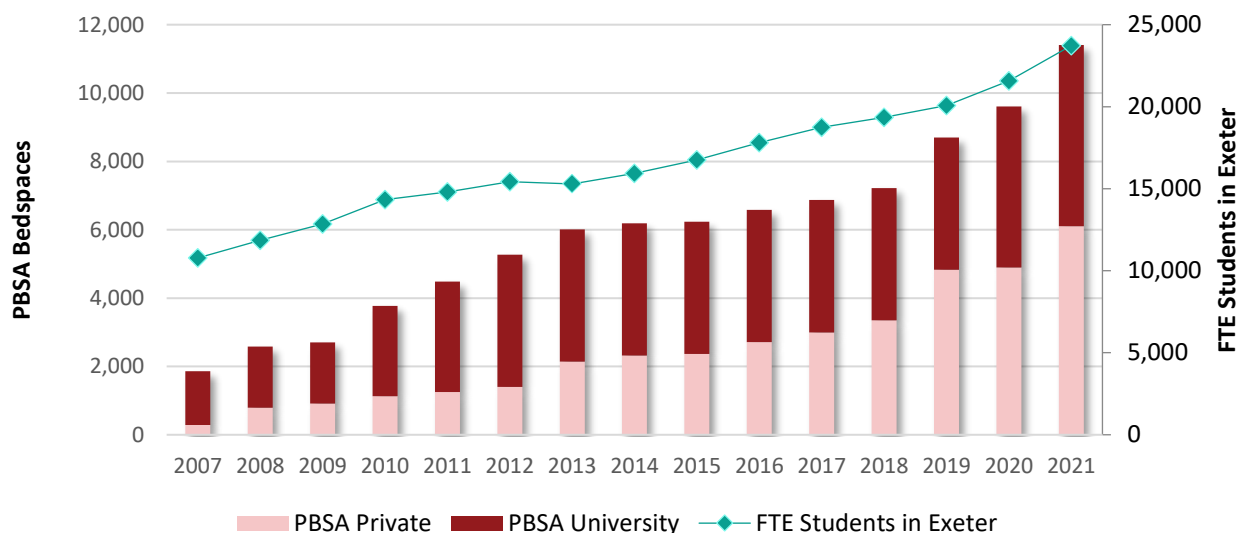


Figure 2-2 Growth in student numbers & accommodation (U of Exeter Estates Team)

2.3 PBSA growth targets

- 2.9 The Exeter Core Strategy 2006-2012 (adopted 2012) set a challenging requirement that 75% of any growth in student numbers should be accommodated in purpose-built accommodation. At that time (2006/2007) 33% of students were housed in PBSA. This target has been carried forward through Council position statements and planning decisions. The focus of the HMO Supplementary Planning Document is on management of conversions of HMOS. Since the Core Strategy introduced the target, PBSA delivery increased significantly and most of the growth in student numbers has been matched by growth in PBSA bedspaces. As at March 2022 there were close to 12,500 PBSA bedspaces available with additional ca 1,600 bedspaces with planning consent.

2.3 Future Prospects: Possible changes in student numbers

- 2.10 Forecasting student numbers is not straightforward, and numbers are influenced by things outside the University's control including demographics, exam performance and student finance. Overall participation in higher education has increased dramatically in the last half century – it was 8.4% in 1970, 19.3% in 1990, 33% in 2000, and 50.2% in 2018 (Figure 2-3). The Higher Education Initial Participation rate now stands at 57% of school leavers. This is among the highest of the OECD nations where the highest rate internationally is 60%³. Economics and demographics are key drivers for home students.

³ <https://data.oecd.org/eduatt/adult-education-level.htm>

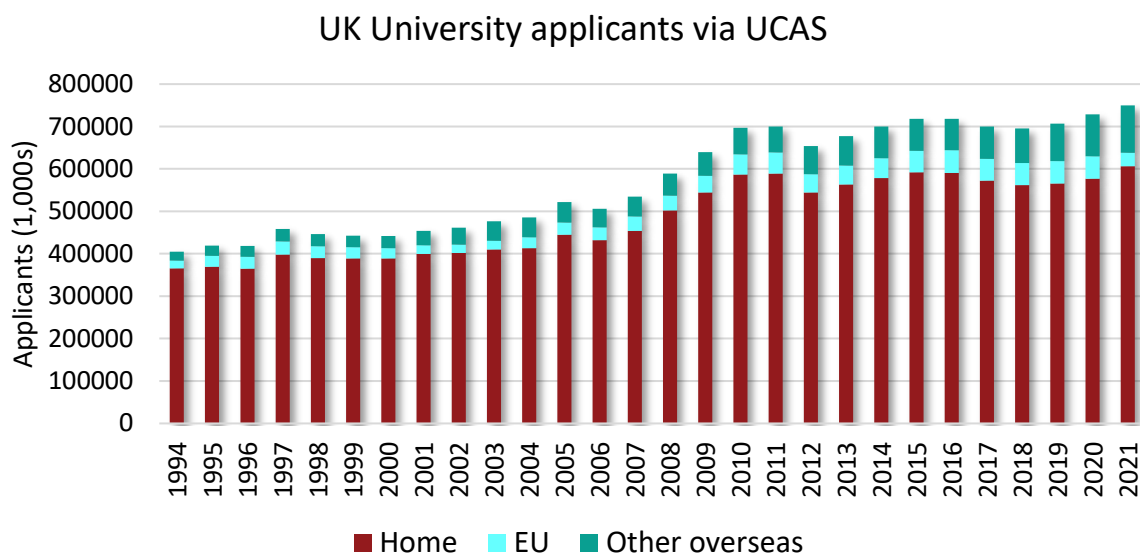


Figure 2-3 UK University Student Growth

- 2.11 From 2021 new EU students faced higher fees and were no longer eligible for fee loans – with that year showing an unsurprising 40% fall in applications from EU students⁴. It is unclear to what extent there will be growth in demand from other overseas students though some is likely. Uncertainty in funding for students and for research (in the post-EU/Horizon environment) may in time lead the University to accept higher numbers of overseas students.
- 2.12 Whilst there was a significant increase in student numbers during the 00s and Exeter remains very attractive as a city and among the Russell Group universities it is unlikely this level of increase will be sustained going forward. At the time the Core Strategy was being prepared (2009-2012), the University of Exeter projected it would have just over 16,000 full time students living away from home in Exeter by 2025/26. This was a significant under-estimation, but the impact of the 00's higher education reforms were underestimated by many.
- 2.13 The university is planning for a levelling off of student numbers in the coming years though as noted some issues are outside the University's control. Landlords interviewed indicated there has been no softening in demand for student flats and HMOs as a result of increases in PBSA. Some landlords noted that the PBSA rooms being new and high quality resulted in raising student expectations for quality in HMOs as well.

⁴ <https://commonslibrary.parliament.uk/research-briefings/cbp-7857/>

3 Current Student Accommodation

3.1 This section provides the current picture of student accommodation considering licensed HMOs, PBSA (university and private), and other properties with student household council tax exemptions (primarily private rental). In analysing data we have worked where possible from property addresses and aggregating to postcodes as this is the finest level or granularity for data. This is more precise than referring to street names and can be aggregated further. This section is organised as follows:

- HMO Analysis
- Student Households: Council Tax Exemptions and PBSA
- Role of Private Rental Sector

3.1 Houses in Multiple Occupation

3.2 In mid March 2022 there were 1,385 licensed HMOs in Exeter. The majority of HMOs (1,135) are in the Article 4 area plus 246 in the excluded areas contained within the Article 4 area (e.g. Victoria Street). In total 12.2% of the residential addresses in the defined Article 4 area were HMOs. Only 1 HMO licence was for a new build residential dwelling (a redevelopment of large terrace in St Thomas). Just under 1,000 of the HMOs had filed student household council tax exemptions implying around 25% were either not all student households or were not claiming exemption.

3.3 Figure 3-1 provides an overview of the of locations of HMOs across the central area of the city. Figure 3-2 provides a more detailed property-level view of areas of HMO density. Unsurprisingly, some of the highest density areas are around those areas exempted from the Article 4, as the character there has been essentially ‘student quarter’ housing.

3.4 In addition to the city centre area, there are around 50 additional licensed HMOs scattered across the city’s residential areas. Many of these are for low-income single people in housing need. Brief investigation also shows several of these to include specialist accommodation for groups in need. These can include for example:

- Co-living adults with physical or development difficulties
- Women and children requiring respite and safety from domestic abuse
- Post-rehabilitation adults requiring supervision
- Care leaving young adults being supported in transition to independence

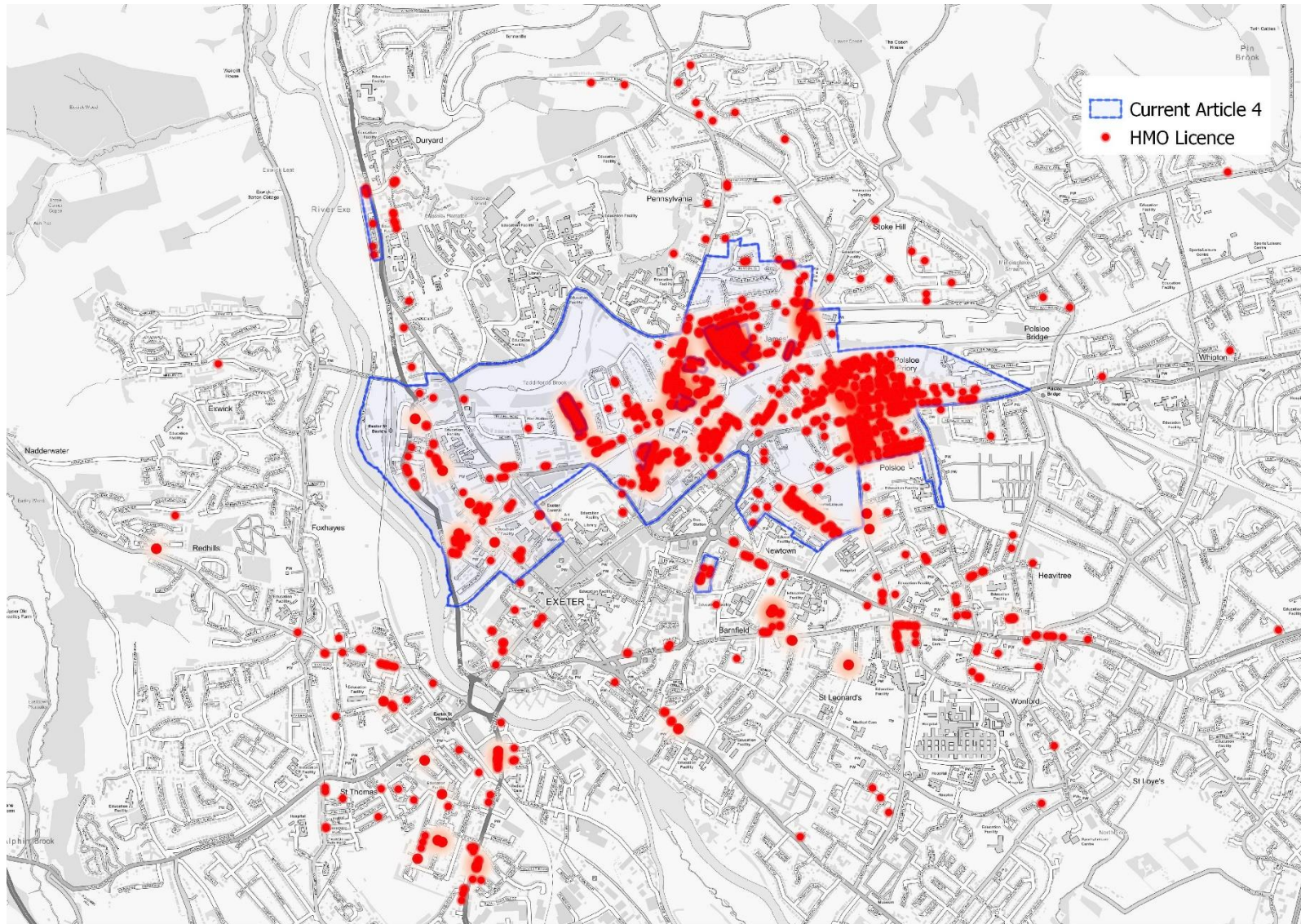


Figure 3-1 Location of HMO licences in the city centre area

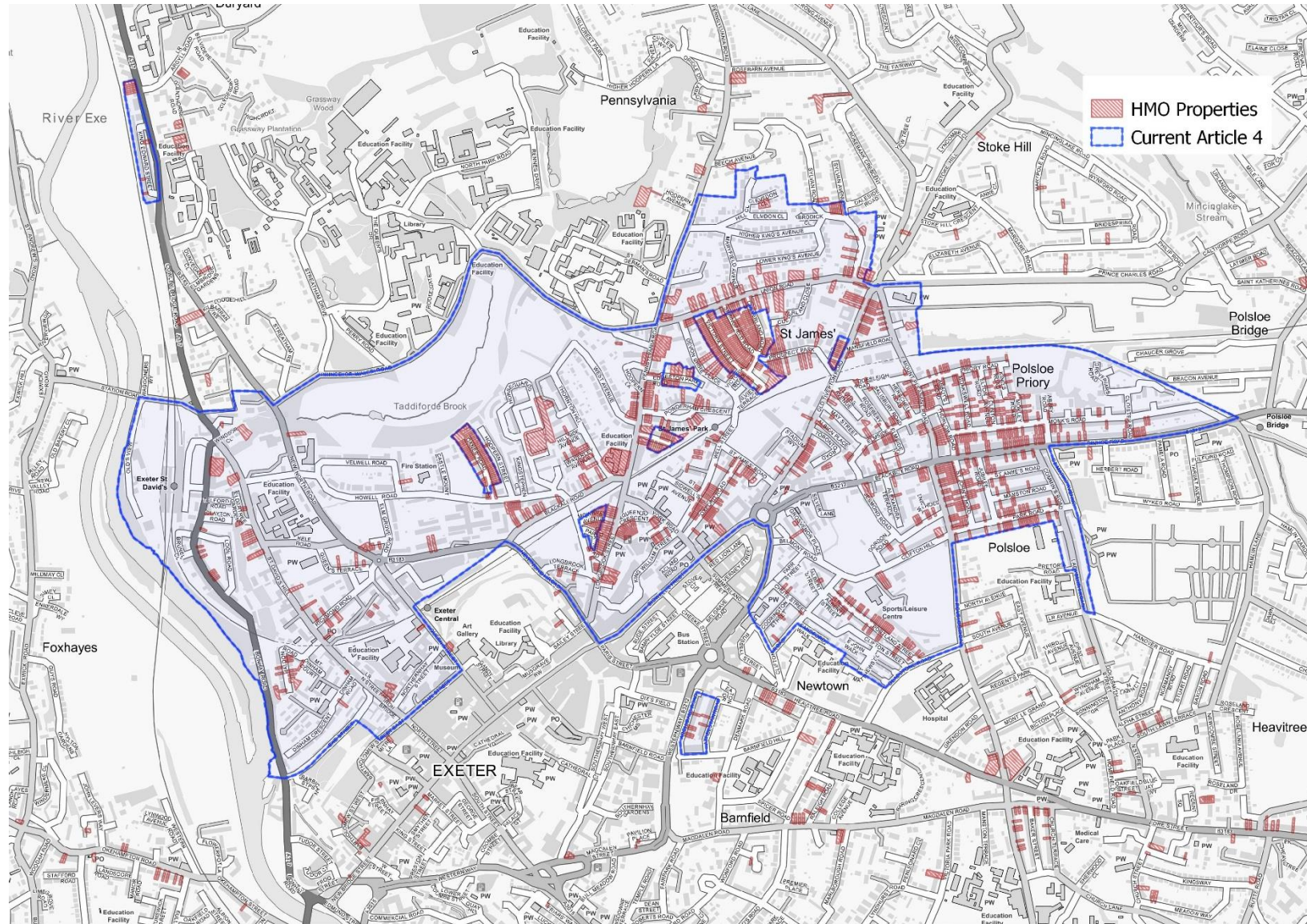


Figure 3-2 Distribution of HMO properties across core Article 4 area

Student Population in HMOs.

- 3.5 By combining HMO Licensing data with Energy Performance Certificates (EPC), information on the dwelling size and number of rooms can be obtained for 1,104 of the 1,386 licensed HMOs, which is very good coverage. The average internal floor area of an HMO was 141m² with an average of 7 “habitable rooms”⁵. The vast majority - 81% - of the HMOs had 6, 7 or 8 rooms. A review of property advertisements shows a mix of properties, many with kitchens, baths and bedrooms only and some which also have communal living/reception/dining room.

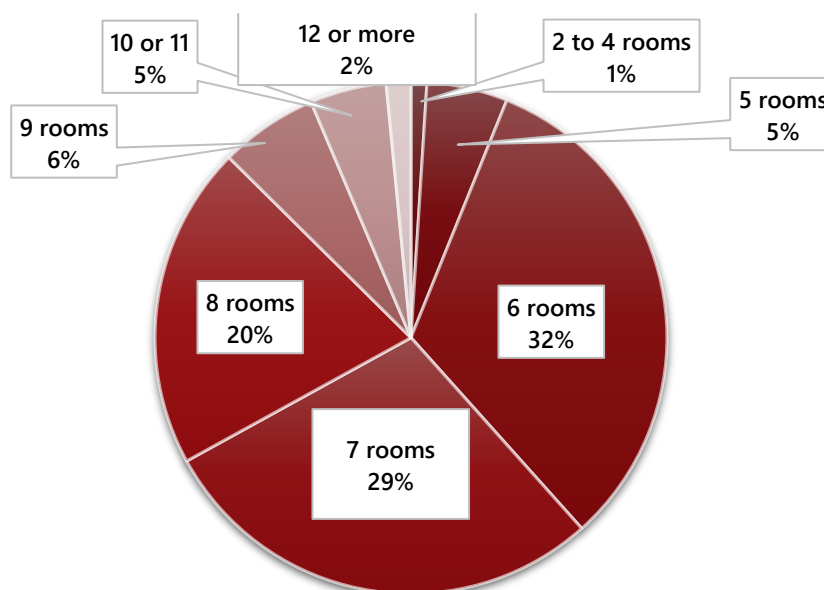


Figure 3-3 Distribution of num. habitable rooms (includes reception rooms)

- 3.6 Assuming around 1,300 HMOs are student households with an average of 7 bedspaces per HMO, **we estimate there are around 9,100 habitable student bedspaces within HMOs.** Interviews with landlords note high occupancy. Anecdotally, some students move on during the academic year (either to new living arrangements or because they leave university) but continue to pay rent through the standard contract period. Most HMO tenancies run 50 weeks providing a two-week period to refresh decoration and furnishings as needed.

Growth in HMOs

- 3.7 During the first year of data (2006) there were 573 HMOs licensed. The vast majority of these, more than 90%, remain as licensed HMOs. Most currently licensed HMOs have been extant for 10 years or more. The existing stock of licensed HMOs will not be affected by any changes to the Article 4 direction area or planning policies.
- 3.8 While growth in HMO licensed properties may not have involved a straight-line trajectory, it can be calculated that since 2006 the stock of HMOs has grown by about 50 per year on average. The current growth rate appears to have slowed during the last decade and is now significantly slower –

⁵ EPCs exclude from “habitable” any room used solely as a kitchen, utility room, bathroom, cloakroom, en-suite accommodation and similar and any hallway, stairs or landing; and also any room not having a window.

the ECC licensing team reports a fairly steady level of around 20-30 new applications for HMO licences per year. Assessment of the data indicates that on average around 10 HMO licences expire each year and are not renewed, **suggesting net annual growth of around 20 HMOs per annum.**

HMO Landlords

- 3.9 During the preparation of this report social media comments on Exeter HMOs and foreign ownership were noted. As data were available, an analysis of HMO ownership was undertaken. There are around⁶ 793 HMO Licence holders ('licensees'). The majority are individual landlords with 67% holding one property licence and another 16% holding two.

Table 3-1 Profile of number of licences held

Number HMO Licences held	Frequency	
1	474	67.3%
2	112	15.9%
3	47	6.7%
4	30	4.3%
5	11	1.6%
6	8	1.1%
7	2	0.3%
8	3	0.4%
9	1	0.1%
10 or more	16	2.2%

- 3.10 Other than the few corporate owners most licensees are held by people from the Exeter area who own one or two properties, with a few local families owning 5 or 6. The top two licensees are corporate owners Student Cribbs Ltd and RSJ Investments Ltd (West London based):

Table 3-2 Location of HMO License Holders

LICENSEES address	Num HMOs
EX Postcode	815
TQ & PL postcodes	108
Student Cribbs Ltd	90
Surrey	56
Dorset & Bournemouth	42
West London	32
London other	19
London NW	18
Overseas	16

- 3.11 Of the more than 1,300 current HMO licences just 16 are owned by individuals with overseas addresses. Around 60 HMO addresses appear in the Land Registry's Overseas Companies Ownership database with one Jersey-based investment holding around 50 properties (Student Cribbs Ltd is the licence holder). Most overseas individual licencees have held the properties for a long time and these individuals may have relocated from UK for work or retirement and kept the property as income or hedge against price rise when they return home.

