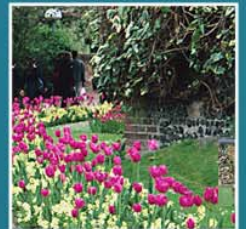


# Canterbury City Council

## Balanced Housing Provision: Supplementary Planning Document on Housing in Multiple Occupation

Sustainability Appraisal



CANTERBURY  
CITY COUNCIL



September 2010

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*Creating the environment for business*



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## Canterbury City Council

# Balanced Housing Provision: Supplementary Planning Document on Housing in Multiple Occupation

Sustainability Appraisal

September 2010

Entec UK Limited



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## Executive Summary

### Purpose of this Report

Canterbury City Council has developed a draft '*Balanced Housing Provision: Supplementary Planning Document on Housing in Multiple Occupation*' for inclusion in its Local Development Framework. As part of this work, Entec UK Ltd (Entec) was commissioned by the Council to undertake a Sustainability Appraisal (SA) of the draft SPD. The draft SPD has been developed to address the impacts associated with increased concentrations of Houses in Multiple Occupation (HMOs) arising from an increasing student population in Canterbury.

The purpose of the SA process is to appraise the potential social, environmental and economic effects of the draft SPD. Where appropriate, the SA highlights the areas where measures to avoid, minimise or mitigate negative effects could be incorporated. Similarly, and where appropriate, opportunities for improvements in the contribution towards sustainability are also identified. In doing so, the SA aims to help ensure that decisions are made that contribute to achieving sustainable development.

The Council has identified strategic alternatives for consideration in the SPD in order to achieve the desired objectives. The performance of these options has also been considered by the SA process. The alternatives for consideration relate to: a threshold option, a concentration option and a total restraint option.

Option one to introduce a threshold on the amount of new HMOs to be introduced in a specific area was considered to perform better against the SA objectives than the two other strategic alternatives despite some uncertainty. One of the main reasons for the uncertainty is the fact that elevated student populations in communities can bring both benefits and issues and there are examples nationally of where neighbourhoods have incorporated HMOs and students well and cases where this has been extremely difficult.

The preferred strategic option has then been developed into a policy by the Council which is to specify that the proportion of multiple occupancies should not exceed 20% of the total number of dwellings within a 100m radius of any application property. The policy scored positively across the majority of SA objectives although there remain a number of uncertainties associated with the implementation of the policy concerning future student numbers and the threshold target itself. It is understood that the threshold targets have been proposed by the Council following considerable research into the local circumstance in Canterbury, other approaches by authorities and national research, however given the number of different uncertainties which have been considered as part of this appraisal and the interaction with wider forces and uncertain market forces, which cannot be controlled with spatial planning, the key recommendation to the Council is to undertake extensive monitoring to ensure the anticipated positive effects materialise.



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## 1. Introduction

### 1.1 Purpose

Canterbury City Council has developed a draft *Balanced Housing Provision: Supplementary Planning Document on Housing in Multiple Occupation* for inclusion in its Local Development Framework. As part of this work, Entec UK Ltd (Entec) was commissioned by the Council to undertake a Sustainability Appraisal (SA) of the draft SPD.

The purpose of the SA process is to appraise the potential social, environmental and economic effects of the draft SPD. Where appropriate, the SA highlights the areas where measures to avoid, minimise or mitigate negative effects could be incorporated. Similarly, and where appropriate, opportunities for improvements in the contribution towards sustainability are also identified. In doing so, the SA aims to help ensure that decisions are made that contribute to achieving sustainable development.

SA is integral to the plan making process. It performs a key role in providing a sound evidence base for a plan and forms an important part of the plan preparation process. It also facilitates the evaluation of alternatives.

The performance of the SPD has been appraised against a set of sustainability objectives using the methodology described in the updated Canterbury City Council Sustainability Appraisal Scoping Report (2009) and revised to reflect consultation on recent Council spatial planning documents.<sup>1,2</sup>

The baseline information presented in this report and the SA objectives has been amended and updated to ensure that the evidence base and resulting appraisal utilises recent evidence and remains appropriate, relevant and specific to the content of the document being appraised.

### 1.2 ***Balanced Housing Provision: Draft Supplementary Planning Document on Housing in Multiple Occupation***

#### 1.2.1 Key Issues Addressed by the Draft SPD

The proposed (Draft) *Balanced Housing Provision: Supplementary Planning Document on Housing in Multiple Occupation* seeks to ensure that proposals for housing contribute to creating mixed and balanced communities.

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<sup>1</sup> Canterbury City Council (2010) Planning for the future of the District: Core Strategy Options Report.

<sup>2</sup> Canterbury City Council (2010) Sustainability Appraisal of the Core Strategy Options Report



In particular it relates to Houses in Multiple Occupation (HMOs) and specifically looks to address the impacts associated with increased concentrations of HMOs. These impacts can include:

- Reduction in quality of housing stock and neglect of external appearance to properties including gardens, due to lack of investment by absentee landlords;
- Residents feel pressure to move to avoid becoming marginalised and isolated as permanent residents. This can lead to the demoralisation of established residents;
- Increased on-street parking pressures arising from shared households and seasonal traffic congestion (for example, at graduations, end of term);
- Increase in low level anti-social behaviour; and
- Expansion of HMOs in traditional owner-occupied, family areas can lead to change in nature of communities.

Whilst the potential impacts identified above are largely negative, there is also the potential for economic benefits and increased community diversity and vibrancy. The SPD seeks to establish an approach that balanced these effects and maximises the benefits.

Houses in Multiple Occupation (also known as Houses of Multiple Occupancy), is a term which broadly refers to residential property where 'common areas' exist and are shared by more than one household. Common areas may be as significant as bathrooms and kitchenettes, but may also be just stairwells or landings. HMOs may be divided up into self-contained flats, bed-sitting rooms or simple lodgings. Strictly speaking, HMOs are not the same as purpose-built flat blocks, since most will have come into being as large buildings in single household occupation.

The issues related to the growth of HMOs in Canterbury, reflect (in part) the growth in demand for accommodation from increasing numbers of students who have gained access to higher education in recent years. The increase in HMOs has brought changes to local communities particularly in those areas that have had increasing concentrations of students. This is a change experienced by many towns and cities across the UK and is termed 'studentification' in the literature. However, students are not the only occupiers of HMOs and it should be recognised that they also provide accommodation for young professionals as well as low income workers.

The Council predicts, based on its economic ambitions for Canterbury, that the future housing market needs will include houses that will attract more affluent working households and families, and those that meet the needs of younger families facing deprivation and affordability problems. A Strategic Housing Market Assessment has been undertaken that recommends addressing the continued tendency to sub-divide larger homes into flats; and to put into place measures to develop larger, family-sized, semi-detached and detached homes.





Following consultation on the Government's draft on proposed changes to the Use Class Order<sup>3</sup> to address problems associated with HMOs, the Government published Circular 05/2010<sup>4</sup> which came into force on the 6<sup>th</sup> April 2010, and introduced changes to the Use Classes order.

The principal change creates a new use class (C4) and a redefined Use Class (C3). 'Use Class C4: houses in multiple occupation (3-6 occupants)' applies to dwellings occupied by between three and six unrelated individuals who share basic amenities (such as student lets). Small bedsits are also classified as a C4 use, however a homeowner with up to two lodgers would not be classed as an HMO, and neither would a religious community whose main occupation is prayer, contemplation, education and the relief of suffering.

The revised legislation has implications for 'house sharing'. Whilst two unrelated professionals sharing a dwelling would not be classed as an HMO, three or more unrelated professional people renting a single dwelling house would be classified as occupying a HMO and thus require planning permission for change of use from use class C3 to C4.

In response to the concerns about the negative effects associated with HMOs, and capitalising on the opportunity to control the concentration of HMOs in the City provided by the change to the use class order, and building on an earlier proposed policy,<sup>5</sup> the Council's draft SPD proposes the following amended policy (Box 1). Overall objectives of the SPD are identified in the next section.

<b>Box 1</b>	<b>Interim Policy Statement CP10: Appropriate Housing Mix</b>
<p>In order to maintain an appropriate housing mix within the designated area, the proportion of multiple occupancies should not exceed 20% of the total number of dwellings within a 100m radius of any application property. The city council will not permit changes of use to HMOs, or extensions to existing HMOs, where that proportion is exceeded.</p> <p>In areas where there is an exceptionally high proportion of HMOs in any particular block of properties, consideration will be given to permitting further conversions.</p> <p>In all cases, regard will also be had to the following factors:</p> <ol style="list-style-type: none"><li><b>1. Whether the proposals would lead to a level of car-parking that would exceed the capacity of the street;</b></li><li><b>2. Whether the proposals could provide acceptable arrangements for bin storage and other shared facilities; and</b></li><li><b>3. Whether the design of any extension would be appropriate in terms of the property itself or the character of the area.</b></li></ol>	

It should also be noted that in June 2010 following the general election, the Coalition Government's Housing Minister announced a further proposed change to legislation affecting HMOs that will result in a

<sup>3</sup> CLG (2009) Houses in multiple occupation and possible planning responses: Consultation

<sup>4</sup> CLG (2010) Circular 05/10: Changes to Planning Regulations for Dwelling Houses and Houses in Multiple Occupation

<sup>5</sup> Canterbury City Council (2010) Proposed Core Policy CP10, Planning for the future of the District: Core Strategy Options Report



change of use from dwelling house to HMO being permitted development. The legislation would allow however, local planning authorities to make an article 4 direction removing the permitted development rights in particular areas and requiring the consideration of the conversion through a planning application. The precise legislative changes are currently unknown and the changes are not expected to come in to effect until autumn 2010.

## 1.2.2 Key Objectives of the Draft SPD

The Council's objectives specifically in relation to the Draft SPD are to:

- Provide balanced communities. This includes the:
  - Provision of appropriate housing mixes;
  - Balancing housing market to achieve the economic ambitions of the district, and to meet local housing need;
  - Combating the continued tendency to flat and sub-divide larger homes; and to put into place measures to develop larger, family-sized, semi-detached and detached homes;
  - Retaining existing family housing, in the context of a wider housing strategy.
- Support an integrated approach to the provision of student accommodation. This includes the:
  - Provision of adequate accommodation for students, both “on campus” and in suitable locations within the City (by both the educational establishments and private landlords);
  - The provision of additional bespoke student accommodation on campus or in other appropriate locations in the City;
  - Encouragement of educational institutions to prepare masterplans for the future development of their sites, and for provision of teaching and residential accommodation.
- Reduce social, cultural, physical and economic effects associated with concentrations of student accommodation in residential areas.

## 1.2.3 Strategic Alternatives

In the process of developing the draft SPD, a number of alternatives options have been considered to achieve the desired objectives. The performance of these options has also been considered by the SA process. The alternatives for consideration relate to:

### Threshold policy

This option would be to instigate a restriction to not permit changes of use to HMOs, or extensions to existing HMOs where the proportion of multiple occupancies exceeds or would exceed 20% of the total



number of dwellings within a 100m radius of any application property. This would apply to the urban areas of the City of Canterbury.

## Concentration policy

This option would seek to concentrate and consolidate HMOs in particular areas, whilst restricting them in others. This would apply to the urban areas of the City of Canterbury.

## Total restraint policy

This option would be to instigate a restriction to not permit changes of use to HMOs, or extensions to existing HMOs. This would apply to the urban areas of the City of Canterbury.

## Do nothing

During development of any new policy, it is usual to consider the do-nothing option as a viable alternative to the range of interventions proposed. This has not been the case for the draft SPD, as policy in this area is already changing. The Proposed Core Policy CP10 from the Core Strategy Options Report identified proposals for housing to contribute to creating mixed and balanced communities, including student accommodation, and addressing issues (and potential solutions) associated with student residential accommodation. The Core Strategy Options Report was subject to an SA. It is expected that a revised Policy will be adopted (along with the rest of the Core Strategy) by the Council in the near future. Given these changes, the value and relevance of appraising a 'do nothing' option is limited. However, information that relates to the evolution of the current socio-economic baseline (such as projected changes in student numbers) has been sought to enable the appraisal to consider the potential effects of the policy over the short, medium and long term. In this way, 'do nothing' is reflected in the baseline for the SA rather than as an option to be appraised.

