Shropshire Council	Committee and date Cabinet 9th December 2015 at 12.30	Item No **6**

REPORT OF THE TASK AND FINISH GROUP ON STUDENT ACCOMMODATION

Contact: Andy Evans, Head of Economic Growth and Prosperity
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1.0 Summary

1.1 This paper presents the final report of the Student Accommodation Task and Finish Group. The work of the Group has focused on informing the eventual development of the Student Accommodation Strategy.

1.2 The remit of the Task & Finish Group was to consider best practice and consider any specific concerns relating to the introduction of the new University Centre Shrewsbury.

1.3 The Task and Finish Group has developed its conclusions and recommendations based on the evidence gathered through its work.

2.0 Recommendations

To follow is a summary of the recommendations the Group are proposing to the Portfolio Holder for Regulatory Services, Housing and Commissioning (Central) for consideration for developing the Student Accommodation Strategy. The background for these recommendations can be found further in the report.

1. The Local Plan Review should consider specific policy formulation for HMO's

2. Subsequently, a HMO Supplementary Planning Document (SPD) be produced to guide the development management process in the assessment of planning applications for HMO's. Within the policy there should be appropriate threshold levels in order to inform the decision making process.

3. The establishment of a HMO database identifying properties in HMO use with ongoing monitoring. Included in the monitoring should be the registering of complaints received related to HMO's.

4. A Student Accommodation Accreditation Mark be introduced in 2016 in order to set expectations of standards from an early stage in the development of the University Centre. These standards to be endorsed by UCS.

5. This Group believes the Student Accommodation Accreditation Scheme could be improved by the inclusion of some further measures within the Accreditation Checklist.

   Reasoning/Details:
   During the site visit to Worcester on 28th October 2015 some measures of interest were identified in Worcester's Landlord Accreditation Scheme. It should be noted that Worcester operates an Additional Licensing Scheme rather than the proposed voluntary accreditation scheme. The following measures are recommended to be considered further for incorporation into Shropshire's Landlord Accreditation Scheme:

   a. Landlords will be responsible for the maintenance of the gardens of their let properties.
   Reason: To ensure garden maintenance does not become a contentious issue within communities and to prevent the development of any environmental health problems.

   b. Standardised tenancy agreements for students.
   Reason: To protect students.

   c. No pre-payment meters in student accommodation.
   Reason: Common HMO tenancy agreements include utilities in rent, pre-payment meters are incompatible with mains powered smoke detectors.

   d. The proposed scheme requires Landlords to pass a fit and proper persons test in line with national best practice. Officers are asked to explore the inclusion of a DBS check in line with DBS guidance.
   Reason: Students are likely to be away from home for the first time and will in many cases be experiencing the private rental sector for the first time. As such they could be considered vulnerable to some extent and so procedures should be in place to ensure the suitability of accredited landlords.

   e. Consideration should be given to joint working with local recycling and reuse schemes such as Revive and Shrewsbury Furniture Scheme.

Reason: To reduce residual waste, to ensure usable items are not sent to landfill, to reduce end of year waste complaints and to benefit disadvantaged local residents and potentially future students.

3.0 Report

3.1 The Report of the Student Accommodation Task and Finish Group is attached as Appendix A

3.2 Student Accommodation Briefing Note is attached as Appendix B

3.3 Shropshire Student Accreditation Mark Checklist is attached as Appendix C

4.0 Risk Assessment and Opportunities Appraisal

4.1 There are no identified issues relating to Risk Management, Human Rights or community associated with this report.

5.0 Financial Implications

5.1 The Task and Finish group did not consider specifically the financial implications with regard to its findings and subsequent recommendations. However, the Group did identify that costs would arise from the introduction of certain policy directions which will require impact assessment when the Council brings forward the Student Accommodation Strategy.

