

**Bath & North East Somerset
Local Plan (Core Strategy /Placemaking Plan) 2011-
2029**

Partial Update

**Draft Plan (Reg) 19 Consultation
August 2021**

**Topic Paper: Houses in Multiple
Occupation (HMOs)**

**Bath & North East
Somerset Council**

Improving People's Lives

1 Introduction

- 1.1 The current planning policy framework at Placemaking Plan Policy H2 (Houses in Multiple Occupation) sets out the criteria to determine a change of use from residential (use class C3) to a large HMO (use class Sui Generis/SG) district-wide, as well as a change of use from residential (C3) to a small HMO (C4) in Bath, following the introduction of an Article 4 Direction.
- 1.2 Policy H2 is supplemented by the HMO Supplementary Planning Document (SPD), which sets out the Council's approach to avoiding the over concentration of HMOs in Bath. Updates to the HMO SPD are being consulted on alongside the updates to policy H2.

2 Issues

- 2.1 Various issues relating to HMOs have been discussed during consultation with stakeholders, a number of which will be reviewed as part of the HMO SPD update currently taking place alongside the Local Plan Partial Update. These comprise issues such as setting the HMO concentration test threshold, reviewing the SPD measurement approach and assessing how flatted developments are assessed using the sandwich test.
- 2.2 This topic paper relates to the issues raised regarding amendments to policy H2 as part of the LPPU, including:
- Increasing scope of policy H2 to refer to:
 - New build HMOs
 - Changes of use from other uses to HMO; and
 - Intensification of existing HMOs (C4 to Sui Generis);
 - Introduction of requirement for all new and intensified HMOs to meet Energy Performance Certificate 'C'; and
 - Introduction of requirement that all new and intensified HMOs provide a good standard of accommodation.

Increasing the scope of policy H2

- 2.3 Policy H2 currently relates to assessing applications for a change of use from C3 (residential) to C4 / SG (HMO). The current wording does not provide policy on assessing applications for:
- **New-build HMOs** (either C4 (small HMO) or Sui Generis (large HMO));

- **Change of use from other uses to HMOs**, for example, applications relating to the change of use of a shop, community facility or office to provide a HMO.
 - **Intensification of existing HMOs** from use class C4 (small HMO) to Sui Generis (large HMO).
- 2.4 These types of development are not explicitly dealt with elsewhere in the Placemaking Plan (except for the change of use from an office to a small HMO at policy ED1B).
- 2.5 Including these types of HMO applications within planning policy will ensure that they are assessed against relevant criteria, specific to the proposed development. Their inclusion will also give more certainty to applicants prior to submission of a planning application.
- 2.6 The reasoning behind the inclusion of applications for intensification within the policy, including the requirement to test these applications using the concentration threshold test set out in the HMO SPD, is set out below.
- 2.7 Bath and North East Somerset Council's adopted HMO SPD sets out that the tipping point at which a community is considered to become unbalanced in terms of property mix, is when HMOs exceed 10% of properties in a local area.
- 2.8 The Balanced Communities and Studentification Paper¹ on which Bath and North East Somerset Council bases its 10% property concentration threshold states that:
- The HMO tipping-point occurs when HMOs exceed **10% of the properties** in a local area.
 - The HMO tipping-point also occurs when HMO occupants exceed **20% of the population** in a local area.
- 2.9 Using the assumptions set out in this Paper:
- The tipping point not only relates to 10% of HMO properties (as assessed by current policy and guidance), but also 20% of the population being HMO occupiers.

¹ Balanced Communities & Studentification Problems and Solutions, National HMO Lobby, 2008

- On average, if an area has already met the 10% property threshold, it is considered by the Paper that the 20% population threshold will have also likely been reached (albeit depending on local balance).
- Therefore, in areas of Bath where the 10% property threshold has already been exceeded (i.e. Oldfield Park, Westmoreland etc), by allowing intensification of properties, the Council are allowing the population mix to be pushed further from the definition of a balanced community set out in the Paper.
- In areas where the 10% property threshold has only just been exceeded, allowing intensification may also push the population mix further from the definition of a balanced community.
- Areas where the property threshold is currently under 10% will allow intensification without changing the threshold percentage of properties.

