

Agenda Item No 10

Planning and Development Board

6 October 2025

Report of the Chief Executive

Houses in Multiple Occupation – Planning Policy

1 Summary

- 1.1 This report provides an update to Members following an Executive Board report of 15 September 2025 with regards to considering the adoption of an Article 4 Direction to control Houses in Multiple Occupation in North Warwickshire. The Executive Board supported an Article 4 Direction in principle subject to the considerations of this Board.

Recommendation

- a That the Board consider whether an Article 4 Direction be made removing permitted development rights as set out in the report;**
- b That the Board confirm the geographical area to which the Direction relates;**
- c That the Board confirm the period of the consultation set out in paragraph 8.2 of the report; and**
- d That the Board delegate power to the Chief Executive to finalise the Direction Notice and other procedural matters.**

2 Introduction

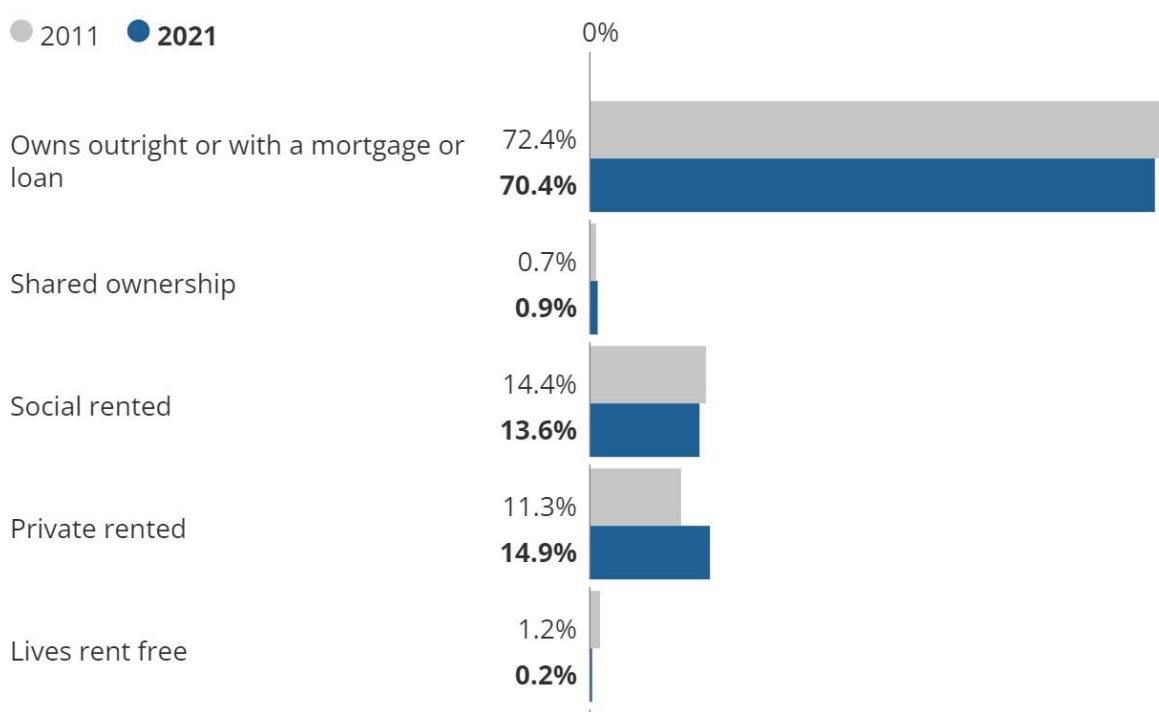
- 2.1 Officers and Members have been considering the issue of Houses in Multiple Occupation (HMOs) based on emerging queries about increased numbers and/or concentrations of HMOs. Whilst the numbers of HMOs in the Borough is not large numerically, it is suggested that the recent increases and some concentrations have reached a level where it is reasonable for the Council to consider whether action should be taken.
- 2.2 This report seeks to clarify the numbers and locality of HMO's within the borough including both licensed and unlicensed HMOs where these are known. A HMO is defined as a property with at least three tenants, forming more than one household and sharing certain facilities. The report provides comparison data both to neighbouring local authorities and those with a similar population, household number and area setting. Data is also provided

by Lower layer Super Output Areas (LSOAs) which comprise between 400 and 1,200 households and have an average resident population of 1500. Data sources relating to the numbers of HMO's nationally have been considered alongside local data which has proven to be the most accurate data held.

