

SCRUTINY PANEL: To what extent is the Borough Council successful in achieving its objective of managing student occupancy in Loughborough?

**TUESDAY, 30TH JULY 2013 AT 6.00PM
IN COMMITTEE ROOM 1, SOUTHFIELDS, LOUGHBOROUGH**

AGENDA

1. APOLOGIES
2. SCOPE DOCUMENT AND ACTION NOTES

The Panel's updated scope document is attached at page 5 for the information of the Panel.

The notes of actions agreed by the Panel at its meeting held on 28th June 2013 are attached at page 9 for the information of the Panel. Following that meeting, A. Barlow forwarded the following information to the Panel:

"I can confirm that the address field is not compulsory for Registration. The reason for this is that not all students are able to confirm their term-time addresses at the point that they complete the registration process (either the new electronic process or the old paper form).

Once Registration is complete and term has started, Academic Registry direct all students to the Self Service portal and asks them to provide details for any blank fields. We then chase them on a fairly regular basis if they haven't provided a term-time address.

The Panel may also be interested to know that when the University completed its statutory return to the Higher Education Statistics Agency (HESA) in May there were just over 300 missing term time addresses. Discussions are in progress with Registry and Darren Smith to enable this much fuller data set to be logged and mapped and I will keep you informed of progress for the information of the Panel."

3. BACKGROUND PAPERS

(i) The Private Rented Sector

A House of Commons Communities and Local Government Select Committee has recently written a report entitled 'The Private Rented Sector', which contains information relevant to the Panel. The report and other associated papers can be found using the links below:

‘The Private Rented Sector’ Report:

<http://www.parliament.uk/business/committees/committees-a-z/commons-select/communities-and-local-government-committee/news/private-rented-sector---op-note/>

Press Release - New Report: Private Rented Sector Drive Out ‘cowboy’ letting agents, say MPs:

<http://www.parliament.uk/business/committees/committees-a-z/commons-select/communities-and-local-government-committee/news/private-rented-sector-publication-note/>

(ii) Coastal Regeneration

At its meeting held on 17th June 2013, Professor Darren Smith made reference to a report in respect of coastal town regeneration which contains information relevant to the Panel. A link to that report is below:

<http://www.coastalcommunities.co.uk/library/pdfs/coastal-regeneration-handbook.pdf>

4. QUESTIONNAIRES AND OTHER SUBMITTED COMMENTS

A summary of responses received since the last meeting of the Panel is attached at page 17.

5. COUNCIL TAX

A briefing paper responding to issues raised by the Panel in respect of Council Tax is attached at page 19.

6. KEY WITNESSES

A report in respect of Landlord’s agents is attached at page 21.

7. WITNESS REVIEW AND A WAY FORWARD

As agreed by the Panel, this item has been included on the agenda to review the information submitted to the Panel by witnesses to date and agree a way forward, including identifying further council officers to invite to future meetings as witnesses and areas of questioning. A briefing paper identifying some of the main themes raised at previous Panel meetings is attached at page 23 to assist the Panel.

Further meetings of the Panel have been programmed as follows:

30th August 2013 at 1.00pm –

The Team Leader Development Control has been invited to attend as a witness.

20th September 2013 at 10.00am –

The Head of Housing, the Private Sector Housing Manager and a representative from DASH have been invited to attend as witnesses.

The Panel is asked to identify other Key Witnesses to invite to future meetings.

8. 'ARE UNIVERSITIES GOOD NEIGHBOURS?'

Councillor Smidowicz will brief the Panel on the event she attended at Reading University entitled 'Are Universities Good Neighbours?'

Interested parties are invited to submit in writing any additional comments in respect of item 7 on the agenda to:

Frances.whittington@charnwood.gov.uk

By no later than 26th July 2013

Panel Membership:

Councillors Bradshaw, Burr, M. Hunt, Jukes (Chair), Pacey, Parton, Ranson, Smidowicz and M. Smith (Vice-chair)

SCRUTINY REVIEW: DRAFT SCOPE

REVIEW TITLE:

To what extent is the Borough Council successful in achieving its objective of managing student occupancy in Loughborough?

SCOPE OF ITEM / TERMS OF REFERENCE

- To identify the areas of public concern in relation to the management of student occupancy in Loughborough.
- To review how the Student Housing Provision in Loughborough SPD is working in practice.
- To review the effectiveness of the introduction of the Article 4 Direction in controlling student occupancy.
- To review how other planning policies and tools, including the use of Section 106 Agreements to control occupancy, the licensing of Houses in Multiple Occupation (HMOs) and engagement with landlords are used to control student occupancy.
- To identify the consequences of the policy approaches and tools used by the Council and whether there have been any unintended consequences.
- To consider whether and how any undesirable consequences of the policy approaches and tools used by the Council can be addressed.
- To consider, using current research and best practice, whether the policy approaches adopted by the Council remain relevant and fit for purpose.

