

## **BATH AND NORTH EAST SOMERSET**

### **PLANNING, HOUSING AND ECONOMIC DEVELOPMENT POLICY DEVELOPMENT AND SCRUTINY PANEL**

Tuesday, 11th September, 2018

**Present:-** Councillors Will Sandry (Chair), Peter Turner (in place of Barry Macrae), Rob Appleyard, Colin Blackburn, Lisa O'Brien, David Veale and Liz Richardson

**Also in attendance:** John Wilkinson (Director of Economy and Growth), Louise Davidson (Team Manager (Enabling & Development)) and Richard Stott (Team Manager - Planning & Enforcement)

#### **11 WELCOME AND INTRODUCTIONS**

The Chairman welcomed everyone to the meeting.

#### **12 EMERGENCY EVACUATION PROCEDURE**

The Chairman drew attention to the emergency evacuation procedure.

#### **13 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Councillor Barry Macrae had sent his apologies to the Panel, Councillor Peter Turner was present as his substitute for the duration of the meeting.

At the request of the Chairman, Councillor Liz Richardson acted as Vice-Chair for the duration of the meeting.

#### **14 DECLARATIONS OF INTEREST**

There were none.

#### **15 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN**

There was none.

#### **16 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING**

David Redgewell, South West Transport Network addressed the Panel. He spoke about how consultation on the Joint Spatial Strategy was due to commence in November and said that the Council should consider making representations regarding public transport movements around new housing developments, bus services in general and transport corridors.

He said that he was also concerned over possible rural transport cuts.

## **17 MINUTES - 3RD JULY 2018**

The Panel confirmed the minutes of the previous meeting as a true record and they were duly signed by the Chairman.

## **18 CABINET MEMBER UPDATE**

Councillor Paul Myers, Cabinet Member for Economic and Community Regeneration addressed the Panel, a summary of his update is set out below.

### **Broadband**

- The Director for Economy & Growth informed the Panel that he was to attend a meeting of the Connecting Devon & Somerset Board on 13<sup>th</sup> September to find out the latest details of the project. He said that further information on the rollout plan was available on Gigaclear's website.

### **Housing**

- The Cabinet approved the Additional HMO Licensing Scheme at its meeting on 5<sup>th</sup> September 2018.
- Home Improvement Agency Contract - West of England Care and Repair have been provisionally awarded the Bath and North East Somerset and Bristol City Council Home Improvement Agency contract following an OJEU procurement process. The contract supports older and vulnerable residents undertake adaptations to assist independent living, carryout essential home repairs and energy efficiency improvements and access funding for these.
- Funding of Supported Housing - In December 2017, the government consulted nationally on proposals to change the way supported housing is paid for. The outline proposal put forward included plans for all short term accommodation to be commissioned by the local authority using a ring-fenced pot under a Supported Housing Strategy and for all costs, including rent, to be paid from this pot. Long term accommodation, such as sheltered housing for older people, was to remain as currently, with Housing Benefit being claimed where needed.

On reviewing the feedback from agencies and local authorities nationally, the government announced that it intended to withdraw the proposals and to retain the current structure for all supported housing. This means people in short term supported housing will continue to claim Housing Benefit to pay their rent. Many providers of supported housing have welcomed this announcement, as the proposal was perceived as introducing an element of uncertainty both for services already in place and any future service developments.

## **Bath Enterprise Zone**

- Bath Quays North - Delegated decision to approve granted by Planning Committee 1st August 2018, subject to agreement of planning conditions and s106.
- Development partner procurement progresses, with Final Tender submission date set for mid-October.
- Bath Quays South - Strong market response received during soft marketing phases for Council delivered commercial office. Commercial Estate Investment SMD paper approved.
- Bath Quays Bridge - Tenders returned for works associated with BQS sub-structure and river wall delivery, and steel tonnage order relating to super-structure fabrication.

## **Economy & Culture**

- We have received confirmation of a grant of £74,500 to promote apprenticeships to B&NES residents and businesses.
- Business Growth team have been visiting the traders in and around Orange Grove to understand the issues being faced due to the Abbey's Archway project, and providing business support solutions to overcome them.
- Business Growth team is now working with the WECA on the development of the Local Industrial Strategy, which will set the strategic direction of the region in terms of innovation and enterprise. It will also provide the basis of future funding agreements with Government.

## **Heritage Services**

- Heritage Services has made it through to the finals of the cross-sector 'Finance for the Future' awards.

## **Strategic Housing and Regeneration**

- Somer Valley Enterprise Zone - Key Stakeholder Group (Ward and Parish Member) meeting 21 August 2018 agreed that project team will arrange an away day to visit similar sites and business centres to inform the vision for the site;
  - Jones Lang LaSalle Commercial Delivery Plan in progress, and will present delivery options to the Steering Group in September and November;
  - Consultation on mix of uses and site boundary to be co-ordinated with New Local Plan public consultation in November 2018.
  - Transport LEP outline business case submission in the Autumn.