### 1.2.4 Relationship with the Core Strategy Policy

*Balanced Housing Provision: Supplementary Planning Document on Housing in Multiple Occupation* is to be adopted as part of Canterbury District Council's Local Development Framework (LDF). The LDF is a collection of local development documents (e.g. development plan documents (DPD) and SPDs) that outlines how development will be managed in the area. The Core Strategy is the principal development plan document (DPD). SPDs expand or add details to policies laid out in DPDs, or a saved policy in an existing development plan.

The Canterbury Core Strategy has yet to be adopted, however the draft version '*The Core Strategy Options Report*' (January 2010) contains a proposed policy (CP10) that addresses housing issues within the district and seeks to create mixed and balanced communities. Once adopted the '*Balanced Housing Provision:*



*Supplementary Planning Document on Housing in Multiple Occupation* will supplement policy CP10 by specifying a threshold for HMOs within a designated area.

SPDs do not carry as much weight as DPDs and other documents which make up the statutory development plan but are a consideration for authorities when making planning decisions.

It should be noted that the strategic direction of the Core Strategy is in many respects a progressive extension of the policy framework set out in the Local Plan, so there is a significant body of Local Plan policy that is still relevant to the spatial strategy for the District. Local Plan Policy BE1 is the key adopted policy at this stage and will remain 'saved' until explicitly replaced by a policy in an LDF DPD. The SPD supplements BE1.

## **Box 2      Local Plan Policy BE1**

The City Council will expect proposals of high quality design which respond to the objectives of sustainable development. When considering any application for development the Council will have regard to the following considerations:

- a) The need for the development;
- b) Accessibility and safe movement within the proposed development;
- c) The landscape character of the locality and the way the development is integrated into the landscape;
- d) The conservation and integration of natural features including trees and hedgerows to strengthen local distinctiveness, character and biodiversity;
- e) The visual impact and impact on local townscape character;
- f) The form of the development: the efficient use of land, layout, landscape, density and mix, scale, massing, materials, finish and architectural details;
- g) The reduction in energy consumption by means of layout, design, construction and alternative technology;
- h) Safety and security;
- i) The privacy and amenity of the existing environment;
- j) The compatibility of the use with adjacent uses;
- k) The need to keep the building in use and fit for purpose; and
- l) Appropriate supplementary planning guidance adopted by the Council.

## 1.3      **The Requirements for SEA/SA**

The Planning and Compulsory Purchase Act 2004 and accompanying regulations made all local development documents (DPDs and SPDs) subject to sustainability appraisal, to a standard which met the requirements of the EU Directive on strategic environmental assessment (2001/42/EC). However, the Planning Act 2008 removed the requirement for sustainability appraisal of SPDs. In consequence, in principle, SPDs do not need an SA. However, an SPD may occasionally be found likely to give rise to significant effects which have not been formally assessed in the context of a higher-level planning document and will therefore require SA.



The HMO SPD has the potential to have significant effects against a number of the SA objectives, particularly those which fall under the subheading of a just society which promotes social inclusion, sustainable communities and personal well being (e.g. access to services, sustainable living and revitalisation, housing and quality of life). In addition, whilst proposed for inclusion in an SPD at this stage, this policy text will then be incorporated into the Core Strategy as a development plan policy in due course. In consequence, an SA of the draft SPD would be an important addition to the evidence base on the emerging HMO policy and would address a current gap in the appraisal of emerging policy.

For these reasons it has been considered that an SA should be undertaken in order to ensure that all of the social, environmental and economic effects have been considered at the appropriate stage in the development of emerging HMO policy. It is anticipated that when the SPD policy text is incorporated into the Core Strategy, the SA of the Core Strategy SPD could be appended into the Core Strategy SA.

## 1.4 How to comment on the SA Report

This SA Report will be subject to a 6 week consultation period alongside the draft SPD. Please send all comments to:

Planning Policy Team  
Regeneration and Economic Development  
Canterbury City Council  
Military Road  
Canterbury  
Kent  
CT1 2DA

Alternatively, comments can be emailed to [local.plans@canterbury.gov.uk](mailto:local.plans@canterbury.gov.uk)

In particular, we would like to hear whether the impacts which are predicted (see Section 3) are likely, and whether there are any significant effects which have not been considered.



## 2. Approach to Sustainability Appraisal

### 2.1 Overview

This section details the methodology used to appraise the sustainability of the proposed 'Balanced Housing Provision: Supplementary Planning Document on Housing in Multiple Occupation'.

The establishment of sustainability objectives and guide questions together with a baseline of evidence is central to the appraisal process. The SA objectives and guide questions provide a framework against which the sustainability of the draft SPD proposals can be appraised. The SA objectives, guide questions and baseline used for this appraisal are sourced from the updated Canterbury City Council Scoping Report (2009). The SA objectives and guide questions have been reviewed and refined however to reflect changes that have occurred since the scoping report and to reflect the specific content of the HMO SPD.

### 2.2 Baseline (Key Sustainability Issues)

The key sustainability issues identified from an analysis of the socio-economic and environmental baseline in the 2009 Scoping Report are shown below.

**Table 2.1 Key Sustainability Issues for Canterbury District**

Key Sustainability Issues for Canterbury District
<p><b>A. Waste:</b></p> <p>The volume of waste produced in the district is a key sustainability issue for Canterbury district. There is a need for an integrated sustainable approach to manage waste from reduction through to re-use, recycling and reprocessing. There is a need to continue to increase the amount of domestic, commercial and industrial materials recycled or reused. There is also a need to reduce the volume of construction, demolition and excavation wastes produced.</p>
<p><b>B. Historic Environment:</b></p> <p>Canterbury is rich in archaeology, heritage and conservation interests, the Cathedral (together with St. Augustine's Abbey and St. Martin's Church) being one Britain's 28 Unesco World Heritage Sites.. However, the quality of the historic environment is coming under increasing pressure from competing land uses.</p>
<p><b>C. Housing:</b></p> <p>The need to meet local housing needs will require that new development comes forward on previously developed land (PDL) and, given the small amounts of PDL available, also on green field land. Meeting housing needs whilst also minimising the impact of development on the District's sensitive environmental receptors is one of the key issues for Canterbury City Council. There is also the need to maximise the supply of appropriate, well designed, located and affordable housing (in all tenures) to meet the needs of the District. The supply of affordable housing may also be an issue in some areas of the district along with its importance in supporting communities in those areas.</p>
<p><b>D. Employment and the Economy:</b></p> <p>Canterbury is one of the largest economies in Kent and has low levels of unemployment. However, there is a need to broaden the local economy and to increase the knowledge based industry by drawing on links with the Higher Education Institutions and reducing reliance on tourism and retail.</p>
<p><b>E. Transport:</b></p> <p>There is the need to encourage investment in transport infrastructure, to increase transport choice and reduce congestion. There is also the need to improve rural bus services and further foster the use of sustainable forms of transport such as cycling and walking.</p>



## Key Sustainability Issues for Canterbury District

### F. Skills and Education:

The level of economic and social polarisation within the area has had an impact on educational achievement in some areas. The District is, however, an important focus for higher and further education and there is a need to strengthen the links between secondary and further education.

### G. Quality of Life:

The quality of life for the community in Canterbury District is a key issue for the inhabitants of the district. Improvements to the quality of the physical environment, social well-being, the economy and environment will help to improve quality of life within the district.

### H. Sustainable Tourism:

Tourism represents an important sector to the Canterbury District and the City in particular. There is the need to promote responsible tourism which is both ecologically and culturally sensitive, and that benefits the entire district.

The baseline has been revised (to ensure it remains upto date) and supplemented with evidence that underpins the key issues for the HMO SPD. Specifically, further information has been sourced from the East Kent Housing Market Assessment 2009, the Canterbury District Housing Strategy 2005 to 2010, Studentification: A Guide to Opportunities, Challenges and Practice 2006 (DfES), (ODPM) (LGA) and the Student Impact Scrutiny Review 2006, completed by Canterbury City Council. This additional information and the analysis of issues is summarised below.

### 2.2.1 Student Population

The expansion in higher education over the past two to three decades has led to a rapid growth in student numbers. The total UK student population (all forms and levels of study e.g. full/part time and under/post graduate) increased from 1,720,094 to 2,086,075 between 1995–96 and 2001–2002. A key issue in relation to the expansion of higher education institutions in the past is that the growth in student numbers has not been met by an adequate increase in purpose-built accommodation. This has led to an increasing reliance upon the private rented sector to meet student housing needs, to the extent that in 2000 approximately half of students (49 per cent) were accommodated in the traditional private rented sector nationally<sup>6</sup>. However, this figure is likely to change in future as more purpose-built accommodation – from the private sector – comes on-stream and as an increasing number of students will be undertaking their studies locally either on a full-time or part-time basis.

The District's education sector has grown significantly and now has three higher education institutions – the University of Kent, Canterbury Christ Church University, and the University for the Creative Arts. The Girme American University, focusing on business and tourism studies, has also recently been established in the City. Hadlow College (an agricultural college with both further and higher education courses) has a site in Canterbury and there is a further education institution, Canterbury College. This educational strength is recognised in the regional hub designation. ) The very presence of these institutions in Canterbury is of great benefit to local people.

<sup>6</sup> The Nature and Impact of Student Demand on Housing, Rugg, Rhodes and Jones, Joseph Rowntree Foundation, 2000



There are difficulties in recording the numbers of students at institutions in the city but the City Council, as part of its 2006 Student Impact Scrutiny Review estimated that there were around 25,000 students enrolled, of which 15,000 were full-time, with around 5,900 in bespoke student accommodation, and the remaining approximately 9,000 in housing in the City within the wider housing market. The report noted “*Over the past five years student numbers in the Canterbury district have increased significantly, and there are now approximately 2,000 student only households, living in the private rented sector. This represents 22% of private rented housing in the district. These student households are not distributed evenly around the district, but are concentrated around the main institutions in Canterbury*”. The latest information collated by the Council now suggests that the total number of students has risen to some 27,000 in 2009-10, with some 20,000 of those being in full-time education.

A 2008 report from UUK<sup>7</sup>, suggests that the higher education sector faces a significant demographic change over the next 20 years amongst the age groups from which it traditionally recruits full-time and part-time undergraduates. In particular, the number of 18 to 20 year olds, who make up 70 per cent of entrants to full-time undergraduate programmes, is projected to fall sharply between 2009-2019 before rising again in 2027. In contrast, the older age groups (25-50 year olds), from which part-time undergraduate are mainly drawn, will experience a modest growth over the same period.

### 2.2.2 Homes in Multiple Occupation

Full time students and postgraduate students new to the area, are provided with accommodation for the first year, leaving students in their second and subsequent years to find their own accommodation in the private sector. With the increase in student numbers this has led to demand in student accommodation resulting in a strong student rented accommodation sector in the area

The Strategic Housing Market Assessment for the East Kent Sub-region (2009) estimated that Canterbury would have an increase of 12.5% of multi person households from 2006 to 2026. Taking account of what is known about economic and educational policies, and based on the comments of stakeholders, the Housing Assessment suggests that the increase in Canterbury is probably due to increasing numbers of students.

However, it should be noted for the purposes of the research and our findings, the problems associated with high concentrations of HMOs are not restricted solely to areas with a high concentration of students nor are they experienced in all university towns. ECOTEC in 2008<sup>8</sup> researched the impact of HMOs on the private rented sector for the CLG and found they make an important contribution to the housing market by providing a flexible and affordable response to specific groups/households. The research also highlighted that there were also concerns with the quality of accommodation provided by HMOs.

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<sup>7</sup> The Future Size and Shape of the Higher Education Sector in the UK: threats and opportunities, UUK, July 2008

<sup>8</sup> CLG (2008) Evidence Gathering – Housing in Multiple Occupation and possible planning responses





Problems can be experienced in areas where there are a high concentration of HMOs and benefit claimants and ex-offenders, and also coastal towns with concentrations of seasonal workers and a surplus stock of former hotels and guesthouses. Over recent years the number of migrants from Central and Eastern Europe seeking work in the UK has increased significantly. Many have been drawn to particular industries, such as agricultural work, food processing, factories and warehouses. Because of the location of these types of jobs, migrant workers have often become concentrated in particular areas, such as Peterborough, Slough and Newham.

