

Bath and North East Somerset Council

Full Council meeting 18 September 2025

Liberal Democrat Group Motion on Houses in Multiple Occupation

To be proposed by Councillor Sarah Moore

Council believes:

1. HMOs are an essential part of the local housing market, particularly within Bath, providing affordable accommodation not only for students, but also for professionals, key workers, lower-income workers and temporary workers among others.
2. Students are an important part of the fabric of life here in Bath and North East Somerset; that the universities and colleges are vital strategic partners; and that both bring important social, community, cultural and economic benefits to our area.

Council notes that:

3. 'House in Multiple Occupation' (HMO) and 'large House in Multiple Occupation' are defined terms under housing legislationⁱ.
4. Council tax exemptions applied to those HMOs solely occupied by students represent a reduction in potential income to the local authority and in funds available to support the vital public services on which all residents rely.
5. Government no longer compensates local authorities for this reduced tax income via grant funding.
6. More widely, overall grant funding awarded to B&NES has been reduced by central government from £31 million in 2013/14 to just £1.3 million in 2025/26, a reduction of over 95%.
7. Government has indicated willingness to recognise the impact of mandatory discounts and exemptions in the Fair Funding Review.
8. B&NES faces a housing affordability crisis which is exacerbated by new HMO conversions reducing the supply of affordable family homes.
9. B&NES Council has previously adopted planning policies to support the aim of maintaining an appropriately balanced housing mix in the city of Bathⁱⁱ.
10. The forthcoming Local Plan Options consultation represents an opportunity to consult on new potential policy approaches to HMOs.

- *Unless where specifically set out in the statute, motions approved at Council do not bind the Executive (Cabinet) but may influence their future decisions.*
- *Councillors are reminded of their public sector equality duty which requires the Council to consider or think about how their policies or decisions may affect people who are protected under the Equality Act.*

Council therefore:

11. Calls on government to recognise the challenges faced by university cities in the Fair Funding Review formula proposals.
12. Highlights the opportunity for B&NES residents to participate in the Local Plan Options consultation, from 2 October to 13 November 2025.
13. Invites the Council Leader and local MPs to press central government to acknowledge the impact of student HMOs on local authority finances and to address it with a Fair Funding formula that compensates local authorities in full.

ⁱ See: <https://www.bathnes.gov.uk/document-and-policy-library/hmo-legislation-standards-guidance-required-documents-and-checklists>

ⁱⁱ See: <https://www.bathnes.gov.uk/policy-and-documents-library/houses-multiple-occupation-bath>

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