Contact: *Andy Evans - andrew.m.evans@shropshire.gov.uk*

Background Papers

- None

Cabinet Member/s

Mal Price - Portfolio Holder for Regulatory Services, Housing and Commissioning (Central)

Claire Wild – Portfolio Holder for University Centre and Shrewsbury BID

Local Member/s

Dean Carroll
Vernon Bushell
Mal Price
Kevin Pardy
Alan Mosley
Miles Kenny
Pam Moseley
Hannah Fraser
Ted Clarke
Jane Mackenzie
Keith Roberts
Peter Adams
Peter Nutting
Ann Chebsey
Andrew Bannerman

Appendices

Appendix A – Task and Finish Group Report on Student Accommodation

Appendix B – Student Accommodation Briefing Note

Appendix C – Shropshire Student Accreditation Mark Checklist

APPENDIX A

Contact: *Andy Evans - andrew.m.evans@shropshire.gov.uk*

Committee and date	Item No
12th November 2015 Enterprise and Growth Scrutiny Committee	**Public**

REPORT OF THE TASK AND FINISH GROUP ON STUDENT ACCOMMODATION

Contact: Andy Evans, Head of Economic Growth and Prosperity
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1.0 Summary

1.1 Enterprise and Growth Scrutiny Committee on 11 June 2015 considered a presentation from the Head of Economic Growth and Prosperity regarding Cabinet's agreed approach to developing a comprehensive Student Accommodation Strategy in order to fully address the housing needs and impact likely to arise as a result of the introduction of the University Centre Shrewsbury.

1.2 The presentation addressed the role of the Council in terms of its estates portfolio and its regulatory functions. While all are linked in many ways the role of the Council could be defined in terms of: direct delivery of accommodation, Houses in Multiple Occupation (HMO's) and related planning legislation such as Article 4 directions and HMO's and related licensing and registration.

1.3 Further to the presentation Scrutiny Committee concluded that the subject of Student Accommodation was worthy of consideration and that a member Task and Finish Group be established with Councillor Dean Carroll elected as the Chairman. The subsequent Terms of Reference were agreed, as set out below. Members of the Group included Councillors Andrew Bannerman, Steven Davenport, John Hurst-Knight, Alan Moseley and Peter Nutting.

2.0 Recommendations

To follow is a summary of the recommendations the Group are proposing to the Portfolio Holder for Regulatory Services, Housing and Commissioning (Central) for consideration for developing the Student Accommodation Strategy. The background for these recommendations can be found further in the report.

6. The Local Plan Review should consider specific policy formulation for HMO's

7. Subsequently, a HMO Supplementary Planning Document (SPD) be produced to guide the development management process in the assessment of planning applications for HMO's. Within the policy there should be appropriate threshold levels in order to inform the decision making process.

8. The establishment of a HMO database identifying properties in HMO use with ongoing monitoring. Included in the monitoring should be the registering of complaints received related to HMO's.

9. A Student Accommodation Accreditation Mark be introduced in 2016 in order to set expectations of standards from an early stage in the development of the University Centre. These standards to be endorsed by UCS.

10. This Group believes the Student Accommodation Accreditation Scheme could be improved by the inclusion of some further measures within the Accreditation Checklist.

    Reasoning/Details:
    During the site visit to Worcester on 28th October 2015 some measures of interest were identified in Worcester's Landlord Accreditation Scheme. It should be noted that Worcester operates an Additional Licensing Scheme rather than the proposed voluntary accreditation scheme. The following measures are recommended to be considered further for incorporation into Shropshire's Landlord Accreditation Scheme:

    f. Landlords will be responsible for the maintenance of the gardens of their let properties.
    Reason: To ensure garden maintenance does not become a contentious issue within communities and to prevent the development of any environmental health problems.

    g. Standardised tenancy agreements for students.
    Reason: To protect students.

    h. No pre-payment meters in student accommodation.
    Reason: Common HMO tenancy agreements include utilities in rent, pre-payment meters are incompatible with mains powered smoke detectors.

i. The proposed scheme requires Landlords to pass a fit and proper persons test in line with national best practice. Officers are asked to explore the inclusion of a DBS check in line with DBS guidance.
Reason: Students are likely to be away from home for the first time and will in many cases be experiencing the private rental sector for the first time. As such they could be considered vulnerable to some extent and so procedures should be in place to ensure the suitability of accredited landlords.

j. Consideration should be given to joint working with local recycling and reuse schemes such as Revive and Shrewsbury Furniture Scheme.
Reason: To reduce residual waste, to ensure usable items are not sent to landfill, to reduce end of year waste complaints and to benefit disadvantaged local residents and potentially future students.