REASON FOR SCRUTINY

To address public concerns about the policies for addressing student occupancy and the methods by which the policies are carried out.

To facilitate a debate about what matters relating to student occupancy the Council can and should seek to control.

MEMBERSHIP OF THE GROUP

Councillor Ron Jukes (Chair)
Councillors Bradshaw, Burr, M. Hunt, Pacey, Parton, Ranson, Smidowicz and M. Smith

WHAT WILL BE INCLUDED

The Council values the contribution of Loughborough University and its students to the reputation and the economy of the Borough. However the Council also recognises that the concentration of shared student housing can cause imbalance in the composition of the community and consequential injury to local amenities and facilities.

The terms of reference of the panel are focussed on whether the Council's policy approaches to managing student occupancy are being successful. By managing student occupancy the panel means those policies which address where shared student housing is located and other housing and planning policies which regulate occupancy. These policies are intended to maintain sustainable, balanced communities, appropriate land use development and provide safe accommodation rather than deal with the behaviour of students. However the panel recognises that it is often concerns about the latter which are

the trigger for public concern.

WHAT WILL BE EXCLUDED

Although there is an overlap with the issue of former student properties being unoccupied as students appear to be moving to other parts of Loughborough, that issue should be considered as part of a more general review of empty properties.

KEY TASKS * * including consideration of efficiency savings

The possibility of adopting an intensive method of scrutiny has been discussed which would make use of longer evidence gathering sessions programmed at shorter intervals than is normally the case. Possible evidence gathering themes have been identified as:

- a session to investigate the concerns of the public;
- a session to enable the panel to be provided with background information either through briefings or briefing notes, which should include information on how the Council addresses problems caused by students, for example anti-social behaviour, car-parking or environmental issues, to provide context for the focus on managing student occupancy;
- a session with Charnwood Borough Council officers to investigate how the various policies and tools relating to student occupancy are implemented and used and what the consequences are*;
- a session with other stakeholders, i.e. Loughborough University and landlords;
- a session to learn about alternative approaches being developed or used elsewhere.

* Note: the panel may wish to hear from officers again after the other witnesses to enable them to respond to the evidence gathered from those later witnesses.

STAKEHOLDERS, OUTSIDE AGENCIES, OTHER ORGANISATIONS *

- CBC Planning Dept – development control, planning policy and enforcement
- CBC Housing Dept – with responsibility for licensing of HMOs and engagement with landlords
- Representatives of local people who have raised concerns with the Council relating to these issues. The Panel will need to consider which geographical areas are most appropriate and how to ensure that the views expressed are representative.
- An appropriate representative from Loughborough University who deals with student accommodation issues.
- A representative from the Loughborough Students' Union.
- An appropriate person to act as a landlord representative. It would be most appropriate to seek someone who acted on behalf of any formal landlord body.
- Professor Darren Smith, from Loughborough University, who has developed an alternative methodology for identifying student occupancy and undertaken work on Article 4 Directions nationally, and any other identified sources of good practice adopted elsewhere.

EQUALITY IMPLICATIONS

Is an impact needs assessment required? – to be considered at the Panel's penultimate meeting

LINKS/OVERLAPS TO OTHER REVIEWS

- There are links with the objectives identified by the Empowering Communities Scrutiny Panel.
- The impact on empty properties of changes to the student property market has been identified by the Housing Allocations Scrutiny Panel. However as discussed above empty properties will not be considered as part of the scope of this review.
- Car-parking issues related to Loughborough University were the subject of a previous scrutiny panel.

RESOURCE REQUIREMENTS

REPORT REQUIREMENTS (Officer information)

REVIEW COMMENCEMENT DATE

30th May 2013

COMPLETION DATE FOR DRAFT REPORT

* Key tasks and stakeholders may be subject to change as the review progresses.

PROGRESS OF PANEL WORK

MEETING DATE	PROGRESS TO DATE
30th May 2013	Two representatives from KARG, NRN, SARG and SbC invited to attend the meeting as witnesses. NRN not able to attend and submitted written comments.
17th June 2013	Prof Darren Smith gave a presentation on 'Studentification' (copy filed with the agenda)
28th June 2013	Whole day meeting to receive information from: K. McPheeley – Loughborough University Accommodation Development Manager A. Chell – Local Student Landlord's Association E. Read – President of the Students' Union, and Loughborough University A. McDonald – Permanent Officer at the Students' Union A. Barlow – Loughborough University Community Relations Manager
30th July 2013	Meeting planned to review the findings of the meetings to date and identify other key witnesses to future meetings.

