

# **Policy and Resources Committee –**

## **Review of HMO Additional Licensing and possible Article 4 direction in the district**

**26/01/2026**

- **POLICY AND RESOURCES COMMITTEE**

## PART I

### **Review of HMO Additional Licensing and consideration of the introduction of an Article 4 direction (ADCCC)**

#### **1 Summary**

- 1.1 At the Full Council meeting of 21 October 2025, the council's Lead Member for Community Engagement, Public Safety and Housing made a commitment that the council would explore the introduction of additional licensing for HMO's and the possible introduction of an Article Four direction in the district.
- 1.2 The Lead Member also committed that the council to explore the options for a formal mechanism for resident input on HMO licence conditions and for the council to improve transparency through a publicly accessible online register of all HMO licence applications and decisions, alongside clear communication channels for councillors, parish councils and residents.
- 1.3 This report will explain these measures and provide Officer's recommendations to members on whether these are able to be progressed, based upon the evidence that is currently held by the council and the evidence legally required to be demonstrated before these measures can be explored/adopted.
- 1.4 The council also committed to investigate what other authorities do to regulate HMOs through the planning process to ensure HMOs are properly planned and managed.
- 1.5 This is currently ongoing and not discussed within this report, however, it is important to note that on the 25 November 2025, the council's Local Plan Sub-Committee agreed that the council's emerging Local Plan will require that a HMO that requires planning permission (over six residents) will only be supported if it does not adversely affect the immediate area, if it creates suitable living conditions and provides sufficient provision of amenity space and parking. This includes the requirement of one parking space per bedroom.

#### **2 Recommendation**

- 2.1 That:
- 2.2 Based on evidence at this time, additional licensing for HMOs is not progressed, however, this will be reviewed in 12 months' time.
- 2.3 Based on evidence at this time, that an Article 4 direction is not progressed. However, Officers agree to keep this under review and if circumstances change, Officers will consider the position.
- 2.4 Resident input into HMO licence applications to be included as part of the forthcoming HMO Licensing Policy that will be presented to Committee later this year.
- 2.5 The address of any property subject to an application for a HMO licence to be added to the council's HMO Register.

2.6 Ward Councillors, County Councillors and Parish Councillors (if applicable) are advised if a HMO licence application is received for their area.

2.7 Neighbours of a property that has applied for an HMO licence application will be notified by Officers upon receipt of that application. (pending approval of the council's Data Protection and Resilience Manager)

Report prepared by: Jason Hagland, Strategic Housing Manager

Marko Kalik, Head of Planning Policy and Conservation

### **3 Details**

#### **3.1 Additional Licensing**

3.1.1 The Housing Act 2004 requires mandatory licensing of certain Houses of Multiple Occupation (HMOs).

3.1.2 As per this legislation, mandatory licensing of a HMO is required when the HMO is occupied by five or more persons, living in two or more separate households, who are sharing facilities (kitchen, bathroom etc.)

3.1.3 The council currently operate a mandatory HMO licensing scheme, therefore, any property HMO that meets the above criteria is required to apply for, and be granted an HMO licence by the council, for their operation.

3.1.4 The Amenity Standards for Houses of Multiple Occupation for landlords within Three Rivers is attached at Appendix Two. This appendix details the strict criteria and standards operated by this authority and can be found on the council's website at the following link –

<https://cdn.threerivers.gov.uk/files/2025/10/95b77570-a90e-11f0-8e82-1dec93f21d5d-TRDC%20Amenity%20Standards.pdf>

3.1.5 Failure to do this and therefore operating a licensable HMO without a licence is an offence that can lead to criminal prosecution or significant civil penalties to a landlord.

3.1.6 In addition to setting out the requirements for mandatory licensing of HMOs, the Housing Act 2004 gives local authorities the power to designate the area of the district, or an area in their district, for additional licensing of HMOs (Section 56).

3.1.7 A local authority may designate that all HMOs in an area must be licensed, even if they are not subject to mandatory licensing as set out with the legislation. A typical example of this may be the requirement for smaller HMOs (three or four tenants, in two or more households) to be granted a licence for their operation.

3.1.8 At the time of writing this paper, the council has 13 x licensed HMOs in the district. One application for a licence for six-bedroom HMO in Croxley Green has recently been withdrawn, and the council is currently considering an application for a six-bedroom HMO licence in Carpenders Park.