3.0 Terms of Reference

3.1 Context

The University Centre Shrewsbury is an exciting development for Shrewsbury and Shropshire. It brings many social and economic opportunities, but there are also recognised challenges that need to be identified and managed where and however possible. The need to provide suitable accommodation for students is well established, and a feature of all towns and cities where universities are in place. There are great opportunities to learn from the experience of other universities and locations to help maximise the opportunities and benefits, and reduce any risks to doing this.

3.2 Objectives

- To learn and identify best practice from other towns and cities, and universities about the opportunities and risks associated with developing a new university, and how they have handled them
- To identify any specific concerns relating to the introduction of the University Centre Shrewsbury and make recommendations based on the learning.
- To consider appropriate student numbers for University Centre Shrewsbury, both now and in the future.

3.3 Information Required From Officers

- Details of any planning and other legislative and policy frameworks that are relevant to the development of Student Accommodation, and how they will be applied.
- Details of known opportunities and risks associated with the development of a new university with particular reference to student accommodation and students as part of the community.
- Details of any known solutions or examples of innovative practice.

3.4 **Other Sources of Information**

- Local stakeholders and witnesses and experts including Team Shrewsbury, Representatives from Planning, Representatives from Public Protection (e.g. Private Sector Housing, Environmental Health), and the University of Chester/University Centre Shrewsbury
- Site visits
- Specialist witnesses

3.5 **Methods to Be Used**

- Hear from stakeholders
- Identification of learning and best practice through review of literature/web
- Site visits
- Identification and invitation of specific witnesses e.g. representatives from the University of Lincoln and the Local Authority
- Development of evidence based recommendations

3.6 **Timescales**

- Context setting Committee meeting – June 2015. Task and Finish group commissioned
- Task and Finish Group – 3 meetings with visits and research in between
- Task and Finish Group meeting 1:
  - Confirm any additional information required following Committee meeting and focus
  - Confirm locations for visits and the purpose of the visits
  - Allocation of tasks
- Task and Finish Group meeting 2:
  - Feedback on findings and insights of research and site visits
  - Hear from any invited witnesses
  - Confirm conclusions and recommendations
- Officer report written
- Task and Finish Group meeting 3:
  - Task and Finish Group members confirm the report
- Report back to Scrutiny Committee September 2015

3.7 **Key Results Expected**

Recommendations to help maximise the opportunities and benefits of the University Centre Shrewsbury

4.0 Chairman's Report

4.1 I would like to place on record my thanks to those who have contributed to this piece of work, my fellow members of the group and the officers who supported us, ably led by Andy Evans. My particular thanks go to those outside of Shropshire Council who provided evidence to support us, the local lettings agents who answered our questions on the mood within the local market, the representatives of University Centre Shrewsbury who have shared their thoughts with us, and the members of other authorities who have openly shared experiences they have had in such matters.

4.2 From the start it was evident that any recommendations we made would need to be robust and evidence based due to the high risk of challenge. I believe the approach we have taken has been proportionate in light of the existing evidence.

4.3 We have taken an exhaustive approach to the information we have sought, and unfailingly pressed for data from as many different perspectives as possible. Each recommendation we have made has been entirely evidence based, and the supporting evidence for each can be found either within this report or the attached appendices.

4.4 In conclusion this Task and Finish Group has carried out a thorough appraisal of the situation to reach the recommendations we have. That should not, however, be considered the end of the work, and the success of any strategy will depend on ongoing monitoring and a full review of the approach taken after the period of time we have recommended. We all wish to see the fledgling University Centre Shrewsbury thrive and become a happily integrated part of our communities. I hope our work here will reassure all that that is what we are all striving to achieve

5.0 Main Findings

5.1 Work of the Task and Finish Group to inform recommendations covered a number of key areas but with a focus on the potential expansion of HMO's.