REPORT SUBMITTED TO SCRUTINY MANAGEMENT BOARD

MANAGING STUDENT OCCUPANCY SCRUTINY PANEL – ACTION NOTES

MEETING 3 – 28TH JUNE 2013

ATTENDED BY: Councillors Jukes (Chair), M. Smith (Vice-chair), Burr, M. Hunt, Pacey and Smidowicz

APOLOGIES: Councillors Bradshaw, Parton and Ranson

Officers: M. Hopkins and F. Whittington

CONSIDERED AT THIS MEETING:

DOCUMENT OR MATTER	ACTION(S) AGREED
Scope Document	Updates noted
Action Notes	Noted
Responses to Questionnaires	A summary of responses from the public, not previously submitted to the Panel, was received and noted. A complete summary of all responses received be collated for the final Panel report.
Key Witnesses	Contact the Letting Agents again and emphasise the importance of their input.
Decent and Safe Homes (DASH) – formally East Midlands Landlords Accreditation Scheme (EMLAS)	<p>Check with Council Officers whether DASH is self regulating.</p> <p>Invite a representative of DASH as a witness to a future meeting. Request its Mission Statement, legal status and details of checks and monitoring of individual properties.</p>
Council Tax Information	<p>Ask Council Officers for a briefing paper to be submitted to the next meeting, to cover:</p> <ul style="list-style-type: none">• How often properties are checked• How is Council Tax liability assessed for on campus accommodation and purpose built student blocks off campus?• How is this different from student occupation of houses?• Where liability is assessed on the basis of assumed student occupation, does the Council act to verify this is still the case and what would prompt an investigation of whether it remains the case?• Are off campus purpose built student blocks liable for business rates and if not why not?• What is the current position in respect of vacant properties that were previously occupied by students in terms of liability for Council Tax? What options could be pursued in terms of using discretionary

	discount/charging powers to incentivise landlords to convert empty former student properties back to family occupation?
Corporation Tax	Contact HMRC for information in respect of student housing.
Term Time Addresses	<p>Alison Barlow to check if the term time address field is a compulsory field to complete as part of the student on-line registration process.</p> <p>Should the Panel recommend that term time addresses would assist the Council, the Panel should ensure that their reasons were clear and precise.</p>

ISSUES DISCUSSED WITH WITNESSES:

WITNESS	ISSUES DISCUSSED
K. McPheeley – Loughborough University Student Accommodations Officer	<p>For mainly commercial reasons, since 2010 the Accommodation Management Service had only provided an advertising service to landlords. To be approved by the University, a landlord had to be Decent and Safe Homes (DASH) accredited, which ensured statutory certificates were in place. Properties were checked when first added to the list and revisited every two years. There were currently 163 accredited properties. There were concerns at the University that not all students looking for accommodation went through the University system.</p> <p>Work was undertaken with the Students' Union and Council Officers to support the Housing Bazaar held at the Students' Union each year, encouraging students to use accredited landlords and landlords to become involved in the scheme.</p> <p>The Accommodation Service act as a source of advice, for example checking contracts.</p> <p>Details in respect of Loughborough University Property House Grading, the Landlord Charter and University Approved Off Campus Accommodation Advertising Application Form were tabled for the information of the Panel. (Copies filed with the background papers)</p>
	<ul style="list-style-type: none"> Information was required in respect of the reasons why landlords did not pay Business Rates?
	<ul style="list-style-type: none"> Popularity of Halls of Residence. There had been a 30% increase in the number of returning students applying for Halls of Residence for the current year, with the majority looking for catered accommodation, while first years appeared to prefer self-catering facilities.
	<ul style="list-style-type: none"> Cars/parking issues. The on line application form advised that no first year students should bring a car on to campus, unless disabled. The cars parked in nearby

	streets were not all students, following the recent introduction of car parking charges, staff also parked off campus.
	<ul style="list-style-type: none"> Issues with student properties: <ul style="list-style-type: none"> a. Problems with the property – advised to go through the Borough Council, either Private Sector Housing or Environmental Health. b. Local Residents – Report to the University, either through the Warden Service to directly to Security who had a 24/7 service.
	<ul style="list-style-type: none"> Quality of Accommodation. There was a surplus of accommodation off campus at the present time and there was no reason for students to choose sub standard accommodation. Students looked for property to be in close proximity to the campus and the town centre.
	<ul style="list-style-type: none"> Duty of care for students. Concern was expressed that the University had no record of term time addresses for all students.
	<ul style="list-style-type: none"> HMOs. In response to a question, K. McPheely stated that it would assist her if all HMOs had to be licensed, as that would ensure standards, while appreciating that would have a huge impact on resources.
A. Chell – Local Student Landlord's Association	<p>The University was not able to provide the number and type of accommodation required by students. Therefore a large market for the provision of student accommodation had grown in the private sector. There was a significant amount of capital investment required from local businessmen. An estimated investment of £40,000 to £50,000 per room resulted in an overall investment of £250m to £300m from the private sector, allowing the University to focus on other investments.</p> <p>Loughborough was unusual in that there was a large University in a small town, approximately 15,000 students and a population of 50,000 residents.</p> <p>With the addition of purpose built student accommodation (PBSA) in recent years and an influx of landlords, there was currently an over supply of beds, (approximately 1,000) however, many students saw the PBSA as similar to on campus Halls and that was not the type of property they choose to live in. Much PBSA was empty or being used for bed and breakfast accommodation by non students. Students in their second year and onwards had friendship groups and preferred to live in self contained houses. The over supply had led to competition, with standards above average compared to other University towns and competitive rents.</p> <p>Students had higher expectations for the quality of accommodation and facilities they required, some of which</p>