⁶ Different family members hold licences but we have taken people of the same family name living at the same address as one licence holder.

3.12 Discussion with the ECC licensing officers confirms that occasionally HMOs are owned by parents of students at the University seeking to subsidise student costs. Anecdotally, other HMO owners include people who have inherited family properties.

3.2 Council Tax Exemptions & PBSA

3.13 There were 6,900 Council Tax Exemptions (available to households containing 100% students) in Exeter in March 2022. These were manually cross checked to identify those in PBSA (either University Halls or Private developments) as there was some inconsistency in reporting PBSA for student council tax exemptions. The majority of council tax exemptions were for those in PBSA, but 40% were in private rental or HMO homes. Note that these figures are for properties and not bedspaces or numbers of students.

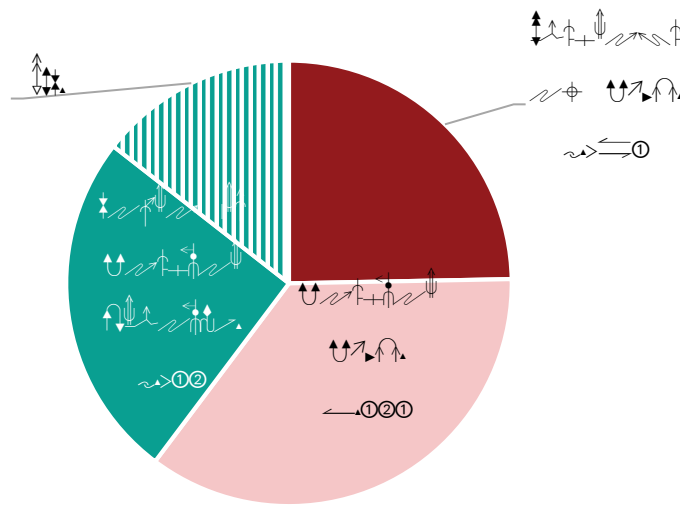


Figure 3-4 Type of accommodation for council tax exemptions reported March 2022

3.14 Given that there are around 1,380 licenced HMOs but only 997 student council tax exemptions for HMO properties, this implies that around 390 registered HMOs are not student accommodation (or at least not exclusively so). The HMOs that are not student council tax exempt include those outside the city centre (non student) and presumably some with a mix of students and working residents. A few licenced HMOs within PBSA developments did not appear to have individual student council tax exemptions, but may be reported differently.

- 3.15 Based on various Council reports⁷, the following illustrates growth in student Council tax exempt properties (both in the general housing stock and PBSA):
- 1,184 in 2006
 - 2,417 in May 2011
 - 2,711 in May 2013
 - 6,900 March 2022
- 3.16 Council Tax exemption figures given are slightly different from the data reported to DLUHC in 20/21. This may reflect short term changes during the Covid-impacted academic year or the difference between October reporting and May given that students may take several months from the start of the academic year to confirm flat share arrangements and submit council tax exemptions. The data reported to DLUHC for October 2021⁸ showed 6,479 properties receiving student exemptions for council tax.
- 3.17 Mapping of student council tax exemptions by postcode shows a wider spread across the city than for HMOs. Fig 3-5 shows areas with 2 or more student council tax exemptions. There are many isolated student council tax exempt properties across the city, many remote from the city centre. One may assume that these do not fit the standard undergraduate profile.

⁷ Exeter City Council Planning Member Working Group Report: Student Accommodation. 18 October 2022.

⁸ <https://www.gov.uk/government/statistics/council-taxbase-2021-in-england>

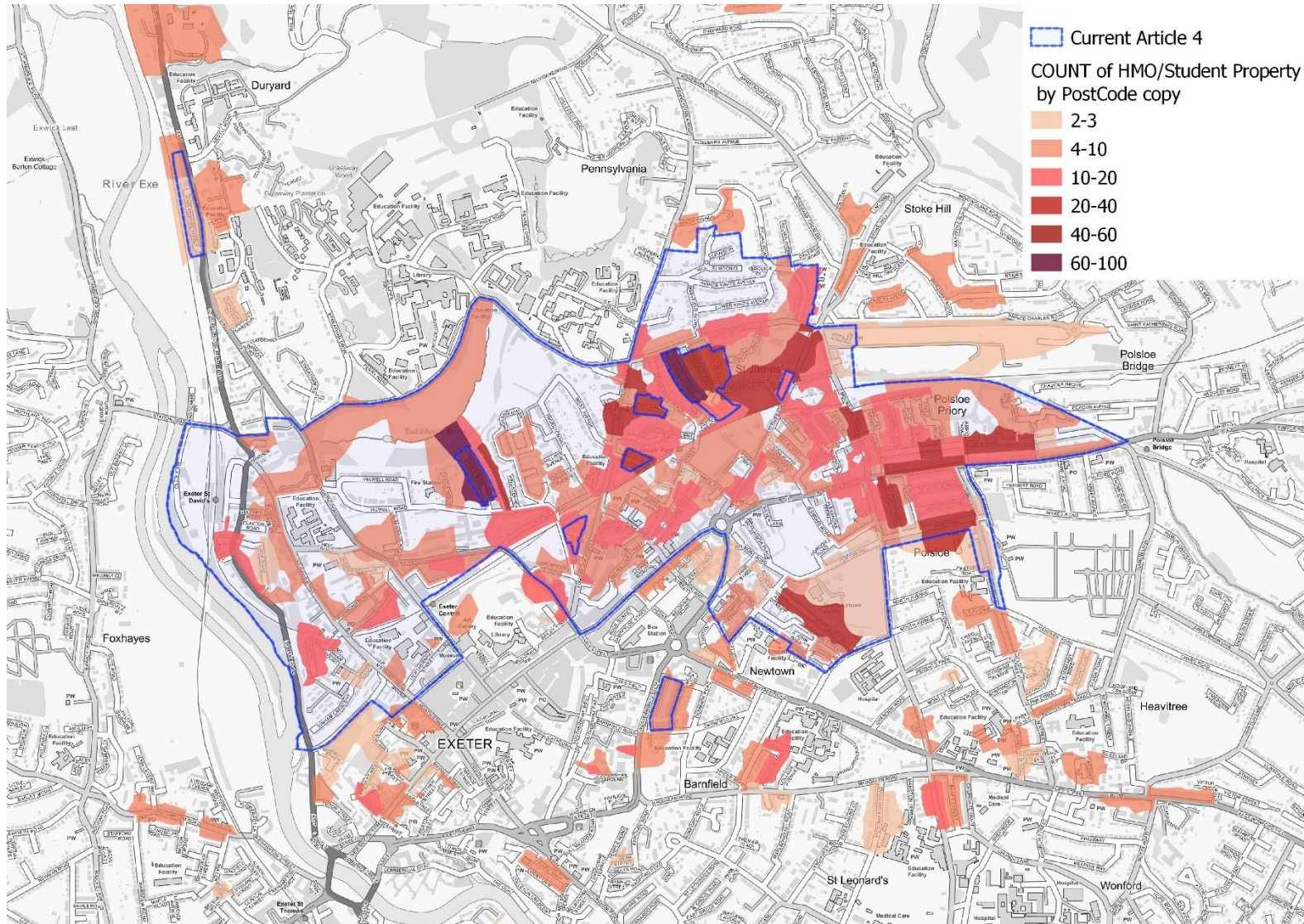


Figure 3-5 Count of council tax exemptions by postcode.

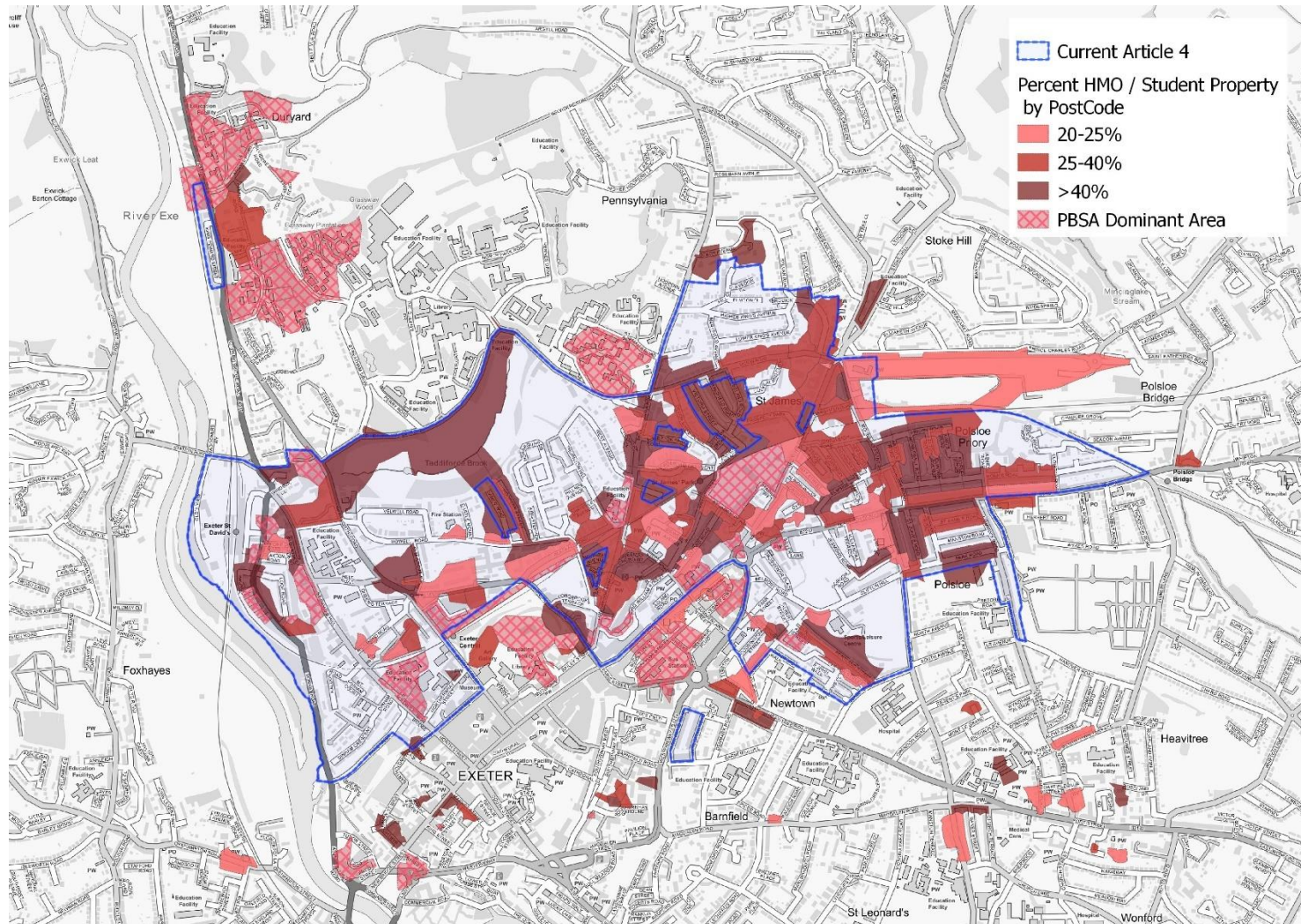


Figure 3-6 Postcodes where 20% plus properties are student CT exempt.

3.18 As the basis for the existing Article 4 and SPD is a threshold of 20% or properties in an area being student Council tax exempt it is useful to illustrate where that target is exceeded. Figure 3-6 shows these areas mapped to the smallest geographic level (postcode). Areas of high levels of student housing are concentrated around the city centre and current Article 4 area. Some postcodes are predominately commercial with only a few residential addresses, and this impacts the mapped data. Section 6.2 of this report discusses alternative geographies for mapping thresholds.

PBSA Targets

3.19 With more than 12,000 student bedspaces in PBSA and reports of very high occupancy (ca 90%), it is clear that not all PBSA households are registering student tax exemptions. Some of this is due to lag times in registering (for recently completed flats) or bulk administration arrangements.

3.20 Figure 3-7 illustrates clusters of PBSA across the city by size.

3.3 Broader role of Private Rental

3.21 The number of households in private rental has increased nationally, and the 2021 census will provide a more complete picture⁹. Around the City Centre flat shares and private rental homes are not limited to students. These are the same areas being sought after by young professionals who are critical to the area's "knowledge economy" and university staff, including early career researchers and lecturers and their young families, who wish to be within easy active travel to the University.

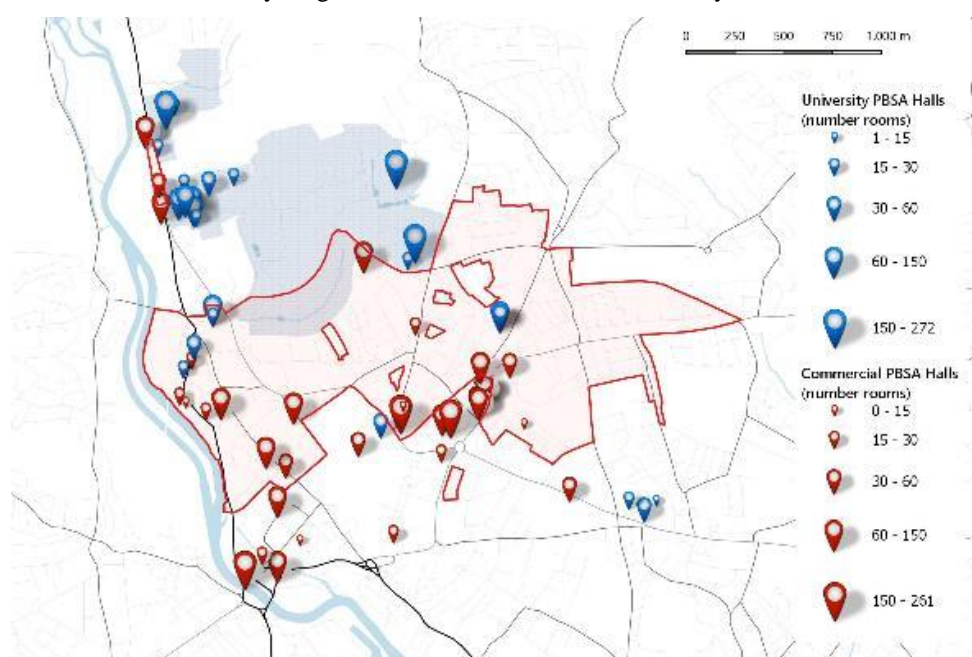


Figure 3-7 Locations of PBSA blocks

⁹ **Update:** recently released 2021 census shows 13,107 households in Exeter in Private Rental, somewhere around 15% of which are student households. In 2011 21% of Exeter households were in private rental; 25% in 2021.

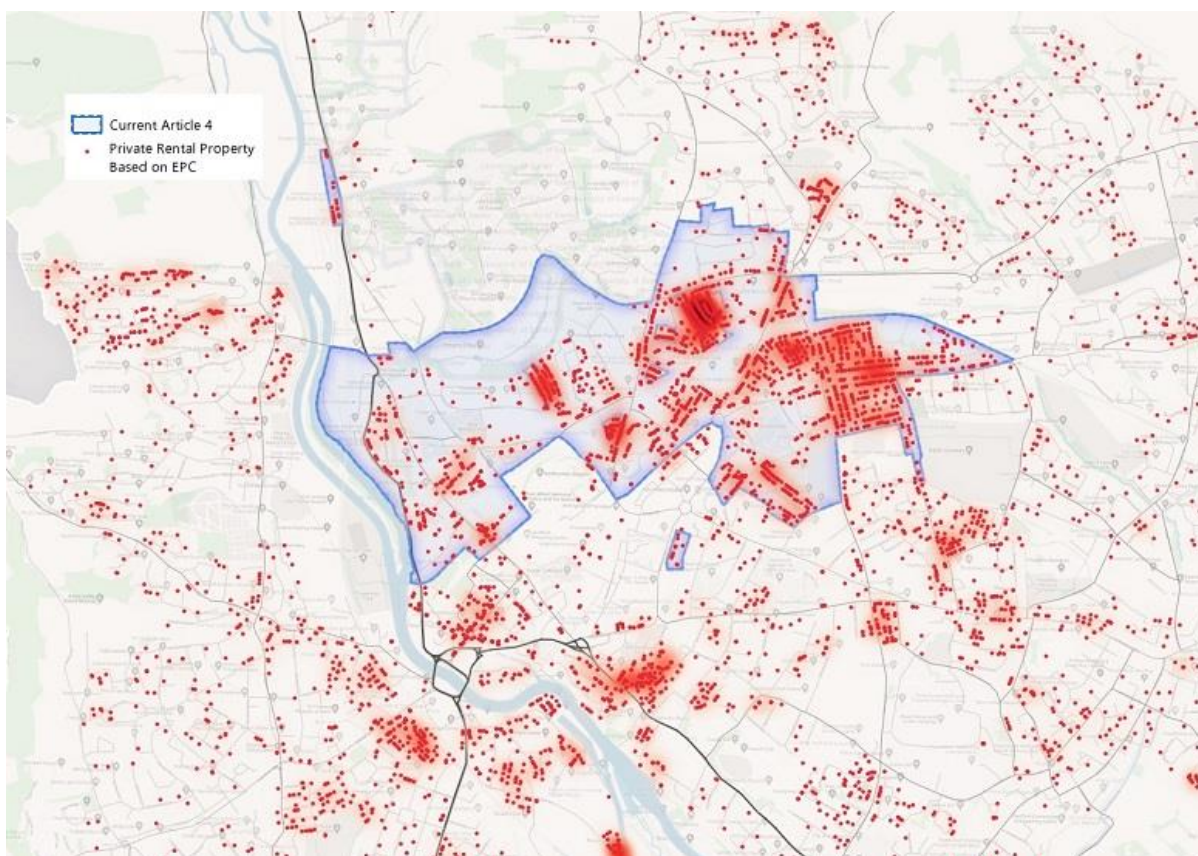


Figure 3-8 Locations of Private Rentals (EPC data 2011-21)

- 3.22 Energy Performance Certificates (EPCs) are required for any privately rented dwelling, and mapping these provides a picture of areas of private rental in relation to student housing areas (figure 3-8). In Exeter there are areas where private rental is increasingly the dominant tenure, but with around 6,000 private rentals, and only 2,700 student council tax exemptions (outside PBSA) it appears that less than half of the private rentals are to student only households. Introducing controls in Private Rental, or extending licensing requirements for smaller households would introduce an unreasonable administrative burden for the council.
- 3.23 Figure 3-9 illustrates an area with many HMOs where there are also a large number of non-HMO rental properties. As noted earlier, many HMOs and some private rentals support low income working households. A York University / Nationwide Foundation report on private rental noted that non-student HMOs generally provided accommodation to more vulnerable and economically excluded tenants¹⁰.

¹⁰ <https://www.york.ac.uk/chp/news/2021/rented-sector-supply/>



Figure 3-9 Illustration of relationship between HMOs & private rental properties

Shared Rentals vs HMOs

3.24 Differentiating between a flat share and an HMO is complex. Regulations are clear that a standard residential dwelling is for up to 6 people in one household (or an owner’s household and a few lodgers). What constitutes a household is nuanced and whether there has been a material change of use from a standard residence (planning class C3) to HMO resulting from the number of people in the house¹¹ is a “matter of fact and degree” and subject to interpretation. Court cases have explored the nature of relationships defining living together as a single household and have noted that being a shared residence due to need of accommodation still leaves scope for a closely knit peer group to be living as a single household. Discussions with Council officers make it clear that it would be outside the resources and scope of planning officers to investigate financial and physical relationships between housemates.

3.4 Analysis: Expansion of HMOs, Dwelling Size and Private Rental Sector

3.25 Some housing areas perceived as being high in HMOs are in fact areas of primarily private rental/student rental, and there has been growth in private rental across all household types (working adults, families with dependent children, etc.). Students in private rentals are factored in to decision making for student housing through inclusion of all households with council tax student exemptions.

¹¹ The appeal decision for an additional tenant at Hoopern Street in June 2022 ([appeal ref: 3293554](#)) provides an example of some considerations related to such a case.

- 3.26 Interviews with HMO licence holders showed some HMO landlords own both HMO properties and rental flats/houses, often with 3 students sharing. Landlords report that present market prices for HMOs are around £100-120k per bedroom for HMO opportunities (£600-850K per property). The current Article 4 limit means some landlords and investors actively seek larger properties outside the Article 4 area for conversion to HMOs whilst others only buy within the Exclusion areas as they prefer to operate in predominantly student areas.
- 3.27 Landlords seeking to expand their offering noted that they seek to purchase homes just outside the Article 4 area. Leapfrogging can result, pushing some students further out which creates more commuting problems. They note that prices of dwellings move sharply upward when they reach the size threshold suitable for conversion. A brief review of land registry transactions from Jan 2012 to Jan 2022 seems to bear this out, though a full analysis of sales on a house type and £/m² basis would be required to confirm this.
- 3.28 Licenced HMOs sell at prices geared to the yield and return rather than the as a dwelling/capital asset. Quantifying the housing market details is outside the scope of this work, but based on conversations and spot checks of sale details from recent sales, there is some indication that the Article 4 designation has an impact on property prices.