3.1.9 It is important to note that no other local authority located within Hertfordshire has introduced additional licensing within their district/borough. This includes Welwyn Hatfield Borough Council, who, likely because of the location of Hertfordshire University, have significantly more HMOs located within their area than Three Rivers.

3.1.10 Sections 56 and 57 of the Housing Act 2004, confirm that in the first instance, before a designation of additional licensing in an area can be made, the council must have evidence that demonstrates that –

- A significant proportion of HMOs in the area are being managed ineffectively, and;
- This poor management is contributing to problems, or is likely to do so.

3.1.11 These problems include poor housing conditions, antisocial behaviour linked to the tenants and the properties, poor tenancy management and health and safety risks in HMOs.

3.1.12 A review of the data currently held by the council, including complaints, inspections and enforcement activity by the council's Residential Environmental Health team, does not indicate widespread poor management of HMOs in the district.

3.1.13 In addition to this, Section 56 and 57 of the Housing Act 2004 also state that to introduce additional licensing in the district a 10-week public consultation must be conducted, and the introduction of additional licensing must be consistent with the council's overall housing strategy.

3.1.14 At this time and without any additional evidence available, it would be more suitable to attribute any issues identified in HMOs in the district to a very limited number of properties and individual landlords.

3.1.15 Because of this, any designation of additional licensing in the district, or within an area of the district, relying only upon the evidence currently held by the council, would leave the council at risk to robust legal challenge via judicial review.

3.1.16 Therefore, it is the Officer recommendation that at this current time any progression with additional licensing by the council would currently be disproportionate and premature.

3.1.17 This option would maintain the current mandatory licensing approach adopted by the council and any issues identified with an HMO (whether mandatorily licensed or not) would be dealt with by Officers using the appropriate enforcement options.

3.1.18 It should be noted that the implementation of the Renters Rights Act 2025 in 2026 will see a significant increase to the financial penalties that a landlord may be subject to should they be operating an unlicensed HMO or fail to address any housing disrepair within a HMO.

3.1.19 However, should members wish, Officers will commit to review the council's position in 12 months' time, with a further paper to be presented to this Committee.

3.1.20 Should complaints of poor management of HMOs to the council significantly increase before the 12 month agreed period of review, then Officers will consider the council's position and if the evidence is considered satisfactory for the introduction of additional licensing, a paper will be presented to this Committee.

### 3.2 Article Four Direction

3.2.1 The change of use of a building from its use as a dwellinghouse ("C3" of the Use Class Order) to its use as an HMO that is to be occupied by six or less residents, is currently automatically granted planning permission by virtue of Class L of Part 3, Schedule 2 of the Town and Country Planning (General Permitted Development Order) (England) Order 2015 (as amended) ("the GDPO").

3.2.2 To clarify the above, this legislation, introduced by Government in 2015, removes the requirement for a landlord/owner of a property to apply for planning permission from a local authority to convert a property into an HMO that is to be occupied by six or less residents.

3.2.3 This removed the ability for the council to approve/refuse these applications and to consider matters, including parking provision to be provided, on these conversions.

3.2.4 To remove the ability to undertake this permitted development described above and require planning permission to be sought for these conversions, the local authority has the ability to make an Article 4 Direction in relation to HMOs across the whole district, or in a certain area of the district.

3.2.5 The wording of paragraph 54 of the National Planning Policy Framework (NPPF) advises local authorities that they should be limited to situations where one is necessary to protect local amenity or the well-being of the area and in all cases, be based on robust evidence, and apply to the smallest geographical area possible. All Article 4 Directions need to be confirmed by the Secretary of State, therefore any evidence produced by the council will be closely scrutinised.

3.2.6 Such evidence could include the following –

- If there was a substantial increase in HMO conversions across the district/in an area
- That HMO conversions were having a significant and detrimental impact on the local housing supply
- That HMO conversions were creating a significant demographic shift across the district/ in an area
- That HMO conversions were detrimental to residential amenity

3.2.7 An example of a local authority within Hertfordshire introducing a robustly justified Article 4 Direction in relation to HMOs can be seen by the introduction of an Article Four direction by Welwyn Hatfield Borough Council.

3.2.8 The justification for this introduction was that within specific areas close to Hertfordshire University, HMOs were as much as 50% of the housing stock available.