	<p>was in response to legislation.</p> <p>The Local Students Landlord Association was an informal group that met on an ad hoc basis, when there was an issue to address. More regular email discussions took place between the group which was responsible for an estimated 90% of private student bed spaces in Loughborough. The Panel needed to remember they were competitors in a single market.</p> <p>The vast majority of landlords lived locally, however there were growing numbers of national companies managing properties, for example Club Easy. Non local ownership did not mean those properties were badly managed.</p>
	<ul style="list-style-type: none"> • A ball park figure for the number of beds required was 5,000 to 6,000. Large accommodation blocks provided 1,500 beds, 5,000 in traditional houses, with an average of 5 beds per property meant that there was an over supply of about 1,000 beds. Some landlords owned one property while others up to 100 properties.
	<ul style="list-style-type: none"> • Private landlords saw their role as being between a landlord and a parent. Trying to be understanding and sympathetic of their customers and guide them through the process of looking for accommodation and signing contracts.
	<ul style="list-style-type: none"> • The suggestion of additional checklists for students would not be well received by landlords. The existing legislation meant that all statutory requirements were met.
	<ul style="list-style-type: none"> • Landlords should have details of all the tenants in each property and amendments made to tenancy agreements to reflect any changes during the academic year.
	<ul style="list-style-type: none"> • The tipping point for landlords to revert properties back to family accommodation would vary, depending on their financial circumstances. Article 4 Direction (A4D) had created a two tier pricing structure for houses, C4 houses produced higher overall rental income, therefore the capital value of C3 properties was less. Those landlords selling properties would be more likely to sell as a C4 property.
	<ul style="list-style-type: none"> • Landlords had to pay council tax on empty properties.
	<ul style="list-style-type: none"> • There was a fundamental difference between properties maintained by a landlord and those maintained through a letting agent.
	<ul style="list-style-type: none"> • In respect of the Article 4 Direction, in response to a question, A. Chell stated that the A4D was not overall a bad thing but had made it more difficult for landlords to run their businesses. Given supply and demand there would be natural wastage in the number of student properties.

<p>E. Read and – President of the Students Union, Ally McDonald Loughborough University</p>	<p>Students were part of the community and should have a right to live where they choose. There was significant diversity among students.</p> <p>There was an acknowledgement of issues on the Kingfisher Estate and a suggestion that any future developments have a cap on the amount of student accommodation at the development stage.</p> <p>Students appreciated quality accommodation and facilities and were prepared to pay more for those.</p> <p>The Students' Union was proud of its communications with the town, the welfare and support received by students and the charity and fundraising work undertaken by the students. The students brought a lot to the town, further work could be undertaken to promote the positives.</p>
	<ul style="list-style-type: none"> • Issues that arose between students and their landlords were addressed directly with landlords if there was a good relationship between the two, however, where that was not the case the Students' Union could intervene on the behalf of the student.
	<ul style="list-style-type: none"> • The Students' Union worked to help students find suitable accommodation and as well as the Housing Bazaar, a web site had been established called 'Rate My Landlord', giving students an opportunity to share their views on their landlords and a campaign called 'Stop Wait Look' to encourage students to look for accommodation at the Housing Bazaar, ensure the houses were accredited and read the contract to confirm exactly what was covered in respect of bills etc (without being too prescriptive as different students wanted different things).
	<ul style="list-style-type: none"> • The Students' Union did not have a policy in respect of deterring students from bringing cars to Loughborough. Any students with an LE11 post code were advised not to bring a car to University; however it was acknowledged that some did. Some new PBSA did have restrictions through tenancy agreements. <p>It was noted that other University towns did try to enforce parking restrictions for students, but those appeared to have been unsuccessful.</p> <p>It was suggested that problems with student parking could be resolved by the introduction of roadside parking restrictions, preventing parking between 10.30 to 11.30 and 15.30 to 16.30 daily.</p>
	<ul style="list-style-type: none"> • The Students' Union and the University worked with Kinch Bus Company and a free bus service was now in place on campus between 08.00 and 18.00, 6 days a week and a service from town to the campus until