- Market Towns
  - MSN High Street Core: landowners and Regeneration working together to influence vision for the area;
  - Keynsham High Street: Outline Business Case approved subject to minor clarifications. Concept designs, further public consultation and full business case to commence once next tranche of B&NES capital funding approved by Officer Delegated Decision;
  - Radstock Healthy Living Centre: NHS funding and B&NES Single Member Decision confirmed enabling detailed design to commence.

Councillor Rob Appleyard asked how the £74,500 to promote apprenticeships will be used.

The Director for Economy & Growth replied that the Council has good relationship with the City of Bath College on this matter and will look to raise awareness through other learning partnerships and industries.

Councillor Peter Turner thanked him for visiting the businesses within Orange Grove. He asked if an update regarding rents had been progressed.

Councillor Paul Myers replied that discussions were ongoing with the Cabinet Member for Finance and Efficiency, Councillor Charles Gerrish.

Councillor Bob Goodman, Cabinet Member for Development and Neighbourhoods addressed the Panel, a summary of his update is set out below.

Joint Spatial Plan – Consultation will commence in October 2018 and it has been agreed that the examination in public will take place after the Local Elections in May 2019.

Local Development Plan – Consulting on amendments in October 2018. Welcome input from as many people as possible.

Housing Figures – The figures have increased considerably, 1,245 homes built across the Council, an increase of 450 from the previous year. 220 of these are affordable homes through 11 providers. The Council is fortunate to have current brownfield sites.

Awards – The Living Waterways project has been nominated for an award. Highly commend this achievement.

Councillor Colin Blackburn asked if he could give more of an overview of the housing figures stated.

The Team Manager - Enabling & Development replied that 337 (mainly new build) affordable housing units are forecast for completion in 2018/19 with 794 units in the pipeline for completion in 2019/20 and beyond (obtained / expecting planning permission)

She explained that the affordable homes cannot be delivered as a result of all housing permissions and are not delivered in line with open market completions, so a direct percentage comparison of delivery against total completions in any one year is an inaccurate reflection of performance.

She added these completions were almost all occurring across sites delivering a fully policy compliant affordable housing provision.

Councillor Rob Appleyard asked what element of the housing in Bath Quays North would be designated affordable.

Councillor Bob Goodman replied that he did not have that information to hand and would reply at a later date to the Panel.

The Chairman thanked both Cabinet Members for their updates on behalf of the Panel.

## **19 SHORT TERM RENTALS - POLICY DEVELOPMENT**

The Chairman introduced this item to the Panel. He said that he was pleased that many members of the public were present and had registered to speak. He added that he hoped that the Panel would hear a balanced view on how this issue is affecting residents and businesses in Bath & North East Somerset.

### **Harry Tedstome**

He said that he was speaking as a resident and as someone who was mindful of those that live, work and visit the City. He stated that noise and anti-social behaviour is a concern attributed to some properties of this nature and that the ability to enforce matters of health and safety is a problem.

He said that he was concerned over the lack of general rentable properties there are for residents / would be residents and that he was aware of a case recently where following a bidding war one family had agreed to rent a property for £2,400 a month.

Councillor Peter Turner commented that for enforcement to be carried out that officers rely on complaints.

Harry Tedstome replied that he acknowledged that and the need for evidence to be consistently logged.

### **John Turner, CEO of Visit Somerset**

He said that there are many issues facing our accommodation sector including online travel agents, up skilling of the accommodation sector in a very technically savvy environment and of course AirBnB.

He stated that one of his major concerns relating to AirBnB is their pricing strategy. With over 1100 AirBnB's alone in Bath there is a real danger that the whole convenience angle that AirBnB push in their marketing might overshadow 'a greater

issue'. He explained that in marketing terms this is called 'Price Penetration Strategy', where businesses or retailers in essence will lower their prices to destroy traditional markets or competition.

He added that what we have with AirBnB (as has been reported) is the unfairness of their trading environment, allowing AirBnB to get away without paying rates and regulatory costs.

He said that working in the way AirBnB works supports a constructive 'price elasticity of demand' strategy, meaning AirBnB unlike other accommodation providers can not only promote technology and flexibility but also lower their prices and keep them artificially low against industry norms, due to low overheads. This is a lethal concoction.

If this is allowed to continue we will not be able to sustain a traditional accommodation economy in the region. We should learn lessons very quickly from the demise of the high street.

Finally we are looking at a proactive way of working against disruption and are supporting our members throughout the region in up skilling to engage with a more technically equipped customer that literally wants to book through their mobile phone and with quick and convenient viewing and booking.