3.2.9 In addition to this, the current HMO Register for Welwyn Hatfield Borough Council lists in excess of 500 x licensed HMOs.

3.2.10 Based on data taken from Town Planning Expert, the only other Hertfordshire authority that has introduced an Article 4 Direction in relation to HMOs is Stevenage Borough Council.

3.2.11 Whilst this Article 4 direction came into effect in 2017, the current HMO Register for Stevenage Borough Council lists in excess of 200 x licensed HMOs.

- 3.2.12 Furthermore, there has been no Article 4 direction introduced by Watford Borough Council in relation to HMOs, despite the current HMO Register for Watford Borough Council listing in excess of 300 x licensed HMOs
- 3.2.13 Whilst not located within Hertfordshire, the London Borough of Hillingdon, another neighbouring local authority to Three Rivers, has recently (27 November 2025) introduced a borough wide Article 4 direction for HMOs.
- 3.2.14 The current HMO Register for the London Borough of Hillingdon lists in excess of 600 x licensed HMOs.
- 3.2.15 In comparison with the numbers listed above, there are currently only 13 x HMOs in Three Rivers licensed by the council.
- 3.2.16 Therefore, Officers do not consider that the evidence held by the council is sufficient to justify an Article 4 Direction in the district, or within an area within the district at the present time. This is demonstrated by the following -
- 3.2.17 There are currently only 13 x HMOs licensed by the council at this time. Therefore, it is not the case that Three Rivers has seen a substantial increase in HMO conversions within the district. Furthermore, there is no smaller area within the district with a substantial concentrated proliferation of HMOs.
- 3.2.18 Given the small number of known HMOs within Three Rivers and the fact there is no smaller area within the district with a substantial concentrated proliferation of HMOs, Officers do not consider that HMO conversions are having a significant and detrimental impact on the local housing supply. In addition to this, it is considered that a small number of HMOs can play an important role within the district's housing supply and housing mix.
- 3.2.19 There is no evidence available that demonstrates a significant demographic shift within the district, or an area of the district, due to HMO conversions. This includes the area of Gade Bank, Croxley Green.
- 3.2.20 Whilst Officers acknowledge that the HMO conversion on Gade Bank, Croxley Green, did have a significant impact on the residents of the local area, Officers do not consider that a one-off occurrence of significant impact of residential amenity would be sufficient to meet the robust evidence threshold.
- 3.2.21 Officers would consider robust evidence of this nature to be numerous HMOs within a small area creating similar and continuous detrimental impact on residential amenity.
- 3.2.22 There is no evidence available to the council that would indicate that HMOs in any area of the district are having a significant detrimental effect to residential amenities.
- 3.2.23 Officers acknowledge that paragraph 54 of the NPPF sets out that the use of an Article 4 Direction should apply to the smallest geographical area possible. However, the evidence itself needs to consider a wider area and whether specific locations are under threat.
- 3.2.24 Whilst an Article 4 Direction could itself relate to a single street within the district, it is not considered appropriate to apply an Article 4 Direction to one solitary street within the district, on the basis of a single HMO located within that street.
- 3.2.25 The phrasing "the smallest geographical area possible" is intended to be read in context with the issue at hand. HMO Article 4 Directions are primarily

implemented in university towns and cities where the demand created from student housing results in the proliferation of HMOs.

- 3.2.26 In this case “the smallest geographical area possible” would relate to the specific areas of the town/city where current or potential locations of HMOs are highest, or where the impacts of HMO’s would be most detrimental, rather than a blanket Article 4 Direction across the entire town/city.
- 3.2.27 Whilst Article 4 Directions should be restricted to the “smallest geographical area possible”, the context of the issue must be considered, to ensure that on the other hand, the geographical area of the Article 4 Direction is not too small.
- 3.2.28 In the case of the HMO located on Gade Bank, Croxley Green, it is important to note that that Article 4 Directions cannot be implemented retrospectively.
- 3.2.29 As such, the existing HMO would not be required to return to its pre-existing use if an Article 4 Direction were to be made. Any Article 4 Direction’s purpose, if applied to Gade Bank, would be to require planning permission for any future HMO applications on the street.
- 3.2.30 Therefore, it would have no bearing on the status, in planning terms, of 10 Gade Bank which had already been granted planning permission for a change of use from residential dwelling to HMO through permitted development rights.
- 3.2.31 It is important to note that the retrospective planning application for the downstairs extension on the above property was refused by the Planning Committee, however, this has no bearing on the planning permission for a change of use of the property granted by permitted development.
- 3.2.32 In addition to this, is it also important to note that no HMO licence was awarded to the owner/managing agent of Gade Bank by the council. The application for the licence was withdrawn prior to any decision, following the Closure Order that was granted for the property.
- 3.2.33 Furthermore, it has been confirmed by Hertfordshire Constabulary that a legal undertaking has been obtained from the owner of 10 Gade Bank, confirming that he will not use the property as a HMO and the property will be let to a single occupancy family or sold on the open market.
- 3.2.34 On the basis of the information provided above, Officers would expect that any Article Four direction on HMOs within the district would be rejected by the Secretary of State.
- 3.2.35 Officers confirm that whilst this is the current position, Officers will continue to monitor and should circumstances change, will take any action deemed appropriate.