- 2.3 The Office for National Statistics (ONS) estimate that, on the 2021 census day, out of a total dwelling stock of 26,394,778 that 182,552 dwellings were HMOs. This represents 0.7% of England's total housing stock.
- 2.4 As per Table 1 below the size of the private rented sector has increased since 2011 overtaking the size of the social housing sector in the area and absorbing some of the housing stock that was previously owner-occupied.
- 2.5 Private rented housing plays an increasingly vital role in meeting the needs of residents with HMO's in particular providing low cost housing for young people and other groups. Table 1 shows the breakdown by tenure within North Warwickshire overall with HMO's forming part of the Private Rented Sector.

Table 1

Percentage of households by housing tenure, **North Warwickshire**



Source: Office for National Statistics – 2011 Census and Census 2021

3 Total extent of HMO Accommodation

- 3.1 North Warwickshire has seen a continual gradual increase in HMO numbers as has been the pattern nationally. There are more general reasons for this such as the affordability of rented housing forcing more into HMO's, housing

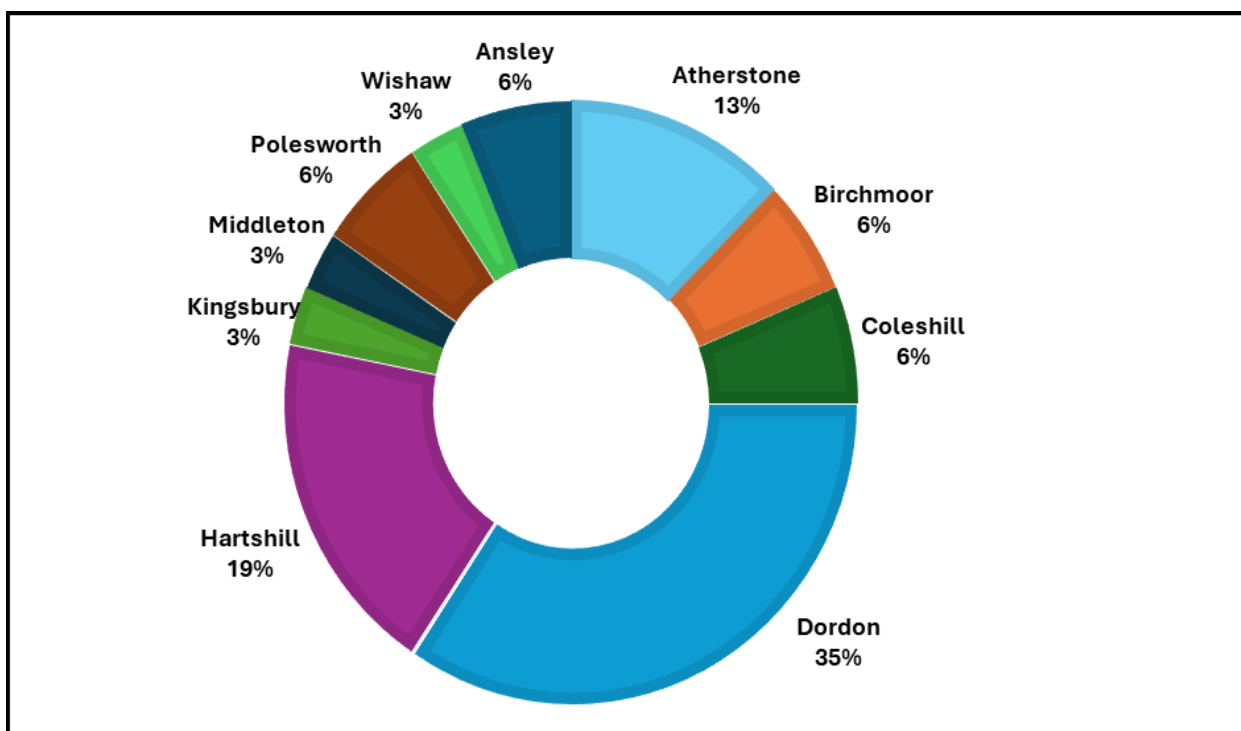
benefit for single under 35's only being entitled to the lower shared HMO room rate and more recently SERCO acquiring them as part of national Asylum Seeker Accommodation Dispersal. Some of these properties were already HMO's prior to SERCO managing them. There are also more local factors as exhibited in Dordon with Birch Coppice Business Park requiring more HMO's for its workforce.