Councillor Peter Turner asked if he had seen the governance documents of AirBnB.

John Turner replied that he had and that he considered them to be fair and proper and acknowledged that they provide a portal for complaints. He added though from a Government perspective it was a case of how the appropriate legislation be enforced.

Councillor Colin Blackburn asked if it was single bed lettings or whole property ones that he saw as the main problem.

John Turner replied he felt the issue was across the board. He said that a number of establishments were up to 15 years behind the customer and reiterated the need for them to be technically upskilled.

### **Damian Johnson, The Cedars B&B**

He informed the Panel that he owned a three bedroom B&B and that while two years ago he was able to charge £100 for a room he had now had to reduce his price to £75 to compete with the current market.

He acknowledged that people were now able to make a living from short term rentals but said that he considered it to be unfair in terms of elements such as not having to gain any planning permission, installation of fire alarms and provision of a fire evacuation route.

He stated that he was now considering leaving the business due to the difficulties in making it profitable.

Councillor Colin Blackburn asked how he felt about the scenario of a family simply letting out their spare room on occasions.

Damian Johnson replied that that so much was not the problem, it was the larger properties and that he really was concerned for people's safety.

Councillor Peter Turner commented that Avon Fire & Rescue will carry out checks on properties, but they do rely on these being reported to them.

Damian Johnson replied that he believed that 9/10 properties would not have the appropriate regulations in place.

**Alison Curran, Chairman of the Bath Area Self-Catering Association**

She informed the Panel that holiday let properties ARE regulated. As soon as you take money for accommodation, you are covered by exactly the same regulations (fire safety, gas safety, etc) as any other accommodation business. So please let's stop talking about "unregulated short term rentals" – they don't exist.

She stated that the issue is not one of regulation but of enforcement, and the difference is important.

She said that regulations are pointless unless they can be enforced and they can only be enforced if you can identify the regulated properties. She added that a registration scheme would make this easier and personally she was in favour of this, but it is not within the Council's powers currently.

She stated that there are no reliable figures for the number of holiday let properties at all and the figures widely quoted are incorrect. She explained that the new study on accommodation provision will confirm that it is extremely difficult to arrive at an accurate figure, but the numbers quoted in existing Council reports are simply not accurate because of the methodology used.

She said that holiday let properties do pay tax – income tax and business rates. She added that some holiday let properties are sufficiently small that their rateable value is inside the small business rates relief zone, but then so are many B&Bs. She said that she pays business rates for 4 rooms, but knew of B&Bs with more rooms than her who do not pay business rates.

She stated that there actually is an exception to the business rates requirement and that is student housing developments who have been given a "letter of comfort" by the Council to excuse them from applying for change of use and allowing them to operate rooms as holiday lets. She said that these accommodation businesses are paying neither council tax nor business rates and that is unfair competition and is an issue which could be addressed by the Council.

She said that she hadn't been able to find any evidence that the number of holiday let properties in Bath had caused rents for shorthold tenancies to rise, in fact she had

been told by several local rental agents and landlords that rents are actually starting to drop.

She asked what issues we are trying to solve here. Is it noise disruption? Is it anti-social behaviour? Let us be absolutely clear on what and how big the problem actually is before action is taken.

Councillor Lisa O'Brien asked if she could explain why she felt the figures quoted were inaccurate.

Alison Curran replied that taking figures from AirBnB and AirDNA are likely to be inaccurate as you are able to list single rooms in properties separately and that therefore the actual figure will be lower than quoted.

Councillor Rob Appleyard asked if she felt that the industry would in some way part fund a registration scheme.

Alison Curran replied that possibly they might. She added that a low fee registration scheme could fund some enforcement action.

Councillor Appleyard asked if local memberships could help with data collection.

Alison Curran replied that she had collated some, but recognised that it did not cover the full range of the market.

The Chairman asked how many members were there in the Bath Area Self-Catering Association.

Alison Curran replied that there were 50.

The Chairman asked how she dealt with the issues of waste management and noise at her properties and how she advertised them to be rented.

Alison Curran replied that her two properties, both two bedroom apartments in Bath had large communal waste bins that were provided by a management company. She added that if any noise issues were to occur that the management company has both her home and mobile numbers and so do the neighbouring residents of her properties.

She said that the apartments were advertised on a number of websites, including AirBnB, Holiday Lettings, Visit Bath and Owners Direct.

### **Jonathan Stapleton, General Manager, Royal Crescent Hotel & Spa**

David Munn read out a statement on behalf of Jonathan Stapleton, a summary is set out below.

Bath has grown from having some 2,000 Accommodation units in 2014 to almost 5,000 by January 2019, with even Bath University unrestrictedly selling 400 rooms online.

What is needed by the City, is to take greater responsibility and therefore accountability for the decisions being taken, i.e no more additional Hotel Capacity for the next 10 years.