The majority of people occupying HMOs tend to be young, single and transient, only living in the premises for a short time. HMOs tend to be low-income households, mainly because they are either economically inactive or full-time students or working in low-paid jobs<sup>10</sup>. In the case of London, where property prices and rental are particularly high, HMOs provide an accommodation source for young professionals. In some cases HMOs are the only alternative for otherwise homeless households<sup>9</sup>. A minority of people, though, select HMOs as a preferred choice for a variety of personal or lifestyle reasons, such as weekday accommodation but return to another home at weekends. Harassment and illegal eviction are more common at the bottom end of the private rented sector, in HMOs and for Housing Benefit tenants<sup>10</sup>. These are the tenants more likely to be vulnerable, with relatively little financial muscle or power in the marketplace.<sup>11</sup>

There are approximately 1200 HMOs in the district which are registered as having a student discount and approximately 500 HMOs without.

The Consultation Paper Licensing in the Private Rented Sector<sup>12</sup> identifies three main markets for HMOs, “those who would otherwise be homeless ... students ... and young professionals.” There is no breakdown in the evidence to clarify the status of HMO residents in Canterbury who are not students.

It emphasises that HMOs provide affordable housing options for some of the most vulnerable and disadvantaged groups in society, including benefit claimants or those on low incomes, students and asylum seekers and recognises that HMOs are of vital importance of this sector in providing housing for these groups and in particular to meet the growing demand for student accommodation.

However, the Consultation Paper also questioned whether HMOs are the best response to these demands posing three main questions:

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<sup>9</sup> The Nature and Impact of Student Demand on Housing, Rugg, Rhodes and Jones, Joseph Rowntree Foundation, 2000

<sup>10</sup> Quality and Choice. A Decent Homes for All: A Housing Policy for England, DETR, 2000

<sup>11</sup> Private Renting in Transition, Coventry, Chartered Institute of Housing, PA Kemp, 2004

<sup>12</sup> ODPM (2004) The Consultation Paper Licensing in the Private Rented Sector : Consultation on the Implementation of HMO Licensing



- Should vulnerable people, who would otherwise be homeless, be dependant on the private sector (rather than social housing)?
- HMOs are almost entirely conversions of former family homes. In an era of housing shortage, is this the best way to accommodate students (rather than in purpose-built accommodation)?
- Is the young professional market best served by conversions, or by new housing development? Are HMOs the best policy option at all?

### 2.2.3 Thresholds of HMOs

The National HMO Lobby<sup>13</sup> suggest that the point at which a significant change to the local community occurs is 20% of the total residential population, they go on to recommend that a threshold should be set at a precautionary level below this of 10% of the total residential population. There are a number of relevant examples from cities where a similar proportion of the overall population is made up of students. These include Sheffield, Loughborough and Nottingham. All of these cities have introduced a threshold policy to limit HMO growth. The thresholds applied vary in the % acceptable and the grain of application (the spatial extent of the policy).

For Loughborough, possibly the city with the most similarities to Canterbury in terms of student population and the size of the conurbation, a threshold approach has been introduced. Where student households comprise between 10-20% of a defined area usually comprising between 625 and 875 dwellings, planning permission will not be granted for:

- the development of purpose built student housing and extensions where that development would give rise to excessive noise or disturbance to neighbouring dwellings;
- the conversion of Class C3 dwellings and other buildings to provide Large Unmanaged Residences for Students (LURS) housing more than six people living together as a single household.

For areas where the proportion of student households exceeds 20% of the defined area, all proposals for student accommodation will be refused. The threshold levels were based on public consultation responses. To the question of what proportion of student households might be accommodated within any particular neighbourhood before affecting adversely the balance of that community, (68%) were of the view that this should be no more than 2 in 10 properties. Half of all respondents considered student rented properties should make up no more than 1 in 10 properties.

In Sheffield, the council chose to implement a restriction on conversion to HMO on properties where, within a 200m radius, over 20% of the properties are licensed HMO's. For Sheffield, the inclusion of a 200m radius was intended as a mechanism for the policy to track any change in student housing over the

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<sup>13</sup> <http://hmolobby.org.uk/index.htm>



lifetime of the Core Strategy. The 20% threshold was chosen as the baseline data indicated that there was a gap between areas with over 20% and those under and no areas identified which sat on this threshold.

Nottingham has also introduced a threshold policy which applies where concentrations of students exceeds 25% of properties. This level was chosen to reflect public opinion and applies to Output Areas (approximately 600-700 properties).

## 2.2.4 Distribution of Student & HMO Households

The Student Impact Scrutiny Review 2006 highlights that the distribution of student households within the residential parts of the district is very concentrated in specific areas. Proximity to the institutions concerned is a key factor – the preference amongst students is to be close to the institution’s facilities and the student activities which take place there. However, the distribution is also affected by the characteristics of the housing stock in different parts of the district, with student rented accommodation tending to be concentrated in the smaller, more affordable housing types.

An analysis of student households using the May 2005 council tax records was undertaken to establish the distribution of student households within the community and to identify those areas with the greatest proportion of student housing. The following table shows the breakdown of student households across the district in May 2005.

**Table 2.2 Student Households in May 2005 in Canterbury District**

Area	Total Properties	Student Houses	%Student Houses
Canterbury	22154	1885	8.5
Whitstable	14683	40	0.3
Herne Bay	16337	37	0.2
Rural Areas	7856	29	0.4
Total	61030	1991	3.3

The Student Impact Scrutiny Review 2006

It is immediately obvious that student households are concentrated almost exclusively within Canterbury city, the number of student households elsewhere being negligible.

To inform the development of the draft HMO SPD, the council has been gathering more detailed information on the distribution of HMOs and student accommodation. This indicates that the Canterbury City Wards of Barton; Northgate; St.Stephens; Westgate and Wincheap have significantly higher HMO and student accommodation and it is to these specific wards that this HMO is likely to influence.

Table 2.3 provides a breakdown of student households into a number of zones (smaller than City Wards) which have been analysed within the city, together with the immediately adjacent villages. The areas with



the highest proportion of student houses are those areas, like Hales Place Estate, which are close to the key higher education establishments in Canterbury. The distribution of other (non student) HMOs is similar.

**Table 2.3 Student Households in May 2005 in Canterbury District**

Zone	Area	Total Properties	Student Houses	%Student Houses
A	Hales Place Estate	1461	342	23.4
B	North Holmes Rd	1297	165	12.7
C	Northgate/Sturry R.	2242	279	12.4
D	Whitehall Road/St Dunstons Terrace	675	72	10.7
E	Station Road West/Broad Oak Road	1478	156	10.6
F	City Centre	1614	165	10.2
G	Salisbury Road/ Giles Lane	1562	155	9.9
H	Wincheap	2092	193	9.2
I	Cherry Drive/ Westgate Court Av.	1137	93	8.2
J	Spring Lane Estate	836	64	7.7
K	London Rd Estate	773	56	7.2
L	South Canterbury	2156	92	4.3
M	Tyler Hill Village	243	7	2.9
N	Rough Common & Harbledown	775	17	2.2
O	Blean Village	587	12	2.0
P	Thanington Without	932	6	0.6
Q	Sturry Village	2294	11	0.5
	Total	22154	1885	8.5

The Student Impact Scrutiny Review 2006

HMOs and student households are concentrated in the north and east parts of the city but there are some student households throughout the city. There is a noticeable concentration of student households on the Hales Place Estate but other parts of the city also have significant student populations. This analysis by zone averages out the concentration of student households across the zone; however, some streets will have higher concentrations than others and as a consequence, the associated effects will be more significant at this local level. It should be noted that the average student household size is significantly larger than for non-student households, thus increasing their potential impact in residential areas.

The number of student households is small in the surrounding areas of Sturry, Thanington Without, and Rough Common/Harbledown, Blean and Tyler Hill which are relatively close to Kent University. It is



assumed that this is because of the housing characteristics in those areas and the relative lack of services such as public transport.

The halls of residences are located predominantly in the Blean Forest ward which actually has a low existence of HMOs. The rest of the halls of residences are located in areas which also have higher concentrations of HMOs.

## 2.2.5 Housing Market

The Strategic Housing Market Assessment for the East Kent Sub-region (2009) considers that the student population has '*a substantial impact on the local housing market*'.

As in most university cities, the private rented sector plays an important role in meeting the housing needs of the student population. Approximately 22% of all households living in the private rented sector are student households. With many students, particularly those in the Canterbury city centre, occupying houses on a multi-tenancy basis, rents from a student household can exceed the level other households can afford.<sup>14</sup> This can affect the availability of affordable housing to non-student households within the Canterbury city centre. Indeed, access to the private rented sector for other sections of the community is increasingly restricted to the coastal towns, particularly Herne Bay.

The East Kent Housing Market Assessment recommends that it is important that future development policy prioritises a rebalancing of housing stock, to incentivise the provision of family homes (linking in to ambitions to revive the economy) and control the expansion of sub-division of larger homes. At the same time, the sub-region does need to recognise that there is solid demand for smaller homes from some important sectors of the community such as young single people, who need to be retained in the area, students, and increasing numbers of older single people. A balanced housing policy should acknowledge this diversity of drivers.

## 2.2.6 Impacts of Students

The Student Impact Scrutiny Review 2006 reports that it is widely perceived within Canterbury that the large student population leads to a number of negative impacts, but states it is important to understand these in the context of the positive advantages that the educational institutions and their students bring to the city.

The Scrutiny Review was undertaken in parallel with a national study looking at the impact of student communities in a number of cities across the UK<sup>14</sup>. This research work, carried out by Dr Darren Smith of the University of Brighton for the Universities UK organisation looked at Canterbury amongst six case studies. The research report usefully summarises both the positive effects and the challenges of a large student population which is represented in the following tables under the four headings – social, cultural, physical and economic issues.

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<sup>14</sup> ODPM, LGA, DfES (2006) Studentification: A Guide to Opportunities, Challenges and Practice



**Table 2.4 Student Populations – Positive Effects**

Social	Cultural	Physical	Economic
<p>Student volunteering makes an important contribution to many aspects of social life</p> <p>Student housing needs prevent serious depopulation in many inner-city areas</p> <p>Increases the range of goods, services and attractions available to the town/city's population</p> <p>A critical mass of students can ensure transport links to the benefit of the whole community</p> <p>Student communities can also support nurseries and multi faith centres</p>	<p>Create a critical mass and demand for diverse range of cultural events</p> <p>Enhances reputation of city/town as vibrant, dynamic location and as an attractive destination for eg, night-clubbing, evening economy, or tourism</p> <p>Creates an international/cosmopolitan feel/outlook</p>	<p>Higher/rising property prices provide a level of incentive for upgrading properties which might otherwise remain empty, languish in a neglected state or be generally unfit for habitation</p> <p>Many older properties receive considerable investment by private landlords which extends their life</p> <p>The existence of large numbers of young people help to make city centres attractive to social and retail spaces</p> <p>Changes in type of retail and entertainment services available – eg, local shops becoming cafes, bookshops, live music venues</p>	<p>High demand for student housing and the stimulus to private rented sector leads to rising house prices</p> <p>Growth in buy-to-let market and private investment opportunities</p> <p>Students constitute a flexible part-time labour force undertaking seasonal employment</p> <p>Student presence can help stimulate urban regeneration</p> <p>Goods purchased locally by students make a significant contribution to the local economy</p> <p>Student presence ensures the viability of some retail businesses</p> <p>Repairs, renovations and extensions to student properties benefits the construction and service sector of the economy</p> <p>Availability of a graduate workforce</p>

ODPM, LGA, DfES (2006) Studentification: A Guide to Opportunities, Challenges and Practice