	4.30am, including along Ashby Road.
	<ul style="list-style-type: none"> The introduction of a 'Boris Bike' scheme was in the early stages of development on campus.
	<ul style="list-style-type: none"> The Students' Union had eventually received grant funding for a Diwali event. Initially the application had been turned down, as it had been perceived that the Students' Union was not part of the community.
	<ul style="list-style-type: none"> Over 50% of the students were over 23 years of age.
	<ul style="list-style-type: none"> Many residents supported student neighbours and some of the University Wardens organised 'Let's Meet' events. Reference was made to the positive work between the Students' Union and SARG.
	<ul style="list-style-type: none"> The Panel acknowledged the similarities and differences between students and residents and was looking to improve relationships further and ensure students and residents were able to live in harmony.
A. Barlow – Loughborough University Community Relations Manager	<p>A report submitted to the Loughborough Campus and Community Liaison Group in May 2013, detailing full time student numbers and projections was submitted, together with graphs showing student population growth. (Copies filed with the background papers)</p> <p>Significant growth from 1990 onwards reflected the national policy to encourage more young people to attend University. During the past 4 years, student numbers had levelled out and the current University strategy was to further develop research rather than substantial growth in student numbers. However, the University would seek to redress the under recruitment in 2012 in the next academic year.</p> <p>The University recognised that on-campus accommodation had not kept pace with the rise in student numbers, but the current outlying planning permission for additional on campus accommodation was unlikely to be taken forward. Currently there were approximately 5,300 beds on campus, 12% of full time students lived at home, with that figure increasing by 1% each year, which the University was monitoring.</p>
	<ul style="list-style-type: none"> There were no current plans to develop a campus overseas, however, the University was looking to attract more foreign students. Such students preferred to live together in PBSA blocks.
	<ul style="list-style-type: none"> The University recognised the frequent issues raised in respect of noise, ASB, waste and rubbish collections and parking and were working in partnership with the Council, Police and the Students' Union to address them and encourage students to respect the local community.
	<ul style="list-style-type: none"> Representatives of the University worked with strategic and operational partnership groups.
	<ul style="list-style-type: none"> The University employed 6 Community Wardens, who offered welfare support and addressed discipline issues.

	<ul style="list-style-type: none"> The University offered a 24/7 telephone support system, thought to be the only University offering that service.
	<ul style="list-style-type: none"> The University did own properties in the town. Currently marketing some for sale on Ashby Road. One had been sold and was being renovated. The only interest shown to date was to use as student accommodation, should that be the only interest, the University was unlikely not to accept that offer.
	<ul style="list-style-type: none"> The University was aware of the issue raised by Prof. D. Smith and was looking into the data held by the Academic Registry to identify any issues in respect of the term time addresses. The University provided the Council with known term time addresses for Council Tax purposes.
	<ul style="list-style-type: none"> Each student living in the community received a Community Student Handbook, providing essential information and key facilities they would require while living in Loughborough. While providing the information, the University acknowledged that it could not guarantee the information was read and followed.
	<ul style="list-style-type: none"> Subject to complying with data protection requirements, the University had no concerns in sharing anonymised data with the Panel. Communications between the University and students was undertaken electronically and therefore, the need for term time addresses was not viewed as important, however, should the Panel recommend that a local term time address to be important, A. Barlow would personally support that recommendation.
	<ul style="list-style-type: none"> The impact of Hall of Residence was similar to those of HMOs in respect of noise and ASB.
	<ul style="list-style-type: none"> The University recognised there was a problem with students parking on residential roads around the University and had introduced a Car Registration scheme. Currently there were 1,800 cars registered, however, they could not mitigate for those students who brought one without registering it. Any students that were caught in that position were disciplined. The DVLA would not provide the University with owner's details to assist with enforcing parking guidelines. <p>The University supported the Residential Preference Parking Schemes, however, not all residents supported them, as evidenced within the recent West Loughborough Parking survey, undertaken by Leicestershire County Council.</p>
	<ul style="list-style-type: none"> The introduction of Individual Voter Registration in 2014 would impact on student term time addresses.

POSSIBLE ISSUES FOR THE PANEL REPORT RAISED BY WITNESSES

	Term time addresses for all students. To be obtained as part of
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	the registration system at the beginning of each academic year. There were concerns that some students gave their parents home address rather than the address of where they lived in Loughborough. Also the number of students commuting was unknown.
	Absentee Landlords
	Clarification of who pays Council Tax. I.E. if one person in the house is working, that property is liable to pay Council Tax.
	Why Landlords did not pay Business Rates
	Further consideration be given to fees to licence HMOs
	Producing a checklist of things students needed to know before signing a contract.
	Possibility of change of use from C4 to C3 without losing C4 status in future.
	The size of Loughborough did not prohibit students from living in any area of the town. 20% was considered to be reasonable, however, the University would support the majority view.