5.2 The Task and Finish Group received information from a number of Officers, external independent consultants and local property agents. They also discussed matters with representatives of local stakeholder groups and the University Centre Shrewsbury. Members also visited Worcester where they discussed student accommodation with the Worcester University and Officers of the City Council.

5.3 Officers who presented to the group and worked with the Members included:

Andy Evans – Head of Economic Growth & Prosperity
Steph Jackson – Head of Commercial Services
Ian Kilby – Planning Services Manager
Andy Mortimer – Planning Policy & Environment Manager
Nick Wood – Communities & Housing Policy Team Leader
Karen Collier – Service Manager, Health & Community Protection
Colin Capper – Public Protection Officer (Housing)
Dee Eccleston – Public Protection Officer (Housing)

5.4 The group discussed the number of expected students and the impact of exceeding the anticipated student population on Shrewsbury. It was agreed that consideration of student numbers would form part of the work of the group.

5.5 The group was aware that early research had shown developers unwilling to develop private accommodation until the student population was established. As a consequence of this Mardol House in Shrewsbury was being refurbished by the Council to provide approximately eighty residential units for September 2015. This was estimated as sufficient for the first year intake. In addition to this the Council procured a delivery partner to supply a further 800 units in two tranches over the next three years. The tender process had been completed, a preferred development partner selected and contract negotiations had been entered into.

5.6 It was expected that once the University Centre had been established the private sector may provide further accommodation through houses of multiple occupation (HMO). The Council's role in the private sector provision would be through licensing provision and planning policy.

5.7 The University Centre would require all first year students, not living at home, to reside in the student accommodation provided. After the first year, students were free to find their own accommodation which was when the private accommodation provision would be required. There was no current impediment to developers converting residential houses to HMO's under permitted development rights where there would be less than 6 residents. Any conversions made before the implementation of an Article 4 Direction would not be subject to its restrictions. Members discussed the importance of completing the Student Accommodation Strategy before developers started to convert properties.

6.0 Shrewsbury HMO Evidence Study ARUP August 2015

6.1 ARUP had been engaged as consultants to assist in the development of the Student Accommodation Strategy. Members considered the baseline information obtained from the study undertaken by ARUP. Members examined the map showing the location of known licensed and non-licensed HMOs. These were mainly larger HMOs that had been granted planning permission, HMOs established under permitted development rights were more difficult to identify as the Council did not have reason to collect data pertaining to them. Although, as student houses were not liable for Council Tax, a dwelling that was Council Tax Exempt might be an indication of a student house and this information was included in the baseline data. Where other councils had assessed the numbers of HMO's developed under permitted development rights the numbers had been greater than anticipated.

6.3 The impact of the student population on other towns was also considered. They noted that lower student numbers than other university towns were projected, with students comprising 3.6% of the town's overall population.

6.4 ARUP outlined interventions available to the Council to manage the location of student accommodation.

- **Option 1** was immediate intervention where the Council would give notice of its intention to put an Article 4 Direction [A4D] in place in a year's time which would remove the permitted development rights of households in specified areas with an additional threshold planning policy. The threshold would need to be determined by the Council but suggested a figure of 10% of dwellings within a 100m radius, to be imposed across the whole town. This approach would obtain better data on the number of houses being established as HMOs and would not prevent their creation. This had resource implications for the Planning Section as there would be an increase in planning applications which would not be chargeable as once the A4D was in force applicants were exempt from planning application charges. It has been confirmed that other councils had set the threshold between 10 and 25%.

- **Option 2** was deferred intervention, where the situation was monitored until the percentage of HMOs reached a trigger point of 5% in a particular area and this would initiate the A4D application. This option also had resource implications as the situation would require careful monitoring.

- **Option 3** was to do nothing. This had fewer resource implications but could lead to a concentration of HMOs in an area.