**Table 2.5 Communities of Students - Challenges**

<b>Social</b>	<b>Cultural</b>	<b>Physical</b>	<b>Economic</b>
<p>Increase in low-level anti social behaviour</p> <p>Concentration of vulnerable young people with low awareness of security and highly attractive possessions leading to increased levels of crime. This can result in higher insurance premiums (ie. house, contents, vehicle)</p> <p>Decreased demand for some local services leading to closure – particularly educational services</p> <p>Residents feel pressure to move to avoid becoming marginalised and isolated as permanent residents. This can lead to the demoralisation of established residents</p> <p>Increased competition for private rented houses</p> <p>Pressure for greater provision of establishments catering for night time entertainment and consequent detrimental impact on residential amenity</p> <p>Seasonal availability of some retail and service provision – development of a ‘resort economy’</p>	<p>Expansion of HMOs in traditional owner occupied, family areas can lead to change in nature of communities</p> <p>Gradually self-reinforcing unpopularity of area for families wishing to bring up children</p> <p>Conversion of houses into student residences, often make difficult transformation back into family homes</p> <p>Transient occupation engenders a lack of community integration and cohesion and less commitment to maintain the quality of local environment</p> <p>Turnover and short stay are disincentive and barrier to self-policing and aversion to crime</p> <p>Different perceptions of what is considered acceptable behaviour and communal obligations by different social groups</p> <p>Lifestyle frictions – late night student culture disturbs children and working people</p>	<p>Reduction in quality of housing stock and neglect of external appearance to properties including gardens, due to lack of investment by absentee landlords</p> <p>Turnover of properties and preponderance of property letting boards – recurring annually – detract from streetscape</p> <p>Increased population density and increased pressures on services (policing, cleansing, highways, planning, public transport)</p> <p>Increased on-street parking pressures arising from shared households and seasonal traffic congestion (eg, at graduations, end of term)</p> <p>Increase of squalor (litter/refuse), as infrastructure is designed for lower density usage, low awareness of refuse collection arrangements and different conceptions of what is tolerable</p> <p>Noise between dwellings at all times especially music and at night – parties and gatherings and late night street noise disturbance</p>	<p>High demand for student housing and the stimulus to private rented sector leads to a rise in house prices, deterring access to housing ladder for other sections of community</p> <p>A rising concentration of students in particular streets acts as a strong inducement to owner-occupiers of non-student properties to take advantage of a lucrative sale to private student landlords</p> <p>Changes in type of retail and entertainment services available – eg, local shops becoming take-aways and cafes, and re-orientation of stock</p> <p>Fluctuating demand for private rented housing</p> <p>Seasonal employment (in shops, pubs) and provision of retail and leisure services</p>

ODPM, LGA, DfES (2006) Studentification: A Guide to Opportunities, Challenges and Practice



## 2.2.7 Evolution of the Baseline

The baseline in the 2010 Scoping Report formed the basis for this appraisal and it includes details of the anticipated evolution of Canterbury District. The HMO SPD seeks to address the rise in the number of HMOs in the City which is closely linked to the number of students coming to Canterbury to study. The baseline provided above does lack certain evidence – the exact number and concentration of HMOs, the total student population and the proportion of non-students on the HMOs. Despite this fact, there are a number of factors which can be predicted to influence a future baseline. This section is therefore less a description of the evolution of the baseline than an identification of factors which will influence the future baseline.

The current economic climate and proposed austerity measures are expected to have some bearing on student numbers and the ability of universities to take on new students and the housing market. Similarly the abolition of the Regional Spatial Strategy is also likely to influence the housing market. The following are also expected to be key factors for future changes in HMOs and student numbers:

- Student enrolment at universities has historically been increasing; however, announced reductions in government university funding may affect this. However, an anticipated short term decrease in employment opportunities for young people (associated with the public sector funding cuts) may result in higher demand for student places at universities.
- A lack of housing development caused by the current economic situation and uncertainty following the abolition of the Regional Spatial Strategies may increase pressure on current housing stock increasing demand to subdivide property.
- The dual approach of the council to encourage the universities to develop on campus housing and purpose built housing stock will hopefully reduce the demand on HMOs; although, changes to university funding may affect the universities ability to fund such development.

## 2.3 Links to Other Plans and Programmes

The 2010 Scoping Report contains a review of plans and programmes. This section includes specific plans and programmes relevant to the SPD.

### **Studentification<sup>1</sup>: a guide to opportunities, challenges and practice 2006 (DfES), (ODPM) (LGA).**

<sup>1</sup>‘Studentification’: a guide to opportunities, challenges and practice has been published by Universities UK in partnership with the Standing Conference of Principals (SCOP) and in association with the Department for Education and Skills (DfES), the Office of the Deputy Prime Minister (ODPM) and the Local Government Association (LGA). The guide provides examples from a range of current practices to manage high concentrations of students within houses in multiple occupation (HMOs) in local neighbourhoods.

### **The impact of Houses in Multiple Occupation (HMOs) on the private rented sector 2008 (CLG)**

ECOTEC in 2008 researched the impact of Houses in Multiple Occupation (HMOs) on the private rented sector for the CLG and found they make an important contribution by catering for the housing needs of specific groups/households and by making a contribution to the overall provision of affordable or private rented stock. Although not all areas experience problems associated with high concentrations of HMOs some areas do identify problems. These tend to focus around: anti-social behaviour (for example noise





nuisance), litter, parking problems, reduced opportunity for low cost home ownership, closure of under-used community facilities or pressure on over-used community facilities. It provides good practice from areas that manage to cope relatively well with high concentrations of houses in multiple occupation (HMOs) (particularly those occupied by students) and considers how planning policy can provide a suitable lever to tackle these problems.

### **Circular 05/2010, CLG**

Circular 05/2010 brings into force changes to the Use Classes order. The principal change creates a new use class (C4) and a redefined Use Class (C3). Use Class C4: houses in multiple occupation (3-6 occupants) applies to dwelling houses occupied by between three and six unrelated individuals who share basic amenities (such as student lets). Small bedsits would also be classified as a C4 use, however a homeowner with up to two lodgers would not be classed as an HMO, and neither would a religious community whose main occupation is prayer, contemplation, education and the relief of suffering. The revised legislation will have implications for 'house sharing'. Whilst two unrelated professionals sharing a dwelling would not be classed as an HMO, three or more unrelated professional people sharing a single dwelling house will be treated as an HMO and thus require planning permission for change of use from use class C3 to C4.

### **Student Impact Scrutiny Review 2006 Canterbury Council**

The Student Impact Scrutiny Review was set up in early 2005 as part of the City Council's scrutiny programme overseen by the Overview and Scrutiny Committee. Its concern is how to maximise the long term and short term positive impacts of the district's higher education institutions and their student population, whilst minimising and managing the negative impacts which arise at the same time. It makes a number of recommendations including, an expansion of purpose built accommodation by higher education institutions.

Some additional changes have occurred as a result of decisions by the new coalition government. For example, the announcement in July by CLG, that Regional Strategies are being revoked (under s79(6) of the Local Democracy Economic Development and Construction Act 2009 and will therefore no longer form part of the development plan for the purposes of s38(6) of the Planning and Compulsory Purchase Act (2004) means that the South East Plan is removed from the list of Plans and Programmes.

## 2.4 SA Objectives

The objectives used for this appraisal are sourced from the updated Canterbury City Council Scoping Report (2009) which has recently been consulted on has been used as the baseline conditions for sustainability appraisals of other Canterbury development documents.

The SA objectives and guide questions have been reviewed and refined further to reflect the scope and content of the HMO SPD. This SA has therefore focussed on the following topics: housing, economy and employment, transport and quality of life as these are particularly relevant to the content and objectives of the document being appraised and will provide more meaningful results and recommendations from the appraisal. The objectives for where the SPD (and its objectives and options) has no relationship are as follows:

- Water quality;
- Geology and biodiversity;
- Climate change, energy and air quality;



- Flood risk and coastal erosion;
- Natural resources;
- Sustainable design;
- Reducing waste.

The SA does not give any further consideration to the performance of the SPD against these objectives. Please note however that the potential effects associated with street litter and nuisance experienced by residents arising from poor adherence to household waste collection requirements from HMOs will be captured under the quality of life objective.

The remaining sustainability objectives and supporting guide questions have been grouped under four main sustainability themes, which focus on the four themes derived from the 2005 UK Sustainable Development Strategy, *Securing the Future*. The numbering of the SA objectives reflects the original SA framework in the 2009 Scoping Report.

**Table 2.6 Sustainability Objectives and Key Questions**

SA Objective	Key questions/guidance	SEA Dir. Topic
<b>Sustainable innovative and productive economy that delivers high levels of employment</b>		
<b>1. Economy and Employment</b> To achieve a strong and stable economy which offers rewarding and well located employment opportunities to everyone.	1.1 Will it improve efficiency, competitiveness, vitality and adaptability of the local economy?	Material assets
	1.2 Will it encourage investment in businesses, people and infrastructure for the long term?	
	1.3 Will it increase the number of businesses in the District?	
	1.4 Will it help diversify the economy?	
	1.5 Will it lead to an increase in the local skill base through recruitment from Canterbury's Higher education establishments?	
	1.6 Will it help to foster growth in the knowledge based economy?	
	1.7 Will it promote sustainable tourism?	
	1.8 Will it meet the employment needs of local people?	
	1.9 Will it improve physical access to jobs through improved location of sites and proximity to transport links?	
<b>2. Rural/Coastal Communities</b> To sustain vibrant rural and coastal communities.	2.1 Will it assist with the diversification of the rural/coastal economy?	N/A
	2.2 Will it support and encourage the growth of rural/coastal businesses?	
	2.3 Will it retain village/coastal services and local trading schemes?	
	2.4 Will it assist in the provision of affordable houses in rural/coastal areas?	
<b>Protect and enhance the physical and natural environment</b>		
<b>4. Transport</b> Reduce road traffic and its impacts, promoting more sustainable modes of transport.	4.1 Will it reduce travel demand?	Air, Climatic factors
	4.2 Will it improve transport of goods/people by more sustainable means?	
	4.3 Will it encourage walking, cycling and use of public transport?	
	4.4 Will it help to reduce traffic congestion and improve road safety?	
	4.5 Will it reduce the need to travel?	
<b>5. Countryside and Historic Environment</b> To protect and improve landscapes for both people and wildlife and to protect and maintain	5.1 Will it improve access to the countryside and open space?	Landscape, Cultural Heritage Including Architectural and Archaeological Heritage, Soil
	5.2 Will it avoid adverse impacts and enhance designated and non-designated landscape features?	
	5.3 Will it protect and enhance Green Infrastructure throughout the district?	



SA Objective	Key questions/guidance	SEA Dir. Topic
vulnerable assets (including built and historic)	5.4 Will it improve access to urban open space? 5.5 Will it help to protect and enhance sites, areas and features of historic, cultural archaeological and architectural interest? 5.6 Will it help to conserve historic buildings, places and spaces that enhance local distinctiveness, character and appearance through sensitive adaptation and re-use? 5.7 Will it improve and promote access to buildings and landscapes of historic/cultural value?	
<b>Just society that promotes social inclusion, sustainable communities and personal wellbeing</b>		
<b>9. Access to Services</b> Share access to services and benefits of prosperity fairly and improve the wellbeing of everyone.  <b>10. Sustainable Living and Revitalisation</b> To revitalise town and rural centres and to promote sustainable living.  <b>12. Housing</b> To make suitable housing available and affordable to everyone.  <b>13. Quality of Life</b> To improve the quality of life for those living and working in the District.	9.1 Will it improve social and environmental conditions in the most deprived areas? 9.2 Will it increase economic activity? 9.3 Will it improve access to skills and training for raising employment potential? 9.4 Will it help to provide more equal access to opportunities, services and facilities (e.g. sport, culture, health, education, open space etc.)?  10.1 Will it improve townscapes/rural centres and physical assets? 10.2 Will it encourage more people to live in town centres? 10.3 Will it improve provision of shops or services within town centre? 10.4 Will it promote responsible tourism which is both ecologically and culturally sensitive? 10.5 Will it improve physical access to services, such as a GP, a hospital, schools, areas of employment and retail centres?  12.1 Will it encourage more access to affordable housing? 12.2 Will it encourage access to decent housing? 12.3 Will it provide an appropriate mix of housing to meet residents' needs and aspiration and create balanced communities? 12.4 Will it reduce the number of unfit and empty homes? 12.5 Will it reduce the number of empty homes? 12.6 Will it reduce the level of homelessness in the District?  13.1 Will it reduce actual levels of crime? 13.2 Will it reduce the fear of crime? 13.3 Will it reduce death rates and negative health impacts in key vulnerable groups? 13.4 Will it promote healthy lifestyles? 13.5 Will it improve peoples' perception of their local area being a place where people from different ethnic backgrounds get on well together? 13.6 Will it promote sport and physical activity?	Human health, Population   Population, Human health, material assets   Population, Human health   Population, Human health
<b>Use resources as efficiently as possible</b>		
<b>14. Use of Land</b> To deliver more sustainable use of land in more sustainable location patterns.	14.1 Will it promote the wise use of land (minimise development on greenfield land)? 14.2 Will it reduce the amount of derelict, degraded & underused land? 14.3 Will it reduce land contamination? 14.4 Will it promote the use of previously developed land? 14.5 Will it encourage urban renaissance?	Soil, Material Assets, Landscape

## 2.5 Appraising the SPD

The appraisal of the content of the SPD has been undertaken against each of the SA objectives with an evaluation provided for the short (up until 2016), medium (up until 2021) and long term (beyond 2020).