OTHER ISSUES RAISED/DISCUSSED AT THIS MEETING:

'Are Universities Good Neighbours?' – An event being held at Reading University on 11th July 2013. At that event, Professor Darren Smith would present the results of his survey of Article 4 Directions. Councillor M. Smidowicz agreed to attend the event and report her findings back to the Panel.

FURTHER MEETINGS OF THE PANEL:

Previously agreed:

- 30th July 2013 - 6.00pm To review the outcomes of the first three meetings of the Panel and agreed a way forward. Consider questions to put to officers, look at what the Council can require/ policy making/ levers of control.
- August 2013 - Following further discussions in respect of the timing of future meetings, it was proposed that meetings with officers be half day sessions, one to consider housing issues and one to consider planning issues.

SUMMARY OF RESPONSES TO QUESTIONNAIRE AND OTHER SUBMITTED COMMENTS SINCE THE LAST MEETING OF THE PANEL

‘To what extent is the Borough Council successful in achieving its objective of managing student occupancy in Loughborough?’

1.	How do you think student occupancy is managed by the Council in your area?	
	VERY WELL WELL ADEQUATLEY POORLY VERY POORLY No Comment	1
	L/B Southfields – No comment	

2.	How well do you consider the Student Housing Provision in Loughborough SPD is working?	
	VERY WELL WELL ADEQUATLEY POORLY VERY POORLY DON'T KNOW	1
3.	In your opinion, to what extent has the introduction of the Article 4 Direction affected management of student occupancy in your area?	
	GREATLY SOME LITTLE NONE No Comment	1
4.	What are your views about the use of Section 106 Agreements to control occupancy?	
	No comment	
5.	In your opinion, how well do you think the licensing of HMOs to manage student occupancy and the Council's other work to engage with landlords is working?	
	VERY WELL WELL ADEQUATLEY POORLY VERY POORLY DON'T KNOW	1
	In respect of the Kingfisher Way Estate we think that the Council would need to take major action and offer large incentives to create a mixed	

	community as this is now a predominantly student area, for example by buying our homes from us at full market price and selling them on to whoever they deem appropriate; banning landlords from selling to other student/HMO landlords; banning landlords from letting to students/HMO occupiers. To conclude, we strongly think that the restrictions for the remaining houses should be removed as the current situation is extremely unfair on the remaining families and has been left far too late.	
6.	Do you consider that there have been unintended consequences of the Council's policy approaches and the tools used to manage student occupancy in your area?	
	YES NO No comment	1
	See response to question 5 above.	
7.	Have you any suggestions as to how the issues identified in question 6 above could be addressed?	
	No comment	
8.	What other areas of concern do you have in relation to the management of student occupancy in Loughborough that you wish to bring to the attention of the Panel?	
	No comment	

SCRUTINY PANEL: To what extent is the Borough Council successful in achieving its objective of managing student occupancy in Loughborough?

30TH JULY 2013

ITEM 5 COUNCIL TAX

The following information sets out the answers to a number of questions posed by the panel in respect of council tax and business rates:

- How is Council Tax liability assessed for on campus accommodation and purpose built student blocks off campus?

Council Tax liability is based on the Council Tax band allocated to the property, whether on or off campus. The appropriate band (ie. property value) is assessed by the Valuation Office Agency.

- How is this different from student occupation of houses?

Off campus student properties (whether large purpose built properties or flats/houses privately rented to students), are treated no differently from any other domestic dwelling subject to Council Tax. A property may be exempted from Council Tax if:

- it is occupied entirely by students, or if
 - it is provided predominantly for occupation by students and the property is owned, managed, or subject to an agreement which allows the university/college to nominate who occupies it. (This category allows for the exemption to apply even if a non-student occupies e.g. warden, prospective student etc.).
- Where liability is assessed on the basis of assumed student occupation, does the Council act to verify this is still the case and what would prompt an investigation of whether it remains the case?

Students are obliged to provide details of their student status for Council Tax purposes. Those details are recorded on the Council Tax account along with details of their tenancy duration. System reports are produced which highlight end of student status or end of tenancy details and the appropriate exemptions are reviewed and cancelled/extended where appropriate. For large purpose built properties, either the university/college (where they own or manage the property) or the owner of the property is required to complete a declaration confirming continued student occupation. For university owned/managed properties the university must declare that the property is still provided predominantly as student accommodation and is still under the ownership or managed by the university. For 'private' (non-university managed) properties, the owner is

obliged to confirm that the property is occupied only by students in accordance with the planning permission granted for the property.

- Are off campus purpose built student blocks liable for business rates and if not why not?

If the main purpose of the property is for domestic accommodation, then the property will appear on the Council Tax valuation list (despite the underlying commercial nature of the property use). Ultimately the decision to include properties on either the Council Tax or Non-domestic list lies with the Valuation Office.

- What is the current position in respect of vacant properties that were previously occupied by students in terms of liability for Council Tax? What options could be pursued in terms of using discretionary discount/charging powers to incentivise landlords to convert empty former student properties back to family occupation?