Private Rental and Dwelling Size

- 3.29 A number of areas in, within and near the Article 4 area feature high numbers of private rentals that are not likely to convert to HMO due to their size. Conversion to an HMO only makes economic sense where a dwelling is large enough to provide at least 5 or 6 bedspaces whilst meeting minimum room size requirements.
- 3.30 The following example (figure 3-10 and 3-11) illustrates the impact of dwelling size. This is one of the “student areas” excluded from the Article 4 area (Hillsborough Avenue). This shows that most of the larger properties have HMO licences (these having an average internal size of around 158m²). The other properties have permitted development rights to convert to HMOs but with an average size of around 100m² are not suitable for HMO and are simply offered as private rental dwellings for flat share for a smaller group of roommates. The few properties in this exclusion area not showing as rental or HMO, appear to be subdivided into separate flats (based on VOA Council Tax records and leasehold sales through land registry).



Figure 3-10 HMOs in Article 4 exempt area Hillsborough Avenue

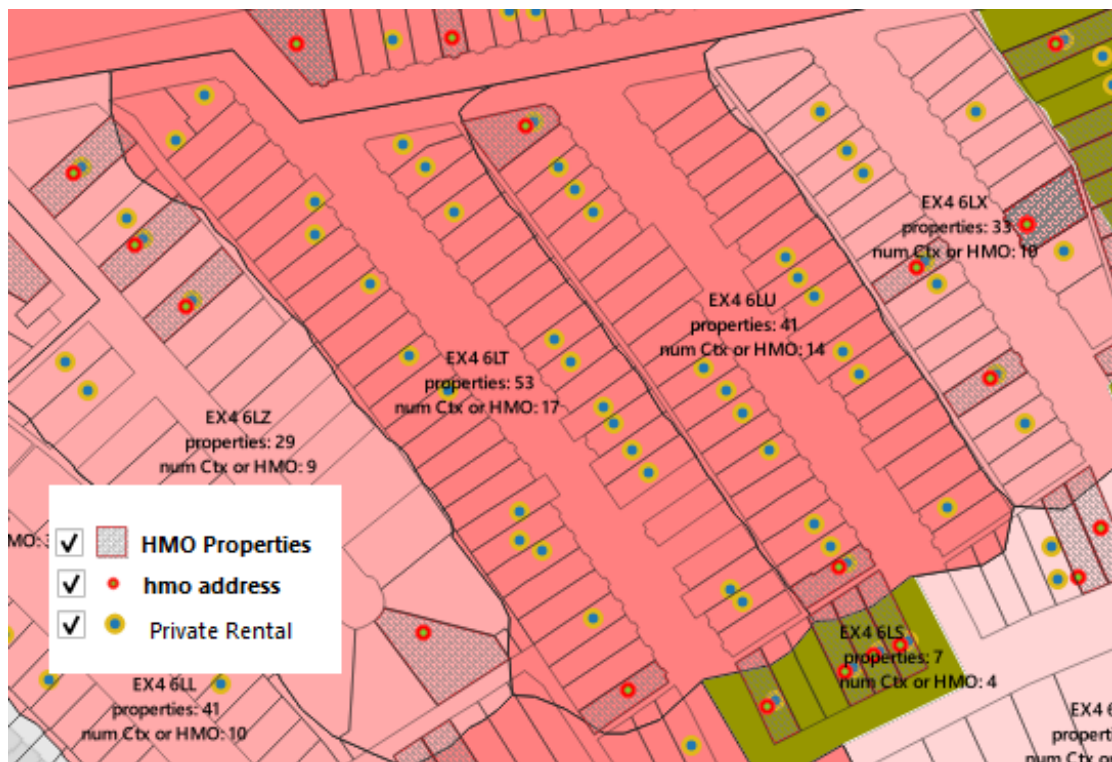


Figure 3-11 Private rental in smaller terraces Rosebery Road & Salisbury Road

3.31 A second example within the Article 4 area again shows interplay between size of dwelling and private rental market. The area in Figure 3-11 considers the area around Rosebery Road and Salisbury Road which is within the Article 4 area. The postcodes EX4 6LT and EX4 6LU both have over 30% of households with council tax student exemption. However the average dwelling

size in these postcodes is 85m² which is **too small for conversion to an HMO managed for profit**. Consequently these areas have just one HMO licence but high numbers of Student Council Tax Exemptions.

- 3.32 Note also that not all people in private rental in these two postcodes are student households and this may include graduate and private households. Table 3-3 provides some details on the sales of properties in this area noting that the smaller flats continue to sell at residential prices (as opposed to HMO investment prices).

Table 3-3 Example of sales for 2 Article 4 exempt areas

Postcode	No. of HMOs	No. of student Ctax exemptions	No. of either HMO or student tax exemptions	No. of private rentals	Percent student properties	Total addresses	Number <u>properties sold</u> between 2012-22	Median sale price (not inflation adjusted)
EX4 6LT	1	16	17	25	32%	53	20	£259,000
EX4 6LU	2	14	14	19	34%	41	22	£176,000

3.5 Future Prospects: Potential trends in demand and supply of student accommodation

- 3.33 Second guessing changes in national policies and economic and demographic trends have to be considered with very large error bars. However, from analysis of the student housing data and broad market trends, and discussions with a range of professionals, some general directions can be put forward.
- 3.34 **The University does not anticipate growth in student numbers to continue the very large increases as observed in the previous decade.** The level of domestic participation is already one of the highest in the developed world. If domestic higher education is to increase, financial pressures on families and Student Finance England suggest new participation will be through tertiary or workplace/part time higher education. Student growth would be expected to be level or at most a small fraction of the previous decade's growth of ca 800 students per annum. It is unclear if international demand will continue to increase, though international students appear to prefer PBSA rentals.
- 3.35 Most of the licensed HMOs will continue to operate as is for the foreseeable future. The low level of net additions of around 20 HMOs per annum may continue for several years, though with the pace of student growth levelling off and a stronger PBSA market there could be some softening of demand for HMOs.
- 3.36 If student demand were to weaken, it is reasonable to assume that HMOs could be converted into self contained flats for sale as leasehold flats. It would be exceptional to see very large terraces (200m² or more) be converted into a single family home as there is a smaller market for properties at these very high price points.

- 3.37 PBSA occupancy rates should remain high at the current level of enrolment. Market reports state that institutional finance in PBSA remains robust, though there has been slowing in the development pipeline (numbers of new schemes).¹²
- 3.38 Public transport links are not considered by students to be sufficiently available to live beyond walking distance from the university. Student preference for housing within walking distance of the University is likely to remain unchanged without significant intervention in student-responsive rapid transit.

¹² Web-access market reports from Knight Frank, Cushman and Wakefield, BNP Paribas

4 Site Visits & Impact of Student Housing

- 4.1 In considering policy options and implications it is important to refer to the objectives of policy. Several residents object to growth in student housing due to negative experiences or perceptions of students. It is worth noting that students also report negative experience and harassment by non-student neighbours.
- 4.2 At the commencement of the project, and prior to quantifying the student household percentages, street surveys were carried out. The team walked 28 Streets in / adjacent to the Article 4 area and rated each in relation to Property Repair and Appearance, Street Cleanliness, Car Parking and Maintenance. This was a “blind” review as no HMO maps were carried. The number of doorbells was often the only indicator of multi-household properties. The survey was held on a weekday during term time. As a daytime survey party noise was not an issue though many students were socialising on street corners and doorsteps.
- 4.3 The purpose of this survey was to take an impartial, objective view of the residential areas around the university/city centre and see if and to what extent any blight or change of character was observable. This was not to identify areas of student housing but to provide further context in assessing policy options.
- 4.4 Whilst some streets appeared more prosperous than others none of the streets were blighted or carried more than a few dwellings with external disrepair. The main negative issue observed was in relation to overflowing waste and recycling bins. This is understandable in situations where six or more individuals may be preparing individual meals separately in a dwelling, and often these may be packaged or ready meals which students find more convenient, but generate more waste resulting in a need for extra waste storage.



Parking

- 4.5 All of the streets surveyed were resident parking by permit and whilst street parking was full there was no evidence of illegal parking on pavements or in drives. No cycling infrastructure (e.g. cycle

parking hangar) was observed. The University, landlords and the student guild reported that very few undergraduates have cars.

- 4.6 There are anecdotal stories of students trading in parking permits, but no factual information is available. Given most students are in an HMO for only one year or possibly two this would not seem to be systematic. The subdivision of large properties into smaller flats for graduates or working professionals would likely result in increased pressure on parking in the same areas.

Cleanliness

- 4.7 Most students don't have cars and are unable to drive to recycling bins and there are few large recycling receptacles in the student areas. Landlords and student stakeholders mentioned wanting to do better but not feeling they were getting support from the Council. One landlord said student tenants complained that the Exeter City Council collections team was rude and they witnessed collections teams tipping on to the road (Victoria Street) contents of recycling bins that had contamination and said that the collection teams felt they could be rude or slapdash in student areas as there would be no push back.

Noise

- 4.8 Environmental Health Officers provided a spreadsheet of noise complaints from Jan 2019 to March 2022. Of the 2,821 noise complaints 78% of these were residential (as opposed to e.g. commercial, construction, industry). Of the 2,223 residential noise complaints 718 (33%) were within the current Article 4 area plus the 'student quarters' around Victoria Street, Danes Road etc. It is clear that there are some households within student areas who are impacted by neighbour noise and some make frequent noise complaints. Most residential noise complaints were transitory and resolved informally or no action was possible.

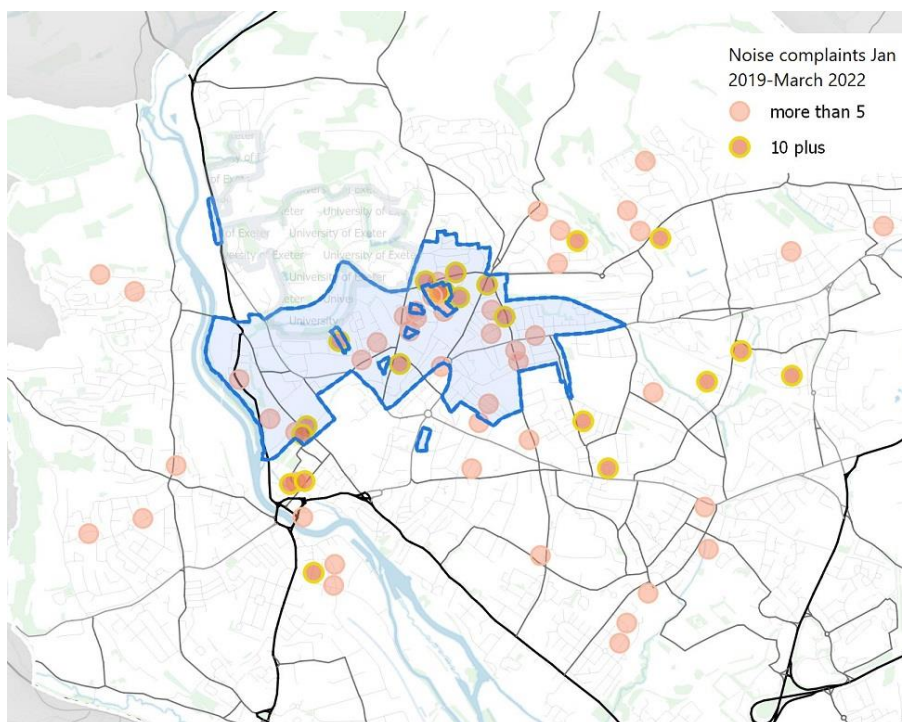


Figure 4-1 Heatmap of Noise Complaints 2019-2022

Crime and Antisocial behaviour

- 4.9 A common perception is that higher concentrations of students lead to increased levels of crime in an area. An analysis of the available crime data shows that burglary, robbery, criminal damage, drugs etc. are not over-represented in the areas of high concentration of student housing.
- 4.10 All police reports from Exeter from Jan 2019 to March 2022 were downloaded and mapped (figures 4-2 and 4-3). Crimes of all types were most prevalent in the **commercial core** of the city with wide distribution of low levels of reports across the rest of the city. Statistical and spatial review did not indicate that areas of student households had elevated levels of any crimes with the exception of bicycle theft, which was slightly elevated in student areas.

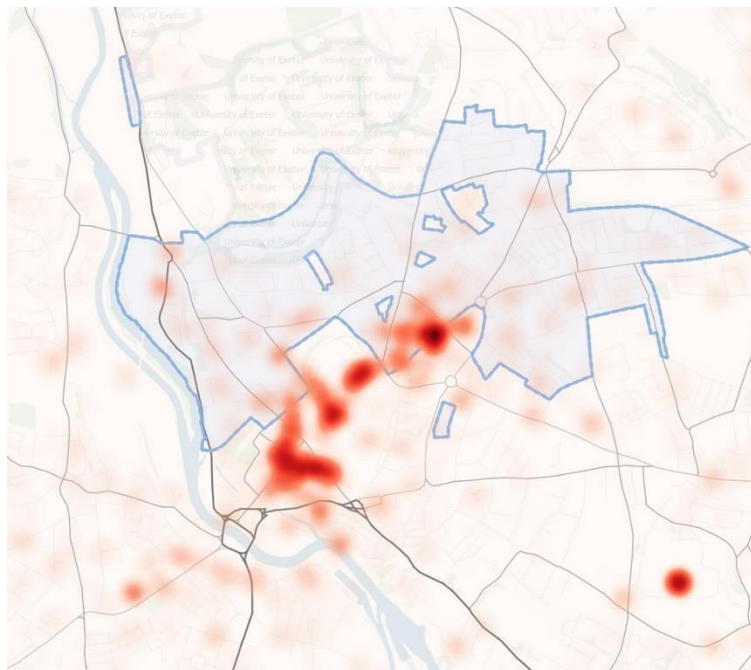


Figure 4-2 Heat map of reported Anti Social Behaviour and Public Order Crime reports

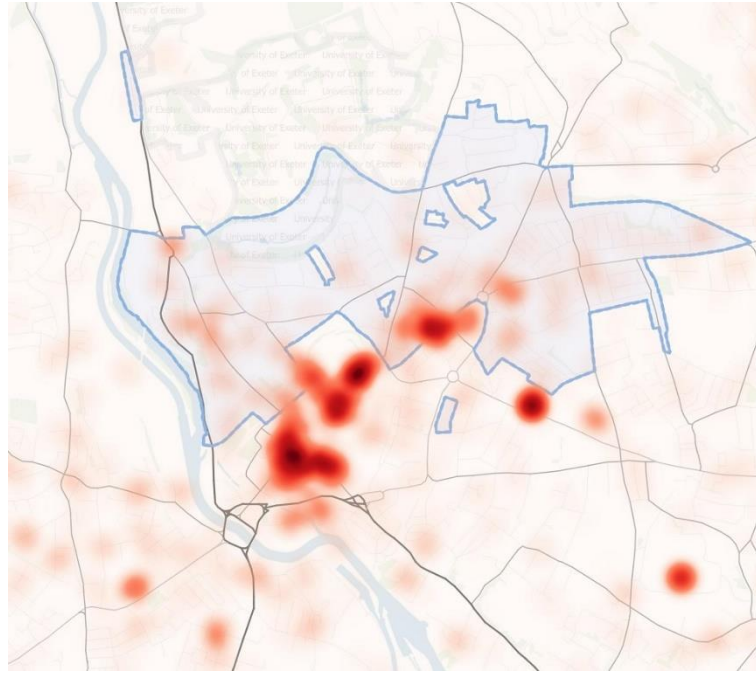


Figure 4-3 Heatmap of burglary and criminal damage report

5 Context for Article 4

5.1 Key points from stakeholder discussions

- 5.1 Fact finding interviews were conducted with a number of individuals and groups including
- University of Exeter
 - City Council Elected Members and resident representatives
 - Planning Officers
 - Student Guild
 - Exeter City Council Environmental Health and Licensing
 - Landlords and Agents
- 5.2 Discussions were held with 35 people representing a range of interests. Detailed notes from discussions were shared with officers and summaries of some of the key points raised are provided below. Note that these points represent the views of interviewees rather than specific factual evidence.
- 5.3 Across all interviews there were occasional/anecdotal mentions of roads or locations where it was perceived there was increased pressure on HMOs/housing. The following list highlights areas that have been mentioned in interviews, and the detail of properties in these areas was reviewed carefully in the data analysis:
- St Lukes campus and RD&E Hospital.
 - St David's ward (as a whole).
 - Pennsylvania – including in “new” types of dwellings e.g. detached and semi-detached houses.
 - Exwick Road/Station Road area.
 - Danes Road in the A4 exclusion area.

Members

- Noise remains biggest issue, exacerbated by Covid requirements for outdoor gathering.
- Variety of views on thresholds and balanced communities.
- No council tax from students but landlords don't pass on this discount.
- Council should reconsider role of co-living as it relates to PBSA.
- Council should review policies and CIL.
- PBSA should be designed to be convertible to non-specialist accommodation in future years when demographics change.
- Parking permits do not really work as students “borrow” or lend permits and working residents “lose” spaces when they leave for the day.
- HMOs are not friendship groups (as in flatshares) and are less cohesive with the community.
- Concentration of students brings rubbish and Anti-Social Behaviour due to increased density of population in streets (often Victorian terraces).
- There is a view that HMOs are creeping outside the current Article 4 area.

University

- HESA numbers do not precisely reflect the profile of students across the university (e.g. graduate, part time, Cornwall etc.).
- Focus on PBSA has been successful in delivering student housing.

- University staff, many with young families, also want to live near the university, in “family” housing (i.e. not flats).
- There are benefits of PBSA over HMOs including pastoral services (mental health/loneliness issues) and higher standards.
- City residents should recognise that the University is key to the cultural offering and economy of the city.

Planning Officers

- There is a good relationship with licensing team and information/views exchange
- Definition of an HMO is largely the same for planning and licensing
- The Article 4 has helped to reduce public concern about the issue, although there are various views out there
- Important that there is logic and data to support any change
- Article 4 applications are now subject to a planning fee although charge doesn’t cover the time required to process.
- Would be helpful to have standards to apply e.g. floorspace requirements – which would improve quality and also reduce density of occupants.
- Tendency for owners/landlords to extend properties to increase student lets
- The policy does not apply to non-dwellings conversion to HMOs (e.g. Guest Houses).

Student Guild

- Second, third and postgraduate students generally prefer an HMO/flat share in a friendship group close to the university although there is a price consideration.
- Rents have increased significantly and are outpacing student finances.
- Students get blamed for the behaviour of others.
- If the city wishes to retain graduates then they will also need similar accommodation to student private rental accommodation as recent graduates often flat share.

Exeter City Council Environmental Health and Licensing

- High concentrations of HMOs (e.g. Victoria Street) have increasing waste issues, but generally lower noise complaints.
- Existing planning policies and the A4 area designation have pushed landlords to more peripheral areas.
- Important to remember not all HMOs are for students; low income and groups with particular needs also live in HMOs as the only housing solution in line with some benefits.
- The Article 4 area needs to be available as an interactive map and, if reviewed, should seek to ensure streets or postcodes are not split.

Landlords

- Most will consistently renew their HMO licences and have no expectation of ceasing trading; no economic sense in converting to a large single dwelling.
- Dealing with Exeter City Council licensing team and inspections works well with positive comments – much improved from early years.
- Some landlords use an agent – some directly advertise for tenants.
- Some landlords object to the policy support for PBSA and feel larger corporate PBSA/HMO suppliers are removing opportunities for smaller conversions of flats and HMOs.
- Some students experience direct hostility and threats from non-student neighbours.

- Landlords of student HMOs said it was not unusual to have a few non-student residents as part of tenancies; these may be recent graduates or similarly aged working residents.

5.2 Policy background

5.4 The legislative framework includes:

- [Licensing of Houses in Multiple Occupation \(Prescribed Description\) \(England\) Order 2018](#)
- [Housing Act 2004](#) amendments
- [Licensing of Houses in Multiple Occupation \(Mandatory Conditions of Licences\) \(England\) Regulations 2018](#) which set conditions on minimum room sizes and maximum occupants sleeping in a single room and references requirements relating to the storage and disposal of household waste at the HMO pending collection.
- Use Class Order 1987 as amended

5.5 The Town and Country Planning (Use Classes) Order 1987, as amended at March 2022, defines Use Class C4, HMOs as *Use of a dwellinghouse by not more than six residents as a “house in multiple occupation”* but does not include a converted block of flats. Use by *more than six residents* is also an HMO but rather than Use Class C4 it is in its own “sui generis” class of “Large HMO”.

5.6 Mandatory licensing of HMOs came into force in 2006 where:

- The HMO is occupied by 5 or more people, forming more than 1 household,
- toilets, bathrooms or kitchen facilities are shared with other tenants, and
- **it is NOT a purpose-built flat situated in a block comprising 3 or more self-contained flats;**

5.7 The definition of an ‘ordinary’ residence, Use Class Order C3, is for “a person or by people to be **regarded as forming a single household**” (generally up to 6 people). The Housing Act 2004, section 254, goes into detail in relation to definitions of household. As noted in section 3.4, whether a flat share of e.g. 3 or 4 individuals is use class C3 (i.e. a household) or C4 (and HMO) would require investigation and careful judgement of relationships and arrangements within the household. In addition, changing relationships (e.g., relationship breakdown of couple living as partners) may change during the course of a tenancy. Such investigations are generally outside the scope and capacity of planning enforcement investigation. A flat share of a larger number of people (5 or 6) may be investigated by Planning Enforcement if there is evidence that the tenants are not operating as a single household.