The following information was recorded in order to present the findings of the SA:

- The sustainability objectives and criteria;



- A commentary on significant impacts;
- A score indicating the nature of the impact; and
- Recommendations as to how the proposals may be improved against the SA objectives including any mitigation or enhancements which could be considered in the next steps of policy formation.

The qualitative scoring system used to assess the effect of the proposal is shown below.

Score	Description	Symbol
Major Positive Impact	The proposed project contributes significantly to the achievement of the objective.	++
Minor Positive Impact	The proposed project contributes to the achievement of the objective but not significantly.	+
Neutral	The proposed project does not have any effect on the achievement of the objective	0
Minor Negative Impact	The proposed project detracts from the achievement of the objective but not significantly.	-
Major Negative Impact	The proposed project detracts significantly from the achievement of the objective.	--
No Relationship	There is no clear relationship between the proposed project and the achievement of the objective or the relationship is negligible.	~
Uncertain	The proposed project has an uncertain relationship to the objective or the relationship is dependant on the way in which the aspect is managed. In addition, insufficient information may be available to enable an assessment to be made.	?

The appraisal matrixes are presented in Section 3 of this report.

## 2.6 When the SA was Undertaken and by Whom

This SA was undertaken by Entec in summer 2010, informed by the input of sustainability specialists and additional contributions from technical experts.

## 2.7 Technical Difficulties

### 2.7.1 Uncertainties and Assumptions

In assessing the options, a number of assumptions have been made in order to provide a gauge of the impact on the objectives. These are as follows:

Assumptions



- HMOs attract occupancy from students, young professionals, and low income workers depending on quality and location although universities usually provide halls of residence for first year students.
- Demand for student accommodation is assumed to follow existing locational patterns. They have tended to concentrate around specific areas within Canterbury, in particular to the north and to the east of the city. The Hales Place Estate contains 23.4% of all student households, whereas North Holmes Road and Northgate/Sturry Road contain 12.7% and 12.4% of student households respectively.
- It is understood that a 20% threshold has emerged from: a review of different council policy approaches. Council policies reviewed included those from Leeds, Cardiff, Charnwood/Loughborough, Nottingham, Reading, Sheffield, Bristol, Belfast and Glasgow. A review of the Canterbury context included consideration of built form and the character of HMO siting in the city. It also drew on a review of concerns of local people, landlords, universities and local Councillors.
- When concentrations of HMOs in an area reach a certain proportion, this can affect the ability of an area to maintain a successful and balanced community. National evidence indicates that at 20%, significant negative effects on communities start to emerge.
- A number of disadvantages associated with higher concentrations of students in communities (such as poor quality or low property maintenance affecting appearance), cannot be addressed solely by spatial planning policies.
- A threshold policy is likely to help ameliorate some negative effects on local communities however there is a risk that the approach may lead to a displacement effect.
- A concentration option is likely to protect large parts of the city, but at a cost to a small proportion of residents.

### Uncertainties

- Student numbers have historically been rising although there is uncertainty on the whether this trend will continue due to the combined effects of the recent recession and the proposed austerity measures.
- A single characterisation of the idea of ‘a student’ is no longer possible given the high numbers of part time and mature students. The mixture of positive and negative effects of student populations and HMOs makes it difficult to appraise the impacts of options and policies on an area.
- Students are not the only occupants of HMOs but form a large part (61%) of those groups that reside in them. It is uncertain as the social breakdown of the remaining 39%.
- Whilst other authorities have introduced spatial planning policies to control HMOs, this was before the recent changes in definitions of HMOs and it is uncertain as to the effects this change will have on the outcomes of policies.



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## 3. Assessing sustainability performance

### 3.1 Sustainability Appraisal of draft SPD alternatives

The Council has identified the following strategic alternatives for consideration in the draft SPD in order to achieve the desired objectives. The performance of these options has also been considered by the SA process. The alternatives for consideration relate to:

- **Threshold policy:** This option would be to instigate a district wide restriction to not permit changes of use to HMOs, or extensions to existing HMOs where the proportion of multiple occupancies exceeds or would exceed a specific threshold.
- **Concentration policy:** This option would seek to concentrate and consolidate HMOs in particular areas, whilst restricting them in others.
- **Total restraint policy:** This option would be to instigate a district wide restriction to not permit changes of use to HMOs, or extensions to existing HMOs.

**Table 3.1** presents the findings of the appraisal of these options against the objectives listed in Table 2.2.



**Table 3.1 Appraisal of options against the objectives listed in Table 2.2.**

Options SA Objectives	Option 1 Threshold Policy	Option 2 Concentration policy	Option 3 Total restraint policy
<b>Sustainable innovative and productive economy that delivers high levels of employment</b>			
<p><b>1. Economy and Employment – To achieve a strong and stable economy which offers rewarding and well located employment opportunities to everyone.</b></p>	<p>The evidence suggests that the student population brings a crucial contribution to the local economy. Universities are a major employer and can have a major impact upon the local economy generating significant economic output and employment opportunities, as well as spin-off employment opportunities, thus injecting spending power into the local and regional economy and providing a graduate and skilled workforce. HMOs provide a significant provision to the accommodation of the students and also for accommodation of other groups who play some part of the economy such as low income migrants or young professionals although the evidence suggests that large proportions can be economically inactive.</p> <p>Any effect that the options would have on the competitiveness of the higher education institutions to continue attract students (by providing affordable and attractive accommodation) would be the main concern the option could have given the importance to local employment, the economy and economic aspirations.</p> <p>It is considered that the threshold option on HMO concentrations would still allow for the growth of HMOs in the city to accommodate demand whilst reducing some of the negative social and environmental impacts that HMOs can bring. (It is assumed that the threshold would be set at a level where many desirable areas for students will still be able to provide more HMO accommodation but in a more balanced way throughout neighbourhoods). Existing HMOs would of course continue to play their part.</p> <p>The threshold will need to be expressed as a proportion of either population or housing and will need to be applicable over a set spatial area. Using a set radius would ensure that HMO levels consider adjacent streets rather than looking at it at a street level. This will promote a more balanced approach.</p> <p>In the long term, securing balanced communities is thought to be beneficial for the economy as a whole as this is likely to continue to encourage families and higher earners to settle/remain in the area.</p>	<p>The evidence suggests that the student population brings a crucial contribution to the local economy.</p> <p>Concentrating HMOs in areas of already high concentration is considered in keeping with satisfying student demand to live in close proximity to their education institutions. In fact it is considered to be in line with the existing patterns and market trends of the growth of HMOs.</p> <p>The competitiveness of the higher education institutions is considered to remain intact therefore and existing HMOs would of course continue to play their part.</p> <p>There is some concern as to the effects on rural and coastal areas if HMOs are to be concentrated on certain areas in the city centre. As students are not the only HMO residents, migrants and seasonal workers may be directed away from areas like Herne Bay where there are aspirations to revitalise the economy through the promotion of tourism for example and to balance the aging population.</p> <p>In the long term there is some potential risk that unbalanced communities with localised concentrations of different social groups could result. This could affect the performance of the economy as a whole. This could be particularly apparent in those localised areas where concentration has occurred outside of term time when these areas are often vacated. Local businesses within these areas dependent on student custom will be adversely affected.</p>	<p>The evidence suggests that the student population brings a crucial contribution to the local economy.</p> <p>Whilst the evidence shows there will be some purpose built accommodation built by the universities and private developers, restraining the supply of HMOs could affect affordability and availability of student accommodation. Halls and purpose built accommodation are not expected to meet all the demand, and HMOs are much more flexible to market conditions and quicker to develop. This in turn could affect the attractiveness of Canterbury for students (relative to other university cities) which could affect the competitiveness of higher education institutions in the district which makes a vital contribution to higher education.</p> <p>This could also affect the availability of students as a source of local labour which may affect local employers.</p>
<p><b>2. Rural/Coastal Communities – To sustain vibrant rural and coastal communities.</b></p>	<p>The evidence suggests that the student population brings a crucial contribution to the local economy and their existence can have a positive role in the regeneration and particularly the vibrancy of an area. The evidence also indicates that demand for student accommodation is focused within the city centre, it is assumed that any additional</p>	<p>The evidence suggests that the student population brings a crucial contribution to the local economy and their existence can have a positive role in the regeneration and particularly the vibrancy of an area. It is assumed that a concentration policy would be focused on existing areas in the city e.g. Hales Place Estate, North</p>	<p>The evidence suggests that the student population brings a crucial contribution to the local economy and their existence can have a positive role in the regeneration and particularly the vibrancy of an area.</p> <p>Restraining the supply of HMOs could affect the ability of the city to accommodate</p>





Options SA Objectives	Option 1 Threshold Policy	Option 2 Concentration policy	Option 3 Total restraint policy
	demand would still be captured within the city even with the threshold option. It is not anticipated that a threshold policy (which meets the demand for HMOs within the city) would impact on the Rural/Coastal Communities SA Objective as the threshold is not anticipated to be applied outside the city of Canterbury.	Holmes Road and Northgate. This would result in the student population largely remaining in the city.  This could mean that the coastal and rural communities will not benefit from the presence of student populations which can support the viability of local services. It may also reduce the diversity and availability of HMOs in the rural and coastal communities which could affect those seeking affordable accommodation within those locations which may also affect the achievement of a balanced community.	future student population numbers which may indirectly affect viability of some of the coastal and rural communities through adverse economic effects. Restricting HMO supply may also reduce the potential for young people in the community finding local accommodation forcing them out of the area which may also affect the long term viability and balance of the rural villages and coastal towns.
<b>Protect and enhance the physical and natural environment</b>			
<b>4. Transport –</b> Reduce road traffic and its impacts, promoting more sustainable modes of transport.	The evidence suggests that students can bring a range of benefits for communities including providing demand and aiding viability for public transport schemes for example. It is assumed that a threshold would ensure that demand was more evenly spread enabling greater viability of public transport routes across the city but this would depend on specific local circumstances including availability, preferred transports, modal share and existing traffic congestion. However, there is also a risk that it could lead to a more dispersed student population in the long term, detrimentally affecting the viability of public transport schemes. <span style="background-color: yellow; border: 1px solid black; padding: 2px;">?</span>	The evidence suggests that students can bring a number of benefits for communities including providing demand and aiding the viability of public transport schemes. <span style="background-color: yellow; border: 1px solid black; padding: 2px;">?</span>  It is uncertain whether this option would have a positive impact on public transport provision as this would depend on the areas selected for the concentration policy, existing transport movements, existing demand and existing viability. It is possible that it for those areas selected for the concentration policy that the effects could be positive; however, this could occur at the expense of public transport in other areas without students to support viability.	The evidence suggests that students can bring a number of benefits for communities including providing demand and aiding the viability of public transport schemes. <span style="background-color: red; border: 1px solid black; padding: 2px;">-</span>  Restraining the supply of HMOs could result in a situation where students are deterred from relocating in Canterbury because of affordability or availability of desired accommodation in a suitable location compared with what other universities and cities have to offer. The resulting decrease in student populations could affect the viability of public transport schemes and be detrimental to aspirations to improve public transport and the sustainability of transport in general.  It is likely to reduce parking pressures on existing streets relating to high densities in HMOs.