The lack of decision making that has been evident, whereby the City has failed to address in a timely way, the explosion of AirBnB in Bath, by not taking appropriate steps to create a level playing field, by implementing much needed Licensing with Health & Safety checks, and even a AirBnB Exclusion Zones, not to mention restricted selling to a maximum of 90 nights in any one year and of course Business Rates, which should be levied and taxes paid on all income.

As a result of the absence of a long term Vision for Bath and therefore a clear Strategy to address much needed Yield Tourism, as well as other Tourism related priorities, Bath is sadly headed backwards as a destination, for Bath today can only be described as 'Good' , when it should be regarded as one of the World's 'Great' Cities.

Bath suffers from an overpopulation of day visitors and an under-population of stayers (at just over 1 million staying nights per year spending an average of over £200 per person or 57% of the total Tourism income).

This is further exaggerated by the gross oversupply of not only, too many Hotel Rooms in the City, up from 1097 in 2014 to 1801 rooms today, a considerable increase of 64% capacity, with still a further 343 additional rooms to open within the next six months, but more importantly perhaps , the onset of no fewer than 1800 Accommodation Units in AirBnB.

As felt by many concerned businesses in the city, the time has perhaps come for a Destination Management Company (DMC) to be formed in Bath, a Private / Public Sector partnership, led by the Private Sector, which manages all aspects of Tourism for Bath.

### **Ashley Baker, Queensberry Estates**

He informed the Panel he and his wife came to Bath in 2003 and ran a 13 bedroom guest house until 2015. He said that they saw the market changing and converted the building to 9 flats which are now let on Assured Short-term tenancies of 1 year. In 2008 we started a self-catering flat and found that many people preferred the flexibility of self-catering and expanded our offering to 5 properties 1 of which we manage on behalf of friends abroad. 2 of our properties might be described as party houses as one sleeps 14 and the other 8 or 22 if combined and let as one unit.

He stated that for the last 12 months we have found that bookings are coming much more last minute for the smaller flats (1-2 bedrooms) and for the larger properties we have had several unsold week ends - even mid-summer. This suggests to us there is a lot more available in the S/C market for all property sizes. He said that revenue has been flat for the last 3 years but costs are rising as they do. He added that they still make a decent living and can pay the mortgages and TAX. He explained that on the 4 properties they own they pay Business rates - over £20k a year. They pay

company tax, PAYE for our employee, collect VAT and of course pay income tax on their earnings.

He said that party houses can be managed by responsible operators and that they have had no complaints from their townhouse property where 50% of bookings are hen groups and the rest are family party groups. They spend money in pubs, shops, restaurants, taxis and night clubs and council car parks. He added that well managed party houses are good for businesses in Bath.

He said that the original Air B&B proposal was to allow home owners to let a spare room occasionally or their flat or house for a couple of weeks when they went on holiday to make a bit of extra cash. He added that everyone else offering a flat or house which is not their main home, should come under the term professional (including second homes, or properties that may have been let on ASTs). He said that he thought the Scrutiny Panel needs to focus on these properties.

He explained that the problem as we see it at the moment is that there is not level playing field for professional operators. He said that he knew of many S/C properties advertised that are not registered for business rates and they should be. He added that there is a regulation that says one does not pay business rates if one offers the property for less than 140 days per year, but this rule is largely ignored.

He said that the other issue is how well managed the properties are in terms on guest safety – gas certificates, fire alarms and servicing of them as so on.

He suggested that any property that does not have a full time resident registered for council tax should pay business rates. He added that there should be no small business rates relief for any self-catering properties, maybe the Council should argue the case with Government that all residential properties should pay rates to the Council be it council tax or business rates.

He said that he would support a good licensing scheme if it were well managed and applied to all properties. He added that as most properties are run by agents maybe it would be best to licence the agents and make them responsible for showing that the properties they manage have the appropriate H&S and fire protection and risk assessments in place and that their landlords are paying the relevant council tax or business rates.

### **Mary Hayward**

She informed the Panel that she has been an AirBnB host since 2014. She said that she only lets the room when she is present at the property herself and that guests normally stay for around two nights.

She agreed with comments made previously about safety and said that in her property there were alarms for fire / smoke, carbon monoxide, fire blankets and extinguishers.

She said that she had never received any complaints in terms of noise or refuse.

She stated she was proud to have received many good reviews for the property and that she had been awarded 'Super Host' status by Air BnB. She said that she felt that she contributes to the local economy and tourism by giving recommendations and information regarding local places to visitors when they stay.

Councillor Liz Richardson commented that she felt that this was a prime example of what AirBnB was created for.

Councillor Lisa O'Brien asked if the limit of 140 days per year was a factor for her.

Mary Hayward replied that they averaged at around 30 bookings a year and that this was plenty for her.