- 3.2 The total number of HMO's within North Warwickshire is not larger numerically but does constitute 0.1% of housing stock. There is an absence of the some the key drivers of significant numbers of HMO's such as hospitals, universities or large population centres and so whilst there are pockets of HMO's, complaint data from Private Sector Housing and Environment Health does is low.
- 3.3 HMO Licences have been issued since 2006 and are issued by the Private Sector Housing team. Demand is the lowest in Warwickshire with just 29 HMO's having or requiring a licence currently which last for a period of five years. HMO standards are generally higher in licensed HMO's however where an unlicensed HMO becomes known it will also be inspected to ensure safe standards and suitable management.
- 3.4 Within Warwickshire, whilst being a different area and with a student population, Warwick District Council has circa 580 properties as being licenced HMO's currently or 3.9 HMO's per 1000 persons. North Warwickshire's comparative figure is much lower at just 0.44 and the lowest in Warwickshire. As a comparative example, Warwick District Council introduced an Article 4 Direction when known HMO's were 3% of their stock, North Warwickshire HMO's are well below this level at 0.1% of stock. Other authorities have bought in Borough wide Article 4 Directions when levels reached over 0.5% of stock. Rugby also introduced an Article 4 Direction on 23 February 2025 for certain wards only.

4 HMO Concentration by Area

- 4.1 Despite the largest population centres within North Warwickshire being Atherstone, Polesworth and Coleshill, the largest concentration of HMOs within the area is within the Dordon locality with 35% of HMO's. The larger population areas have a lower number of HMO's per person generally. However despite the % figures shown the numbers are still low compared to other local authority areas and levels at which they may significantly impact community cohesion.

Figures include both licensed and known unlicensed HMO's.

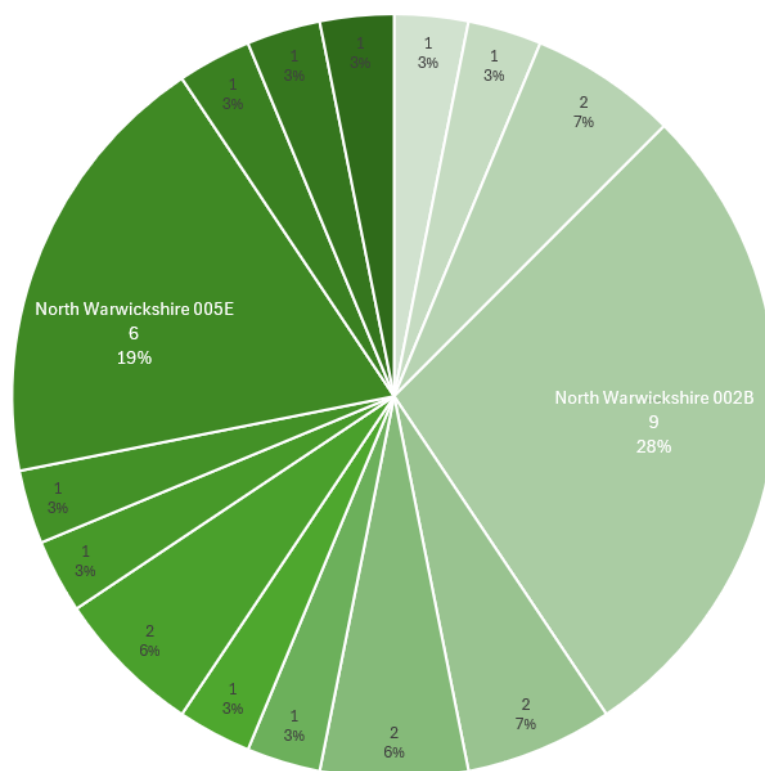


Area	Count of HMO's by Area
Atherstone	4
Birchmoor	2
Coleshill	2
Dordon	11
Hartshill	6
Kingsbury	1
Middleton	1
Polesworth	2
Wishaw	1
Ansley	2
Total	32