National Planning Policy Framework (NPPF)

5.8 The NPPF¹³ states that use of Article 4 directions to remove national permitted development rights for residential development, including HMOs, should be:

...limited to situations where an Article 4 direction is necessary to avoid wholly unacceptable adverse impacts....

- *in other cases, be limited to situations where an Article 4 direction 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)*

¹³ NPPF 2021 Paragraph 53

- *in all cases, be based on robust evidence, and apply to the smallest geographical area possible.*

5.9 [National Planning Practice Guidance](#) (NPPG) states there will need to be a particularly strong justification for the withdrawal of permitted development rights relating to a wide area (e.g. those covering a large proportion of or the entire area of a local planning authority)¹⁴.

Current Local Policy

5.10 The Saved Local Plan policy carried forward from 2005 Exeter Local Plan First Review reads:

H5: THE CONVERSION OF DWELLINGS TO FLATS, SELF CONTAINED BEDSITTERS OR HOUSES IN MULTIPLE OCCUPATION AND THE DEVELOPMENT OF SPECIAL NEEDS OR STUDENT HOUSING WILL BE PERMITTED PROVIDED THAT: ...

(b) THE PROPOSAL WILL NOT CREATE AN OVER CONCENTRATION OF THE USE IN ANY ONE AREA OF THE CITY WHICH WOULD CHANGE THE CHARACTER OF THE NEIGHBOURHOOD OR CREATE AN IMBALANCE IN THE LOCAL COMMUNITY.

5.11 From this basis the 2014 HMO SPD clarifies that “*The Council is proposing to resist any further changes of use to houses in multiple occupation within the area shown stippled on Plan 1. In other words, the Council will regard the existing proportion of Council Tax exemptions as an over-concentration of HMO use for the purposes of Policy H5(b)*”

5.12 The SPD references the Draft Development Delivery DPD which was to provide guidance on further conversions of buildings to HMOs, but this is no longer being progressed. This carried forward the **2010 SPD threshold of 20% of properties being student households for identifying areas where overconcentration had been reached and further conversions to HMOs should be generally restricted. Those streets already over 50% student properties were excluded from the Article 4 area because they were already beyond balanced.**

St James Neighbourhood Plan

5.13 Adopted in 2013, the St James Neighbourhood Plan sought to amplify the Local Plan and restrict HMO development and rebalance the community and add weight to the Article 4 direction and planning rules which restrict HMO development in some parts of the ward. However, the plan is not able to overrule statutory permitted development rights.

¹⁴ Paragraph: 038 Reference ID: 13-038-20210820

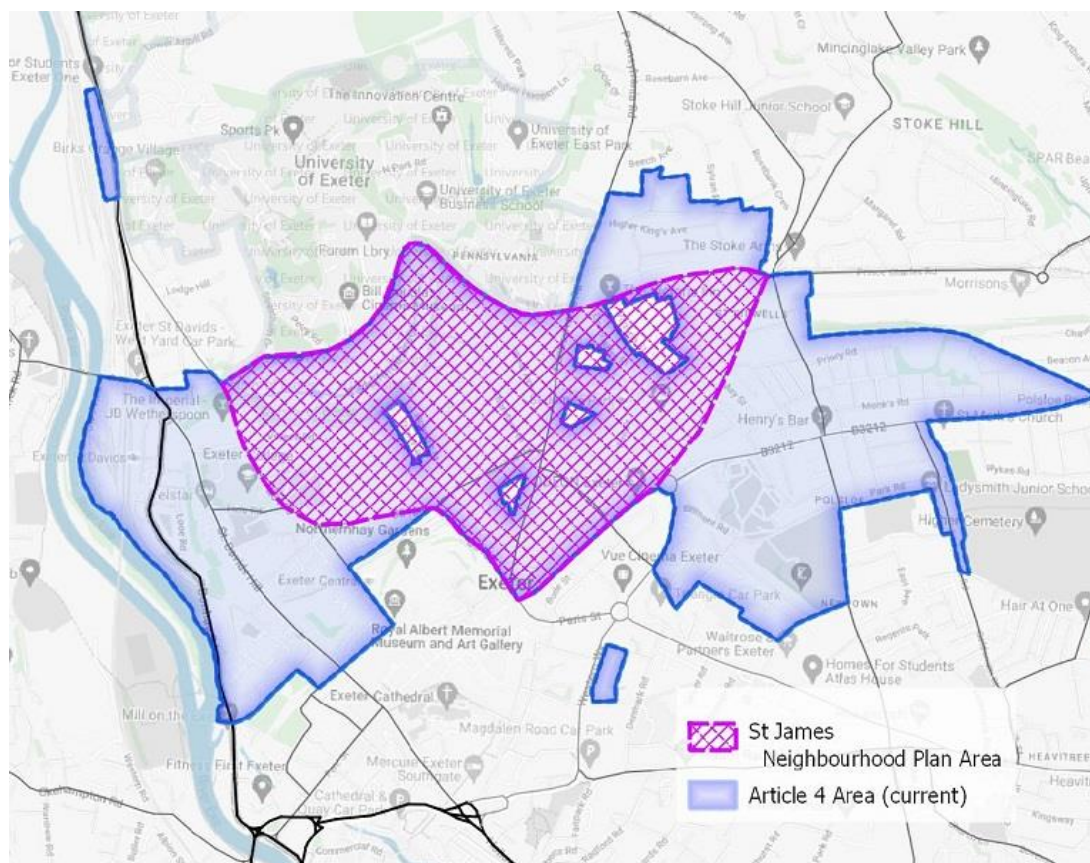


Figure 5-1 St James Neighbourhood Plan Area (hatched area)

5.3 Review of other approaches

- 5.14 All university cities and towns see similar tensions between students, who are key social and economy engines for the city, and the desire for long established residents to have quiet, settled residential areas. Most University cities and towns seek to manage student housing through planning policies and control of HMO conversions, and a range of policies and SPDs have emerged over the previous decade.
- 5.15 Table 5-1 summarises key points from local authorities who are similar in some respects to Exeter. Issues and approaches in major conurbations are more complex (e.g. London universities and cities with 3 or more major universities) and often the driver of HMO constraint is poverty or other housing issues (e.g. beds in sheds etc.). Therefore, major conurbations were not surveyed.
- 5.16 There are no tests of soundness in relation to SPDs and Article 4 designations, but if current planning guidance is not followed (see paragraphs 5.7 and 5.8), a Council may be open to legal challenge. Councils we reviewed who made city-wide Article 4 directions did so prior to introduction of this national guidance. Those councils who designated all or most of their boundary area made the designation prior to the introduction of current planning guidance.
- 5.17 Birmingham was mentioned in interviews as an example of an area wide designation made in 2019/20. Birmingham, along with London, Manchester and other conurbations, was not considered comparable to Exeter for the reasons set out in paragraph 5.15. Key points to note in relation to Birmingham's area wide HMO Article 4 are:
- The Article 4 area was revised to a city-wide area in 2019 from the previous limited area (established 2014) of three wards.

- The basis for this revision was evidence of a **large spread of HMOs across all wards**, though obviously the areas around the **5 universities** in the council area had higher concentrations. **Of their 69 wards, 75% had at a notable number of HMOs** though 7 wards had less than 12. The Council stated: “*there is also a reasonably even spread of HMOs across the rest of the city with the exception of the far north where the distribution is more sparse.*”
- The Article 4 was revised on the back of a **new Development Management DPD**, although the revision was put in place prior to the Planning Inspectorate’s examination of the DPD. The DPD sets out a **development management policy specifically stating criteria for decision making** (e.g. limiting continuous frontage of three or more HMOs, specific space and communal space requirements, would not result in triggering 10% of properties in 100 metre radius).
- The evidence and driver for the Article 4 change was not primarily about student housing – it was more far reaching (non-decent housing, pockets of deprivation, control of ‘insecure housing and high levels of transience’) and was supported by strong new policies in relation to inclusive and housing condition surveys.

5.18 From the review, the most common metrics for criteria-based policies for taking decisions on planning applications within the HMO area are:

- Seeking to limit HMO conversion where 10% of residential properties within a 100 metre radius are HMO.
- Limiting the “sandwiching” of non-HMO properties between 2 HMOs, or resisting continuous frontage of HMOs

Table 5-1 Comparison of Other Article 4 / HMO policies

Bath	Article 4 2012: Whole council area. HMO SPD 2021 (refresh)
	<p>Refuse in areas of High Concentration defined as follows: Criterion 1: It would result in any <u>residential property (C3 use) being ‘sandwiched’ between two HMOs.</u> Criterion 2 <u>HMO properties represent 10% or more of households within a 100 metre radius of the application property, or the application property tips the concentration to 10% or more.</u> Includes a new requirement that HMOs achieve minimum of EPC C environmental rating. Bath research found on average, if an area has already met the 10% property threshold, the 20% population threshold will have also likely been reached.</p>
Bristol	Article 4 2011: Area around Bristol University. Partial expansion in 2019 but remaining focused on areas of student housing market imbalance.
	<p>In 2011 and 2012 the Council confirmed and established Article 4 directions to control small HMOs within central Bristol, focused on Bristol University. In 2019 they expanded this area slightly in coordination with the Local Plan development, which in the 2018 Local Plan policy sought to maintain a cap of 10% of properties around the city centre. The area enlarged the 2011 Article 4 taking in census Lower Layer Super Output Areas (LSOAs) where greater control was needed and to take in areas impacted by development of the Temple Quarter Enterprise Campus. In 2019 the Council also introduced mandatory licensing for small HMOs (in this case defined as 3 to 6 unrelated persons in flat share) covering the 12 city centre wards. This was done following a stock condition survey and due to “substandard and poorly managed (private rentals) with a significant number let to vulnerable tenants who are exploited as they are unaware of their rights or the standards they should expect”</p>

Lincoln	Article 4 2014: Full City boundary area (Whole Council Area) HMO SPD 2018.
	<p>Local Plan policies are supportive of HMOs. Proposals must demonstrate compatibility with neighbouring uses and adequate waste provision etc., that conversion will not harm amenity etc. or lead to or increase an existing over-concentration of HMOs in the area. To determine this, the city council applies a <u>10% maximum concentration of HMOs threshold to a 100m radius</u>. HMO developments that would lead to or increase an existing over-concentration of HMOs within a defined 100 radius, i.e. exceed the 10% threshold, are generally considered inappropriate, although exceptional circumstances may apply.</p> <p><u>They policy also states that proposals shall not result in three adjacent HMOs</u>, unless the application property is located between two existing HMOs. HMO developments that would result in three adjacent HMOs are generally considered inappropriate although exceptional circumstances may apply. The exceptional circumstances may include particular areas which have already tipped into being predominately student housing.</p>
Loughborough	<p>(Charnwood District Council) Article 4 2011: Loughborough Town Area (parish boundary) Housing SPD 2017 includes section on HMO.</p> <p>Policy is to refuse where <u>20% or more residences are HMOs within a 100m radius</u> of the application site. No reference to student council tax exemptions. However, the SPD also includes the comment “The assessment of the current level of concentration of Houses in Multiple Occupation will be an important material consideration, but it cannot be regarded as the determining factor in deciding any planning application.”</p>
Nottingham	<p>Article 4 2011: Whole Council area 2012 Planning Guidance Note (SPD) – updated Jan 2019 – somewhat superseded by new 2020 adopted Local Plan policies.</p> <p>Local Plan Policy sets out several criteria for consideration for HMOs. More than 10% of properties within an output area being student properties is considered a “significant concentration.” This threshold is a “consideration” in policy along with other criteria.</p> <p>The Local Plan contains a related map which is noted as representing a specific point in time. The Plan states that <u>concentrations will be recalculated for each planning application</u>.</p> <p>A weighting factor is applied to Council Tax exemption data in respect of Purpose Built Student Accommodation (University and private) of similar formats, based on the application of an average student household size of 5 persons (the City Council’s HMO Licensing database gives the average occupancy of an HMO as 5.19 persons in 2016).</p> <p>The calculation to determine a ‘significant concentration is: ‘X’ households within the cluster or Output Area (taken from Ordnance Survey Address Point data and cross-checked with Council Tax Household data) of which ‘Y’ are HMOs / Student Households (taken from the Council Tax and Environmental Health data).</p>
Plymouth	<p>Article 4 September 2011: Covers city centre area comprising large part of 7 wards (of the City’s 20 wards). Does not include Marjon. SPD to the Joint Local Plan (2019), adopted 2020</p> <p>The SPD includes student housing policy details that the proportion of dwelling units in multiple occupation (including the proposed site) should not exceed 10 per cent of the total dwelling stock within 100 metres of the application site. Also the application site should not sandwich a C3 dwelling unit between two HMO properties.</p>
Portsmouth	<p>Article 4 area 2010:encompasses whole built up area (smaller area than Exeter) HMO SPD adopted 2012, updated 2019</p> <p>HMO DM test only counts HMO Licences (not % student properties including council tax exemptions. Test is basically limited to 10% licensed HMOs within area with a radius of 50 metres surrounding the application property.</p> <p>Local Plan policy states: In order to support mixed and balanced communities, and to ensure that a range of household needs continue to be accommodated throughout the city, applications for changes of use to a House in Multiple Occupation (HMO) will only be permitted where the community is not already imbalanced by a concentration of such uses or where the development would not create an imbalance. For the purposes of this policy, dwellings in use as Class C4, mixed C3/C4 use and HMOs in sui generis use will be considered to be HMOs.</p>

Sheffield	Article 4 2010: Area boundary based on ONS Middle Layer Super Output Area (MSOA) around the 2 universities. Policy is to refuse where 20% of <u>dwellings</u> within 200m of the application site are already HMOs. (Core Strategy 2009 is relevant Local Plan) No Student Housing SPD but 2015 City Centre Living SPG refers to nightclubs and students.
Southampton	Article 4 2011/12: city-wide area 2016 SPD Policy is that planning applications will not be granted for new HMOs where <u>HMOs as a proportion of the overall housing stock within a 40 metre radius of the site are above 10%</u>
York	Article 4 2012. Core built up urban area of the city. 2014 SPD: Controlling the Concentration of HMOs Decision making is based on <u>100m street length</u> and “neighbourhood area” (all adjoining output areas to the output area where the planning application is). C3 to HMO will only be permitted where: i. it is in a neighbourhood area where less than 20% of properties are exempt from paying council tax because they are entirely occupied by full time students recorded on the Council’s database as a licensed HMO, benefit from C4 Sui Generis HMO planning consent, or are known to the Council to be HMOs; <u>and</u> ii. less than 10% of properties within 100 metres of street length either side of the application property are exempt from paying council tax because they are entirely occupied by full time students, recorded on the Council’s database as a licensed HMO. benefit from C4/Sui Generis HMO planning permission or are known to the Council to be HMOs; <u>and</u> iii. the accommodation provided is of a high standard which does not detrimentally impact upon residential amenity. New Local Plan seeks to <u>maintain concentrations of HMOs at no more than 20% at the neighbourhood level and 10% at the street level</u> . This has been debated at recent Local Plan hearings, and consequences of market restrictions are being considered https://democracy.york.gov.uk/ieIssueDetails.aspx?Id=66229&PlanId=0&Opt=3#AI61650
Warwick	Article 4 2011/12: area around the historic core of Leamington Spa. Article 4 covers 6 the district’s 17 Wards centered around the historic core of Leamington Spa. There is no SPD. Local Plan policy is to <u>approve where 100m radius of the application site does not exceed 10% of total dwelling units</u> ; and the site is within 400m of a bus stop; and the scheme does not ‘sandwich’ a non-HMO between two HMOs, and adequate refuse containers are proposed.

5.4 Balanced Communities Concept

- 5.19 It is important to note that the core reference on control of HMOs for almost all authorities is the 2008 paper *Balanced Communities & Studentification*¹⁵ which was published by a number of resident campaign groups joining together as the organisation The HMO Lobby. This paper picks up the phrase “balanced communities” from sustainable development guidance in 2000 by the then Department for Environment, Transport, and the Regions (DETR) which references “*Promoting sustainable development that supports thriving, balanced communities.*”
- 5.20 The HMO Lobby sets out the view that a community “imbalance arises from concentrations of HMOs, whose distinctive demographic (typically, young, high-density, transient, and unstructured) destabilises the local community”. This is based on an assessment of the 2001 Census. The Lobby’s particular criteria for a balanced community “**are (a) not less than 60% families, (b) not more than 33% one-person households, and (c) not more than 10% HMOs**“. In Exeter only 24% of the households were families with dependent children at the 2011 census. Young families tend to concentrate in lower value neighbourhoods for affordability reasons, or on new estates for a

¹⁵ [Balanced Communities and Studentification](#), 2008 Produced by The National HMO Lobby.

- variety of reasons including easier access to mortgages. The 2021 census will provide further information on “balance” of household types across the city, although with caveats concerning the location of students in term time due to COVID restrictions.
- 5.21 The HMO Lobby assert that an “*HMO tipping-point occurs when HMO occupants exceed 20% of the population. Normally, HMO occupants account for about 15% of the population – the tipping-point represents a 33% deviation. It also significantly exceeds the whole of the ‘young adult’ band of the population (16–29-year-olds are 17.5%). ‘Any community begins to seem unbalanced when any of the five main age-bands exceeds one-in-five of the population.’*“ This assertion is contrary to most empirical data. Exeter, as with many cities, is comprised of neighbourhoods of different populations with concentrations of tenures, ages and family types. Importantly, this work does not appear to have been updated to consider the impact of the rise of commercial PBSA.
- 5.22 Whatever the proposed action in relation to the area of the Article 4 designation, the planning policy framework should be clarified through an updated SPD and the policies of the new Exeter Plan should consider how best to support all residential groups.
- 5.23 Councils who use the radius approach have suggested that identifying communities by ward or street would be impacted by townscape characteristics leading to inconsistencies between assessments and conceal high concentrations of HMOs. Where a radius is used as the threshold, the measurement is taken as the proportion of the **total number of residential properties** within the radius.
- 5.24 Following our analysis, we recommend that using postcodes and groups of adjoining postcodes provides the most efficient basis for assessment of numbers of council tax exemptions and numbers of properties. This simplifies joining of council tax records, HMO licencing and other data and will streamline monitoring and decision making. A radius approach can be straightforward but would require GIS software and active linking of several different services’ data. The use of street-by-street counts should be avoided as the definition of where streets begin and end may be open to interpretation.
- 5.25 The growth in HMOs is not entirely due to increases in student numbers. From 2012 adults aged 18–34 in England have only been able to claim housing benefit at the rate of a room in a shared property. A recently published article *Planned Out: The Discriminatory Effects of Planning’s Regulation of Small Houses in Multiple Occupation in England* <https://doi.org/10.1080/14649357.2022.2036800> has highlighted that restrictive HMO policies disproportionately affect the housing choices of young, lower-income adults. This article also notes that treating HMOs as problems has a long history, going back to a desire to restrict lodging houses or housing for migrant families.
- 5.26 There is some limited research on the social dynamics of student housing though wide recognition that England’s high concentrations of student housing often creates conflict with the long term population. This is in contrast to some countries where there are positive designations of “student quarters” (similar to identifying an “arts quarter” or “heritage quarter”), recognising that students are often content in their own community and that identifying areas may help enable positive community management. In some ways the exclusion of e.g. Victoria Street from the Article 4 recognised that in some areas the character of the area is that of a student quarter.
- 5.27 There are positives to student populations – economic and social. The University is a major employer with significant impact upon the local economy and employment opportunities, as well as

spin-off employment opportunities. The Council has an objective of retaining more young graduates to create an entrepreneurial culture and support growth sectors in the area. Based on interviews with stakeholders, the numbers of graduate students and graduates living in HMOs appears to be fairly low, with the graduate preference being for smaller shared houses/flats in private rental. However, without adequate provision of PBSA and HMOs there will be knock-on issues with availability of homes for single, early career professionals.