### **Marcus Whittington, Bath Boutique Stays**

He explained to the Panel that he was a Bath resident and that he had four properties in the company's portfolio available for short term letting, including 1 Hot Bath Street which was purchased from the Council.

He stated that the company operates a Good Neighbouring Policy in terms of any noise complaints should they occur.

He said that all guests are met on arrival and that they promote local businesses to them.

Councillor Lisa O'Brien asked how it was possible to meet all guests at the various properties.

Marcus Whittington replied that there was a team of 10 within the company and that guests were addressed of their responsibilities during their stay. He added that digital key safe codes were used to gain access to the properties rather than keys so that all members of a party could return should they become separated.

The Chairman asked what types of wages were paid to the staff.

Marcus Whittington replied that they were paid the living wage and that as a team they share the profits of the business. He added that there was a mix of full / part time staff.

### **Amanda Rigby**

She explained to the Panel that she wished to concentrate on AirBnBs used for hen and stag parties. She said that she appreciated the legal difference required to make these fall under HMO rules and acknowledged that in order to fully regulate them, lobbying for a change in legislation was required.

She said that about this time of year, full time residents in those areas of Bath which have a lot of student houses are anxiously waiting to find out which 4 or more adults

will be moving in to each of the houses along their road for the next 9-10 months. In parts of the city centre every Friday full time residents are anxiously waiting for 12 or more adults to move into the house next door for the next 48 hours.

She stated that this flat or house which otherwise could be in the stock available to those working in Bath, and wishing to live here, is creating many demands on Council services, little contribution, and not operating on a level playing field with our guest houses and hotels. She added that this is neither fair, safe, nor appropriate.

She said that someone renting a room out via AirBnB to help make ends meet is a very different proposition from an investor taking a property out of the local market, and creating a business in all but name.

She stated that there were issues around any kind of enforcement for anti-social noise as the turnover of people is too fast. She proposed whether this Committee could maybe look additionally to lobby for powers to hold those making money from this activity responsible for their client's anti-social behaviour.

### **William Close, Weston Lawn B&B**

He explained to the Panel that he and his wife have run a small B&B at home in Weston since 2003 and also have a self-catering apartment in Bath.

He said that they use Airbnb as a booking site for both their B&B and self-catering apartment, similar to the way they use Booking.com, Laterooms and Trip Advisor for instance. He added they like Airbnb as payment is guaranteed and guests can be reviewed, encouraging them to behave appropriately.

He stated though that there are issues, mainly due to the fact that Airbnb hosts do not need to be regulated. He added therefore that there may be an increased safety risk and lower costs than those that are regulated, creating an uneven playing field. He said there are additional potential problems where the host is absent and the property is not supervised.

He proposed the following measures to tackle the issues.

- Properties that advertise accommodation for payment should have a degree of inspection, be registered and have 3rd party insurance.
- The Council appoints a Regulator, which could be Bath Tourism, who would be paid by the Council for providing the service. The Regulator would compile a list of all Airbnb hosts operating in Bath. The Regulator would be given basic training on fire and safety hazards and community responsibility matters – the last particularly relevant to unsupervised properties.
- There would be an initial inspection and fee, perhaps £100.
- Any basic failings to be corrected before guests can be accepted.

- Repeat complaints from neighbours about anti-social behaviour should result in closing the accommodation.

Councillor Rob Appleyard asked if the Council would have to pick up the costs of running such a scheme.

William Close replied that it would be beneficial if the scheme were to be self-financing.

### **Aline Tayar**

She said that there are approx. 800 AirBnB lettings in the centre of Bath, whether a single room or a whole house.

- The owners are running a business but how many are paying business rates?
- How many are operating with planning consent?
- How many have had fire safety inspections or been issued with certificates?
- How many have the necessary electrical and gas safety certificates?

She stated that in addition there are 68 so-called party houses in Bath advertising more than 10 bed spaces each, with an aggregate of almost 900 bed spaces and generally letting to hen or stag parties just at weekends.

She said that many older buildings in the city have no fire escape and usually only a single staircase and asked how quickly could an evacuation be carried out? She added that multiple occupants renting a house for a party often generate a great deal of rubbish and this is sometimes left in bags in front basements, an attraction for seagulls and rats.

She explained to the Panel that a flat in my Georgian building was rented on most occasions for less than a week at a time, without consultation with the permanent residents and, more crucially, in breach of the terms of the lease of this flat which specifically prohibit lets of less than six months. She said that this activity has now ceased but for a period of over a year there were on average 20 days a month in which the flat was occupied for one or two days at a time. She stated that incidents occurred with almost every letting, from visitors setting off the fire alarm to damage being done to the communal areas. She explained that only after seeking legal advice did the permanent householders at my address discover that the mere fact of having one flat in breach of its lease invalidated the building insurance for the house as a whole so that in the event of a fire, for example, no one would have been compensated.