Options SA Objectives	Option 1 Threshold Policy	Option 2 Concentration policy	Option 3 Total restraint policy
<p><b>5. Countryside and Historic Environment</b> - To protect and improve landscapes for both people and wildlife and to protect and maintain vulnerable assets (including built and historic).</p>	<p>The evidence suggests that HMOs broadly experience underinvestment by absentee landlords. <span style="float: right;">+</span></p> <p>Private rented stock is often of the poorest quality when compared to other tenures. Therefore, concentrations of such stock, especially noted in student areas, can lead to a poor quality local environment. By introducing the threshold and ensuring that a majority of other housing types in a street remain, this should help reduce the potential for decline in the built environment. Any visual impact to the street scene can be accommodated, as the evidence suggests that once concentrations exceed a certain proportion this is when the negative effects are exacerbated.</p> <p>However, in some cases student let markets with higher rental incomes have drawn investment to old properties which may have otherwise have experienced decline but it is considered that the adopted threshold will still allow for some HMO conversion in areas across the city.</p> <p>The level of the application of different threshold levels will affect this SA Objective in different ways – a very high threshold could allow the development of areas of concentration of HMOs while too low and HMOs are likely to be dispersed across the city or into other settlements, such as Herne Bay. Higher thresholds than that proposed are likely to lead to situations where the effects on the street scene could be exacerbated. Where the HMOs are dispersed, the effects will similarly be easier to accommodate.</p>	<p>The evidence suggests that HMOs broadly experience underinvestment by absentee landlords. <span style="float: right;">-</span></p> <p>By concentrating them in certain areas this could leave large areas experiencing little investment which may lower the quality of the environment so much that it induces a spiral of decline in the built environments as apathy sets in amongst residents.</p> <p>However, in establishing HMOs landlords can often bring investment to old housing stock badly in need of renovation.</p> <p>Overall it is considered though that the negative effects will be greater than the positive effects.</p>	<p>The evidence suggests that HMOs broadly experience underinvestment by absentee landlords. <span style="float: right;">-</span></p> <p>Restraining the conversion of houses to HMOs will retain residents and homeowners who are more likely to maintain the quality of the historic environment. In some cases however the private student lettings market has attracted investment to old housing stock.</p> <p>However, in some cases student let markets with higher rental incomes have drawn investment to old properties which may have otherwise have experienced decline and the total restraint policy would restrict this entirely.</p>
<b>Just society that promotes social inclusion, sustainable communities and personal wellbeing</b>			
<p><b>9. Access to Services</b> – Share access to services and benefits to prosperity fairly.</p>	<p>The evidence suggests that students can bring a number of benefits for communities by increasing local demand for community services which can aid their viability e.g. GP practices. <span style="float: right;">+</span></p> <p>Conversely, the presence of high levels of students or young professionals can alter demand affecting some services that meet the needs of other sections of the community e.g. primary schools for families.</p> <p>It is considered that the option would promote a balanced and mixed community which should allow for the positive effects of students and other HMO occupants, whilst preventing the community being adversely affected by a reduction in community facilities as the evidence suggest that once concentrations exceed a certain proportion this is when the negative effects are extenuated.</p>	<p>The evidence suggests that students can bring a number of benefits for communities by increasing local demand for community services which can aid their viability e.g. GP practices. <span style="float: right;">-</span></p> <p>Conversely, the presence of high levels of students or young professionals can alter demand affecting some services that meet the needs of other sections of the community e.g. primary schools for families.</p> <p>One effect may be to make some aspects of community service provision more efficient by creating clear geographic divisions for differing demographic groups with differing needs. However it is considered that this would negatively affect the nature and accessibility of service provision over time and force out parts of the community. Such an approach is not consistent with the overall SPD policy objective of sustaining mixed and balanced communities.</p>	<p>The evidence suggests that students can bring a number of benefits for communities by increasing local demand for community services which can aid their viability e.g. GP practices. <span style="float: right;">?</span></p> <p>Conversely, the presence of high levels of students or young professionals can alter demand affecting some services that meet the needs of other sections of the community e.g. primary schools for families.</p> <p>A total restraint policy is likely to remove the positive effects that students can have on supporting local shops and services in an area that also benefit other members of the community. Whilst the current effects will remain, increased positive effects will be hindered. Allowing for some HMOs and students may allow a better mix. However, if the demand for HMOs is absorbed by new purpose built developments in the same area the same effects will still be seen on the community.</p>



Options SA Objectives	Option 1 Threshold Policy	Option 2 Concentration policy	Option 3 Total restraint policy
<p><b>10. Sustainable Living –</b> To revitalise town centres to promote sustainable urban living.</p>	<p>The evidence suggests that the presence of students within communities can revitalise towns and have significant regeneration effects.</p> <p>It is considered that a threshold policy could retain the positive effects of students and allow for any increased demand for student places in the city to be picked up, on the urban areas whilst reducing some of the negative impacts that can occur.</p> <p>The evidence is explicit that different areas are affected by student populations in different ways.</p>	<p>The evidence suggests that the presence of students within communities can revitalise towns and have significant regeneration effects.</p> <p>It is considered that this policy would allow the positive effects of a student population to continue and any increased demand for student places in the city to be picked up, although the benefits could be focused to particular areas.</p> <p>The evidence is explicit that different areas are affected by student populations in different ways.</p>	<p>Restraining the supply of HMOs could result in a situation where the competitiveness of higher education institutions in the district and student numbers decline.</p> <p>The evidence suggests that the presence of students within communities can revitalise towns and have significant regeneration effects. It is expected that purpose built student accommodation could pick up some part of any increased demand. However, HMOs provide a substantial source of student accommodation and are a particularly responsive and flexible solution to market demand. Restraining supply could affect the total amount of student accommodation available with the commensurate effect on making the educational establishments less attractive to students (when compared to other universities where accommodation is available). A policy based on restraint could have a long term effect on city centre vitality by causing a long term decline in the student population.</p> <p>In addition, HMOs also provide flexible accommodation for others in the community that can be economically active (such as young professionals) whose activities (either through the provision of labour or through their spending) contributes to city centre vitality. A policy based on restraint could also affect city centre vitality by limiting accommodation availability for the young economically active population</p>



Options SA Objectives	Option 1 Threshold Policy	Option 2 Concentration policy	Option 3 Total restraint policy
<p><b>12. Housing</b> – To make suitable housing available and affordable to everyone.</p>	<p style="text-align: right;">+</p> <p>The evidence indicates that the use of a threshold will be a strong mechanism to maintain the balance and diversity of certain areas experiencing the effects of 'studentification'. A threshold will help ensure that entire streets do not become converted to HMO accommodation preventing the potential negative impacts discussed.</p> <p>The demand and supply generated by a student housing market can have a knock-on effect on local housing markets by inflating property prices, thus leading to competition between the private rented landlord and the owner-occupier. Demand from the private rented sector can marginalise the first-time buyer who is unable to compete in the market, which can then lead to a dilution of owner-occupied stock and a domination of houses in multiple occupation.</p> <p>It also is considered that the option will protect housing stock for families and reduce the problems of affordability associated with the student letting market whilst allowing for the introduction of some new HMOs at acceptable concentrations.</p> <p>The appropriateness of this approach and its effects will depend on the level of the threshold and the spatial detail included.</p>	<p style="text-align: right;">-</p> <p>While this option may reduce particular clashes in lifestyle between different groups, and reduce some negative impacts of 'studentification' across the city as a whole which relate to the provision of suitable housing it is considered that these would be exacerbated in the particular areas of concentration.</p> <p>Current, national policy leans towards the promotion of mixed communities throughout cities, promotion of a concentration policy could be seen to conflict with this.</p>	<p style="text-align: right;">+</p> <p>The evidence states that the private student lettings market plays and will continue to play a vital role in the accommodation of students. A total restraint policy is likely to make the market very unresponsive to future demand and could result in spiralling cost for this particular group, although it is assumed that the coordination of new purpose built student accommodation would help to some extent.</p> <p>It will however protect housing stock for families and reduce the associated problems of affordability associated with student letting markets maintaining a good mix of housing stock throughout the district. Current forces are promoting a trend of out migration of families from inner city areas.</p>



Options SA Objectives	Option 1 Threshold Policy	Option 2 Concentration policy	Option 3 Total restraint policy
<p><b>13. Quality of Life</b> – To improve the quality of life for those living and working in the District.</p>	<p>The evidence indicates that the conflicting lifestyles of different groups can reduce the quality of life for certain residents. Whilst not all occupants of HMOs cause problems, the evidence highlights some problems that can be created by some student households, with amenity being a main concern. Problems can be exacerbated where there are high concentrations of HMOs.</p> <p>This option will protect areas from becoming dominated by HMO occupants, maintaining a balanced community and as a consequence maintaining the quality of life for other residents.</p> <p>The appropriateness of this approach and its effects will depend on the level of the threshold and the spatial detail included. This is particularly important in maintaining community cohesion.</p>	<p>The evidence indicates that conflicting lifestyles between different societal groups can reduce the quality of life for certain residents. Whilst not all occupants of HMOs cause problems, the evidence highlights some problems that can be created by some student households, with amenity being a main concern.</p> <p>A concentration policy would focus HMOs in particular areas. Whilst this may protect the amenity of other parts of the city, there is concern with this option that it could create 'student ghettos' within parts of the city (depending on the extent it is used).</p> <p>Concentration may isolate conflicting lifestyles and allow for the targeted policing of any problems in the concentrated areas, however, there is a clear risk it could promote patterns of development, not in keeping with the concept of mixed and balanced communities.</p>	<p>The evidence indicates that the conflicting lifestyles of different groups can reduce the quality of life for certain residents. Whilst not all occupants of HMOs cause problems, the evidence highlights some problems that can be created by some student households, with amenity being a main concern.</p> <p>Whilst completely restraining the development of new HMOs would reduce lifestyle clash problems and alleviate affordability of housing issues for some groups, it is unclear how the accommodation needs of increased demand for accommodation for students, migrants and young professionals would be met. If supply cannot keep up with increased demand in the future, the impact of this on their quality of life. There are already some concerns over the quality of some HMOs.</p> <p>Whilst it is expected that purpose built student accommodation will pick up some part of any increased demand HMOs provide a significant role in student accommodation and provide a particularly responsive solution to market demand as well as providing accommodation for other non students that may contribute to urban revitalisation.</p>
<p><b>Use resources as efficiently as possible</b></p>			
<p><b>14. Use of Land</b> – To deliver more sustainable use of land in more sustainable location patterns.</p>	<p>It is assumed that a threshold policy would help to promote a balanced housing stock and more balanced communities and this would present a more sustainable pattern of development.</p> <p>Compared to purpose built high rise accommodation for students for example it could provide a less efficient use of land particularly as the housing types for HMOs are usually family housing which may result in new family housing being provided as part of urban extensions.</p>	<p>There is a risk that the concentration policy would amplify the existing forces which promote unbalanced patterns across urban areas. This would mean that distances between residents housing, employment and facilities are increase in an unsustainable way.</p>	<p>It is uncertain how the future demand for HMOs will be accommodated in the future if the introduction of more HMOs is restrained. While it is considered that the coordination of new purpose built student accommodation would help, it is not known what the districts capacity to accommodate new purpose built flats is and whether this can be implemented in a way that maintains and improves sustainable land use patterns. One possible problem might be increased pressure on green field sites. On the other hand it could result in higher density accommodation in the centre of the city which might be a more sustainable pattern.</p>

Overall the threshold option provided scored most highly in the appraisal although it should be noted that at this stage it was analysed as an option and without the consideration of any particular threshold targets. It scored positively for six of the nine SA objectives (economy and employment, countryside and historic environment, access to services, sustainable living, housing, and quality of life) and recorded no negative



impacts. Overall it was considered to promote a balance which responded particularly well to the effects of HMOs and the difficulties in predicting their effects upon an area whilst allowing for any future demands.

The concentration policy scored positively against employment and economy; however, it scored negatively against a number of objectives, including rural and coastal communities, countryside and historic environment, access to services, housing, use of land and quality of life. This was predominantly due to the fact it was considered that the option would protect parts of the cities from any negative impacts of HMOs, however overall would concentrate the problem in certain areas and not promote more balanced and mixed communities.

The restraint policy also scored negatively on several objectives including economy, rural and coastal communities, transport, countryside and historic environment, sustainable living and quality of life. The main concern related to the negative social and economic effects associated with a decline in the student population occurring as a consequence of students preferring to study elsewhere due to the lack of accommodation choices within the city.

The preferred policy option in the draft SPD is based on a threshold approach. The selection of this option reflects the outcome of the Council's analysis of the Canterbury context including built form, the character of HMO siting in the city and detailed consideration of concerns of local people, landlords, universities and local councillors. It also understood to reflect an analysis of the outcome of differing policy approaches used by a number of Council's across the country (e.g. Sheffield City Council, Nottingham City Council, Oxford City Council, Charnwood Borough Council and Glasgow City Council).