6 Policy Options and Implications

- 6.1 Overall, there has been an increase in student numbers and the proportion of student households across the central area of the City. Our review shows the Article 4 designation has been effective in constraining growth of HMOs in the Article 4 area, with the small number of new licences focussing on the exempted areas and areas near the university but outside the A4 area. Growth of student council tax exempt properties in private rental has continued to grow, and these are focused on the city centre and within easy walk/cycle distance of the University.
- 6.2 The current Exeter strategy can be characterised as **to limit the numbers and spread of Houses in Multiple Occupation for student use**. By providing for significant growth in Purposes Built Student Accommodation both on the University campus and in other locations within the city the Council and University have sought to reduce the need/demand for additional HMOs and therefore slow the growth in their numbers. By defining an area near the University where no further HMOs will be permitted, any additional supply is forced to other areas where there are fewer pre-existing HMOs, which helps limit the spread. The Article 4 Direction, Supplementary Planning Document and council targets and support for PBSA expansion act together in accordance with this strategy.
- 6.3 In accordance with the brief, this report looks at possible justified approaches to updating the current Article 4 area and SPD. Before considering any changes to the current Article 4, corporate policies, or planning policies, it is important to consider the objectives, the effectiveness of the current policies and scope for change.
- 6.4 **Objectives**
The current policy aims to reduce pressure on further conversion of housing stock to HMOs by supporting provision of PBSA to accommodate any growth in student numbers and to ensure any conversions of dwellings into student HMOs within the Article 4 Area is strictly controlled by planning. The driver for the policy is to support “*balanced communities*” in relation to household profiles.
- 6.5 **Effectiveness**
Our analysis shows that the Article 4 and planning policy has been effective in that:
- The growth in PBSA has broadly equated to a large majority of growth in student numbers.
 - There is now a fairly low level of growth in student HMO licences.
 - Properties being sought for conversion are those outside the Article 4 area (in general, areas outside but adjacent to the Article 4 area and the exempted “student quarters”).
- 6.6 However, the increase in private rental for both students and non-students is outside planning controls, and the level of tension between residents and students seems fairly consistent over time. In addition, some residents increasingly object to large PBSA developments.
- 6.7 **Scope for Change**
An update to the current SPD and the Article 4 boundary is possible, though with the current planning policies (H5 of the 2005 Local Plan First Review and Core Strategy CP5 focussing on PBSA) there is limited scope for change. Any substantial change to the current decision-making policies and/or the Article 4 area would need to be accompanied by updated policies adopted in a Local Development Plan Document (DPD) such as the emerging Exeter Plan.

Implementing Changes

- 6.8 If any changes are proposed, the Council will need to consult widely and carefully document the process and rationale for the decision. If a *revised* Article 4 direction is implemented with immediate effect, there is potential for financial liability claims against the City Council to compensate any applicants adversely affected. Consequently, should the Council introduce a new/revised Article 4 direction it is recommended that this should follow the non-immediate effect approach allowing a 12-month period prior to the new Article 4 taking effect to limit liability.
- 6.9 Updating the SPD should follow the procedures set out in guidance and the Council's Statement of Community Involvement. Any implications for the new Exeter Plan should also be carefully considered.
- 6.10 Changes to Article 4 designations are likely to **introduce short term housing market impacts as potential landlords or homeowners seek to sell/buy ahead of changes**. Our analysis suggests this could create short-term upward pressure on prices on large dwellings with potential to convert. If the Council chooses to introduce new or expanded Article 4 exempted areas it can expect to see some additional HMO conversions in areas with larger dwellings.

6.1 Policy Options

- 6.11 The updated analysis of the current provision of student housing and related issues has resulted in identification of the following broad options for the current Article 4 designation and SPD. Irrespective of options chosen, an update to the SPD¹⁶ is warranted to reflect the current situation and changes to national planning guidance.

Option 1 – No change

- 6.12 The Council could consider that there is no need to change the current area of the Article 4. This would reflect the relatively slow current growth in HMO conversions and the successful delivery of significant levels of PBSA within the city.

Pros/Cons Option 1

- No change would be the most stable option in relation to the housing market. It is likely some small increases in numbers of HMOs outside the Article 4 area will continue.
- The evidence is that most available larger properties outside, but close to, the Article 4 area have already been converted. Ongoing growth in Private Rental or student numbers may add to incidents of tension between the term-time population and permanent residents. However private rental does not necessarily equate to change of use and is not controlled by Article 4 or the GPDO (Permitted Development Order).
- Taking no further action would require no additional Council resources and does not preclude future changes to approach and policy following adoption of a new Exeter Plan.
- While the current area matches the existing student/HMO areas reasonably well, there are some streets around its boundary where change has occurred over the past decade and the proportion of non-family accommodation is now close to or has reached the 20% threshold referred to within the SPD.
- No change fails to respond to resident concerns in areas close to the University.

¹⁶ If the Levelling Up and Regeneration Bill as enacted changes nature of *Supplementary Plans*, a revision could take the form of a non-statutory Planning Advice Note

Option 2 – Continued policy approach with expanded area

- 6.13 Under this option, the broad strategy to manage HMOs would not change, but the Article 4 map and direction would be updated to incorporate areas where the threshold of 20% student properties has now been met or exceeded. The accompanying HMO Supplementary Planning Document would be revised to take account of current legislation and provide additional recommendations and information for applicants. Section 6.2 sets out alternative approaches to revising the boundaries of the Article 4 area.
- 6.14 Some adjoining areas would be incorporated where the proportion of HMOs and student housing has increased to warrant an expanded Article 4 area. The policy position would be to continue to resist HMO conversions within the expanded area and continued efforts to expand provision of PBSA to “soak up” any unmet need arising from student growth. It would not require a shift in policy on student accommodation (which would be difficult to achieve without a wider review than undertaken as part of this report) but it would update the situation to reflect the latest data.
- 6.15 If this is the option chosen by the Council, then decisions may need to be taken about extending the boundaries of current “exempted areas”. The original Article 4 designation excluded certain areas that were already overwhelmingly student housing, thus creating de facto Student Quarters. Consequently, since 2013, these areas (e.g. Victoria Street and Danes Road) have essentially converted almost fully to student housing areas. Some postcodes within the Article 4 area, often immediately adjacent to the exempted areas, are also in excess of 70% student housing.

Pros/Cons Option 2

- Adjustments to the Article 4 boundary might help preserve some diversity in household types but streets within neighbourhoods are often weighted to specific household types.
 - It will respond to the concerns and expectations of affected residents.
 - It conforms with the NPPF requirement that Article 4s should apply to the smallest geographical area possible and be limited to situations where they are necessary to protect local amenity or the well-being of the area.
 - There is likely to be minor additional activity in the housing market in the short term (between announcing a change and implementing it) in areas newly brought into Article 4 designation. However, any extra-ordinary transaction activity will only be within small areas.
 - Continuing the established approach of bringing in areas which have met the 20% threshold is the most consistent and robust and is unlikely to result in challenge from the HMO sector.
 - There is little risk to future delivery of non-student HMO housing, which is the default tenure for low wage, single residents up to age 35.
 - This is unlikely to impact numbers of students in private rental properties.
- 6.16 Following analysis and the mapping exercises described in section 6.2 and 6.3 of this report, **an update to the Article 4 using this approach is our recommended option**. Any final proposed Article 4 map will require careful consideration of the mapped outputs, particularly in relation to outliers (areas detached from the core Article 4 area) and postcodes with few/no residential properties.

Option 3 – Expand A4 and supporting student concentration

- 6.17 This option would involve a change of approach but broadly align with the current strategy of seeking to restrict uncontrolled expansion of student HMOs. Under this approach, rather than a tightly drawn Article 4 area, which has the effect of dispersing new HMOs to areas away from the existing student concentrations, the decision would be taken to focus them on existing areas.
- 6.18 This approach would involve greater expansion of the Article 4 area but with enlarged areas of exemption for student quarters. Enlarging the area would be based on a lower threshold of student properties (e.g. 10%) but this would be balanced by exempting more areas which already have a very high concentration of student properties.
- 6.19 The potentially enlarged Article 4 area would still be focused on the University and city centre but may also cover areas where student housing is predominately in smaller private rentals. The expanded student quarters could incorporate the current exclusion areas and additional areas that are now overwhelmingly (ca > 70%) student housing.

Pros/Cons Option 3

- This would give comfort to residents in areas near, but outside the current Article 4 area that are brought into the constrained area.
- The logic of balancing housing provision for this sector (i.e. increasing the availability of conversion opportunities in student areas while restricting them in areas which still have a low percentage of student properties) is robust and can be justified as compliant with guidance.
- This approach avoids cutting off a supply of housing for a specific housing need group.
- It could create opportunities for dynamic regeneration and development of residential and cultural ‘quarters’ targeted to students and young professionals.
- In most cases a lower threshold (e.g. 10%) for defining Article 4 areas relates to HMOs specifically rather than HMOs and/or Student Council tax exempted properties. This change in approach is untested and may be vulnerable to challenge.
- Small peripheral postcodes may yoyo either side of a 10% threshold year-on-year after the Article 4 is defined.
- The minority of non-student residents and property owners in newly exempted areas (i.e., areas where growth in HMOs is more likely to occur) may be concerned about property values or residential amenity.
- Though justified in relation to housing provision, as it introduces areas for expansion, a new DPD (Local Plan) policy may be required to ensure HMO growth and PBSA remain balanced. This would require significant changes to Local Plan and SPD policy and justification.
- It is likely to create short- and long-term changes in the housing market in the city centre.
- As it creates new opportunities for student HMOs, it might destabilise planned PBSA projects due to uncertainty in change of approach. It possibly requires a higher rate of PBSA growth and it is not clear the market will deliver this.
- Legal advice would be recommended as it does not meet NPPF requirements.

Option 4 – Full City Article 4 with focus on purpose built student accommodation only

- 6.20 Some local planning authorities have made Article 4 directions for the entire built-up area within the Council’s boundaries. In conurbation authorities the built up area extends to the council boundary, but much of Exeter to the north and west and along the Exe is unbuilt.
- 6.21 Under this option, the aim would be to limit growth in HMOs (for students) with a focus on delivering PBSA to meet 100% of the growth in the student populations and introduce detailed criteria-based policies for supporting delivery of non-student HMOs.

Pros/Cons Option 4

- This is contrary to planning guidance which requires that Article 4 designations be *for the smallest geographical possible area* and the data does not appear to justify including residential areas outside of the city centre. Much of Exeter has no student properties or HMOs including over half the wards which have almost no HMOs (see table 6-1).
- This option would need to be supported by accelerated PBSA delivery and it is not clear that the student housing market or residents will support this.
- This would severely inhibit the delivery of HMOs for non-student residents including low income (HB/UC rules) in particular failing to meet the housing needs of several groups including all low-income single households on housing benefit (UC)). This also requires consideration of the Equalities Act. Some non-student HMOs found in small numbers outside the city centre are for residents with protected characteristics. A city-wide Article 4 area would place a large obstacle in the way of providing such accommodation. Planning requirements, in contrast with permitted development controls and licensing, could potentially disadvantage those in need of specialist accommodation, could create disquiet among neighbours, and could compromise safety for future residents.
- This would place a significant burden on Development Management as all HMO conversions (including non-student HMOs) would require permission. Currently the fee for a planning application for HMO change of use is £462 which does not cover the cost of officer time.
- This approach is significantly different from the current one and if the Council wishes to pursue this it can only be done alongside robust decision-making policies including robust and detailed criteria which would need to be introduced through the Exeter Plan process. Additional resources may be required to produce sufficient evidence to support a substantial new set of policies through Exeter Plan examination.
- The Council would be advised to have legal advice as to the potential for challenge to any decisions to substantially change the current Article 4 area without clear evidence of justification.

Option 5 – Remove Article 4 (Discounted Option)

- 6.22 One final option, which is theoretically available, is to remove all the existing policies and to leave matters of student housing to the market in the context of the General Permitted Development Order. Interviews with stakeholders and a review of data confirmed that there continues to be justification to carefully manage issues associated with expansion of the student body to minimise social and amenity issues and housing market impacts of conversion of large dwellings to HMOs. The landlords we interviewed did not object to an Article 4 area *per se*; their interest was clarity in policy and retaining enough scope for new HMOs to meet any rise in demand.

Pros/Cons Option 5

- This is not considered to be a robust approach, since it would remove the key planning tool available to manage issues associated with HMO growth.
- It is likely this will create short and long term changes in the housing market in the city centre.
- This could destabilise planned PBSA projects.
- It would likely create more work for the ECC licensing team but may remove some of the burden on planning.
- It would fail to address resident concerns in the city centre and around the University.

6.2 Boundary Changes / Updating Student Areas

- 6.23 Options 2, 3, and 4 all involve some change to the boundaries of the current Article 4 area (fig 1-2). Changes to the boundary require decisions about a) any thresholds to use and b) the most reasonable geography for decisions.
- 6.24 Prior to deciding a recommended approach, each of the options was mapped following a specific data driven methodology. This enabled an assessment of the scale of change and a better review of likely impacts.

Setting the Threshold

- 6.25 At the time of the initial Article 4 direction, the concentration threshold set out in the SPG was 25% of **student housing**. The 2011 SPD references areas over 20% being the upper threshold of student properties while still retaining the character of a “balanced community”, but the subsequent 2014 SPD does not refer to a threshold. There is no locally robust metric of percentages, and the figures vary from council to council, with several being around 10% of or 20% of properties being HMOs or student properties (not bedspaces or residents). It is suggested by evidence from other authorities (cited in section 5.3) that 10% of properties being HMO might represent around 20% of residents and 20% HMO might represent around 40% residents and our assessment (Figure 6-1) confirms this.
- 6.26 It should be noted that the majority of comparable LPAs who use a 10% threshold base this on percentages of **licenced HMOs**, not all student properties. Exeter has consistently considered **student housing** as the key metric. Council tax exemptions are more dynamic than licenced HMO properties as households in private rental change tenancies quite often, and the relationship and student status of residents will change often. Going forward it will be important to introduce routine monitoring to ensure evidence-led decision making and to better understand interannual variability in households.

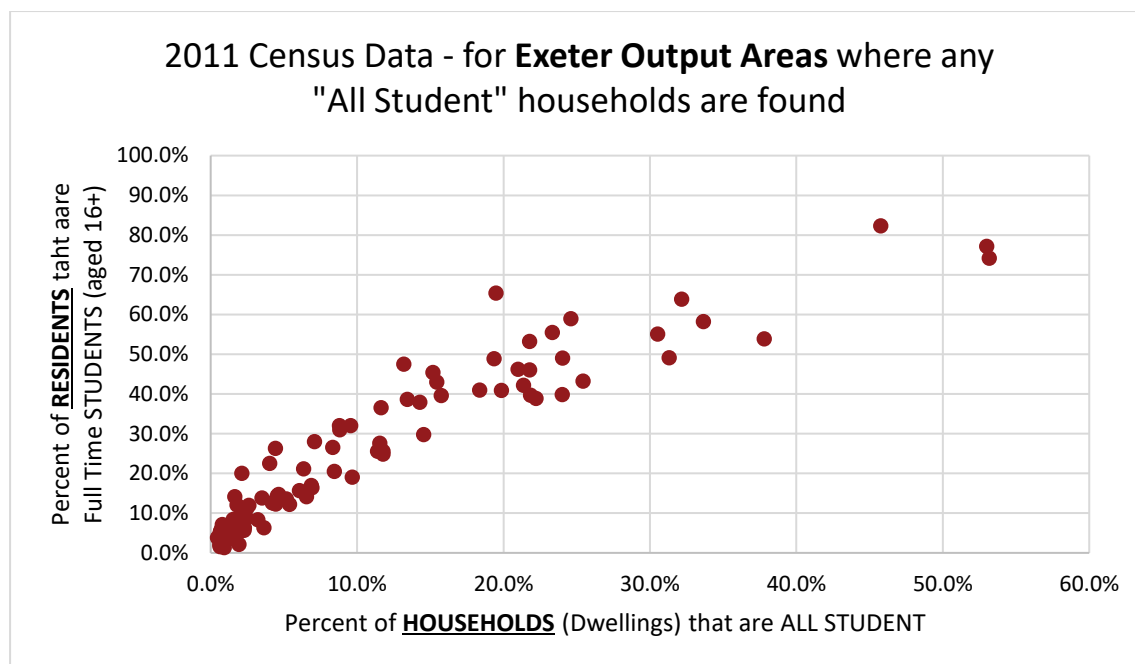


Figure 6-1 Household Type & residents

- 6.27 An analysis of the 2011 census data shows that **the majority of output areas in Exeter (60%) had NO student only households or residents**. The empirical data for Exeter suggests that where around 10% of **households** (dwellings) are student only, around 25% of **residents** are students. Analysis of the family types within Exeter shows large areas are dominated by specific household types with Over 65s and Working households with no children being the most common dominant household type. In the 2011 census there were 5 Output Areas where Student households were the dominant type (in 2021 this has increased to 9 Output Areas).
- 6.28 Based on this, **a threshold of around 20% of households would appear a ‘tipping point’ where the character begins to change toward student-dominated areas**. Once the percentage of student households exceeds 50%, a very substantial majority of residents will be full time students. Areas with more than 40% student households might be considered to have tipped into predominately student areas as one would expect more than 70% of residents will be other students.

Alternative ways to identify student areas and revise the Article 4 boundary

- 6.29 Figure 6-2A and 6-2B provide an overview of those areas of high concentration of student housing around the city centre based on the analysis set out Section 3 of this report. Areas where PBSA blocks provide student housing are also shown and those postcodes will generally be a specific postcode for the block and will therefore be 100% student housing. Figure 6-2A is mapped at postcode area (smallest area available) and 6-2B is at Output Area level which is the smallest ONS data level. Postcodes may have no or few residential addresses (commercial postcodes) whilst Output Areas are for reporting population and generally have around 130 households.
- 6.30 At postcode level, several areas approaching the 20% tipping point can be seen outside the current Article 4 area. When aggregating to output area, most of the areas exceeding 15-20% student housing are within the A4 area (or exempted areas) but some expansion areas are noted, particularly to the northeast and Bartholomew Street. Due to the larger numbers of properties within Output Areas, some of the small clusters of student housing average out.

- 6.31 As noted earlier, the NPPF requires Article 4 directions to be used only where *necessary to avoid wholly unacceptable adverse impacts* and that *Article 4 designations be for the smallest geographical possible area*. Consequently, our analysis has worked from postcodes as the lowest geographical area for which property data are readily available.
- 6.32 At the time of the initial Exeter student housing analysis (2007) property counts were based on individual streets, presumably from manual address counts. We have considered a range of geographies, including postcode sectors, ONS Output Areas (OAs) and Wards. OAs are small areas typically covering around 100 households. Using this residential basis means commercial areas (few residential properties, but many postcodes) are ‘smoothed out’.
- 6.33 A brief review of approaches currently used by other local planning authorities shows using ONS OA data is quite common. However, **we recommend using postcodes for monitoring and decision making as the administrative data (Licensing, Addressing, Council Tax and Planning) are all referenced to postcode**. As postcodes are not drawn to property boundaries, we do recommend any revised Article 4 map be adjusted to the property boundary for planning precision.

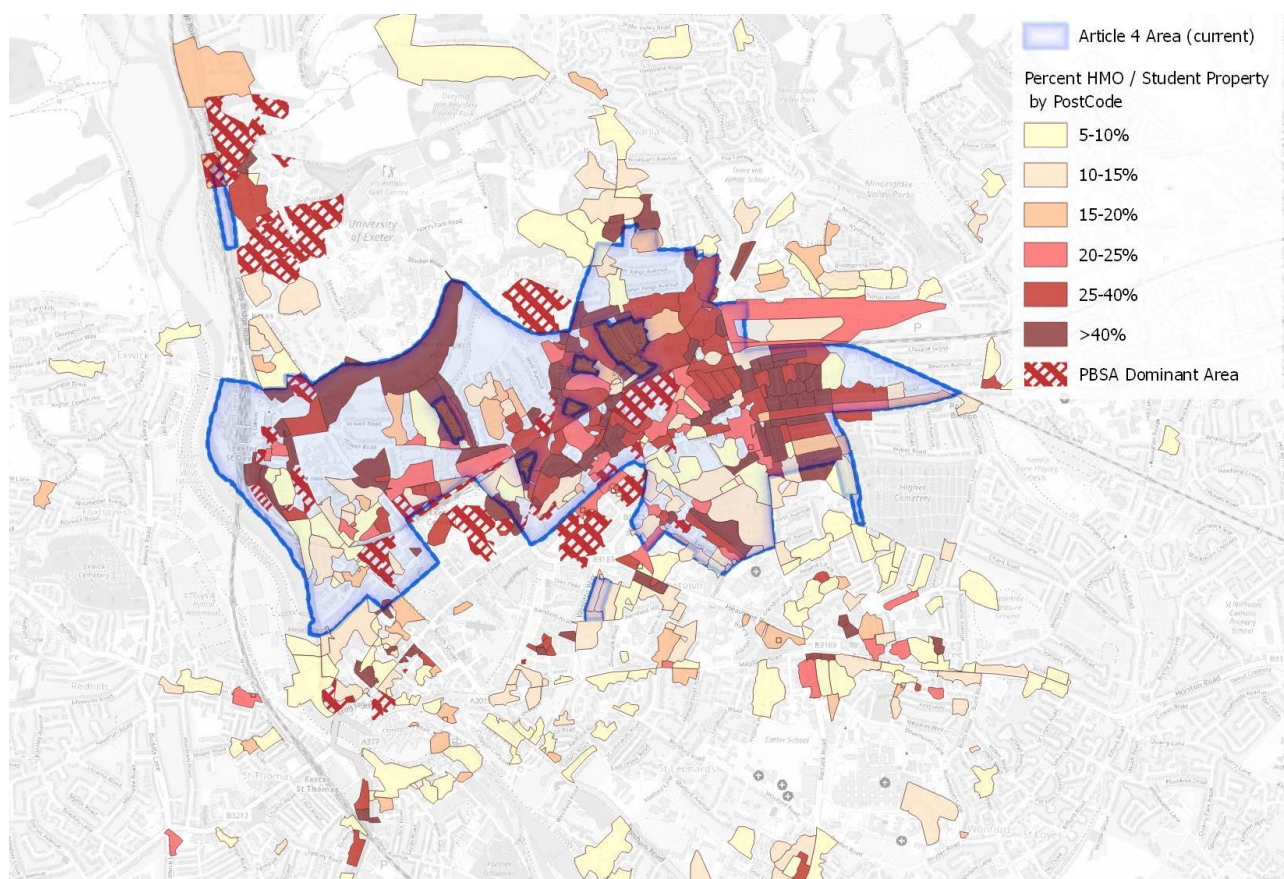


Figure 6-2 Percent Student Properties by postcode (HMO and Council Tax Exempt) – PBSA postcodes highlighted

- 6.34 Postcodes do not contain equal numbers of residential addresses, so use in setting any new boundaries requires careful consideration as illustrated in figure 6-4. In this area, the two postcodes shown as 5-10% student properties contain 12 and 18 properties each, of which only 1 property is claiming council tax relief as all students. The area on the corner identifies as 30% student housing though there are only 6 properties, of which two are flats claiming student council tax exemption and no HMOs. The predominant tenure is affordable housing rental with some private lets and

owner-occupied properties. In such an area the presence of 3 postcodes with a total of 4 student properties would not likely justify consideration for inclusion in an expanded Article 4 area in the current policy framework.