- 4.2 The higher proportion of HMO's in Dordon referred to above is largely as a result of Birch Coppice Business Park with HMO's within Dordon being close and of the type of accommodation required by workers. Whilst there is some uptake by SERCO within the Dordon area, the number of HMO's was largely similar prior to providers such as SERCO seeking to secure HMO accommodation for its users. The number of HMO's in Dordon has been higher compared to the rest of the area for over a decade due to the proximity of Birch Coppice Business Park with the tenant demand, type of housing stock and price of the area making HMO investment attractive.
- 4.3 There is also a smaller number of HMO's within the Hartshill area and these account for 16% of the total HMO number. However given Hartshill's relative

small size they are condensed within a smaller area with three of the five HMO's within Hartshill located within just one street which is 23% of the houses on the street.

- 4.4 The North Warwickshire LSOA data is confluent with the above with the two LSOA's covering Dordon, principally Long Street Dordon, showing the highest number of HMO's followed by LSOA 005E covering Hartshill. The maps showing these LSOA areas are shown in Appendix 1 with the pie chart below showing their HMO number by count and percentage. LSOA data is relevant as they allow comparison both regionally and nationally to other areas where required given their relative small number sample.
- 4.5 Within the Hartshill LSOA there is a concentration of four HMO's on a single street location of 13 houses. This and Long Street, Dordon are the areas with the largest number of HMO's.



5 Effect of Article 4 Directions

- 5.1 Some of the observed potential impacts on concentrations of HMOs include pressures on parking, noise, a loss of local character, changes to local retail provision and a decline in more settled population of an area. As previously reported to Executive Board it has not been widely reported to the Council that an increased number of houses in Multiple Occupation (HMOs) has altered the residential profile of neighbourhoods dramatically, led to

unsustainable communities or associated amenity issues. However Members may be able to add to that pictures as a result of their work in their Wards.

- 5.2 Local Planning Authorities can withdraw the permitted development rights that allow the conversion of Class C3 dwelling houses to Class C4 HMO's by issuing what is known as an Article 4 Direction, under the Town and Country Planning General Permitted Development Order 2015. As with all Article 4 Directions, this does not mean that HMOs are automatically unacceptable but allows the Local Planning Authority a measure of control over the number, concentration and location of them, and may allow the Council to include conditions on any permissions that serve a proper planning purpose. It would mean that any planned HMOs would require a planning application as per Table 2.
- 5.3 It is important to note that Article 4 Directions do not apply retrospectively so existing HMO's would not require permission and all types of 3-6 person HMO's would be covered, including those used by working age professionals such as those at Birch Coppice and three friends house sharing for example.

Table 2

Type of Development	Is permission required?	
	Within Article 4 Area	Elsewhere within Area
Change of use from Residential to large HMO	✓	✓
Change of use of residential property to a small HMO.	✓	✗
Change of use of a non-residential property to a small or large HMO.	✓	✓
Change of use from residential to a large HMO (Sui Generis) occupied by more than 6 residents.	✓	✓
Construction of purpose-built HMO regardless of the number of persons sharing.	✓	✓

- 5.4 Material considerations in the determination of planning applications may need to be supported by a Supplementary Planning Document (SPD) to assist in providing guidance to applicants.

As an example, other local authority areas with Article 4 Directions seek to manage HMO density based on matters such as:

- Preventing HMO clustering (such as three or more consecutive)
- Preventing HMO's sandwiching or surrounding family houses on more than one side
- Radius to other HMO's in the area (restrict HMO's exceeding 20% of houses within 100m for example).

5.5 For the vast majority of HMO's in North Warwickshire currently, these principles are unlikely to have been breached however.

Immediate Article 4 directions may be brought in to prevent a rush of conversions in the 12-24 months before the Article 4 direction comes into effect however councils could be liable to pay compensation in this scenario.