She said that there seems to be an anomaly in the local regulations insofar as AirBnB and party house rentals, which are run as businesses, are exempt from business tax.

She concluded by saying that people renting for a few days at a time tend not to be concerned about the disruptions they cause within a single building and/or in the neighbourhood. She added that the 68 houses mentioned above (and no doubt there others with fewer than 10 bed spaces) are effectively unavailable for ordinary local

citizens, thus hollowing out the community, a phenomenon so pervasive that it has even been given a name, "the doughnut effect."

### **Mark Cole**

He informed the Panel that he ran two B&Bs in Bath and that he would like to see regulations and enforcement similar to those required by HMOs be put in place.

He said that a number of points he would have made had been made by other speakers.

### **Tamsin Egan**

She informed the Panel that she rents out her family home through AirBnB to other families and has had 67 bookings over the past five years. She said that she takes the time to tell visitors the things that make Bath special. She added that she believed that small homes can help bring tourists to the City.

She said that AirBnB did need to take some responsibility with regard the number of days in which a property can be let for. She stated that she knew of properties that were rented out for as long as they possibly can.

Councillor Rob Appleyard asked if she felt that some properties were being taken out of the general market for use solely as a short term let.

Tamsin Egan replied that indeed this was a concern as she wants to be able to see her own children able to live near her in the future.

Councillor Colin Blackburn asked if she had ever rejected a booking through AirBnB.

Tamsin Egan replied that there is an option on the website to allow customers to book immediately, but she has never activated this setting. She added she chooses to have a conversation with potential guests.

The Chairman asked what her neighbours think when guests stay.

Tamsin Egan replied that both sets of neighbours were retired and had initially been a little nervous. She added that having talked through the situation with them they are now happy and regularly chat to visitors.

### **David Weston, Chairman, The Bed and Breakfast Association**

He explained to the Panel that he began in this work area in 2005 when safety regulations were introduced.

He said that he agreed with earlier speakers about public safety and that AirBnB's own safety leaflet was found to be non-compliant.

Councillor Rob Appleyard asked if he would be willing to come on board if the Council were to commence with a policy forming process.

David Weston replied that he would be willing to help and that he had recently given evidence in Westminster to the All-Party Parliamentary Group (APPG) on Tourism (chaired by Gordon Marsden MP) in its investigation of the "Sharing Economy".

He added that he had previously given evidence to similar enquiries in the last 2-3 years by the House of Lords and the Scottish Government.

Councillor Liz Richardson commented that she felt that a licensing system would be welcome as in some way this would begin to address safety concerns. She asked whether in terms of the types of property in Bath, with accommodation on differing levels, how an unregulated top floor flat would affect the rest of the building.

David Weston replied that it does have an impact on premises below it and that insurance would be an issue.

Councillor Peter Turner asked if he had lobbied James Brokenshire MP, the Secretary of State for Housing, Communities and Local Government.

David Weston replied that he had not. He said that he sits on the Government's 'Tourism Industry Council', chaired by the Minister of Tourism Michael Ellis MP.

### **Julie Green**

She explained that she is an Airbnb host and lives on Widcombe Hill, where she lets out a self-contained studio that's part of her home, but with its own entrance off a shared balcony on the property. She added that she has been a host for nearly three years, it is her main source of income and that she works very hard at her job and take enormous pride in it.

She said that she has every sympathy with concerns about the so-called party houses, where the entire house is given over to Airbnb guests, the host doesn't live on the property, and so benefits from the income, whilst not having to put up with any noise or disruption.

She explained that she offers a different style of guest accommodation, effectively welcoming guests into our home. She said that our communication with our guests before and during their stay is more akin to having a family friend to stay, except that we review guests once they have left and vice versa.

She stated that concerns have been expressed about Airbnb reducing the availability of rental homes, but would argue that hosts who give up a room or self-contained space in their own homes for short lets are unlikely to affect the availability of long term rentals; a sector with very different requirements.

She said she was very concerned about the idea of limiting the number of days hosts can let out their property as this would severely limit the choice of accommodation available in Bath, not to mention the effect on local host's income.

She explained that whilst Airbnb properties may not be regulated in the same way as hotels, we're asked to specify safety features such as smoke and carbon monoxide detectors, fire extinguishers etc and I, for one, would be quite happy to be inspected by the Council.

She asked the Council to please think carefully and at least discriminate between the different types of Airbnb property before introducing blanket restrictions or penalties that will affect tourists, visitors and hosts alike.

Councillor Colin Blackburn asked if she would be willing to pay for a licensing scheme.

Julie Green replied that she would as she would be happy for properties to be regulated.

Councillor Lisa O'Brien asked if guests were left to stay alone at her property.