### 3.3 Formal mechanism for resident input on HMO licence conditions

- 3.3.1 Section 67 of the Housing Act 2004 enables the council to place additional conditions on the licence of an HMO, beyond the mandatory conditions required.
- 3.3.2 For example, these additional conditions may include restrictions or prohibitions on the use of parts of the property by the occupants or requiring the licence holder to take reasonable and practicable steps to prevent or reduce antisocial behaviour of the occupants or visitors to the HMO.

- 3.3.3 Whilst there is no legal reason that the council is unable to establish a formal mechanism for resident input into possible additional license conditions to be placed on a HMO licence, it is important to note that the final decision on any additional conditions placed on a licence must rest with the council, who are required to act reasonably and proportionately.
- 3.3.4 The council has a duty to ensure that any conditions placed on an HMO licence are justified as necessary, relevant, reasonable, proportionate and enforceable.
- 3.3.5 There is a risk that as part of any formal mechanism for resident input into HMO licence conditions that residents demand licence conditions be placed on a HMO without any evidence or justification for doing so.
- 3.3.6 In this instance, the council would not be able to apply these conditions requested, therefore, this mechanism may feel like a 'tick box' exercise conducted by the council and set false expectations for residents.
- 3.3.7 However, should residents be able to provide evidence to the council for the requirement of any additional licensing then this will be considered by the council.
- 3.3.8 At this stage it is unknown how a formal mechanism for resident input into additional conditions placed on a licence would operate, however, if members should wish, Officers propose to include this mechanism within the forthcoming HMO Licensing Policy to be presented to the Committee at a future date.

#### 3.4 Online register of HMO licences and decisions

- 3.4.1 An HMO Register of licensed HMOs in the district is already published on the council's website, as per our statutory obligation. This register is available at the following link –

<https://www.threerivers.gov.uk/services/environmental-health/houses-multiple-occupation>

- 3.4.2 A copy of this register is also provided at Appendix One.
- 3.4.3 Officers note it has been requested that details of any application for a HMO licence from the council are added to this register.
- 3.4.4 The council's Data Protection and Resilience Manager has confirmed that the above request could be undertaken, however, the council would only be able to publish the address of the property.
- 3.4.5 No personal details of the applicant can be published during the application process to ensure adherence to our data protection responsibilities.

#### 3.5 Clear communication channels for Councillors, Parish Councils and residents

- 3.5.1 Officers confirm that when any HMO licence application is received by the council, Officers will inform the relevant Ward Councillors, County Councillors and Parish Council (if applicable) of the receipt of this application.
- 3.5.2 The requirement of Officers to inform the relevant Ward Councillors, County Councillors and Parish Council (if applicable) will be integrated into the forthcoming HMO Licensing Policy to be presented to the Committee at a future date.

- 3.5.3 To ensure our adherence to our data protection responsibilities, Officers confirm that, pending the approval by the council's Data Protection and Resilience Manager, that when any HMO licence application is received by the council. Officers will inform the neighbours of the property of the application received.
- 3.5.4 This will be integrated into the forthcoming HMO Licensing Policy to be presented to Committee at a future date.