- **Option 4** was to monitor the situation and if the presence of HMO's was affecting the quality of life of other residents, to introduce additional licensing conditions.

- **Option 5** was to develop a planning policy that supported the provision of Purpose Built Student Accommodation (PBSA) and so reduced the demand for private sector HMOs

6.5 ARUP also advised of softer approaches to manage the impact of students on local communities, these included:

- developing a Student Charter which would impose a code of conduct;
- landlord accreditation scheme to maintain housing standards;
- residents' parking permits to restrict the number of cars;
- encouraging student volunteering; and
- establishing a student community partnership.

These were not mutually exclusive options and a combination of options could be considered.

6.6 ARUP confirmed that there were no examples of any towns successfully establishing an A4D before evidence of harm had been identified. Portsmouth Council had attempted to do this but had been successfully challenged by the National Landlord Association [NLA]. The NLA had stated that it would routinely oppose any proposal to introduce any A4D which was not supported by robust evidence.

6.7 The options identified were not discrete options and the Council could choose to combine a variety of approaches when developing the Student Accommodation Strategy.

6.8 In considering the information and evidence received Option 2; Deferred Intervention was considered to be the most appropriate option, and that work should be undertaken to establish a baseline evidence base which would enable the setting of a trigger point for future action. It was recognised that to apply for an A4D without evidence would put the Council at risk.

6.9 Members considered the role of the Supplementary Planning Document (SPD). This could not be used to introduce new policy for development controls, this could only be achieved through a review of the Local Plan. It was expected that a review would be undertaken with the next two to three years. The Local Plan policy is based on local monitoring evidence and triggers for an application for an A4D could also be incorporated within the Local Plan policy.

6.10 If an A4D was granted the householder would need to apply for planning permission to convert a dwelling to a House in Multiple Occupation (HMO) and this application would have to be assessed by the Council as local planning authority against relevant local and national planning policy. Under an A4D a related planning application of this narrative would not attract a planning fee. Therefore there would be an additional financial burden to the Council. The next three years could be used to develop appropriate planning policy. The weight given to an emerging planning policy in decisions on planning applications can only be significant towards the end of the process once a robust consultation process had been undertaken.

6.11 With the anticipated number of student cohorts for the next three to four years it is likely to be some time before additional private accommodation was required by students in substantial quantities. The Council's development partner has secured planning permission for the provision of 216 rooms on the former Tannery site which would cater for most of the demand in the short to medium term. Therefore, direct delivery of student accommodation would provide for the numbers of students predicted for the next three years.

7.0 Evidence provided by University Centre Shrewsbury

7.1 Paul Kirkbright, Deputy Provost of the University Centre Shrewsbury (UCS) advised on the progress of the establishment of the University Centre.

7.2 Students were arriving on 27th September 2015, although the final numbers of students for 2015/16 were still not available as the clearing process was ongoing. It was estimated that the UCS would achieve a cohort of 80 students for the first year, although this number could rise as students traditionally relocated after the end of the first term. The UCS anticipated an increase in the student population to 200 in year 2.

7.3 It was confirmed that anticipation was for around 50 undergraduate students would require accommodation during the first year of operation. It was quite usual for second year students to remain in student accommodation provided by the university where it was available. Although, the data source was not yet available to support accurate predictions. A number of postgrad and international students would also require accommodation. The Council were in on-going negotiation regarding Phase 2 accommodation. There was no immediate problem with the current level of student numbers and that by April 2016 there would be a better indication of student numbers for 2017/18.

8.0 Views of Local Stakeholders

8.1 Councillor Carroll and Councillor Andrew Bannerman met Alan Shrank. Mr Shrank is a local resident and also the Chairman of the National Association of Resident Associations. Mr Shrank had been supportive of the work being undertaken by the Task and Finish Group. Councillor Bannerman added that Mr Shrank had already contacted the DCLG regarding an A4D who had advised him that they would give advice on its appropriateness.