6.35 The ONS provides a lookup table with the best fit of postcodes to output areas. Figure 6-3 shows the same thresholds calculated on output area geography. Together postcodes and output areas represent the smallest geography from which to work.

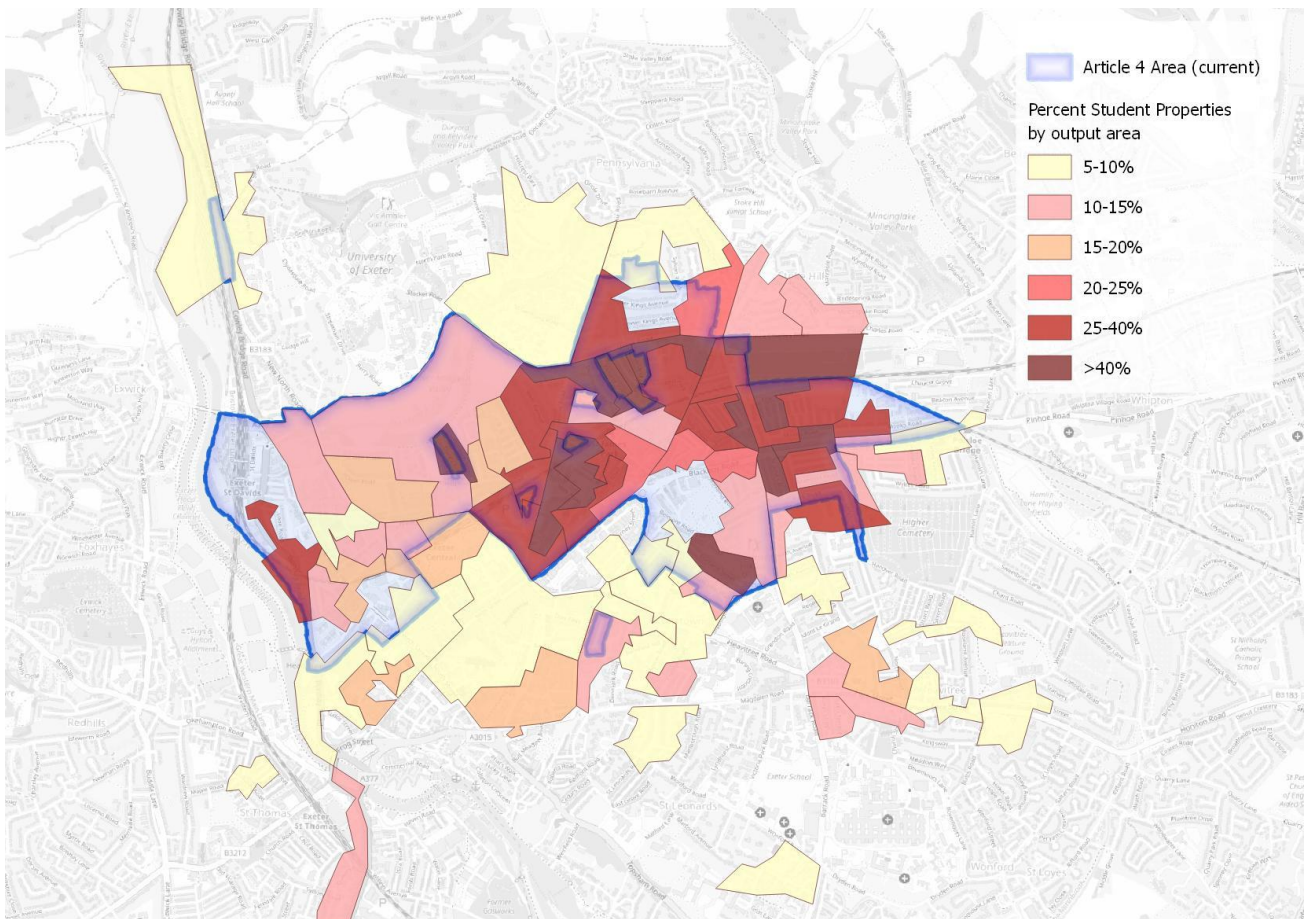


Figure 6-3 Percent Student Properties by Output Area

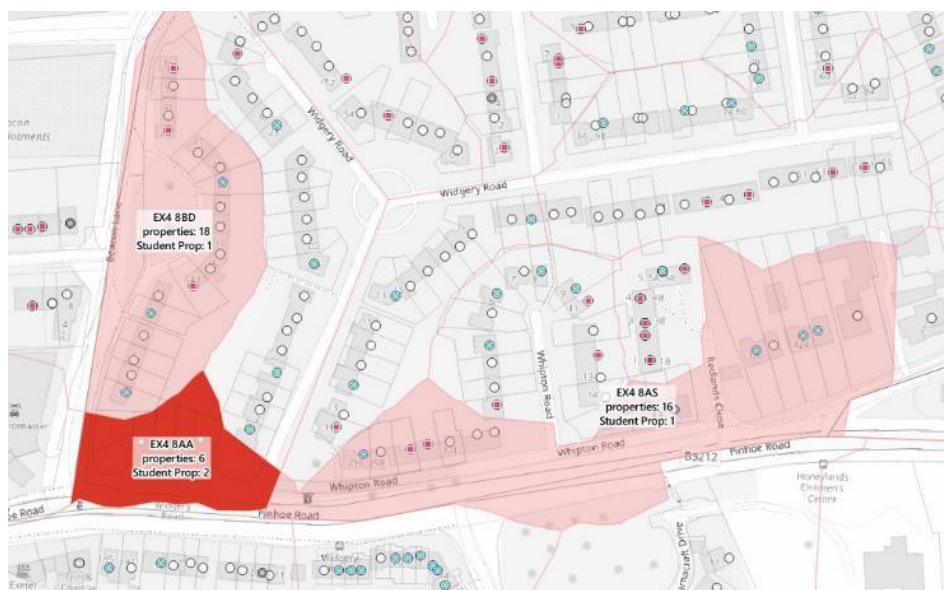


Figure 6-4 Detail of student property counts by postcode

6.36 Wards (table 6-1 and figure 6-4) are too large to be used to effectively control fine grained development. Three Exeter wards have more than 10% student properties, but these are not spread evenly across the ward.

Table 6-1 - 1 HMOs by Ward

Ward	Percent of student properties	Number of HMOs
Duryard & St. James Ward	22.9%	541
Pennsylvania Ward	15.9%	327
Newtown & St. Leonard's Ward	10.5%	205
St. David's Ward	7.7%	86
Heavitree Ward	4.8%	89
St. Thomas Ward	1.5%	52
Exwick Ward	0.7%	7
Mincinglake & Whipton Ward	0.6%	4
Priory Ward	0.6%	5
Alphington Ward	0.4%	24
Pinhoe Ward	0.3%	4
St. Loyes Ward	<0.1%	6
Topsham Ward	0.1%	3

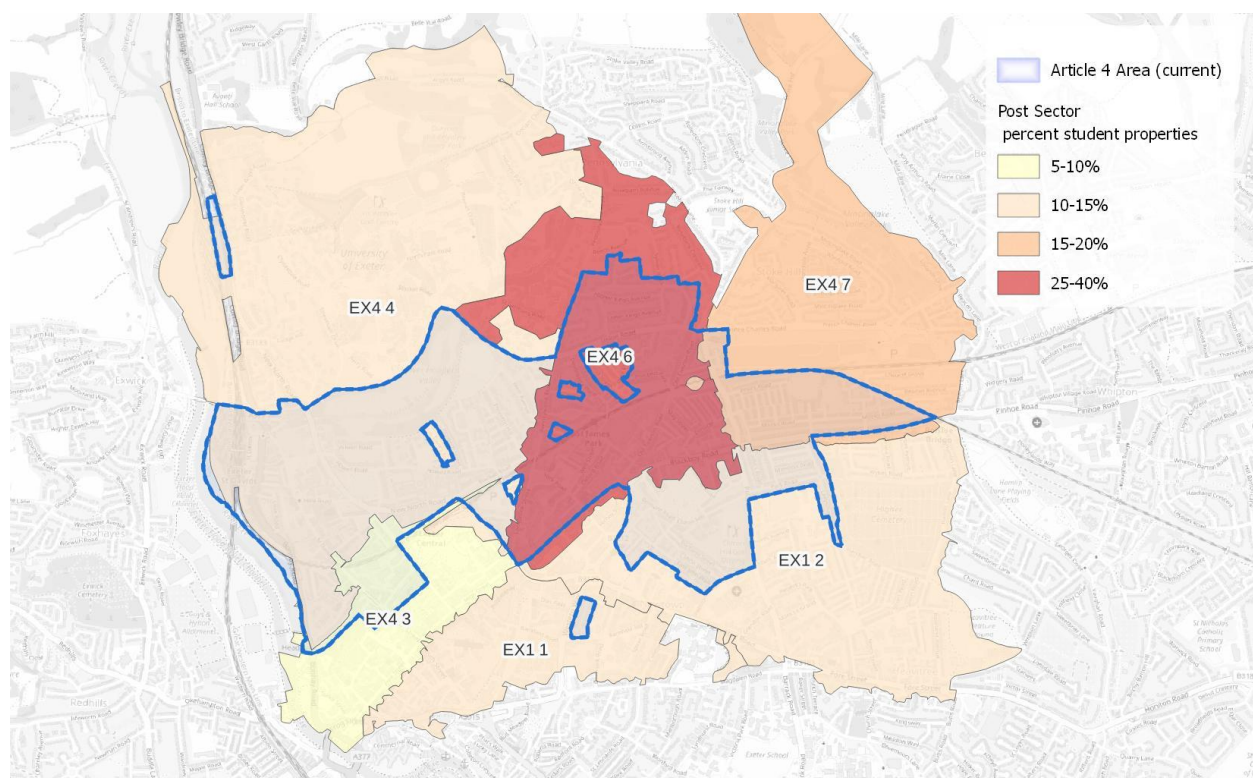


Figure 6-6 Postcode Sector-base Percent Student Properties

6.3 Mapping the Options

Option 2 – Continued policy approach with expanded area

6.38 It we take Option 2 as continuing the current approach of including areas where the 20% threshold has been reached, we can produce an Option map by:

- Taking the existing Article 4 area and incorporating output areas AND postcodes AND postcode sectors where the 20% threshold is exceeded.
- Incorporating the University campus and student halls (for completeness)
- Minor infilling and adjustments as required.

6.39 In addition to individual postcodes, cross-referenced with output areas, the entirety of **postcode sector EX4 6** is included due to several pockets of very high concentrations of student housing, the proximity to the University, some evidence of “leapfrogging” pressure north of the current A4 area, and an overall concentration of 29% student housing.

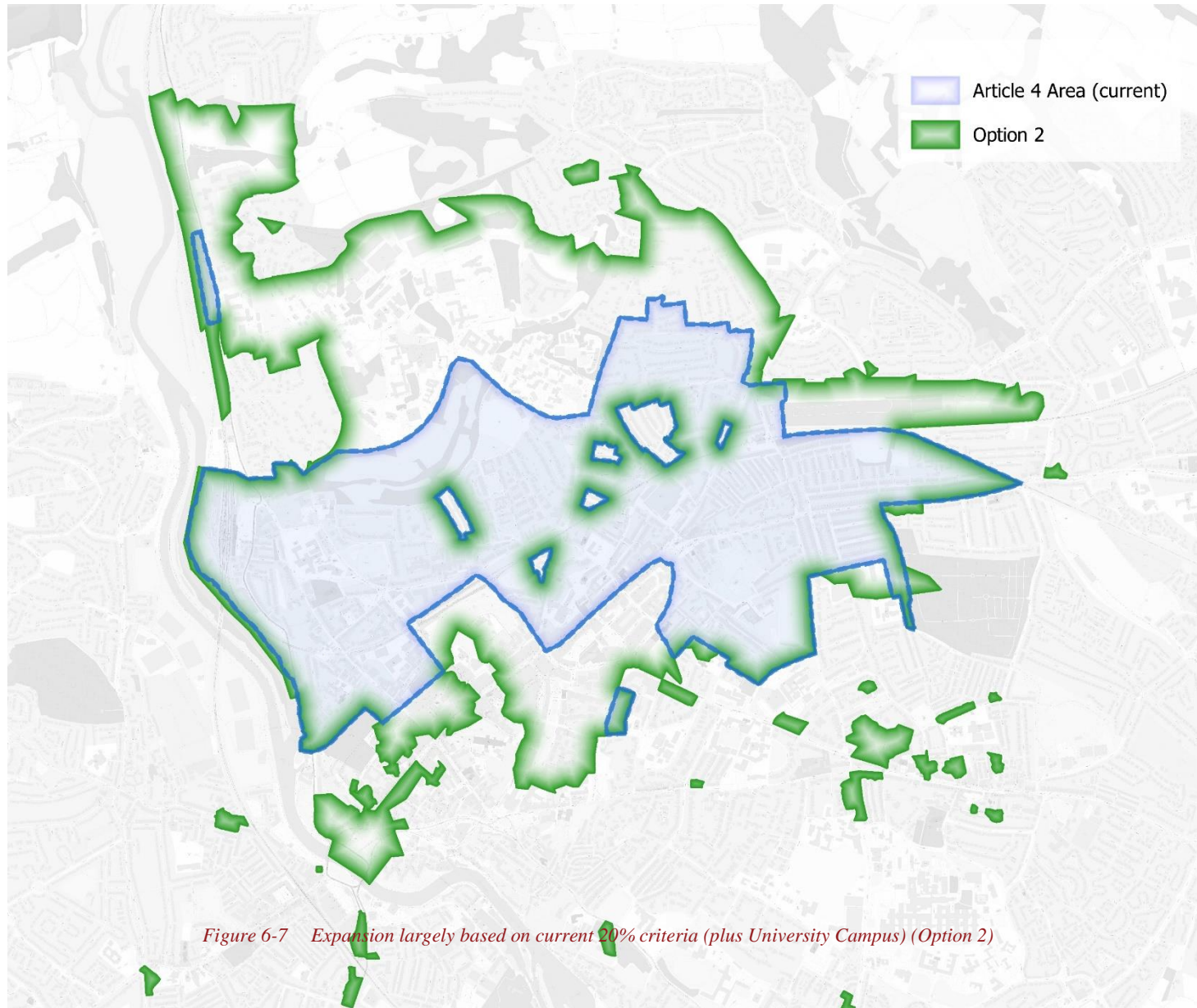
6.40 This approach produces a map as shown in figure 6-7.

6.41 Working from the smallest areas of data available, this would be in line with the NPPF guidance. Some of these are triggered by PBSA council tax exemptions, but this does identify several new areas detached from the core Article 4 area including:

- Heavitree / Fore Street.
- Southern area of Stoke Hill.
- North along Pennsylvania Road.
- Toward Exe Bridges.

6.42 It is recommended that the data is examined to ensure areas flagged as 20% due to the presence of very few residential addresses are not incorrectly added to the map. The final area of any revised

designation maps should also be modified to run along property boundaries, rather than OA/Postcode administrative lines, for clarity in planning decisions and subject to close examination along boundaries and discussions with officers.



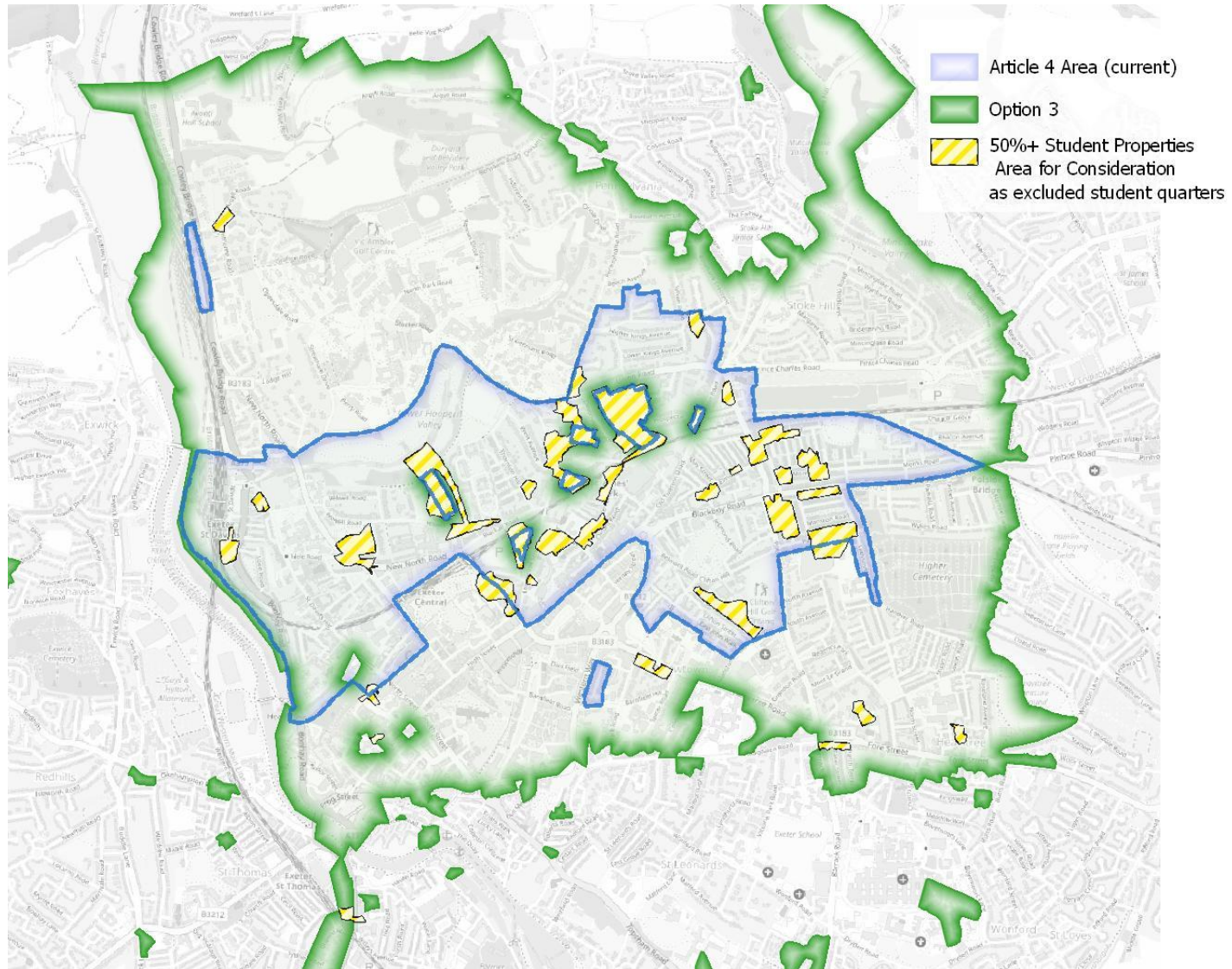


Figure 6-8 Option 3: Expanding criteria to 10% and potential areas for exemption

Option 3 – Supporting student concentration

- 6.43 This involves expanding the Article 4 area even more through buffering and changing the criteria to include postcodes with 10% or more HMOs and/or student properties. This would be accompanied by identifying areas that are overwhelmingly student housing to create expanded “exclusion areas” within an enlarged Article 4 area. This would provide room for the student HMO housing sector to expand, should demand warrant this. This could help prevent “leapfrogging” outside the Article 4 area moving further into non-student areas by providing room for limited growth in areas already impacted. However, as noted in section 6.1 the use of a 10% threshold with combined HMO and student properties is a departure from the current approach. This 10% threshold is mapped in figure 6-8.
- 6.44 Identifying exclusion areas will require careful consideration. Mapping areas where more than 50% of properties are student housing and checking against extant HMOs provides the starting point for assessment. (NB – the higher concentration level of 50% is used to ensure only areas of very high concentration are considered for exclusion; maps shown in section 6.2 use 40% to identify potential areas for inclusion on revisions). Expansion of the exclusion areas would broadly follow postcode and property boundaries but would need to be carefully considered to not incorporate a street or terrace where there are significant numbers of properties which are not student housing. Figures 6-8 and 6-9 illustrate the types of area where expansion of Article 4 exemption areas could be considered.