2.10 Assessment has been undertaken using 2011 census data in order to understand whether Bath and North East Somerset District has a similar population household mix to the national average set out in the Paper. The assessment concluded that the national 'norm' figures used in the Paper are similar to the B&NES average figures using census data. In areas of B&NES where the 10% HMO property threshold has already been passed, the average population has also passed the 20% HMO occupiers population threshold set out in the Paper.

2.11 As such, it is considered appropriate that applications for the intensification of a HMO should be assessed using the concentration test set out in the HMO SPD, in order to ensure that the population balance of an area is not tipped to what is considered to be a harmful balance, or in the case of areas with higher concentrations of HMOs, that the population balance is not tipped even further from what is considered to be a balanced community.

3 Introduction of requirement for all new and intensified HMOs to meet Energy Performance Certificate 'C'

3.1 One of the policy options consulted on during the Regulation 18 consultation related to a requirement that all new or intensified HMOs achieve an Energy Performance Certificate rating of 'C' or above.

3.2 National legislation already requires private rented accommodation to achieve an 'E' rating and the government held a consultation² in September 2020 which set out a commitment to upgrade as many private rented sector homes as possible to Energy Performance Certificate (EPC) Band C by 2030.

² Improving the Energy Performance of Privately Rented Homes in England and Wales, September 2020

- 3.3 Bath and North East Somerset Council declared a Climate Emergency in 2020, with the aim to be carbon neutral by 2030. Research into where the main sources of carbon emissions come from defined three immediate priorities for action, one of which relates to energy efficiency improvements to the majority of existing buildings and zero carbon new build.
- 3.4 The Local Plan Partial Update seeks to update particular policies to address changes in circumstances, with a particular focus on the Council's declaration of the Climate Emergency. This includes a requirement for all new or intensified HMOs to achieve an Energy Performance Certificate of C or above.
- 3.5 Bath and North East Somerset Council's Housing Team have provided data relating to EPC ratings for HMOs across the district, as set out in the table below:

EPC Rating	No. of HMOs	%	A-C
A	1	<0.1%	
B	31	1.5%	
C	351	16.9%	18.4%
D	1130	54.5%	
E	528	25.5%	
F	28	1.4%	
G	3	0.1%	
Grand Total	2072		

Table 1: EPC Rating for HMO stock in B&NES (July 2021)

- 3.6 They have also provided data on the EPC rating of general residential properties across the district, set out in the table below:

EPC Rating	No. of residential properties	%	A-C
A	112	0.2%	
B	8170	15.3%	
C	13928	26.2%	41.7%
D	20256	38.0%	
E	8433	15.8%	
F	1906	3.6%	
G	437	0.8%	
Grand Total	53242		

Table 2: EPC rating for general housing stock in B&NES (March 2021)

- 3.7 Within the general residential housing stock, 41.7% of properties have an EPC rating of C or above. HMO stock have a considerably lower percentage of C or above ratings, at 18.4%.
- 3.8 Properties with higher ratings reduce energy demand, lower energy costs for occupiers, and reduce the carbon emissions of a building.
- 3.9 HMOs provide an important form of accommodation for lower income individuals and young people who often can't afford other accommodation in the city. Based on the data set out in the previous tables, these individuals are more likely to have higher energy bills and less energy efficient homes. Government research shows that a D-rated property will save an average of £150 a year in energy bills by reaching Band C, and a Band E rated property will save an average of £350 by reaching Band C.
- 3.10 The draft policy requirement is an opportunity to target any new HMOs coming forward, to increase the efficiency of the district's HMO stock and bring it in line with the general housing stock. There are various exemptions set out in the draft HMO SPD, which provide justification as to why the EPC C rating may not always be achievable.
- 3.11 Overall, the draft policy is considered to help the council meet energy use and carbon emission reduction targets and bring the HMO housing stock in line with the general housing stock in terms of efficiency, therefore lowering energy bills for low income individuals and providing accommodation quality improvements associated with improved EPC rating.

4 Introduction of requirement that all new and intensified HMOs provide a good standard of accommodation

- 4.1 Draft policy wording at policy H2 requires applications to provide a good standard of accommodation for occupiers. Guidance and standards relating to what constitutes a good standard of HMO accommodation are included within the draft HMO SPD, in relation to bedroom sizes, shared facility sizes, noise mitigation measures, ventilation, and additional guidance relating to the EPC Certificate requirement.