8.2 The group identified that work was needed to identify the number of existing unlicensed HMOs and that possibly work could be done initially in areas of the town likely to be affected. It was suggested that the University may be able to help with this work or that a graduate trainee could be used to collate the data.

9.0 Views of Local Letting Agents

9.1 Chris Pook and Charles Howell gave an overview of the residential lettings market in Shrewsbury. He expressed the view that the establishment of the university had not impacted on the private lettings market in Shrewsbury, and that commercial property developers were delaying developing student accommodation until they had a clearer idea of the provision from the Council.

9.2 Chris confirmed that his company had placed a number of postgraduate students and lecturers in rented accommodation in the town, but was taking a more cautious approach to the potential undergraduate market. His company had not yet made the decision as to whether this was a market that they wished to engage with due to the

risk of reputational damage from the negative connotations that accompanied it. To date all the lettings in relation to the University Centre had been for flats in the town centre and not rooms in Houses in Multiple Occupation (HMOs).

9.3 There could be sufficient availability of rental property in the town centre to satisfy expected demand from the University Centre for three to four years. The areas he saw as suitable for student accommodation were Copthorne Road and Abbey Foregate due to the availability of substantial terraced houses and Mountfields due to its proximity to the university.

9.4 Chris Pook would welcome measures to ensure student spread and prevent over-run, as without control areas such as Castlefields and Copthorne could be at risk of losing their character and identity. He continued that he was happy to work within an accreditation scheme to encourage responsible landlords and good tenant behaviour provided it applied to all landlords and agents

9.5 Chris was asked whether he was aware of the views of commercial letting agents in established university towns regarding student accommodation. He replied that it was a subject his colleagues discussed and the general view was that problems were caused by a small number of individuals and there were common problems in different areas.

10.0 Student Accommodation Accreditation Scheme

The enforcement of the scheme was within the remit of the Council and would be managed by the Public Protection service as other licensing issues are. Landlords did not have to apply to be part of the scheme but only those with accreditation would be supported by the University Centre and added to the register of properties provided to students. The University Centre Shrewsbury will manage the accommodation webpages to provide details of accredited accommodation. Students who chose to rent through an unaccredited landlord would not receive support from the Students Union as they would normally should difficulties be encountered with an accredited tenancy. A summary of the proposed approach and checklist are included in the Appendix.

The proposed fees of the scheme will be set on a cost recovery basis once the full details of the scheme have been consulted and finalised.

11.0 Feedback from Research Undertaken Regarding Towns and Cities with no HMO related Articles

The Chairman had received information that Southend-on Sea Borough and the University of Essex, despite having a large number of HMOs had taken the decision

not to apply for an A4D as they did not consider the students in the HMOs to be the cause of problems. He had also received information regarding Winchester City Council where their consideration to apply for an A4D related to a single housing estate.

12.0 Site visit to Worcester City Council and Worcester University

Councillor Carroll and Andy Evans carried out a site visit to Worcester on 28th October 2015 and met with representatives of Worcester City Council and Worcester University. Worcester's experiences with student accommodation were discussed and lessons shared. Worcester University's work on a Landlord Accreditation Scheme was considered particularly valuable and has informed recommendation 5 above.

13.0 Conclusion

The Student Accommodation Task and Finish Group has achieved the objectives as set out in the agreed terms of Reference. The group has received sufficient information in order to make evidence based recommendations to the portfolio Holder for Regulatory Services, Housing and Commissioning (Central).

Background Papers
None
Cabinet Member/s
Mal Price - Portfolio Holder for Regulatory Services, Housing and Commissioning (Central) Claire Wild – Portfolio Holder for University Centre and Shrewsbury BID
Local Member/s
Dean Carroll Vernon Bushell Mal Price Kevin Pardy Alan Mosley Miles Kenny Pam Moseley Hannah Fraser Ted Clarke Jane Mackenzie Keith Roberts Peter Adams Peter Nutting

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Appendices Appendix A – Student Accommodation Briefing Note Appendix B – Shropshire Student Accreditation Mark Checklist

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