## 3.2 Sustainability appraisal of draft SPD policy

Following the appraisal of the options, the preferred option for a threshold was developed and the draft policy is presented in Box 3.

Box 3	Interim Policy Statement CP10: Appropriate Housing Mix
<p>In order to maintain an appropriate housing mix within the designated area, the proportion of multiple occupancies should not exceed 20% of the total number of dwellings within a 100m radius of any application property. The city council will not permit changes of use to HMOs, or extensions to existing HMOs, where that proportion is exceeded.</p> <p>In areas where there is an exceptionally high proportion of HMOs in any particular block of properties, consideration will be given to permitting further conversions.</p> <p>In all cases, regard will also be had to the following factors:</p> <ol style="list-style-type: none"><li data-bbox="199 1630 1302 1653">1. <b>Whether the proposals would lead to a level of car-parking that would exceed the capacity of the street;</b></li><li data-bbox="199 1664 1369 1686">2. <b>Whether the proposals could provide acceptable arrangements for bin storage and other shared facilities; and</b></li><li data-bbox="199 1697 1378 1742">3. <b>Whether the design of any extension would be appropriate in terms of the property itself or the character of the area.</b></li></ol>	

This draft policy has then been appraised.

**Table 3.2** presents the findings of the appraisal of this policy against the objectives listed in Table 2.2.



**Table 3.2 Appraisal of the SPD policy against the objectives listed in Table 2.2.**

Proposed SPD Policy					
SA Objective	Detailed Criteria	Time scale			Commentary/Explanation (to include cumulative effects as well as recommendations for improvement)
		Short	Medium	Long	
<b>Sustainable innovative and productive economy that delivers high levels of employment</b>					
<b>1. Economy and Employment</b> To achieve a strong and stable economy which offers rewarding and well located employment opportunities to everyone.	1.1 Will it improve efficiency, competitiveness, vitality and adaptability of the local economy? 1.2 Will it encourage investment in businesses, people and infrastructure for the long term? 1.3 Will it increase the number of businesses in the District? 1.4 Will it help diversify the economy? 1.5 Will it lead to an increase in the local skill base through recruitment from Canterbury's Higher education establishments? 1.6 Will it promote sustainable tourism? 1.7 Will it meet the employment needs of local people? 1.8 Will it improve physical access to jobs through improved location of sites and proximity to transport links?	<b>0</b>	<b>+</b>	<b>?</b>	<p>The evidence suggests that the student population brings a crucial contribution to the local economy. Young professionals are also users of HMOs which the district needs to widen its economy.</p> <p>Generally, concentrations of students form a pool of flexible labour and as such are often welcomed by local employers, and many graduates work in the region where they studied. In turn, the availability of a graduate workforce encourages businesses to locate near higher education institutes thus boosting the local economy and providing additional employment. Considered as part of a local student housing strategy and other appropriate local strategies, a large student presence can be used to positive effect by local authorities to help regenerate declining areas and stimulate urban regeneration.</p> <p>There is a risk therefore that any mechanism that restricts HMO provision could reduce the attractiveness of the district to students and young professionals. This is critical given the importance of the higher education sector and the drive to foster a knowledge based economy.</p> <p>It is considered however that existing HMOs would continue to play their role in provision of accommodation for students, low income migrants and young professionals and future demand would continue to be picked up by new HMOs. The evidence shows that only one area currently has an average concentration that exceeds the proposed 20% threshold and the other highly concentrated areas are just over half of the threshold. The evidence provides an average for the area and it is uncertain as to the effect that the 100m restriction will have on specific neighbourhoods however.</p> <p>As part of a coordinated approach to the housing of students, it is considered that in the long term, the approach should support a more balanced economic and social demographic across the city of Canterbury. Whilst students can have negative social impacts the evidence suggests that despite having large concentrations of students in specific neighbourhoods, local authorities and local communities generally consider that the benefits outweigh the disadvantages.</p> <p>There is some uncertainty in the long term as to the suitability for HMOs and attractiveness to students of some areas, if the desirable areas reach the threshold.</p> <p>There is also some uncertainty as to the precision of the 20% figure and the 100m radius figure and how this would compare to other figures or indeed the existing situation. However, if the demand for student, migrant and young professional accommodation can be met (using a diversity of ways e.g. increased specific student hall and flat accommodation, HMOs and a greater dispersion of HMOs across the district, increased proportion of students living at</p>



Proposed SPD Policy					
SA Objective	Detailed Criteria	Time scale			Commentary/Explanation (to include cumulative effects as well as recommendations for improvement)
		Short	Medium	Long	
					home), it is considered that the presence of students will continue to strengthen and diversify the economy by retaining skilled people after graduation, providing employment from a range of skill bases in the local economy at universities, supporting the workforce for tourism and businesses. Further information as to the numbers of existing HMOs and projected student numbers could also help to clarify this taking into consideration for purpose built campus accommodation.
<b>2. Rural/Coastal Communities</b> To sustain vibrant rural and Coastal communities.	2.1 Will it assist with the diversification of the rural/coastal economy? 2.2 Will it support and encourage the growth of rural/coastal businesses? 2.3 Will it retain village/coastal services and local trading schemes? 2.4 Will it assist in the provision of affordable houses in rural/coastal areas?	<b>0</b>	<b>0</b>	<b>0</b>	It is considered that there will be capacity within the city even with the introduction of the policy to take up additional demand for HMOs. Whilst it is uncertain exactly where and how this will happen, it is assumed that this will occur within the city centre and that any benefits will remain largely confined to the city centre. There are not thought to be any significant effects on rural and coastal communities therefore.
<b>Protect and enhance the physical and natural environment</b>					





Proposed SPD Policy					
SA Objective	Detailed Criteria	Time scale			Commentary/Explanation (to include cumulative effects as well as recommendations for improvement)
		Short	Medium	Long	
<b>4. Transport</b> Reduce road traffic and its impacts, promoting more sustainable modes of transport.	4.1 Will it reduce travel demand? 4.2 Will it improve transport of goods/people by more sustainable means? 4.3 Will it encourage walking, cycling and use of public transport? 4.4 Will it help to reduce traffic congestion and improve road safety? 4.5 Will it reduce the need to travel?	?	+	?	<p>The evidence suggests that students can bring a range of benefits for communities including providing demand and viability for public transport schemes for example. The evidence also suggests that 20% is a threshold at which negative effects from high concentrations of HMOs can materialise. The policy to consider whether a HMO could provide acceptable parking provision is considered positive and should prevent some existing problems with lack of space.</p> <p>It is considered that the policy will allow for further concentration of some HMOs in existing areas until they meet the threshold, within walking distances of campuses and employment areas. The evidence suggests that only one area currently exceeds the proposed threshold. While a more spread out pattern of HMO concentrations may occur further out in the city centre in the longer term, this may actually provide better viability for transport schemes as students and young people are more dependent on public transport. There are still likely to be opportunities for walking and cycling and the evidence shows that only one area currently exceeds of the proposed threshold.</p> <p>It is uncertain however in the long term that if thresholds are met in areas close to campuses that this could result in students living further away and relying on the private car. Similarly if purpose built accommodation is developed to absorb any increase in demand it is unclear where this will happen. If it is towards the outskirts of the city there may be a reduction in those walking or cycling.</p> <p>Conversely introducing a threshold which continues to allow HMOs in many areas may have negative effects. In some cases affordability could force people into long commutes in private cars or people may just choose to live further outside cities due to lifestyle and quality of life issues, in groups that are more likely to use private transport. This is deemed to be consequence of much wider forces however and the policy provides a balance to maintain a mixed housing stock and communities. The evidence suggests that 20% concentration is a threshold at which the negative effects of HMOs can materialise.</p>



Proposed SPD Policy					
SA Objective	Detailed Criteria	Time scale			Commentary/Explanation (to include cumulative effects as well as recommendations for improvement)
		Short	Medium	Long	
<b>5. Countryside and Historic Environment</b> To protect and improve landscapes for both people and wildlife and to protect and maintain vulnerable assets (including built and historic)	5.1 Will it improve access to the countryside and open space? 5.2 Will it avoid adverse impacts and enhance designated landscape features? 5.3 Will it improve access to urban open space? 5.4 Will it help to protect and enhance sites, areas and features of historic, cultural archaeological and architectural interest? 5.5 Will it help to conserve historic buildings, places and spaces that enhance local distinctiveness, character and appearance through sensitive adaptation and re-use? 5.6 Will it improve and promote access to buildings and landscapes of historic/cultural value?	0	+	+	<p>The evidence suggests that HMOs broadly experience underinvestment by absentee landlords. By maintaining a substantial mix of housing types and tenures within a street, the threshold approach should help reduce the risk of decline in the built environment and any associated visual impacts of neglect. Older properties can also benefit from considerable initial investment by private landlords to support the conversion which can extend their useful life.</p> <p>It is considered however that an approach to student accommodation with new purpose built accommodation of private flats would be a more coordinated approach in terms of securing section 106 or Community Infrastructure Levy money towards access to open space, and public realm.</p> <p>Overall, it is considered the policy should stop a spread in HMOs slowly reducing the quality of the built environment throughout the city by retaining a large proportion of housing stock for owner occupation and household rental and still allowing some development for HMOs. The threshold approach would strike a balance between accommodating students into the existing housing stock and into new development.</p> <p>There is some uncertainty however as to the 20% figure and the 100m radius figure and how this would compare to other figures although the evidence suggests that 20% concentration is a threshold at which the negative effects of HMOs can materialise.</p>



Proposed SPD Policy					
SA Objective	Detailed Criteria	Time scale			Commentary/Explanation (to include cumulative effects as well as recommendations for improvement)
		Short	Medium	Long	
<b>Just society that promotes social inclusion, sustainable communities and personal wellbeing</b>					
<b>9. Access to Services</b> Share access to services and benefits to prosperity fairly.	9.1 Will it improve social and environmental conditions in the most deprived areas?	<b>0</b>	<b>+</b>	<b>+</b>	<p>The evidence suggests that students can bring a number of benefits for communities by increasing local demand for community services which can aid their viability e.g. GP practices.</p> <p>Conversely, the presence of high levels of students or young professionals can alter demand affecting some services that meet the needs of other sections of the community e.g. primary schools for families.</p> <p>The presence of students can result in seasonal availability of some retail and service provision and the development of a 'resort economy'.</p> <p>It is considered that the policy will promote a more balanced and mixed community which should allow for the positive effects of students and other HMO occupants, whilst preventing the community being adversely affected by a reduction in community facilities.</p> <p>There is some uncertainty however as to the 20% figure and the 100m radius figure and how this would compare to other figures although the evidence suggests that 20% concentration is a threshold at which the negative effects of HMOs can materialise.</p>
	9.2 Will it increase economic activity?				
	9.3 Will it improve access to skills and training for raising employment potential?				
	9.4 Will it help to provide more equal access to opportunities, services and facilities (e.g. sport, culture, health, education, open space etc.)?				
<b>10. Sustainable Living and Revitalisation</b> To revitalise town and rural centres and to promote sustainable living.	10.1 Will it improve townscapes/rural centres and physical assets?	<b>0</b>	<b>+</b>	<b>+</b>	<p>The evidence suggests that the presence of students within communities can revitalise towns and have significant regeneration effects. Students can bring a number of benefits for communities including providing demand and viability for services which cater also for other members of the community.</p> <p>It is considered that a threshold policy could retain the positive effects of students on the urban areas whilst reducing some of the negative impacts that can occur.</p> <p>It is considered that the threshold policy will still allow the concentration of students in the city and that a slightly more dispersed concentration would not be detrimental. There is some uncertainty however as to the 20% figure and the 100m radius figure and how this would compare to other figures although the evidence suggests that 20% concentration is a threshold at which the negative effects of HMOs can materialise.</p>
	10.2 Will it encourage more people to live in town centres?				
	10.3 Will it improve provision of shops or services within town centre?				
	10.4 Will it promote responsible tourism which is both ecologically and culturally sensitive?				
	10.5 Will it improve physical access to services, such as a GP, a hospital, schools, areas of employment and retail centres?				