Domestic properties which are unoccupied and unfurnished attract a 100% discount from Council Tax for up to one month, regardless of the nature of previous occupation. Although there is limited discretion within Council Tax legislation to allow Local Authorities to vary discount levels for unoccupied properties, there is no provision to take account of 'next use' or 'change of use' as a factor for such variation.

Officer to contact: Michael Hopkins (01509) 634785
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SCRUTINY PANEL: To what extent is the Borough Council successful in achieving its objective of managing student occupancy in Loughborough?

30TH JULY 2013

ITEM 6 KEY WITNESSES

The Panel agreed to invite representatives from local estate agents specialising in student lettings to attend a meeting as witnesses.

Officers are still trying to engage these agents with the process and an update will be provided at the meeting.

The invitations sent to the companies identified that the Panel would be interested in hearing further from them in respect of the following issues.

1. While acting as an agent for landlords do you have different types of contracts, arrangements and responsibilities for different landlords?
2. What percentage of landlords you act for live away from the local area?
3. Are you responsible for arranging the maintenance of the properties you manage on behalf of landlords?
4. What are your views in respect of Lettings Boards and the periods they are in situ?
5. What are your views on the respective responsibilities of student tenants and landlords to maintain gardens?

Separately an agent did make contact with the Panel, stating that his company are only involved with a few student properties and most of their work involved helping landlords find tenants. As a result they mainly work on an introductory basis but do have a standard fixed-term tenancy agreement that can be used for student lets.

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MANAGING STUDENT OCCUPANCY SCRUTINY PANEL

30TH JULY 2013

ITEM 7 WITNESS REVIEW AND A WAY FORWARD

Overarching Principle/Objective of the Panel

The Council values the contribution of Loughborough University and its students to the reputation and the economy of the Borough. However the Council also recognises that the concentration of shared student housing can cause imbalance in the composition of the community and consequential injury to local amenities and facilities.

The terms of reference of the panel are focussed on whether the Council's policy approaches to managing student occupancy are being successful. By managing student occupancy the panel means those policies which address where shared student housing is located and other housing and planning policies which regulate occupancy. These policies are intended to maintain sustainable, balanced communities, appropriate land use development and provide safe accommodation.

THEMES

To review the evidence submitted to the Panel by witnesses and to consider what potential outcomes and potential actions this suggests warrant further investigation. These will then lead to themes to discuss with officers at future meetings and, subject the evidence provided by officers and other future witnesses, recommendations.

(i) Student Housing in Loughborough Supplementary Planning Document (SPD)

Purpose – To provide support for decision-making. It uses a threshold approach based on the premise that development of certain types will be restrained where there is a concentration of student households in an area, for reasons of community balance, residential amenity and highway safety. The SPD makes it clear that its provisions are not prescriptive but it is an indicative tool in the interpretation of policy.

Issue: Threshold approach, guidance rather than determinative

Extent – Currently applies to Loughborough only and the restrictions in the guidance are not to be applied to the University campus, the Town Centre and its adjoining opportunity sites. It also does not explicitly cover permissions required for C4 use as the SPD predates the introduction of the Article 4 Direction.

Issues:

Should it apply to the town centre, the University campus, areas outside Loughborough?

Should the policy cover permissions for C4 use and extensions to existing C4 properties?

Definition of Threshold – This currently varies according to the type of development being proposed (see appendix). Residents groups have suggested that a student population of more than 20% can lead to a community becoming unbalanced. They further suggest that this corresponds to a proportion of student-occupied properties of 10%.

Issues:

What is an appropriate threshold generally and should this be varied in different circumstances, eg location or type of development?

At what scale should the threshold apply to effectively manage student occupancy, ie should it be a general one for Loughborough as a whole or should it operate at a smaller street-by-street scale?

Should the threshold be in relation to all HMOs or just those occupied by students?

What impact would certain thresholds have on the implied number of HMOs in Loughborough?

Can conversion of garages to accommodation be specifically controlled to ensure reversion to family use is easier?

Should the SPD include outcomes other than refusal in areas with high student density, e.g. permission but conditions or other restrictions preventing student occupancy?

Method – There are a number of issues that have been presented to the Panel

- Defining areas – eg census output areas or within 100 metre radius of application site
- What sources of information are required to provide an accurate picture of student occupancy, who held the information and are there barriers to sharing it?
- Does the data need to be house by house or was a more general proportion of student occupancy in an area sufficient?
- How to measure students in Halls of Residence and similar buildings
- Should there be more fine grained elements to the policy, eg only one C4 property should be permitted adjacent to a C3 property

[University term time address data]

(ii) Article 4 Direction (A4D)

Purpose - The Article 4 Direction is a mechanism that makes planning permission necessary to effect a change in the use of a property from a normal dwelling (Class C3) to a house in multiple occupation (Class C4). It is not a policy or guidance document. The relevant policy and guidance is to be found in the NPPF, Local Plan and SPD.