Julie Green replied that this occurred very rarely.

### **David Munn**

He said that he believed that an overcapacity of rooms to stay in Bath was now in existence and that this pressure was pushing down the prices those establishments could offer.

He stated that the matter needed to be addressed sooner rather than later.

The Chairman thanked all the speakers for their comments and said that he was pleased to have received such a cross-section of views.

The Team Manager, Planning & Enforcement introduced his report to the Panel. He explained that the most recent Visitor Accommodation Study (2016) indicated that there were around 880 properties registered as being available on various booking websites in the Bath & North East Somerset area (including whole properties and spare rooms).

He stated that research is currently being undertaken by the Council to update the Visitor Accommodation Strategy in order to establish an accurate assessment of the scale of the issue and the potential impacts. He added that an analysis of open source data available on [www.airbnb.co](http://www.airbnb.co) indicates there are currently 1108 active rentals within Bath (note the 2016 study covered the whole district not just Bath).

He said that a small dwelling (less than 6 unrelated individuals) in use as a short term rental is still classified as a dwelling house. He added that according to [www.airbnb.co](http://www.airbnb.co) 991 of the total 1108 available properties in Bath (90% of the total) offer 3 or fewer rooms indicating that the vast majority of short term rentals in Bath do not constitute a material change of use.

He explained that the use of larger properties (more than 6 unrelated individuals) can still fall into Use Class C3 but can also trigger a change of use depending on the mix and relationship of occupants; the material characteristics of the use; and any material harm caused by the use.

He said that the use of larger properties tends to be the greatest cause of complaint and are often referred to as “party houses”. He said that according to [www.airdna.co](http://www.airdna.co) 117 of the total 1108 available properties in Bath (10% of the total) offer 4 or more rooms. He added that of those larger properties, the Planning Department has received complaints regarding the use of 8 properties district wide, 6 of which are located in Bath.

He explained that the introduction of a new use class could mean anyone wishing to operate a house as a short term holiday let may require planning permission, however it is likely that any new use class would be accompanied by permitted development provisions under the General Permitted Development Order (GPDO).

He said that any new use class could not be applied retrospectively to any property currently in use as a short term holiday let prior to the date of the new legislation (or prior to an Article 4 Direction taking effect – if necessary). He added that the c.1100 properties identified via [www.airdna.co](http://www.airdna.co) would be unaffected by a new use class and such a change would not control or deal with the existing situation.

He stated that the benefits of a new use class could be limited, but it could give the Council the control to direct where such properties are located in the future.

He said that if a new use class were introduced, it would be likely to have a significant resource implication for the Development Management service in terms of the creation of an Article 4 Direction, change to Policy, administering planning applications and investigating reported planning breaches.

He added that appropriate resources would need to be made available and the implications would need to be carefully considered against any potential benefit.

He acknowledged that there has been discussion regarding the “90 day limit” that is in force in London and whether a similar limit could be introduced in Bath & North East Somerset. He said that to gain a similar power in Bath & North East Somerset would likely require a further amendment to the Devolution Act however this may be better lobbied via WECA at a devolved level. He added that a 90 day limit could still see a property rented for up to 45 weekends per year; this would not significantly address any potential disturbance/nuisance issues currently experienced.

He explained that in their inquiry, the All Party Parliamentary Group (APPG) noted anecdotal evidence concerning whether the correct level of tax was being paid by users of the sharing economy and whether the appropriate level of VAT was being applied, however concluded there was little compelling evidence to suggest appropriate tax was not being paid. He added that the HMRC have launched a consultation on this matter, however the findings of that consultation are yet to be published.

He stated that the recommendations of the APPG inquiry could pave the way for a licensing scheme for short-term lets set at a local level, however at this stage this is only a recommendation and would need a new Act of Parliament (or amendment to existing).

Councillor Liz Richardson commented that she felt that the recommendations from the inquiry were likely to be in line with the thoughts of the Panel.

Councillor Lisa O'Brien said that she acknowledged the need for accommodation to be safety / insurance compliant. She added that there is a distinct difference between renting a room within a home, running a business and letting out a whole property and not being on site to deal with any problems.

Councillor Rob Appleyard suggested that the booking platforms be tasked with administering safety accreditation when allowing properties to register with them. He added that he would like the B&B's and Guest Houses within Bath to work with the Council on this issue.

Councillor Bob Goodman informed the Panel that a study on hotel room numbers had been carried out and found that there are enough and that this information would be included in the future Local Plan.

The Team Manager, Planning & Enforcement said that he was aware that some units of student accommodation were rented out within the summer holidays, but that this does not affect their primary use class. He added that conditions to prevent this could be imposed on future developments.

The Chairman thanked everyone for their contributions to the debate and said that he looked forward to possible future work on this matter.