Figure 6-9 Areas likely to have "tipped" into student housing



Figure 6-10 Areas likely to have "tipped" into student housing

Option 4 – Full city built up area

6.45 Most of the Exeter City Council area features neighbourhoods with no student housing, and many areas are not targets for student HMO conversion. This is in part as only very large dwellings are suitable for conversion which rules out many areas, but proximity to the University is a key market driver. Consequently, a full city-wide Article 4 is unlikely to be justified and comply with current planning guidance.

6.46 Those councils who have created authority wide Article 4 directions tend to be in conurbations with multiple universities and extra-ordinary issues around housing deprivation. But in order to evaluate this, this approach was mapped and is shown in figure 6-11. It is clear that this brings in large areas where there is no student housing or HMO concentrations and is thus contrary to the NPPF/NPPG.

6.4 Other Issues

6.47 Some of the landlords interviewed felt that the current HMO fee structure was high. A full review is outside the scope of this report, but spot checks of charges by other local authorities shows the Exeter licensing fees are broadly in line with most charging though perhaps slightly lower than average. The Council may wish to review the licensing and inspection fees.

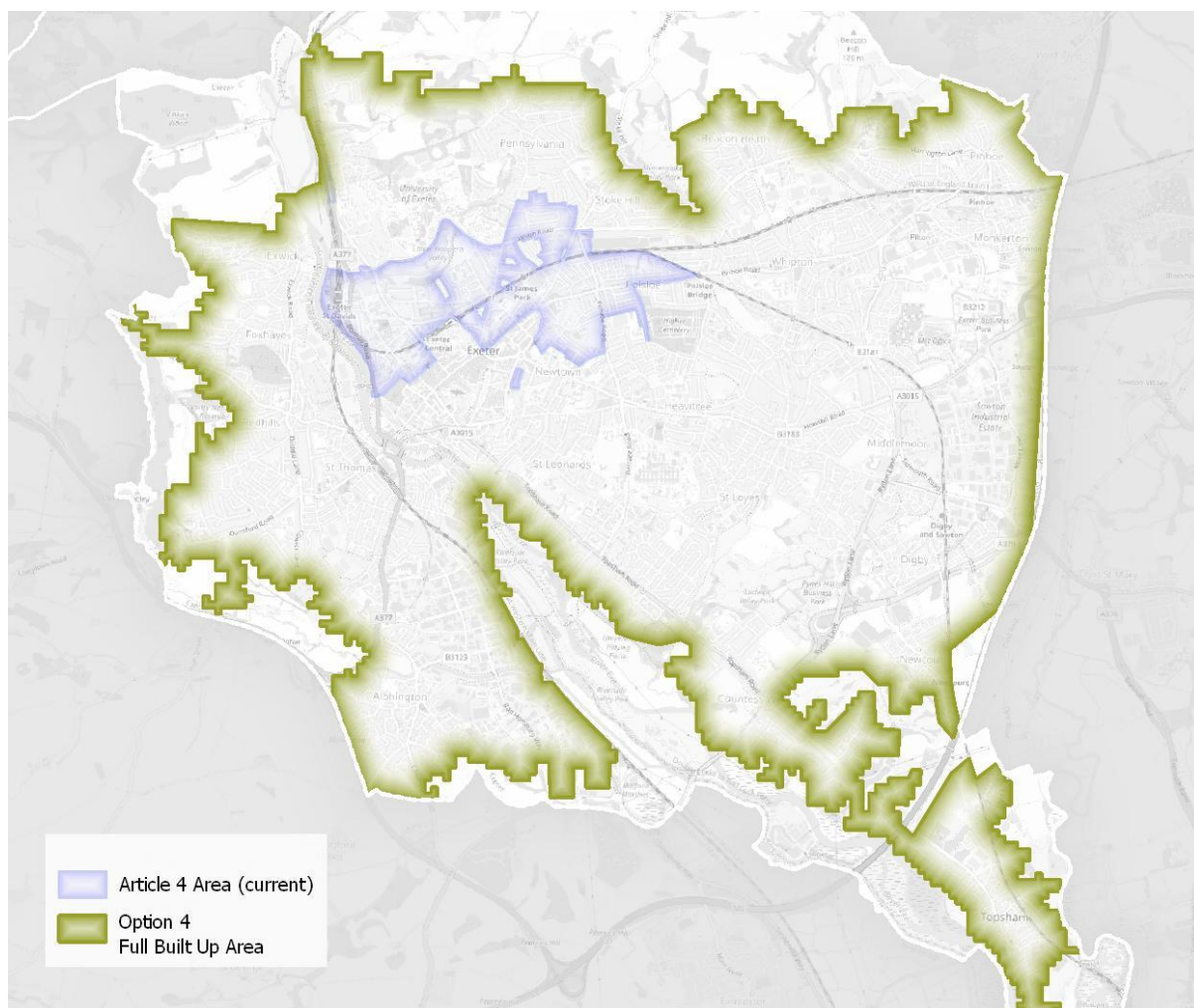


Figure 6-11 Option 4 - "full city" area

- 6.48 Updating guidance or the Article 4 map and direction will do nothing to improve relations between the student populations and residents. Encouraging community cohesion involves addressing any real problems and culture change. The Council can be more proactive in addressing waste issues which would benefit students and their neighbours. Provision of some additional bulk glass / tins recycling points within walking distance of student areas would be helpful. To address social integration community leaders and organisations such as faith groups can have a role to play in fostering communication and understanding.
- 6.49 The timing of any updates to the Article 4 Direction and HMO SPD need to be considered alongside the timeframes for the new Exeter plan. In particular an expansion of the Article 4 area to cover most of the council administrative area would need to be accompanied by detailed criteria-based policies for decision making in the Exeter Plan, along with policies to ensure a sufficient supply of student housing (e.g. additional PBSA) and non-student HMOs continue to be available.

7 Recommendations

- 7.1 Following updates to the data, analysis of student housing, and consideration of policy options we recommend that the current Article 4 area be updated in line with the long-established policy approach and 20% student housing threshold. We recommend this takes the approach outlined as “option 2” in this paper with the Council advising on refined boundaries in relation to detached outlier postcodes. It is recommended that changes should be consulted on following the Council’s SCI, and any changes should follow the non-immediate effect approach allowing a 12-month period prior to the new Article 4 taking effect to limit liability.
- 7.2 Ongoing monitoring is important, whether the Council introduces new policies or continues with the current approach. It is important that the Council routinely monitors this information and procedures to help understand interannual variability and to ensure up to date counts and percentages are available. An example of where lack of monitoring can present problems is seen in a recent Local Government Ombudsman¹⁷ finding that a Council’s failure to keep up to date the HMO decision making data can create problems.
- 7.3 Monitoring and decision making should work from postcodes and adjoining groups of postcodes as the base data. The data collection and analysis for this will be more straightforward and is not as ambiguous as the term “street” or “neighbourhood” can be,
- 7.4 The current approach, to ensure new PBSA provides housing for most of the growth in student populations, has proved effective. The emerging Exeter Plan policies should ensure policy support for appropriate future PBSA and include up to date metrics in relation to viability and planning obligations.
- 7.5 Student numbers may continue to grow modestly, but any growth will be at a reduced level from that seen over the last 15 years.
- 7.6 Whatever the proposed decision in relation to the Article 4 designation, the current HMO SPD should be refreshed to update information on the legislative and national policy framework for HMOs and student housing. Though local policy can not be made through an SPD, a refreshed document would provide greater clarity about related issues including decision making and thresholds for “over-concentration”.
- 7.7 Ensuring ongoing sharing of information on HMO applications between housing, licensing and planning through regular officer reports could be helpful to enable more robust monitoring.
- 7.8 Going forward, if the new Exeter Plan seeks to introduce a threshold test for HMO in order to limit the level of student population, a proximity test (e.g. within xxx meters of proposal) or aggregating from postcodes should be used. Undefined terms such as “street” or “neighbourhood” should be avoided.
- 7.9 Senior officers in street scene/waste collection should set out to identify and implement potential solutions to problems of insufficient waste collection and recycling facilities in areas of high concentration of student housing.

¹⁷ <https://www.lgo.org.uk/decisions/planning/planning-applications/20-006-711>

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Equality Impact Assessment: *Review of the Article 4 Direction and Houses in Multiple Occupation Supplementary Planning Document*

The Equality Act 2010 includes a general duty which requires public authorities, in the exercise of their functions, to have due regard to the need to:

- **Eliminate discrimination**, harassment and victimisation and any other conduct that is prohibited by or under the Act.
- **Advance equality of opportunity** between people who share a relevant protected characteristic and people who do not share it.
- **Foster good relations** between people who share a relevant protected characteristic and those who do not

In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

Authorities which fail to carry out equality impact assessments risk making poor and unfair decisions which may discriminate against particular groups and worsen inequality.

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
Executive 28 February 2023	Review of the Article 4 Direction and Houses in Multiple Occupation (HMO) Supplementary Planning Document (SPD)	That the Executive approves the draft revised Article 4 Direction (including the Article 4 area plan) attached at Appendix A and the draft revised HMO SPD attached at Appendix B for public	Race and ethnicity; disability; sex/gender; age.

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
		consultation.	

Factors to consider in the assessment: For each of the groups below, an assessment has been made on whether the proposed decision will have a **positive, negative or neutral impact**. This must be noted in the table below alongside brief details of why this conclusion has been reached and notes of any mitigation proposed. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

High impact – a significant potential impact, risk of exposure, history of complaints, no mitigating measures in place etc.

Medium impact – some potential impact exists, some mitigating measures are in place, poor evidence

Low impact – almost no relevancy to the process, e.g. an area that is very much legislation led and where the Council has very little discretion

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	Negative	Low	HMOs are an important source of relatively affordable housing for households on low incomes and there may be a significant relationship between income and race/ethnicity in Exeter. Enlarging the area covered by the Article 4 Direction will reduce the area of the City within which HMOs can be created under permitted development rights. This may negatively impact upon this protected characteristic in terms of an ability to find affordable housing. However, the proposed increase to the area covered by the Direction is relatively small compared to the size of the city as a whole, therefore it is considered any negative impact will be low.
	Neutral	N/A	The previous experience of some groups may mean that they feel marginalised and excluded from the planning process including

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
			covered by the Direction is relatively small compared to the size of the city as a whole, therefore it is considered any negative impact will be low.
Gender reassignment	Neutral	N/A	The Article 4 Direction and HMO SPD do not include specific policies that relate to this protected characteristic. No direct or indirect impacts are anticipated.
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	Neutral	N/A	The Article 4 Direction and HMO SPD do not include specific policies that relate to this protected characteristic. No direct or indirect impacts are anticipated.
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	Neutral	N/A	The Article 4 Direction and HMO SPD do not include specific policies that relate to this protected characteristic. No direct or indirect impacts are anticipated.
Age (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-75/80; older people 81+; frail older people; people living with age related conditions. The age categories are for illustration only as overriding consideration should be given to needs).	Negative	Low	HMOs are an important source of housing for students and expanding the Article 4 Direction could negatively impact upon the availability of student housing. However, because the size of the proposed increase in the area covered by the Direction is relatively small, and due to the Council's positive planning policy towards purpose built student accommodation, it is considered that this potentially negative impact will be low.
	Negative	Low	HMOs are an important source of relatively affordable housing for young people, because single people under 35 years of age in receipt of housing benefit have rents pegged to the cost of a room in shared accommodation. Also, HMOs can be an important source of specialist housing for young people, for example for care leaving young adults being supported in their transition to independence. Enlarging the area covered by the Article 4 Direction will reduce the area of the City within which HMOs can be created under permitted development rights. This may negatively impact upon this protected characteristic in terms of an ability to find affordable or specialist housing. However, the proposed

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
	Neutral	N/A	increase to the area covered by the Direction is relatively small compared to the size of the city as a whole, therefore it is considered any negative impact will be low. The consultation methods to be used may be positive for some age groups and negative for others. Digital activities often provide improved access for younger groups whilst an over-emphasis can exclude older groups. A balance of methods will need to be provided.
Pregnancy and maternity including new and breast feeding mothers	Neutral	N/A	The Article 4 Direction and HMO SPD do not include specific policies that relate to this protected characteristic. No direct or indirect impacts are anticipated.
Marriage and civil partnership status	Neutral	N/A	The Article 4 Direction and HMO SPD do not include specific policies that relate to this protected characteristic. No direct or indirect impacts are anticipated.

Actions identified that will mitigate any negative impacts and/or promote inclusion

Upon implementation, monitoring the impact of the draft revised Article 4 Direction and HMO SPD upon the availability of HMOs to meet the housing needs of households with protected characteristics.

Consideration of a breadth of consultation methods to support the needs of groups with protected characteristics.

Officer: Katharine Smith, Principal Project Manager, Local Plan

Date: 25 January 2023

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REPORT TO EXECUTIVE

Date of Meeting: 28 February 2023

Report of: Director of City Development

Title: Council consultation response to the proposed submission version of the Teignbridge Local Plan

Is this a Key Decision?

No

Is this an Executive or Council Function?

Council

1. What is the report about?

1.1. The report sets out the issues associated with the final consultation draft of the Teignbridge Local Plan (the proposed submission version of the plan) in terms of the implications for Exeter. It proposes to submit a formal response to the consultation based on the issues raised.

2. Recommendations:

2.1. That the Executive gives delegated authority to the Director of City Development, in consultation with the Council Leader and Portfolio Holder for City Development, to prepare and submit a response to the consultation on the proposed submission version of the Teignbridge Local Plan based on the issues raised in this report.

3. Reasons for the recommendation:

3.1. Teignbridge District Council are preparing a new Local Plan to provide the planning policy for the District. Although the proposed planning policy will not directly apply to Exeter, there will be cross-boundary implications, particularly regarding two proposed development allocations close to the city – Attwells Farm near Exwick and Markham Village between Ide and Shillingford Abbot close to Alphington. Key issues are in relation to landscape impact and transport/connectivity and associated infrastructure. In order to formally highlight these issues it is necessary for the Council to respond to the current consultation on the proposed submission version of the Teignbridge Local Plan. Council officers would discuss the associated issues at the future Examination Hearing sessions for the Plan.

4. What are the resource implications including non financial resources

4.1. There are no direct financial implications of the recommendations in the report. Staff from within City Development are preparing the response to the Teignbridge Local Plan and further staff time will be required to prepare for, and attend, the future Examination Hearings.

5. Section 151 Officer comments:

5.1. There are no financial implications for Council to consider arising from this report.

6. What are the legal aspects?

6.1 Teignbridge District Council are preparing a Local Plan and are consulting on the document in accordance with Regulation 19 of the Planning and Compulsory Purchase Act 2004. As a neighbouring local planning authority and statutory consultee under the Town and Country Planning (Local Planning) (England) Regulations 2012, the Council proposes to respond to the consultation.

6.2 When working on a Local Plan, cross-boundary working on planning matters between two neighbouring authorities is required by the Section 33A of the Planning and Compulsory Purchase Act 2004 (PCPA) (inserted by Section 110 of the Localism Act 2011). This is otherwise known as the 'legal duty to cooperate' and imposes an ongoing obligation on the City Council to engage constructively and actively.

7. Monitoring Officer's comments:

This report raises no issues for the Monitoring Officer.

8. Report details:

Background

8.1 Teignbridge District Council, in their role as Local Planning Authority for the District, are preparing a Local Plan covering the period between 2020 and 2040. Work started on the Teignbridge Local Plan in 2017 and it has since progressed through four stages of public consultation.

8.2 The Teignbridge Local Plan is currently being consulted on for a fifth and final time; the Proposed Submission consultation is running between 23 January and 13 March 2023. This document is the final draft which will be submitted to the Planning Inspectorate for Examination later this year via a series of public hearing sessions.

8.3 This stage of consultation provides the final opportunity for the Council to provide comments before the plan is submitted for Examination.

Previous consultations

8.4 This Proposed Submission is the fifth consultation stage for the Teignbridge Local Plan. The Council has previously provided responses to the two most recent consultations.

8.5 The Teignbridge Local Plan Review (Part 2) Site Options Consultation was held in mid-2021. As part of this process a series of potential development allocations was identified for comment. The Council commented on six sites close to Exeter, including Attwells Farm on the edge of Exwick and Markham's Farm (now known as Markham Village) close to Alphington between Ide and Shillingford Abbot. The Council raised concerns over landscape, transport and infrastructure provision.

8.6 The Teignbridge Local Plan Review (Part 3) renewable energy, gypsy and traveller and small residential site options consultation was held later in 2021 and early 2022. In response to this consultation the Council made comments and suggestions to improve

the wording of policies covering wind and solar energy to acknowledge the potential landscape and amenity impact of renewable energy installations.

Content of the proposed submission version of the Teignbridge Local Plan

8.7 The proposed submission version of the Teignbridge Local Plan includes a vision, objectives, strategic and detailed development management policies and a series of site allocations. Large parts of the plan will not have a direct impact on Exeter and so these are not dealt with here.

8.8 A key focus of the plan is for Teignbridge to meet its development requirements in full. In Teignbridge this means providing for 741 homes per year, or a total of nearly 12,000 over 16 years, together with 65 hectares of land for employment uses.

8.9 A key part of the development strategy for the plan is to maximise the co-location of new homes with job opportunities, services and public transport links so that the majority of new development takes place close to the main towns and Exeter. This recognises the vital role which Exeter plays across the wider area and aims to help reduce the need to travel. The principles of this development strategy are recognised. There are, however, issues associated with some of the proposed allocations close to Exeter which will play a significant role in delivering the strategy.

8.10 Following revisions to previous versions of the Local Plan there are now three proposed site allocations of particular interest for the Council:

- Markham Village: A residential-led mixed-use site for 900 homes west of the A30 close to Alphington.
- Attwells Farm: A site for 300 homes on the edge of Exwick.
- Peamore and West Exe: A mixed-use site for 750 homes and 20 hectares of employment space on the edge of Exeter bisected by the A379.

8.11 The Council supports the inclusion of the proposed Peamore and West Exe Allocation. It will form an extension to the current South West Exeter allocation which is being built out and which has benefited from £50m of recyclable government funding to deliver much-needed infrastructure. This investment will also support this wider proposed allocation. Peamore and West Exe will also deliver strategic employment provision close to the city boundary which will help to support the city's growth agenda, and potentially also complement the transformation of the Marsh Barton area as a liveable regeneration area as proposed in the emerging Exeter Plan.

8.12 The Council does however maintain concerns regarding Markham Village and Attwells Farm and proposes to raise these concerns in a response to the Local Plan.

Key elements of the Council's response

8.13 It is proposed to use the issues highlighted in this report to form the basis of the Council's response to the Teignbridge Local Plan. Because this is the final consultation before submission for Examination it is arranged formally and responses have to be provided in a structured way, following a defined format. Responses have to set out whether the part of the Local Plan in question is legally compliant, sound and complies

with the duty to cooperate. Responses need to be specifically framed within this format; it is insufficient to simply disagree or suggest revisions to the content.

8.14 It is proposed that the Council responds in relation to two parts of the Teignbridge Local Plan:

- Policy EE1: Markham Village.
- Policy EE4: Attwells Farm.

8.15 Plans showing the proposed allocations are included in Appendix A.

8.16 It is proposed that the Council objects to the Attwells Farm allocation based on landscape, transport/connectivity and, potentially, infrastructure concerns and in the context of evidence gaps linked to the relatively early delivery of development on the site. It is proposed to raise significant concerns regarding the Markham Village allocation as a result of landscape and transport/connectivity issues and the need for further evidence to justify the allocation.

Explanation of the issues

8.17 In general terms, Exeter supports a spatial strategy which is committed to locating homes in well-connected, sustainable locations where they can support our net zero transition, deliver key infrastructure, help to protect and enhance our most valuable environments and support healthy, thriving local communities. If new homes are needed near Exeter they must be supported by the right type of infrastructure and targeted investment and funding to ensure development is sustainable.

8.18 Looking at Exeter specifically, the current development strategy for the city is included in the spatial approach and the objectives of the adopted Core Strategy. This identifies the aim of growing the city without damaging environmental assets. Development proposals in the city are therefore identified based on priority being given to the city centre, regeneration sites and previously developed (brownfield) land. This focus is supported by the priority of steering development away from the hills because these areas are sensitive to development and provide the attractive landscape setting of the city. This overall approach has multiple benefits in terms of achieving net zero, enhancing the local environment, supporting health and wellbeing, supporting high quality development, maintaining an attractive and vibrant city centre, reducing car dependency and promoting active travel and public transport

8.19 Focusing on landscape issues, the concept of preserving the landscape setting of the city is taken forward in further detailed policies. Existing policy in the adopted Local Plan First Review provides support for protecting areas of sensitive landscapes via policy LS1 which identifies the landscape setting area for the city. This has been taken forward in policy CP16 of the Core Strategy covering green infrastructure and the key diagram.