#### **4 Reasons for Recommendations**

- 4.1 The reasons for the Officer recommendations are as follows –
  - 4.1.1 The introduction of additional licensing in the district is unable to be progressed at this time due to the lack of evidence currently held by the council. It is the Officer opinion that any introduction of additional licensing at this time would be disproportionate and premature. Therefore, potentially placing the council at risk of robust legal challenge via judicial review.
  - 4.1.2 The council does not currently have the sufficient evidence to justify an Article 4 direction in relation to HMOs across the whole district, or in a particular area within the district.  
Furthermore, it is to be noted that this would require sufficient resource from the council's Planning Policy team that may impact the timescales of delivery of other essential projects, such as the delivery of the Local Plan, and in Officer's opinion, would ultimately be rejected by the Secretary of State.
  - 4.1.3 Officers find it appropriate that the upcoming HMO Licensing Policy will contain provisions that ensure that Officers inform Ward, County and Parish (where applicable) Councillors.
  - 4.1.4 Officers find it appropriate that the upcoming HMO Licensing Policy will contain a provision to receive resident input into an HMO licence application.
  - 4.1.5 Officers find it appropriate that the upcoming HMO Licensing Policy will contain provision to inform neighbours of a property that is subject to an HMO licence application and this will be included within the council's upcoming HMO Licensing Policy.

#### **5 Policy/Budget Reference and Implications**

- 5.1 The recommendations in this report are within the Council's agreed policy and budgets.

#### **Equal Opportunities, Environmental, Community Safety, Public Health, Customer Services Centre, Communications & Website, Risk Management and Health & Safety Implications**

None specific.

#### **6 Financial Implications**

- 6.1 None specific.

#### **7 Legal Implications**

7.1 Nil at this time, however, Legal Services will be required to be consulted prior to any action that could result in legal challenge (e.g. introduction of additional licensing)

## **8 Equal Opportunities Implications**

### 8.1 Relevance Test

Has a relevance test been completed for Equality Impact?	No – Not Required
Did the relevance test conclude a full impact assessment was required?	N/A

## **9 Staffing Implications**

9.1 The preparation of a case to the Secretary of State for the introduction of an Article 4 Direction would require significant resource from the council's Planning Policy team that may impact the timescales of other essential delivery of other projects.

9.2 Any introduction of additional licensing would require significant resource from the council's Residential Environmental Health team, who are currently working at capacity to prepare the council in response to the upcoming obligations listed within the Renters Right Act 2025.

## **10 Communications and Website Implications**

10.1 None specific.

## **11 Risk and Health & Safety Implications**

11.1 The Council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. In addition, the risks of the proposals in the report have also been assessed against the Council's duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.

### 11.2

<b>Nature of Risk</b>	<b>Consequence</b>	<b>Suggested Control Measures</b>	<b>Response (tolerate, treat, terminate, transfer)</b>	<b>Risk Rating (combination of likelihood and impact)</b>
The case for an Article 4 Direction to be collated and presented to the Secretary of State, which, in Officers opinion, would be rejected due to a lack of evidence.	Significant impact on the resources of the Planning Policy team, resulting in the possible delay of other projects.	Members accept the Officer recommendation to not proceed with this option.	Treat	4

11.3 The above risks are scored using the matrix below. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood scores 6 or less.

Very Likely ↓ Likelihood Remote	Low 4	High 8	Very High 12	Very High 16
	Low 3	Medium 6	High 9	Very High 12
	Low 2	Low 4	Medium 6	High 8
	Low 1	Low 2	Low 3	Low 4
	Impact			
	Low	► Unacceptable		

**Impact Score**

4 (Catastrophic)  
3 (Critical)  
2 (Significant)  
1 (Marginal)

**Likelihood Score**

4 (Very Likely ( $\geq 80\%$ ))  
3 (Likely (21-79%))  
2 (Unlikely (6-20%))  
1 (Remote ( $\leq 5\%$ ))

11.4 In the officers' opinion none of the new risks above, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks. The effectiveness of the management of operational risks is reviewed by the Audit Committee annually.

**Data Quality**

Data sources:

Welwyn Hatfield Borough Council HMO Register

Stevenage Borough Council Licensing platform

Watford Borough Council HMO Register

The London Borough of Hillingdon – Additional HMO licensing consultation – Evidence Pack

Data checked by: Jason Hagland

Data rating: Sufficient

**Background Papers**

## **APPENDICES / ATTACHMENTS**

### **Three Rivers District Council HMO Register Amenity Standards for Houses of Multiple Occupation (HMOs)**