Issue: Does it continue to be necessary and appropriate as a mechanism?

Extent – Currently applies to Loughborough only.

Issue: Should it apply to areas outside Loughborough?

Method – N/A

[Impact]

Issues:

Differing views of permanent residents on the Kingfisher estate in respect of a way forward, reinforced by evidence from Mr Chell regarding a two-tier market and lack of flexibility to run business.

Possibility of temporary permissions/reversions to change C4 properties to C3, with possible incentives and opportunity to revert in the future.

(iii) Licensing of Houses in Multiple Occupation (HMOs)

Extent - With certain exceptions the following HMOs require a licence.

- it is three or more storeys high (including loft conversions)
- it has five or more people in two or more households,
- the occupants share (or lack) amenities such as bathrooms, toilets or cooking facilities.

The register of licensed HMOs can be found at:

<http://extranet.charnwood.gov.uk/uploads/thepublicregister.pdf>.

Councils can extend licensing requirements beyond these mandatory provisions where there is poor management, anti-social behaviour by tenants or low housing demand. Councils can only do so where this can be justified. Examples where this happened include Oxford City Council (http://mycouncil.oxford.gov.uk/Data/City%20Executive%20Board/201007220900/Agenda/45_Item%207.pdf) and the London Borough of Newham (<http://mgov.newham.gov.uk/mgAi.aspx?ID=39373#mgDocuments>).

Issue: Should/is the Council able to implement discretionary licensing arrangements beyond the mandatory provisions?

(iv) Voluntary schemes involving HMOs and landlords

What is the purpose of voluntary schemes; will they encourage good landlords, will they improve the private rented sector or will some landlords simply not participate?

Participation in accreditation schemes such as DASH/EMLAS and that run by the University appeared to be low. How could participation be increased?

Was there balance between how stringent they were and how many landlords would choose to participate.

Do voluntary schemes add to information about the number and location of HMOs, to the extent that this is considered to be desirable?

(v) Returning properties to family use

Position: There is evidence that the supply of student housing in the private rented sector currently exceeds demand. Council policies may have created a two-tier property market which provides a disincentive for property owners to give up permission for C4 use.

Issues: To what extent should the Council seek to intervene in the property market by encouraging reversion to family use? If such an approach is appropriate then the following could be considered:

- *Could there be limits or conditions on permissions for C4 use, for example could properties revert back to C3 use if remain unoccupied?*
- *Are there ways in which the A4D could be applied more flexibly to encourage reversion to family use?*
- *Are there other incentives, for example grants or the Council Tax system, which the Council could use to encourage properties to return to family use?*
- *What could the Council learn from the experiences of coastal towns regarding bringing houses back into family use?*

(vi) Other issues

Additional controls on To Let boards

Are planning enforcement powers in terms of tidiness appropriate to use?

More regular SERCO litter picking in areas with high student populations (currently monthly)

More signs in those places where residents only parking applies

Key Recommendations from Residents Groups

Reminder of the key recommendations that appeared consistently through the representations from residents groups:

1. A4D and SPD policies both to be continued and separate
2. A4D threshold to be 10% HiMOs within 100 metre radius
includes halls of residence @ 6 bedrooms = one HiMO equivalent
3. A4D threshold to include no two HiMOs on either side of a C3 residence
4. A non-exhaustive list of data sources which must be used in threshold calculations
5. Threshold data in the form of mapped UCOs should be available on the CBC website
6. Licensing for all HiMOs (C4 and sui generis)

Appendix A

SPD Policy Matrix

Threshold Categories (% Student Households [Weighted])	A >20%	B 10%-20%	C <10%
a) Planning permission will not be granted for the development of purpose built student housing and extensions to existing student halls and flats. *	✓		
b) Planning permission will not be granted for the development of purpose built student housing and extensions to existing student halls and flats where that development would give rise to excessive noise or disturbance to neighbouring dwellings.	✓	✓	✓
c) Planning permission will not be granted for 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*	✓	✓	
d) Planning permission will not be granted for extensions to Class C 3 dwellings where there is evidence of the property being occupied, or intended for occupation, by students and where the development proposed would provide additional habitable rooms for occupation by students. (Where there is no evidence of existing or intended student occupation and the proposed extension is otherwise acceptable, conditions will be attached to preclude its occupation by students).*	✓		
e) In approving the development of new houses and flats the Council will impose conditions or seek a Section 106 agreement to prevent their uncontrolled occupation by students*	✓		
f) Adoption of a Planning Enforcement regime in partnership with Building Control and local communities to ensure permitted development complies with the provisions of the General Permitted Development Order and to ensure that landlords and developers are aware of national and local policies before commencing operations on site.	✓	✓	