## **20 SOCIAL HOUSING AFFORDABILITY**

The Team Manager, Enabling & Development introduced this report to the Panel. She explained that a briefing paper on this issue was presented initially to the Local Development Framework Steering Group and was now being presented to the Panel for their information.

She said that it should be noted the NPPF definition of Affordable housing has now been revised but that this makes little impact on the delivery of affordable rented tenures in B&NES.

She stated that consultation following the Housing White Paper was carried out earlier this year and a softening from a prescribed level of starter home delivery has resulted instead in a fixed % requirement for low cost home ownership delivery.

She informed the Panel that social rented homes are the Council's preferred rented tenure and the majority of affordable housing delivery remains for social rent.

She said that sometimes our housing association partners deliver homes as Affordable Rent Tenure (ART) which was introduced in 2011/12 by the Government

as its preferred rented tenure. She said that ART homes have a rent of no more than 80% of market rent and include all service and estate charges. She added that most rented homes delivered with government funding or that the housing association puts into their Homes England (HE) programme will be ART, but here in B&NES we require ART rents to be delivered below Local Housing Allowance levels or 80% of market rent whichever is the lower, and housing associations can sometimes achieve ART rents at similar affordability to social rent levels plus service charge.

She stated that the biggest issue faced by households on lower incomes and in receipt of welfare benefit, is the challenge faced by households seeking to meet their family's housing and other needs within the £20,000 benefit cap (£13,400 for single person households).

She said that in Bath particularly, new larger family homes for rent do cause concerns around affordability and there is also a significant issue arising with housing for single people, whose housing options are limited due to supply and affordability.

She stated that the challenge for the affordable housing sector is how to address this affordability concern in a way that fits within regulation, expectations on value for money, development viability and growing need.

She said however that greater affordability comes at greater cost - the lower the rent, the lower the amount of borrowing that can be supported and the higher level of subsidy required.

She said that officers will continue to work with developers and our housing association partners to address affordability concerns, looking at innovation, funding, making best use of housing stock and will be using the opportunities provided by the New Local Plan and resulting SPD to re-establish affordability parameters in light of the welfare benefit caps.

She stated that members of the LDF Steering Group have asked what they can do at Party and Central Government level to help address the affordability issues in the District. She said that two key suggestions to lobby on were:

- Weighting of benefits caps in high value Districts outside of London
- Recognition of the increased subsidy costs of delivering affordable housing in high value areas when it comes to Homes England 'value for money' tests.

Councillor Rob Appleyard commented that this area of work is hugely complex and asked what the Council could do regarding high land values in Bath.

The Team Manager, Enabling & Development replied that the Council only have control over the value of their own land.

Councillor Lisa O'Brien said that at a recent conference she had been made aware of a pension fund company who were specialising in short term lease properties (3 years) for the 25-30 year old market.

She also queried whether older residents remaining in three bed roomed properties and the 'Right to Buy' were affecting the Council's plans.

The Team Manager, Enabling & Development replied that build to rent models are being delivered in Bath at BWR and Roseberry Place. She added that affordable rented homes secured through planning policy without any need for Government subsidy are being declared off limits for the 'Right to Buy or Acquire'.

She said that the issue of 'downsizing' often proves difficult as residents are seeking the perfect alternative. She added that a piece of work could be carried out in the future to see what can be delivered.

Councillor Lisa O'Brien said that some residents have seized the opportunities of the development within the Chocolate Quarter, Keynsham.

The Chairman referred the Panel as to the actions they can take on this matter eg. Lobbying.

Councillor Liz Richardson asked if she knew of the cost gap between the loss of a Council House and the building of a new one. She added that she would like to see the 'value for money test' be pushed.

The Team Manager, Enabling & Development replied that promotion of Micro Units was being pursued, for example at the Banglo development on the Lower Bristol Road. She added that this development was due to comprise of 4 units of 26m squared and 1 unit of 36m squared.

She said that she did not know the gap figure in response to the other question.

Councillor Lisa O'Brien commented that purpose built accommodation for older people should have common space within it.

The Team Manager, Enabling & Development said that developments are encouraged to have spaces that have multiple uses to reduce service charges.

The Panel **RESOLVED** to note the report and the measures being explored to maximise affordability in new rented housing.

## 21 PANEL WORKPLAN

The Chairman introduced this item to the Panel. He confirmed the reports expected for November and January and said that they could expect to also have Service Plan reports in January.

He suggested whether the Panel wanted to hear further information on a piece of work from the University Students Union regarding 'house shares'.

Councillor Liz Richardson suggested that the Panel receive a report on the Joint Spatial Plan in March 2019.

Councillor Rob Appleyard suggested the Panel receive information on the provision / supply of the local retail sector.

The meeting ended at 5.50 pm

Chair(person) .....

Date Confirmed and Signed .....

**Prepared by Democratic Services**