Proposed SPD Policy					
SA Objective	Detailed Criteria	Time scale			Commentary/Explanation (to include cumulative effects as well as recommendations for improvement)
		Short	Medium	Long	
<b>12. Housing</b> To make suitable housing available and affordable to everyone.	12.1 Will it encourage more access to affordable housing? 12.2 Will it encourage access to decent housing? 12.3 Will it provide an appropriate mix of housing to meet residents' needs and aspiration and create balanced communities? 12.4 Will it reduce the number of unfit and empty homes? 12.5 Will it reduce the number of empty homes? 12.6 Will it reduce the level of homelessness in the District?	0	+	?	<p>The evidence in the East Kent Strategic Housing Market Assessment (SHMA) shows that the housing market needs to be balanced to achieve the economic ambitions of the district, and to meet local housing need. While a proportion of smaller properties are necessary for younger and older single people, the main property types that the future housing market needs are those that will attract more affluent working households and families, and those that meet the needs of younger families facing deprivation and affordability problems. Sustained high demand for student housing and the stimulus to private rented sector leads to a rise in house prices, deterring access to housing ladder for other sections of community.</p> <p>The policy will combat the continued tendency to sub-divide larger homes into flats; helping to protect larger, family-sized, semi-detached and detached homes where they are under pressure particularly in the city centre. Conversion of houses into student residences, often make it a difficult transformation back into family homes.</p> <p>There is some uncertainty however as to the 20% figure and the 100m radius figure and how this would compare to other figures although the evidence suggests that 20% concentration is a threshold at which the negative effects of HMOs can materialise.</p> <p>There is a slight concern that the restriction on the change of use to HMOs could lead to empty homes in the future when thresholds begin to be reached and if there is little demand in the area from other groups. It is recommended that the threshold targets be reviewed to reflect this concern.</p> <p>There is also a concern that planning restrictions may result in more unauthorised HMOs emerging, which are not subject to an approval process and could result in substandard housing. This is considered something that would be dealt with through enforcement.</p>



Proposed SPD Policy					
SA Objective	Detailed Criteria	Time scale			Commentary/Explanation (to include cumulative effects as well as recommendations for improvement)
		Short	Medium	Long	
<b>13. Quality of Life</b> To improve the quality of life for those living and working in the District.	13.1 Will it reduce actual levels of crime? 13.2 Will it reduce the fear of crime? 13.3 Will it reduce death rates and negative health impacts in key vulnerable groups? 13.4 Will it promote healthy lifestyles? 13.5 Will it improve peoples' perception of their local area being a place where people from different ethnic backgrounds get on well together? 13.6 Will it promote sport and physical activity?	0	+	+	<p>The evidence indicates that the conflicting lifestyles of different groups can reduce the quality of life for certain residents. Whilst not all occupants of HMOs cause problems, the evidence highlights some problems that can be created by some student households, with amenity being a main concern. Problems can be exacerbated where there are high concentrations of HMOs.</p> <p>One concern is waste. The evidence suggests that large numbers of residents associated with HMOs compared to other household occupants such as families can create more waste per property which requires larger capacity storage facilities for segregated waste streams. The policy to consider whether a HMO could provide acceptable arrangements for bin storage and other shared facilities is considered positive and should provide for a more effective waste management solution than the current situation which can result in issues with space.</p> <p>In addition, increased population density associated with the number of residents in HMOs and increased pressures on services (policing, cleansing, highways, planning, public transport) can be an issue. Also pressure for greater provision of establishments catering for night time entertainment and consequent detrimental impact on residential amenity and late night student culture can also disturb children and working people.</p> <p>It is anticipated that the policy will protect areas and particularly individual streets from developing high proportions of HMOs and will aid the achievement of community balance and cohesion.</p> <p>There is some uncertainty however as to the 20% figure and the 100m radius figure and how this would compare to other figures although the evidence suggests that 20% concentration is a threshold at which the negative effects of HMOs can materialise.</p>



Proposed SPD Policy					
SA Objective	Detailed Criteria	Time scale			Commentary/Explanation (to include cumulative effects as well as recommendations for improvement)
		Short	Medium	Long	
<b>Use resources and energy as efficiently as possible</b>					
<b>14. Use of Land</b> To deliver more sustainable use of land in more sustainable location patterns.	14.1 Will it promote the wise use of land (minimise development on greenfield land)?	0	?	?	It is assumed that a threshold policy would help to promote a balanced housing stock and more balanced communities and this would create a more sustainable pattern of development through reuse of older housing stock.  It is uncertain however how whether this would represent a more efficient use of land when compared to higher density purpose built accommodation.
	14.2 Will it reduce the amount of derelict, degraded & underused land?				
	14.3 Will it reduce land contamination?				
	14.4 Will it promote the use of previously developed land?				
	14.5 Will it encourage urban renaissance?				



## 4. Conclusions, recommendations and next steps

### 4.1 Key Findings

The proposed (Draft) *'Balanced Housing Provision: Supplementary Planning Document on Housing in Multiple Occupation'* seeks to ensure that proposals for housing contribute to creating mixed and balanced communities.

In particular it relates to HMOs and specifically looks to address the impacts associated with increased concentrations of HMOs and the impacts associated with their occupancy (by students although it also includes other groups of occupants). More broadly it relates to consideration of how an integrated approach to the provision of student accommodation in the district could maximise benefits and reduce negative effects in the area.

Three options were appraised initially. The first option, to introduce a threshold on the amount of new HMOs twithin a specified area, was considered to be the most promising option despite some uncertainty. One of the main reasons for the high level of uncertainty is the fact that students in communities bring a range of issues and benefits and that there are both examples nationally of where neighbourhoods have incorporated an increase in HMO numbers and students well and cases of extreme difficulty (manifest in a deterioration of community cohesion). However, of the three approaches, the threshold option could provide flexibility to accommodate these uncertainties in order to achieve a balance between the negative and positive influences of concentrations of students on the existing community.

Following the consideration of the options a draft SPD and policy was produced. The policy will not permit changes of use to HMOs, or extensions to existing HMOs, where the proportion of multiple occupancies would exceed 20% of the total number of dwellings within a 100m radius of any application property.

It is understood that a 20% threshold has been proposed based upon:

- a review of numerous different Council policy approaches. Council policies reviewed included those relevant to Leeds, Cardiff, Charnwood/Loughborough, Nottingham, Reading, Sheffield, Bristol, Belfast and Glasgow;
- a review of the Canterbury context including built form, the character of HMO siting in the city;
- a review of concerns of local people, landlords, universities, local Councillors; and
- a review of published reports.

The appraisal of the policy itself also incorporated uncertainty but it was deemed that the policy scored positively against several objectives particularly over the longer term. The importance of regular monitoring is however highlighted particularly regarding the uncertainty of student population trends, the provision of affordable rental accommodation and the suitability of the threshold as set, although it is considered as per national evidence that negative effects start to emerge from concentrations of HMOs at around 20%. The key findings are outlined below:



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- It is thought that there would be no significant effects on the provision of accommodation to meet demands for students. This reflects both the existing baseline situation (with only one ward currently over the 20% threshold of HMOs, although it is accepted it will be higher for more localised areas) and the planned increase in campus accommodation and purpose built developments. In the long term there is some uncertainty on the potential effects, if the thresholds begin to affect student accommodation provision throughout the city; however, this requires the threshold to be met on a city wide basis, which at this stage is unlikely.
- In relation to transport it was thought that the student population will remain in close walking and cycling distance to university campuses and increased demand for students could be accommodated with more HMOs in most areas. Increasing student numbers in areas could have a positive effect on viability of public transport although an increased demand for parking is likely to accompany this.
- With regards to sustainable patterns of land use it is considered that by encouraging balanced communities this should promote a more sustainable urban form over the long term.
- As to quality of life, the policy was deemed to be positive in preventing waste and parking issues as well as other issues by protecting areas and particularly individual streets from developing high proportions of HMOs which can result in negative effects. It is considered that the threshold will allow for the incorporation of any future demand for HMOs into communities without overwhelming them. As evidence suggests that negative effects arise at around 20% concentration it is considered that perhaps a slightly lower threshold could prevent concentrations reaching that level where problems may occur. It is understood however that there is a desire not to compromise the important role that HMOs play particularly in accommodating students.
- In relation to services, again the policy is considered to promote and sustain a balance of provision of the range and mix of services for the whole community.
- For the historic environment, similarly to services, it is deemed the threshold will maintain a balance of rental land lords and homeowners so concentrations and cumulative effects will not lead to detrimental effects in some areas.
- With housing, the policy is anticipated to aid combating the continued tendency to sub-divide larger homes; helping to protect larger, family-sized, semi-detached and detached homes. These types of housing are considered important as being part of part of the growth aspirations of the district and once conversion takes place it is difficult to convert back. It is anticipated that parallel policies which encourage more on campus development and purpose built development will help to safeguard a healthy proportion of Canterbury's housing stock.
- In relation to sustainable living and revitalisation, it is not thought that the policy will prevent the positive contribution that students are making. It is considered that the threshold policy will still allow the concentration of students in the city and would not be detrimental to maintaining vitality and supporting inner city regeneration.

The policy has scored positively for several objectives particularly in the long term and has received no negative results. However, for all the objectives, there remains uncertainty as to sensitivities of changing the 20% threshold value and the 100m radius figure although national evidence<sup>15</sup> suggests that 20% concentration is a threshold at which the negative effects of HMOs can materialise. It is unknown however what the specific concentrations of

<sup>15</sup> National HMO Lobby (<http://hmolobby.org.uk/>)





HMOs are within specific streets or whether certain areas may be able to accommodate more or less concentrations depending on specific circumstance. As a consequence, the actual effects of the threshold will be highly localised depending on the actual situation in particular areas. For this reason the importance of monitoring is highlighted and if detrimental effects observed, the potential to amend the threshold target should then be considered.

### 4.1.1 Recommendations

Below are recommendations arising from the analysis relating to mitigating any negative effects and clarifying uncertainties:

Whilst the policy scored largely positively across the objectives it is considered that the key to success is setting the correct target. It is understood that the threshold targets proposed has been selected following research into the local circumstance in Canterbury, other approaches by authorities and national research. Given the number of different uncertainties which have been considered as part of this appraisal and the interaction with wider forces and uncertain market forces, which cannot be controlled with spatial planning, the key message is to undertake monitoring to ensure the anticipated positive effects materialise and that should they not the policy can be altered to better address the issues within Canterbury.

Monitoring should be undertaken with the city where the policy will apply, particularly taking into account the following factors:

- Locations and size of student accommodation compared to the pattern of location and concentrations of HMOs within the city.
- House prices, which may be driven by national forces more than local issues, but also levels of affordability within individual parts of the city to allow for balanced communities where possible.
- The numbers of students at higher education institutions and the composition of the student body. e.g. rising number of mature students / part time students.
- Viability of local services (particularly those which don't service a student population such as primary schools) and public transport.
- Levels of antisocial disorders.
- Levels of employment provided by the universities.
- Levels of derelict housing.

It is recommended that the actions of other authorities such as Loughborough, Sheffield and Nottingham, who have introduced similar policies should also be monitored closely to see how markets have reacted and how thresholds



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have managed to achieve desired effects<sup>16</sup>. In addition it is recommended that, on an annual basis, other emerging policies concerning HMO numbers in comparable university cities and towns be reviewed.

If significant adverse effects are observed, considerations should be given to modifying the threshold target accordingly.

It should be stressed that this policy is not deemed to be the solution to the problem, but one measure in a coordinated effort to combating negative effects that an increase in student numbers can have on the fabric of local communities. The importance of the other initiatives discussed in the SPD such as well developed university student accommodation strategies with effective protocols and effective communication with students and communities is highlighted.

### 4.2 **Next steps**

The SA of the SPD will be published alongside the draft SPD for comment. Following receipt of comment, the Council will review the contents of the SPD and consider whether to make any changes. If these changes are considered significant, they will be reappraised before the SPD is adopted. Once adopted, the '*Balanced Housing Provision: Supplementary Planning Document on Housing in Multiple Occupation*' will supplement the saved policy (BE1) from the adopted local plan. Eventual it is envisaged that the policy will be incorporated into the text of the Core Strategy DPD (policy CP10).

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<sup>16</sup> Whilst these authorities have introduced spatial planning policies to control HMOs, this was before the recent changes in definitions of HMOs and the definition now classes units with lower numbers of residents as HMOs, which may effect the impacts of policies and evidence and best practice introduced before the changes.