6 Comparison to other Local Authority areas

Comparable authorities have been selected based on a similar population or household number profile to North Warwickshire in grey. Local neighbouring

Authority	No. of HMO licences	Households	Population	Licensed HMO per 1000 population	Additional Scheme	Selective Licensing	Relevant Article 4
North Warwickshire	29	27,580	65,946	0.44	No	No	No
Ribble Valley	8	26,747	61,900	0.12	No	No	No
Adur	24	27,678	64,544	0.37	No	No	No
Oadby & Wigston	5	22,617	58,341	0.085	No	Yes	No
Broxtowe Council	312	39,849	112,110	2.78	No	No	Yes
Nuneaton and Bedworth	75	56,856	134,300	0.55	No	No	No
Tamworth	56	32,895	81,000	0.69	No	No	No
Warwick District	585	62,600	148,500	3.9	Yes	No	Yes
Rugby	N/A	47,000	116,400	N/A	No	No	Yes

authorities also included for reference shown in blue.

NB: the data source used is the most recent ONS data to ensure consistency.

6.1 As can be seen in the table above when reviewing the number of licensed HMO's per 1000 of population North Warwickshire does not have a significant number. Some of the comparable authorities above have brought in further

schemes to control HMO numbers however these have generally been brought in response to a much higher volume of HMO's than are seen within North Warwickshire, such as within Broxtowe and Warwick to control student HMO numbers affecting the community who may also leave empty properties during summer academic holiday periods. HMO's within North Warwickshire are generally occupied throughout the year so empty properties are not an issue affecting the area.

- 6.2 Those authorities shown with Selective Licensing schemes require all rented properties to receive a licence from the Council. These selective and additional licensing schemes are generally in place to control the numbers of HMO's and are instead seeking to control local housing conditions or reduce ASB. If a valid application is made in one of these areas a licence is likely to be granted therefore planning control remains the best method to control HMO numbers.
- 6.3 It should be noted that areas that introduced Article 4 or additional schemes do not appear to have resulted in additional HMO's within North Warwickshire. For example, Coventry City have in place an Article 4 Direction restricting HMO's in certain areas and have an Additional Licensing Scheme for small HMO's which took effect May 2025. This has not resulted in an increased number of HMO's in North Warwickshire to Officers' knowledge and its other neighbouring authorities, Tamworth and Nuneaton and Bedworth have not publicised or consulted on plans to introduce Article 4 Directions. It is therefore not considered at this stage there is likely to be a significant increase in speed of HMO development due to actions of direct neighbour authorities. It is likely the numbers will continue to be governed by market forces and the number of tenants seeking accommodation.

7 Recommendation

- 7.1 Based on the numbers of HMO's within the area currently an Article 4 Direction, North Warwickshire the numbers of HMOs in the Borough does not look dissimilar to similar Boroughs. However, it is the case that the numbers have increased recently and in two areas in particular a concentration has emerged.
- 7.2 It is open to Members to review the position. The upcoming Renters Rights Bill will lead to the creation of the Private Rented Sector Database which will require the registration of all landlords and enable improved visibility of the size of the private rented sector. Should this or other datasets lead to the discovery of HMO's in higher numbers than currently known members should be kept informed in line with the above timeframe. Similarly, should neighbouring authorities seek to introduce further schemes which may impact North Warwickshire, it should review its position.
- 7.3 However it is also open to Members to consider proactive action given the increase in cases and the concentrations that have emerged. The Council is not required to wait until the concentrations seen in other areas, such as Warwick or Broxtowe, happen and the problems reported in those areas

occur. It is suggested that it is a legitimate course of action for the Council to seek to address those issues and ensure planning applications are required in order for the position to be managed and hopefully problems avoided.

- 7.4 Whilst it is the case that not all areas are currently experiencing increased concentrations of HMOs, it is suggested that the nature of the Borough is such that a legitimate concern could be that restricting the operation of an Article 4 Direction just to, for example, Hartshill and Dordon, could result in increases to other areas. Members will want to consider therefore the geographical scope of the draft Direction.

8. Procedure

- 8.1 The Procedure for making Article 4 is set down in The Town and Country Planning (General Permitted Development) (England) Order 2015 ('the Order'):

If the Secretary of State or the local planning authority is satisfied that it is expedient that development described in any Part, Class or paragraph in Schedule 2, other than Class DA of Part 4 or Class K or M of Part 17, should not be carried out unless permission is granted for it on an application, the Secretary of State or (as the case may be) the local planning authority, may make a direction under this paragraph that the permission granted by article 3 does not apply to—

- (a) all or any development of the Part, Class or paragraph in question in an area specified in the direction; or
 - (b) any particular development, falling within that Part, Class or paragraph, which is specified in the direction,
- and the direction must specify that it is made under this paragraph.