8.20 This adopted approach to prioritising development on brownfield sites and protecting sensitive landscapes is being taken forward into the emerging Exeter Plan. The outline draft of the Exeter Plan was consulted on at the end of 2022 and specifically sets out the vital need to focus development on brownfield sites and to protect the hills on the edge of the city.

8.21 Draft policy NE1 makes reference to the need to protect the city's sensitive landscapes and the landscape setting areas. Draft policy S2 presents a series of Liveable Exeter delivery principles including providing memorable places and outstanding quality, both making reference to the importance of environmental quality and topography.

8.22 Focusing on transport issues, the concept of minimising the need to travel by car and promoting public transport, walking and cycling is included in existing policy in the adopted Local Plan First Review. Policy T1 sets the hierarchy of modes, policy T2 identifies the approach to ensuring development is accessible for a variety of services and facilities and policy T3 covers the layout of proposed development to facilitate sustainable travel. Policy CP9 of the Core Strategy covers the mitigation measures and transport infrastructure requirements needed to accommodate development in Exeter.

8.23 In terms of future allocations, the emerging development sites in the outline draft Exeter Plan were specifically proposed in order to focus approximately 85% of the homes on brownfield land, identifying significant regeneration sites and enabling the strategy to avoid any allocations on the hills surrounding the city. The keen focus on significant development sites close to the city centre also specifically minimises the need travel, while the emerging Liveable Exeter principles include active travel as a central element.

8.24 Because the function of Exeter extends beyond the city boundary, and because development close to Exeter will have an impact on the city, it is reasonable to extend the key transport/connectivity and landscapes elements of the Exeter development strategy into the surrounding areas of Teignbridge, including the proposed allocations. This reflects the content of the NPPF which stresses the importance of plans considering strategic matters including landscape and transport issues on a cross-boundary geography. On this basis, the Council has significant concerns regarding the landscape impact and transport connectivity of the Markham Village and Attwells Farm allocations, whilst also identifies the importance of infrastructure delivery in supporting development if it is to be sustainable.

Plan-preparation evidence

8.25 As well as the detailed consideration of the development sites, the proposed response to the Teignbridge Local Plan will take into account important supporting evidence which is made available for consultation. This includes the Teignbridge Landscape Character Assessment and site specific Landscape Sensitivity Analysis for both Attwells Farm and Markham Village. Although it does not apply to the proposed development sites in Teignbridge, the Council's own landscape sensitivity assessment which covers areas adjacent to the boundary with Teignbridge, including the proposed development sites, will also inform the response.

8.26 In terms of transport, the evidence includes a District-wide report produced by Devon County Council as Local Transport Authority while the Exeter Transport Strategy also provides vital context in terms of the approach to be taken to planning for travel in the city. There is currently little published transport evidence relating to specific allocations.

Statement of Common Ground

8.27 It should be noted that the Council has agreed a Statement of Common Ground with Teignbridge District Council in accordance with planning regulations. This identifies that the Council has concerns over landscape matters where there are potential impacts on the city.

8.28 The Council has also agreed a joint Statement of Common Ground with Teignbridge District Council, the other Local Planning Authorities in the area, Devon County Council and National Highways to cover strategic transport considerations associated with the Teignbridge Local Plan.

9. How does the decision contribute to the Council's Corporate Plan?

9.1 A response to the proposed submission Teignbridge Local Plan consultation will enable the Council to articulate its concerns over the impact of edge-of-city development on Exeter itself. The concerns are centred on landscape and transport impacts, issues which need to be raised given their significant influence in achieving the Exeter Vision 2040 and the five strategic priorities in the Council's Corporate Plan.

9.2 If development comes forward on the edge of Exeter in locations with significant landscape sensitivity and where public and active travel cannot be adequately provided, it will undermine the city's high quality natural environment and the function of the city's transport network. The landscape setting of the city, and an efficient transport network need to be safeguarded for multiple reasons, but in terms of the Corporate Plan priorities, these matters are central to supporting a prosperous local economy, enabling a healthy and active city and building great neighbourhoods and communities.

10. What risks are there and how can they be reduced?

10.1 The proposed submission version of the Teignbridge Local Plan identifies two potential development allocations on the edge of Exeter which are of concern. The most appropriate way of raising these concerns formally is by responding to the current consultation and taking part in discussions at the Examination Hearings for the plan. This approach will help to reduce the risk of inappropriate development impact on the city.

10.2 It should be noted that providing a response does necessarily mean that the proposed developments will be omitted from the final adopted version of the Teignbridge Local Plan, nor that development will not take place on these sites. Irrespective of a considered, robust and evidenced Council response, there is still the potential for a Local Plan Inspector to conclude that it is reasonable for the proposed development allocations to be retained in the adoption version of the Teignbridge Local Plan.

10.3 If the proposed development allocations are retained in the adoption version of the Teignbridge Plan, Council officers will feed into any future evidence, master-planning and infrastructure work for the area. The Council would also have the opportunity to provide comments to future planning applications on these sites.

11. Equality Act 2010 (The Act)

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending these proposals no potential impact has been identified on people with protected characteristics as determined by the Act because the consultation response to the Teignbridge Local Plan will consider strategic, cross-boundary planning matters. It therefore does not directly address any equalities issues.

12. Carbon Footprint (Environmental) Implications:

12.1 There are no direct carbon/environmental impacts arising from the recommendations although the consultation response would help to support the case for avoiding environmental impacts on the edge of Exeter and help underpin the Council's net zero agenda.

13. Are there any other options?

13.1 The other option would be not to respond to the consultation – there is no specific requirement to do so. However, this consultation on the proposed submission version of the Teignbridge Local Plan is the last such process before the plan is submitted for Examination. Not providing a response would mean that there would be limited further scope to influence the plan in future while it would also mean that officers could not represent the Council's views at the Examination Hearings for the plan.

Director of City Development, Ian Collinson

Author: George Marshall: Assistant Service Lead – Local Plans

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

- Proposed Submission Teignbridge Local Plan
- Teignbridge Landscape Character Assessment
- Teignbridge Landscape Sensitivity Analysis
- Exeter Landscape Sensitivity Assessment
- Council response to previous Teignbridge Local Plan consultation: Site Options
- Council response to previous Teignbridge Local Plan consultation: Renewable Energy, Gypsy and Traveller and Small Residential Site Options

Contact for enquires:

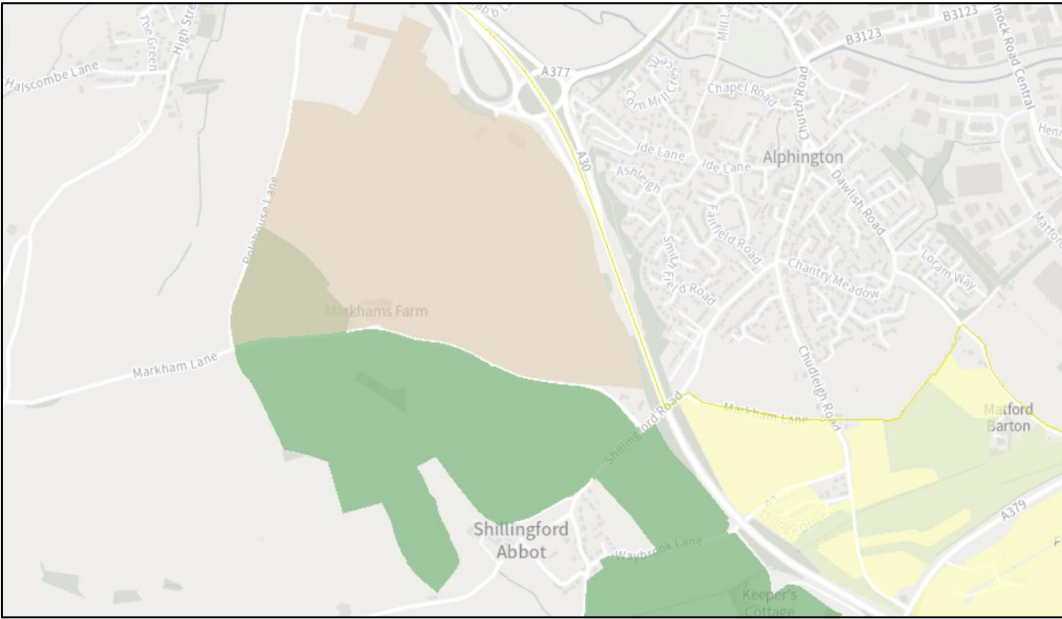
Democratic Services (Committees)

Room 4.36

01392 265275

**Appendix A:
Site plans for Markham Village and Attwell's Farm**

Markham Village

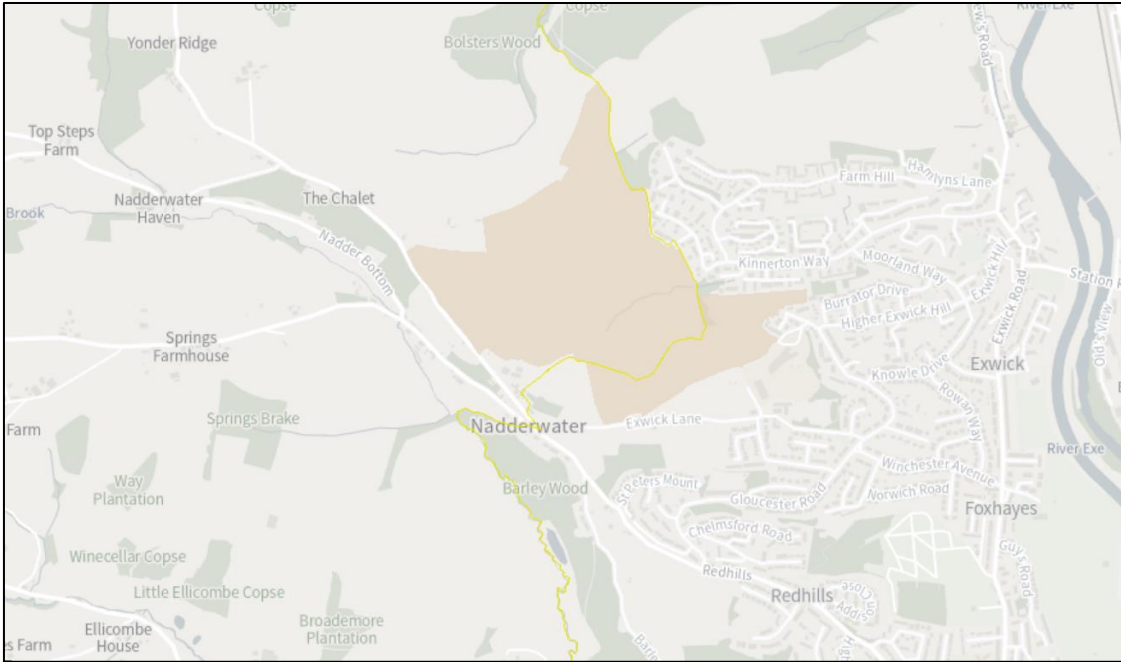


Location plan

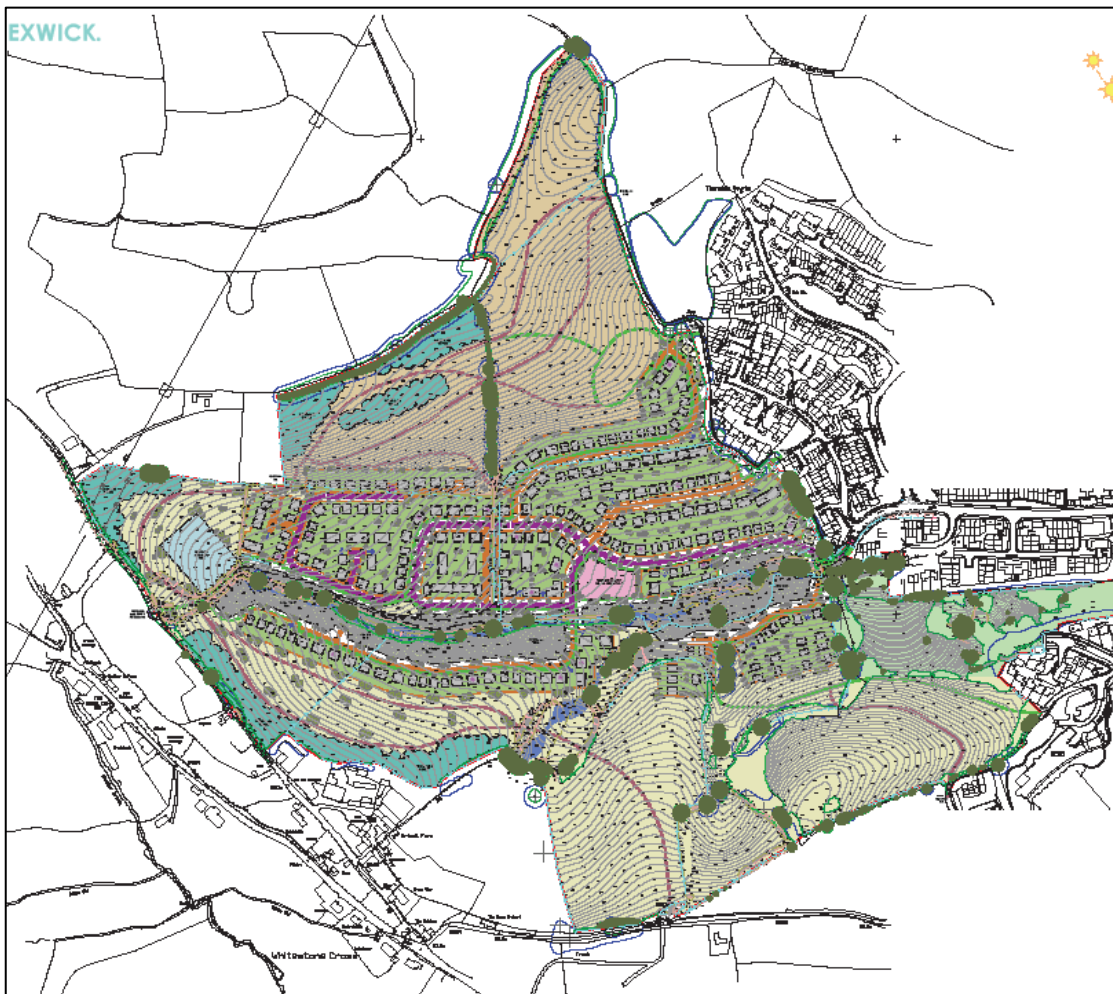


Masterplan (illustrative only)

Atwells Farm



Location plan



Masterplan (illustrative only)

Equality Impact Assessment: Council consultation response to the proposed submission version of the Teignbridge Local Plan

The Equality Act 2010 includes a general duty which requires public authorities, in the exercise of their functions, to have due regard to the need to:

- **Eliminate discrimination**, harassment and victimisation and any other conduct that is prohibited by or under the Act.
- **Advance equality of opportunity** between people who share a relevant protected characteristic and people who do not share it.
- **Foster good relations** between people who share a relevant protected characteristic and those who do not.

In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

Authorities which fail to carry out equality impact assessments risk making poor and unfair decisions which may discriminate against particular groups and worsen inequality.

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
Executive. 28.02.2023	Council consultation response to the proposed submission version of the Teignbridge Local Plan	2.1. That the Executive gives delegated authority to the Director of City Development, in consultation with the Council Leader and Portfolio Holder for City	The emerging response to the submission version of the Teignbridge Local Plan will provide comments on proposed planning policy which will cover the Teignbridge Council area.

Committee name and date:	Report Title	Decisions being recommended:	People with protected characteristics potentially impacted by the decisions to be made:
		Development, to prepare and submit a response to the consultation on the proposed submission version of the Teignbridge Local Plan based on the issues raised in this report.	<p>The response will raise landscape and transport concerns regarding the potential impact of two proposed development allocations close to the boundary of the Exeter City Council area.</p> <p>Groups with protected characteristics are not considered to be specifically affected by the recommendation to prepare a response on the basis of these issues.</p>

Factors to consider in the assessment: For each of the groups below, an assessment has been made on whether the proposed decision will have a **positive, negative or neutral impact**. This must be noted in the table below alongside brief details of why this conclusion has been reached and notes of any mitigation proposed. Where the impact is negative, a **high, medium or low assessment** is given. The assessment rates the impact of the policy based on the current situation (i.e. disregarding any actions planned to be carried out in future).

High impact – a significant potential impact, risk of exposure, history of complaints, no mitigating measures in place etc.

Medium impact – some potential impact exists, some mitigating measures are in place, poor evidence

Low impact – almost no relevancy to the process, e.g. an area that is very much legislation led and where the Council has very little discretion

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Race and ethnicity (including Gypsies and Travellers; migrant workers; asylum seekers).	Neutral	N/A	<p>The emerging response to the Teignbridge Local Plan relates to the potential impact of proposed development allocations in Teignbridge close to the City Council boundary. The response, and the Teignbridge Local Plan itself, does not set out planning policy for Exeter.</p> <p>Groups with specific, protected characteristics are not considered to be affected by the recommendation to prepare and submit a response to the Teignbridge Local Plan.</p>
Disability: as defined by the Equality Act – a person has a disability if they have a physical or mental impairment that has a substantial and long-term adverse impact on their ability to carry out normal day-to-day activities.	Neutral	N/A	<p>The emerging response to the Teignbridge Local Plan relates to the potential impact of proposed development allocations in Teignbridge close to the City Council boundary. The response, and the Teignbridge Local Plan itself, does not set out planning policy for Exeter.</p> <p>Groups with specific, protected characteristics are not considered to be affected by the recommendation to prepare and submit a response to the Teignbridge Local Plan.</p>
Sex/Gender	Neutral	N/A	<p>The emerging response to the Teignbridge Local Plan relates to the potential impact of proposed development allocations in Teignbridge close to the City Council boundary. The response, and the Teignbridge Local Plan itself, does not set out planning policy for Exeter.</p> <p>Groups with specific, protected characteristics are not considered to be affected by the recommendation to prepare and submit a response to the Teignbridge Local Plan.</p>
Gender reassignment	Neutral	N/A	<p>The emerging response to the Teignbridge Local Plan relates to the potential impact of proposed development allocations in Teignbridge close to the City Council boundary. The response, and the Teignbridge Local Plan itself, does not set out planning policy for Exeter.</p>

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
			Groups with specific, protected characteristics are not considered to be affected by the recommendation to prepare and submit a response to the Teignbridge Local Plan.
Religion and belief (includes no belief, some philosophical beliefs such as Buddhism and sects within religions).	Neutral	N/A	<p>The emerging response to the Teignbridge Local Plan relates to the potential impact of proposed development allocations in Teignbridge close to the City Council boundary. The response, and the Teignbridge Local Plan itself, does not set out planning policy for Exeter.</p> <p>Groups with specific, protected characteristics are not considered to be affected by the recommendation to prepare and submit a response to the Teignbridge Local Plan.</p>
Sexual orientation (including heterosexual, lesbian, gay, bisexual).	Neutral	N/A	<p>The emerging response to the Teignbridge Local Plan relates to the potential impact of proposed development allocations in Teignbridge close to the City Council boundary. The response, and the Teignbridge Local Plan itself, does not set out planning policy for Exeter.</p> <p>Groups with specific, protected characteristics are not considered to be affected by the recommendation to prepare and submit a response to the Teignbridge Local Plan.</p>
Age (children and young people aged 0-24; adults aged 25-50; younger older people aged 51-75/80; older people 81+; frail older people; people living with age related conditions. The age categories are for illustration only as overriding consideration should be given to needs).	Neutral	N/A	<p>The emerging response to the Teignbridge Local Plan relates to the potential impact of proposed development allocations in Teignbridge close to the City Council boundary. The response, and the Teignbridge Local Plan itself, does not set out planning policy for Exeter.</p> <p>Groups with specific, protected characteristics are not considered to be affected by the recommendation to prepare and submit a response to the Teignbridge Local Plan.</p>

Protected characteristic/ area of interest	Positive or Negative Impact	High, Medium or Low Impact	Reason
Pregnancy and maternity including new and breast feeding mothers	Neutral	N/A	<p>The emerging response to the Teignbridge Local Plan relates to the potential impact of proposed development allocations in Teignbridge close to the City Council boundary. The response, and the Teignbridge Local Plan itself, does not set out planning policy for Exeter.</p> <p>Groups with specific, protected characteristics are not considered to be affected by the recommendation to prepare and submit a response to the Teignbridge Local Plan.</p>
Marriage and civil partnership status	Neutral	N/A	<p>The emerging response to the Teignbridge Local Plan relates to the potential impact of proposed development allocations in Teignbridge close to the City Council boundary. The response, and the Teignbridge Local Plan itself, does not set out planning policy for Exeter.</p> <p>Groups with specific, protected characteristics are not considered to be affected by the recommendation to prepare and submit a response to the Teignbridge Local Plan.</p>

Actions identified that will mitigate any negative impacts and/or promote inclusion

N/A

Officer: George Marshall: Assistant Service Lead: Local Plans

Date: 25 January 2023

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