- 8.2 Schedule 3 to the Order set out the steps that must be taken:

- Local advertisement
- At least two site notices in the Borough
- Service on properties affected unless it is impractical. In the event of a Borough wide Order it is suggested that this would be impractical
- a description of the development and the area to which this relates. It is suggested that the Order relates to development consisting of change of use of a building from a use falling within Class C3 (dwellinghouses) of the Schedule of the Town and Country Planning (Use Classes) Order 1987 (as amended) to a use falling within Class C4 (houses in multiple occupation) of that Schedule, being development comprised within Class L(b) of Part 3 of Schedule 2 to the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended)
- that the Direction is made under Article 4 (1) of the Order
- that the Direction and map of the area to which it relates can be viewed at the Council's offices

- specify a period of at least 21 days within which any representations concerning the Direction may be made to the Council
- specify the date on which it is proposed that the Direction will come into force, being at least 28 days but no longer than 2 years after the consultation period ends
- send a copy of the Direction to the Secretary of State and to Warwickshire County Council

8.3 The Direction can come into effect as early as 28 days following the end of the consultation period unless the Secretary of State specifies a longer period.

8.4 The Council can specify that a Direction comes into immediate effect if the Council consider that the development to which the direction relates would be prejudicial to the proper planning of their area or constitute a threat to the amenities of their area. If planning permission for any such development is refused in these circumstances, then compensation would then be payable by the Council

The Contact Officer for this report is Steve Maxey (719438).

Key LSOA's

North Warwickshire 002B - DORDON - (9 HMO's)

North Warwickshire 002C – DORDON - (2 HMO's)

North Warwickshire 005E – HARTSHILL - (6 HMO's)

**TOWN AND COUNTRY PLANNING (GENERAL PERMITTED DEVELOPMENT (ENGLAND)
ORDER 2015 (AS AMENDED)**

**DIRECTION MADE UNDER ARTICLE 4(1) OF THE TOWN AND COUNTRY PLANNING
(GENERAL PERMITTED DEVELOPMENT) (ENGLAND) ORDER 2015 (AS AMENDED)**

**NORTH WARWICKSHIRE BOROUGH COUNCIL HMO ARTICLE 4 DIRECTION 2025 ("the
Direction")**

WHEREAS NORTH WARWICKSHIRE BOROUGH COUNCIL (hereafter called "the Council") being the appropriate local planning authority within the meaning of article 4(5) of the Town and Country Planning (General Permitted Development) Order 2015 ("the Order") are satisfied that it is expedient that development of the descriptions set out in Schedule 1 below should not be carried out within the Land and/or properties shown edged red on the attached plans at Schedule 2 ("the Land") *being the Borough of North Warwickshire* unless planning permission is granted on an application under Part III of the Town and Country Planning Act 1990 as amended.

AND WHEREAS the Council considers that development of the said descriptions set out in the Schedule below should not be carried out unless permission is granted by an application made under Part III of the Town & Country Planning Act 1990.

NOW THEREFORE the said Council in pursuance of the power conferred on them by article 4(1) of the Order hereby direct that the permission granted by article 3 of the said Order shall not apply to development on the said land of the description(s) set out in Schedule 1.

THIS NORTH WARWICKSHIRE BOROUGH COUNCIL HMO ARTICLE 4 DIRECTION 2025 was made on 6th October 2025 under Article 4(1) Section 1 of the said Order.

In accordance with Paragraphs 1(11) and 1(12) of the Order, the Council confirmed the Article 4(1) Direction on _____ *and shall take effect on* _____

SCHEDULE 1

Development consisting of a change of use of a building from a use falling within Class C3 (dwellinghouses) of the Schedule of the Town and Country Planning (Use Classes) Order 1987 (as amended) to a use falling within Class C4 (houses in multiple occupation) of that Schedule, being development comprised within Class L(b) of Part 3 of Schedule 2 to the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended).