



Evidence Base for Introduction of Article 4 & Additional Licensing of Houses in Multiple Occupation (HMO)

Telford and Wrekin

December 2025

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1. Introduction

Telford and Wrekin is a successful and growing borough with a diverse housing market and population and continuing housing needs. The borough is a distinctive blend of urban and rural areas, with green open spaces alongside contemporary housing developments and traditional market towns.

In line with national trends, we are seeing a growth in population with an increase in housing needs, however, issues such as a cost-of-living crisis, increasing mortgage rates and housing costs are affecting home ownership. This means for many, living in the rented sector is their only housing option. High demand for rental properties and a shortage of supply in part due to a reducing supply of social housing, is driving up rents in the private rented sector. This is leading to an economic opportunity from the subdivision of rented properties into houses in multiple occupation (HMO). HMOs have long been a tenure of choice for students and transitional workers and are an essential part of the housing market particularly now for those under 35 dependent on housing benefit which is capped at a shared room rate.

Well managed HMOs provide an excellent and affordable start for many into their housing journey. However, poorly managed, overcrowded or high densities of HMOs can be associated with undesirable issues such as anti-social behaviour, crime and overcrowding. National studies have shown that occupants of poorly managed HMOs are at higher risk of poor mental health and increased substance misuse. Furthermore, the disconnected living arrangements in HMOs make occupants eight times more likely to die or suffer serious injury in a fire compared to people in single family properties.

It is important to note that HMOs are an important source of low cost, private sector housing for those on low incomes, young people, students, and people seeking temporary accommodation and have an important role to play as part of a balanced mix of housing. However over recent years there has been a consistent increase in the number of HMOs within the borough. There is a concern that high concentrations of HMOs impact on the choice of housing, local services, social cohesion, crime and environmental amenity and contribute towards the decline of those areas impacting on levels of deprivation.

Our new Telford and Wrekin Housing Strategy 2025-2030 sets our strategic objectives for the next 5 years:



Challenge

An increase in the number of HMOs in the borough, correlated with complaints regarding poorly managed HMOs along with associated levels of crime and anti-social behaviour is causing community concerns for residents living in and around HMOs.

Proposal

This report provides an evidence base and policy context for the implementation of an additional licensing scheme of all HMOs in the borough under the Housing Act 2004. The primary objective of this scheme would be to ensure a consistent minimum standard of management in all HMOs in the borough.

We also propose to make a Non-Immediate direction under Article 4 of the Town & Country Planning (General Permitted Development) Order 2015 (as amended) in order to remove Permitted Development Rights across all parts of the borough, which currently allow the conversion of dwelling houses (Use Class C3) into Houses of Multiple Occupations (HMOs) for up to six residents (Use Class C4).

The making of an Article 4 Direction will give the Council greater control over the conversion of C3 dwellings to HMOs within the borough, requiring all new such conversions of residential properties to apply for a Change-of-Use and accordingly be assessed against both Local and National Planning Policy.

2. Context and Background

Mandatory Licensing

In October 2018 there was a change in central government policy, which introduced mandatory HMO licensing for 5 or more people who are not living together as a single household. This brought more HMOs into scope for licensing by removing the requirement for licensable HMOs to be three storeys and over.

Better Homes for All

The Better Homes for All programme launched in 2018 by the Council in has seen the development of a data led, proactive intelligence-based programme of enforcement bringing together a number of agencies such as the police, fire service and public protection. This has led to a number of prosecutions for poorly managed and maintained properties. The success of the Better Homes for All programme has been reported to Cabinet annually.

Safer Streets / Safer Stronger Programme

Telford & Wrekin Council launched the Safer & Stronger Communities project in 2021 with support from the Police & Crime Commissioner to help residents feel safer in their homes and communities. Funding was used to tackle poor housing conditions in areas of high anti-social behaviour and crime. This resulted in over 700 proactive housing inspections being

carried out leading to the remedy of hundreds of hazards. The biggest challenge experienced was gaining access into HMOs. This was of concern as the conditions in the HMOs that were accessed were of concern and lead to a number of prosecutions and civil penalties. The ongoing success of TWC Safer & Stronger Communities Programme has been reported to Cabinet.

Despite the ongoing success of current interventions, the borough still has significant problems with reported practices and the neighbourhood impact of, HMOs including smaller HMOs not part of the current licencing regime. Available measures include using civil penalties and prosecution for breaches of Regulations. These are entirely appropriate in the right circumstances but these are cumbersome procedures and ones that are essentially negative and only come after an issue has arisen.

A typical example of issues relating to HMOs found by the private sector housing service are shown below:

Case Study 1



These relate to a 2 storey 3 bedroom HMO which is not subject to mandatory licensing.

Licensing

Under the Housing Act 2004, there are three forms of licensing relating to private sector housing available to local authorities – mandatory, selective and additional.

All licensing schemes are intended to address the impact of poor-quality housing, rogue landlords and anti-social tenants. Failure to obtain a licence or to abide by licence conditions can result in enforcement action. Non mandatory licensing schemes run for a maximum period of five years, after which Cabinet approval must be sought to extend. A fee is payable for each licence. The licence fee will usually cover a five year period unless the local authority decide to issue a licence for a shorter period.

Mandatory HMO Licensing

All local authorities are obliged to run a licensing scheme covering Houses in Multiple Occupation (HMOs) that have five or more people who are not living together as a single household.

At the time of publishing this report we have 317 licensed large HMOs under the mandatory licensing regime in the borough.

The mandatory licensing of HMOs has been effective in regulating and improving the standard of accommodation offered to let in Telford and Wrekin. Licensing encourages a positive interaction with landlords and allows for the problems presented by each house to be managed on an individual basis through a bespoke set of licence conditions. It also allows for advice to be given to landlords who are perhaps new to the rental market or growing their portfolios to support them comply with regulation and provide well management properties from the outset.

A good example of a licensed HMO is given in case study 2.

Case Study 2





3. Evidence to Support Additional Licensing and Article 4 Schemes

The National Picture

The latest Office for National Statistics (ONS) Projections estimate that the UK population will grow to 72.5 million people by 2032, an increase of 4.9 million (7.3%) from an estimated 67.6 million people in 2022.¹

As people grow older and live longer the number of people at state pension age is projected to increase by 1.7 million from an estimated 12.0 million to 13.7 million people (13.8% increase). Where there is a lack of suitable housing for older people this can lead to older people staying in unsuitable housing for longer. This situation can then negatively impact housing supply and affordability for younger people and increase competition in the private rented sector.

ONS estimated that 3.6 million young adults (aged 20-34) were living with their parents in 2024.² This represents 28.0% of all 20-34 year olds, an increase from 25.6% in 2014. The greatest change from 2014 was for those people aged 24 where 49.2% were estimated to be living with parents compared with 35.9% in 2014.

Data indicates that achieving the goal of home ownership is taking longer for younger adults. In 2022, more than half of people owned their own home by the age of 36. This was an increase from 32 years in 2004.³

¹<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/nationalpopulationprojections/2022based>

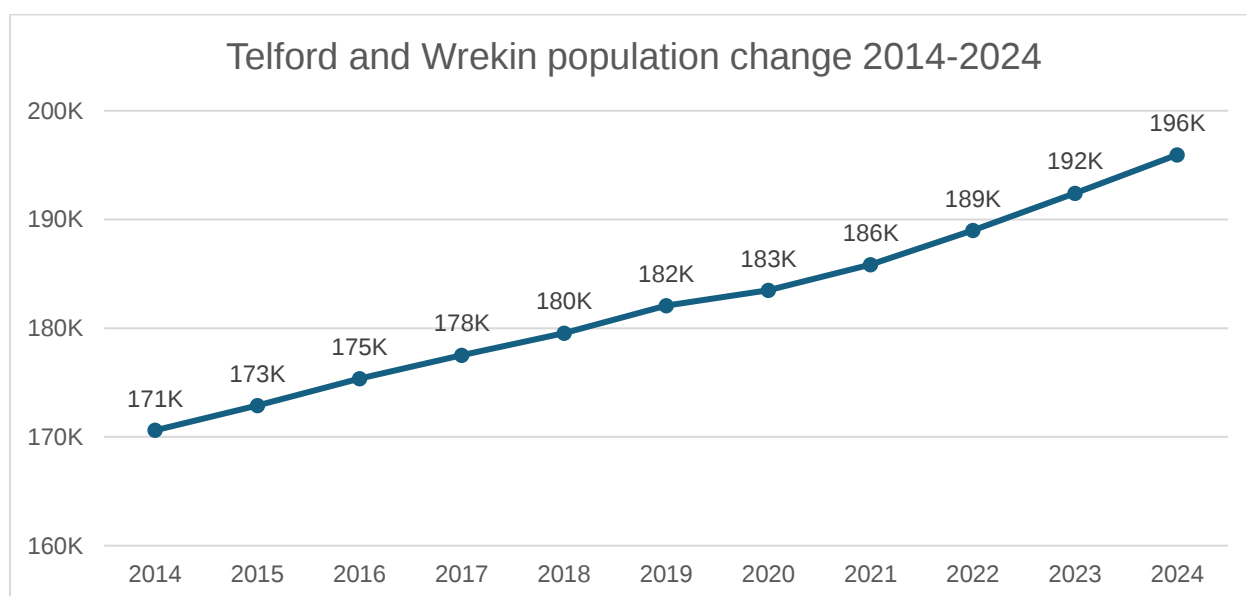
²<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/families/bulletins/familiesandhouseholds/2024>

³<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/milestonesjourneyingthroughmodernlife/2024-04-08>

Consequently, there is continued reliance on the Private Rented Sector (PRS) as a housing option for younger adults. In 2023-24, the English Housing Survey (EHS) found that 40% of households with a household reference aged 25-34 were renting privately as were 27% of households with a household reference person aged 35- 44.⁴

Local Context

Telford and Wrekin is one of the fastest growing local authority areas in England. Between 2014 and 2024 the population was estimated to have grown by 14.9% (25,300 people) compared with 8.2% for the West Midlands region and 7.8% for England⁵. The rate of population growth in the borough over this period was the ninth highest of all upper tier local authorities in England. In June 2024, the population of the borough was estimated to be 196,000 people.



With a strong local economy, a growing further education sector alongside excellent connectivity to the wider West Midlands region, Telford and Wrekin is an attractive destination for people looking to work or study.

Looking forward, the population of Telford and Wrekin is projected to continue to grow at a faster rate than the national average. Latest population projections estimate that by 2032 the population of the borough will be 208,000, an increase of 10.0% from 2022 compared with 6.4% for England.

⁴ <https://www.gov.uk/government/collections/english-housing-survey#2023-to-2024>

⁵ <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/populationestimatesforenglandandwales/mid2024>

The greatest growth is forecast for people aged 65 and over (26.1%) however above borough average growth is also projected for younger adults, with the number of people aged 20-24 estimated to increase by 17.3% between 2022 and 2032

Housing and the Private Rented Sector in Telford and Wrekin

Over the last decade, the number of homes built in Telford and Wrekin has seen the total dwelling stock grow at a faster rate than the national average, growing by 17.5% between 2014 and 2024 compared to 8.7% for the West Midlands region and 9.5% for England⁶.

The growing and increasingly age diverse population is changing the requirements for housing in the borough. As with the national picture there is increasing reliance on the PRS as a housing option, particular for adults under the age of 50. In 2011, a greater proportion of people aged 25 -34 were owner occupiers (40.9%) than were privately renting (37.6%). By 2021, this situation had switched with more people renting privately (42.6%) than owning their home (39.8%)⁷.

In the 35-49 age group, the proportion of owner occupiers reduced to 53.4% in 2021 from 65.4% in 2011. By contrast, the proportion privately renting increased to 28.7% in 2021 from 16.7% in 2011.

PRS now accounts for around 1 in 5 homes within Telford and Wrekin and is a key component of the borough's housing market borough wide.

The greatest concentrations of homes in the PRS are located in the south of the borough. In 2021, 40% of homes in Woodside MSOA were privately rented compared to 12% in Muxton & Lilleshall.

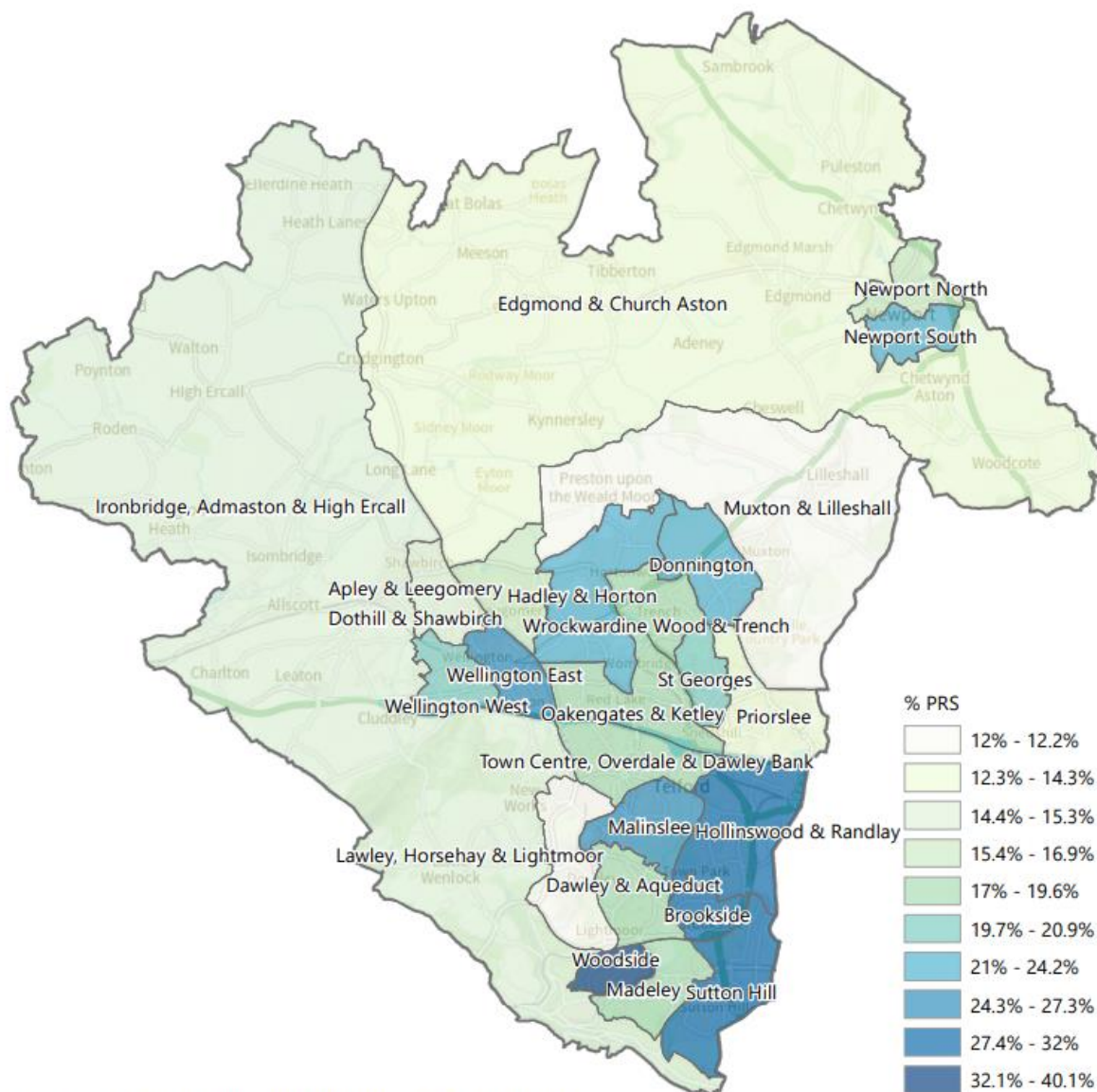
In total, around 30% of the borough's privately rented homes are located in Woodside, Brookside, Sutton Hill, Hollinswood & Randlay and Malinslee.

In the north of the borough, Wellington East, Donnington, Newport South and Hadley & Horton MSOAs all had a proportion of privately rented homes that was greater than the borough average (21%).

Map 1: Percentage of Privately Rented Homes by MSOA Census 2021

⁶ <https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

⁷ <https://www.nomisweb.co.uk/sources/census>



The average monthly rent in Telford and Wrekin is consistently lower than the regional and national averages. In March 2025, the average monthly rent in the borough was £808 compared to £935 for the West Midlands region and £1,403 for England⁸.

Private rented homes in the borough are more affordable than in other parts of the West Midlands and England. Latest data shows that in 2023/24, private renters in Telford and Wrekin could expect to spend 25.2% of their income on an average-priced rented home compared to 29.2% for the West Midlands and 36.3% for England.⁹

Whilst it is difficult to quantify the extent of shared accommodation in the borough, the Council has seen an increase in licensed HMOs. As set out above HMOs provide a vital

⁸<https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/priceindexofprivaterentsukmonthlypricestistics>

⁹<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentallaffordabilityengland/2024>

housing solution for those seeking to establish their first home, starting employment or study and for those who only qualify for the shared room rate housing benefit.

Houses in Multiple Occupation

The Office for National Statistics define an HMO as a dwelling where three or more unrelated tenants rent their home from a private landlord forming more than one household where toilet, bathroom or kitchen facilities are shared with other tenants.¹⁰

An HMO is classified as small if shared by 3 or 4 unrelated tenants and large if shared by 5 or more unrelated tenants.

ONS estimated that on the 2021 census day 0.8% of England's total housing stock were HMOs.

HMOs in Telford and Wrekin

The Office for National Statistics data estimated that in 2021 there were 383 HMOs in Telford and Wrekin out of a total housing stock of 76,508 (0.5%) - of these, 282 classified as small HMOs and 101 were classified as large HMOs.

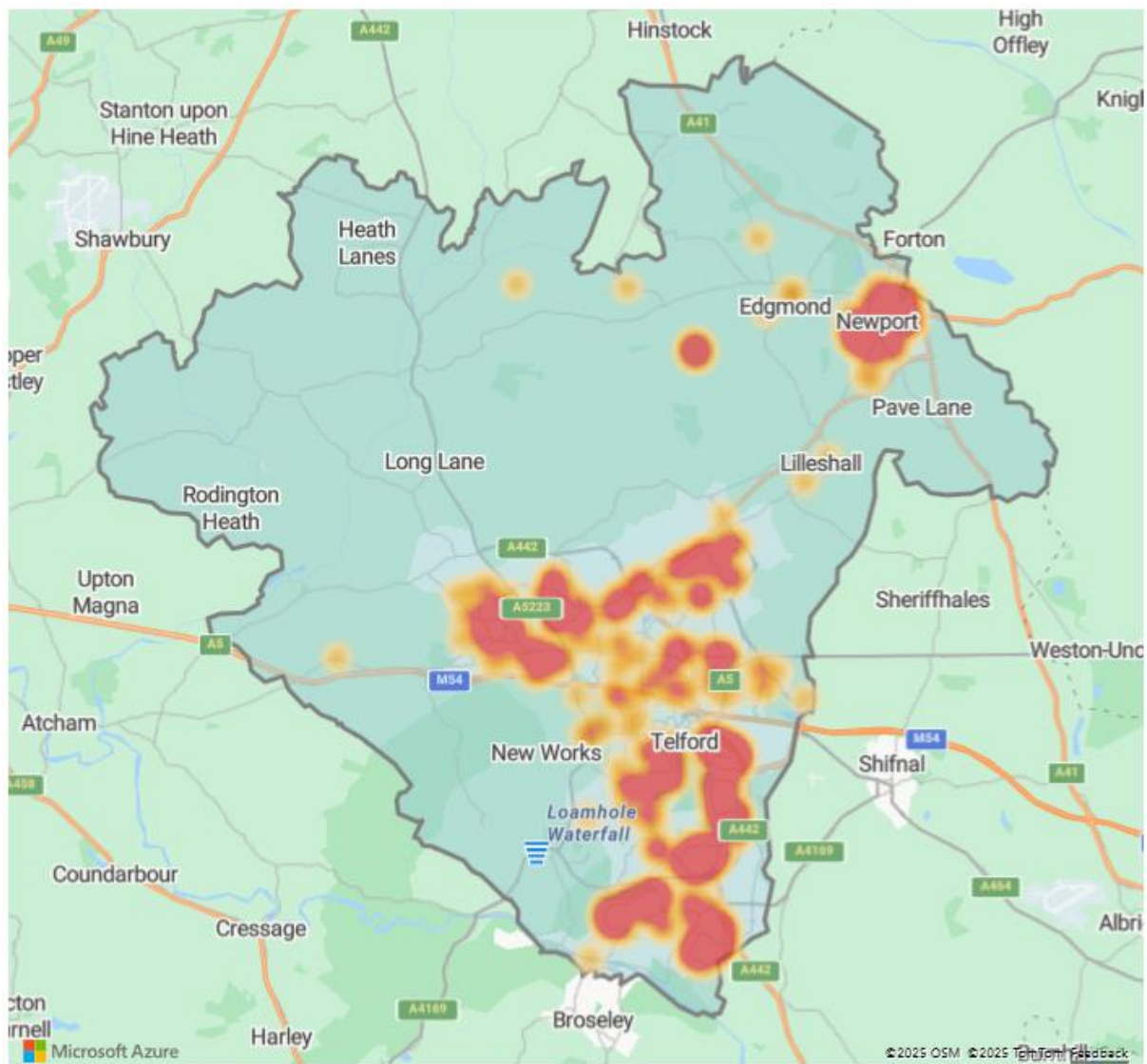
Analysis by Telford & Wrekin Council estimates that the number of HMOs in the borough to be significantly higher - as of September 2025, there are 317 licensed HMOs within the borough alone. Investigation of LLPG, Housing Complaints and Council Tax data indicates that there are a further 400+ HMOs within the borough that do not meet the current requirements for mandatory licensing - this would give a total figure in the region of 750 HMOs. Out of a total dwelling stock of 83,500 as at March 2024, representing 0.9% of the borough's dwelling stock, almost twice that of the ONS estimate.

Source	Number of HMOs
Licensed HMOs	317
LLPG	280
Council Tax	418
Housing Complaints	146
Total Unique Addresses*	747

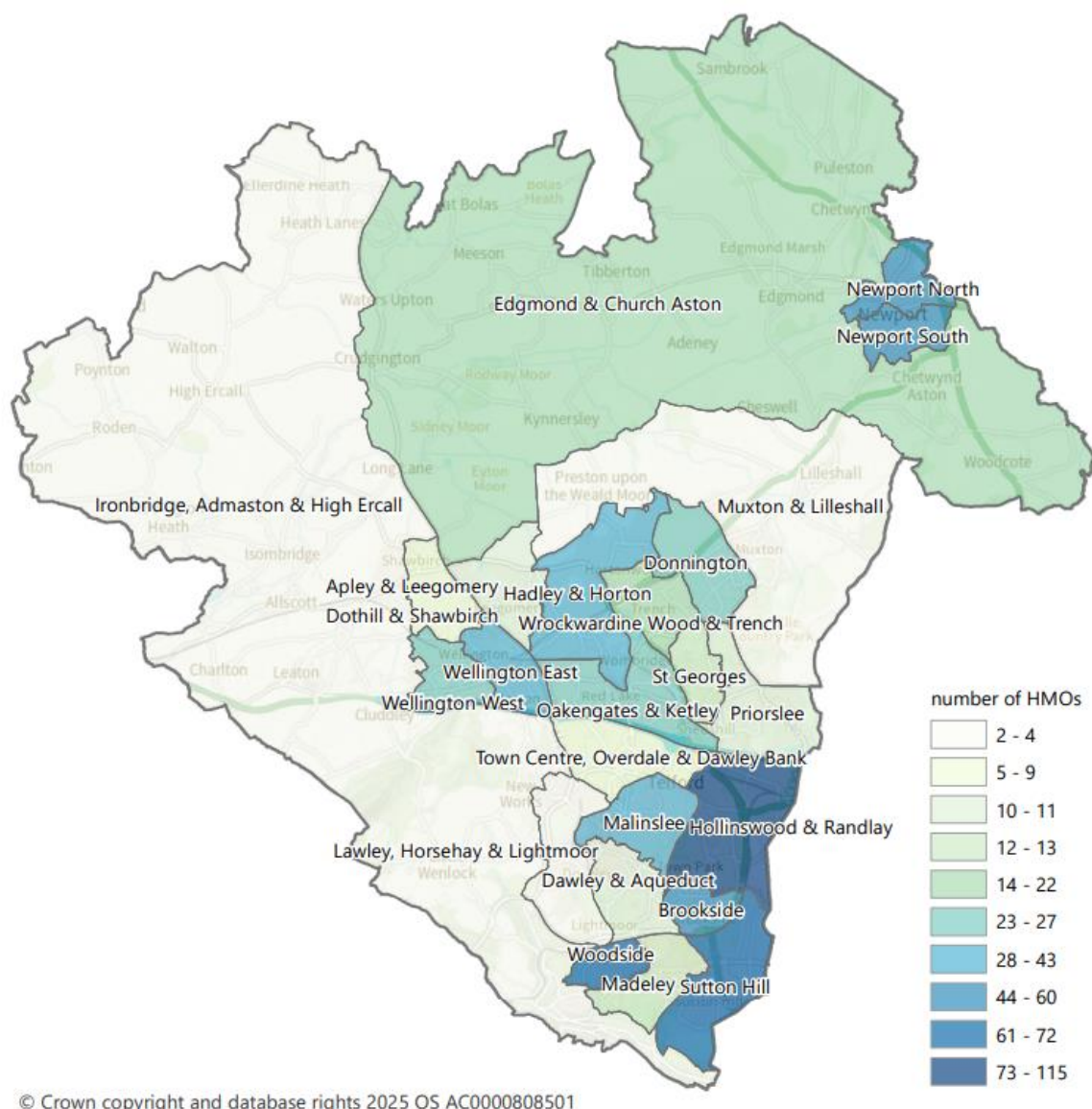
*Some addresses may appear in more than one category (e.g. a licensed HMO may also be listed in the LLPG dataset). This is a count of the total unique addresses from the analysis.

¹⁰<https://www.ons.gov.uk/census/census2021dictionary/variablesbytopic/housingvariables/census2021/householdsofmultipleoccupancyhmo>

Map 2: Heat Map of estimated HMOs in Telford and Wrekin



Map 3: Estimated number of HMOs by MSOA



Condition of HMOs

A Stock Condition Report (SCR) carried out in 2022 estimated the presence of HHSRS category 1 hazards in 11% of dwelling stock in the borough. Category 1 hazards are those that present the most serious risks to the health and safety of occupants. Examples of category 1 hazards include damp and mould, excess heat or cold, electrical hazards and risk of falls.

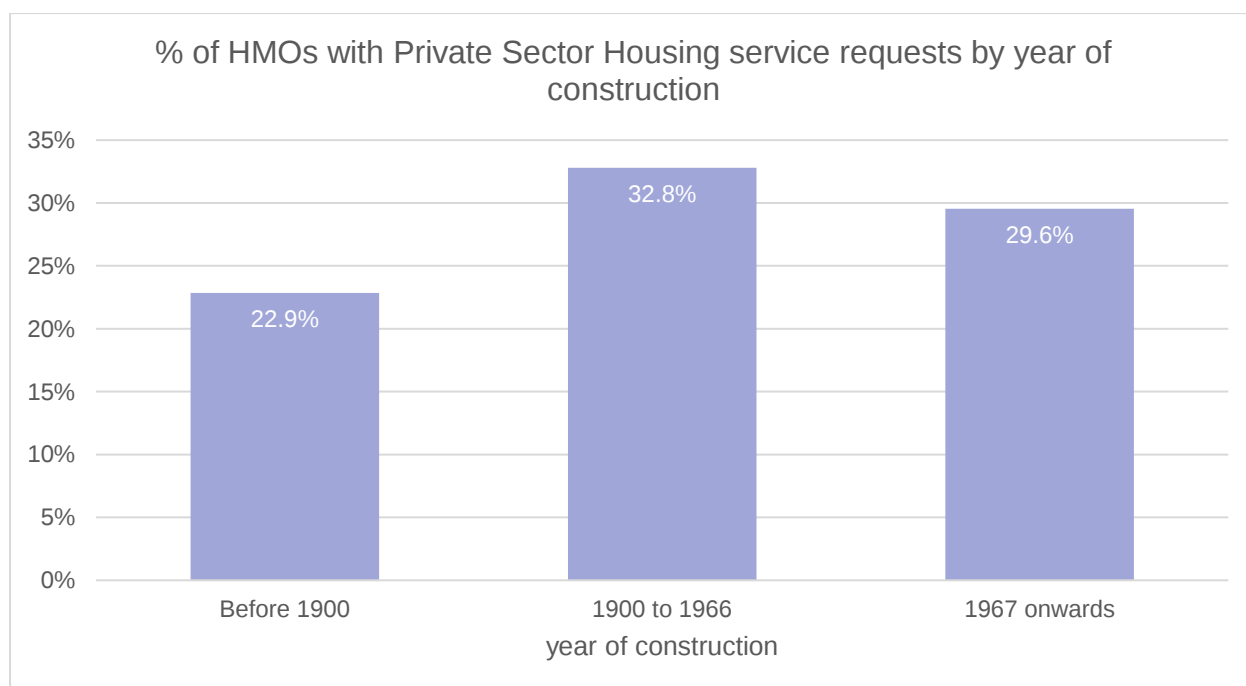
In those properties currently known or believed to be HMOs the proportion estimated to have category 1 hazards was 12%.

The proportion of HMOs estimated to have category 1 hazards varies according to the age of the property. 17% of HMOs constructed prior to 1900 are estimated to have category 1 hazards, compared to 16% constructed between 1900 and 1966 and 15% of those built from 1967 onwards.

Between 2021 and 2025 the Council's Private Sector Housing Team have received at least one service request for 30% of those properties currently known or believed to be HMOs.

Proactive initiatives such as Safer Stronger and Better Homes for All programmes have had limited success at proactive improvement of this cohort of our housing stock.

Although older those HMOs constructed prior to 1900 are more likely to have category 1 hazards, but data from the housing team shows that they are less likely to have had service requests recorded against them than those built between 1900 and 1967 and for those constructed from 1967 onwards.



Deprivation

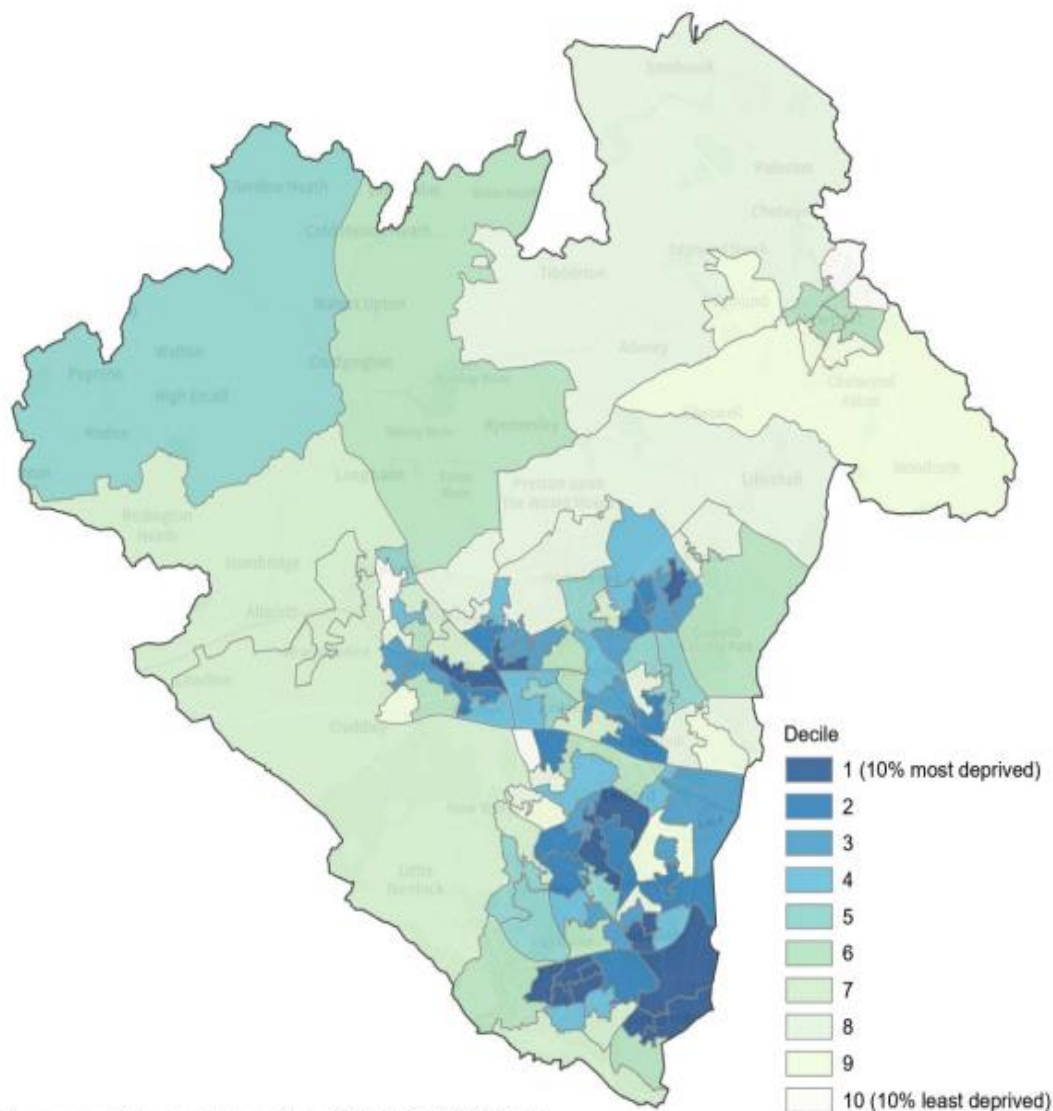
Telford and Wrekin has contrasting levels of deprivation with some of the most and least deprived areas in England located in the borough.

In the 2025 Indices of Multiple Deprivation the borough ranked 62 out of 153 upper tier local authorities in England (where 1 is the most deprived)¹¹. Of Telford and Wrekin's 115 lower layer super output areas (LSOAs), 15 LSOAs (13%) were ranked amongst the 10% most

¹¹ <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2025>

deprived in England, whereas 4 LSOAs (3.5%) were ranked amongst the 10% least deprived.

Map 4: Indices of Multiple Deprivation 2025 – IMD Deciles Telford and Wrekin



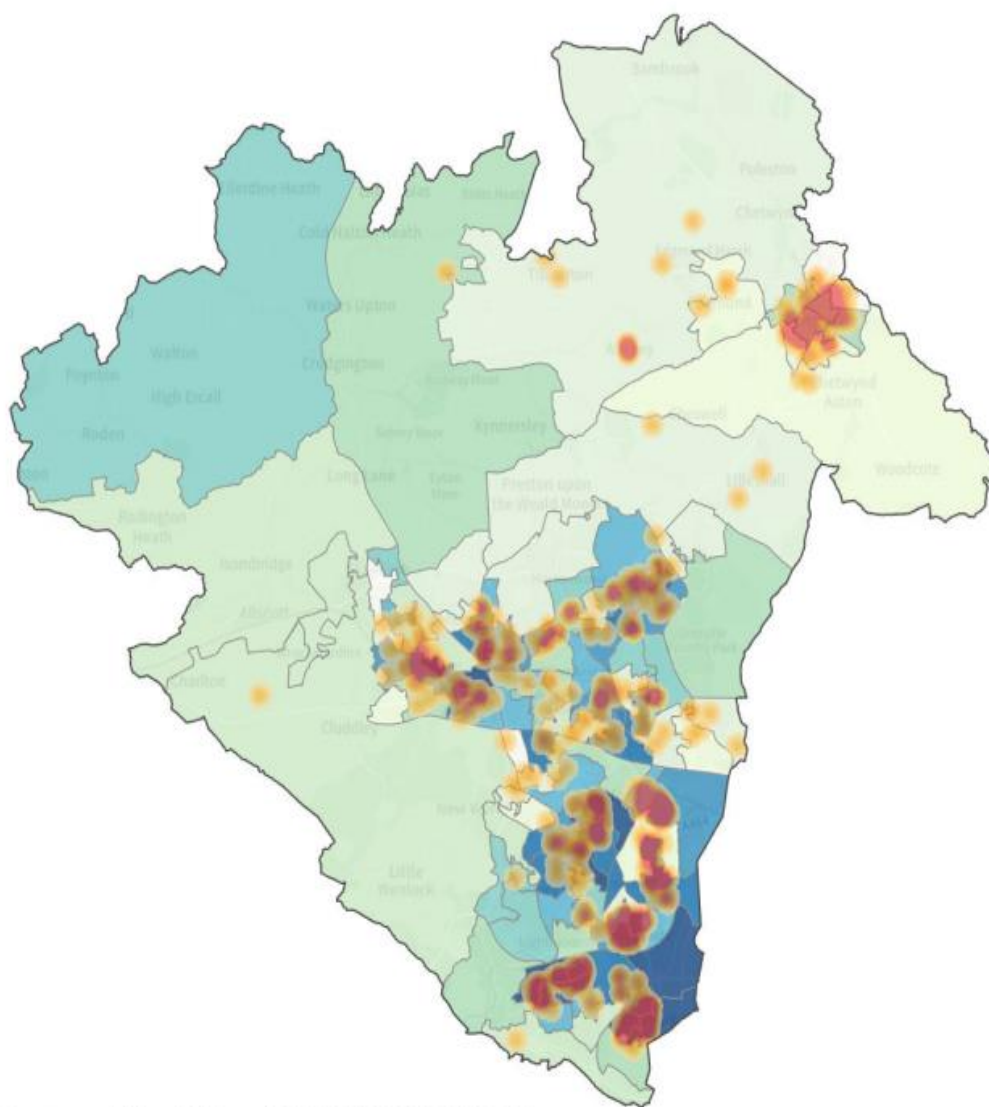
Overlaying the HMO heat map shows that HMOs in Telford and Wrekin are mainly

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concentrated in the most deprived parts of the borough, with almost 1 in 3 (30%) located in the 13% of areas ranked in the 10% most deprived nationally.

However, the presence of HMOs providing accommodation for students attending Harper Adams University means that a significant proportion are located in and around Newport in some of the least deprived parts of Telford and Wrekin.

Map 5: IMD Deciles and HMO heat map



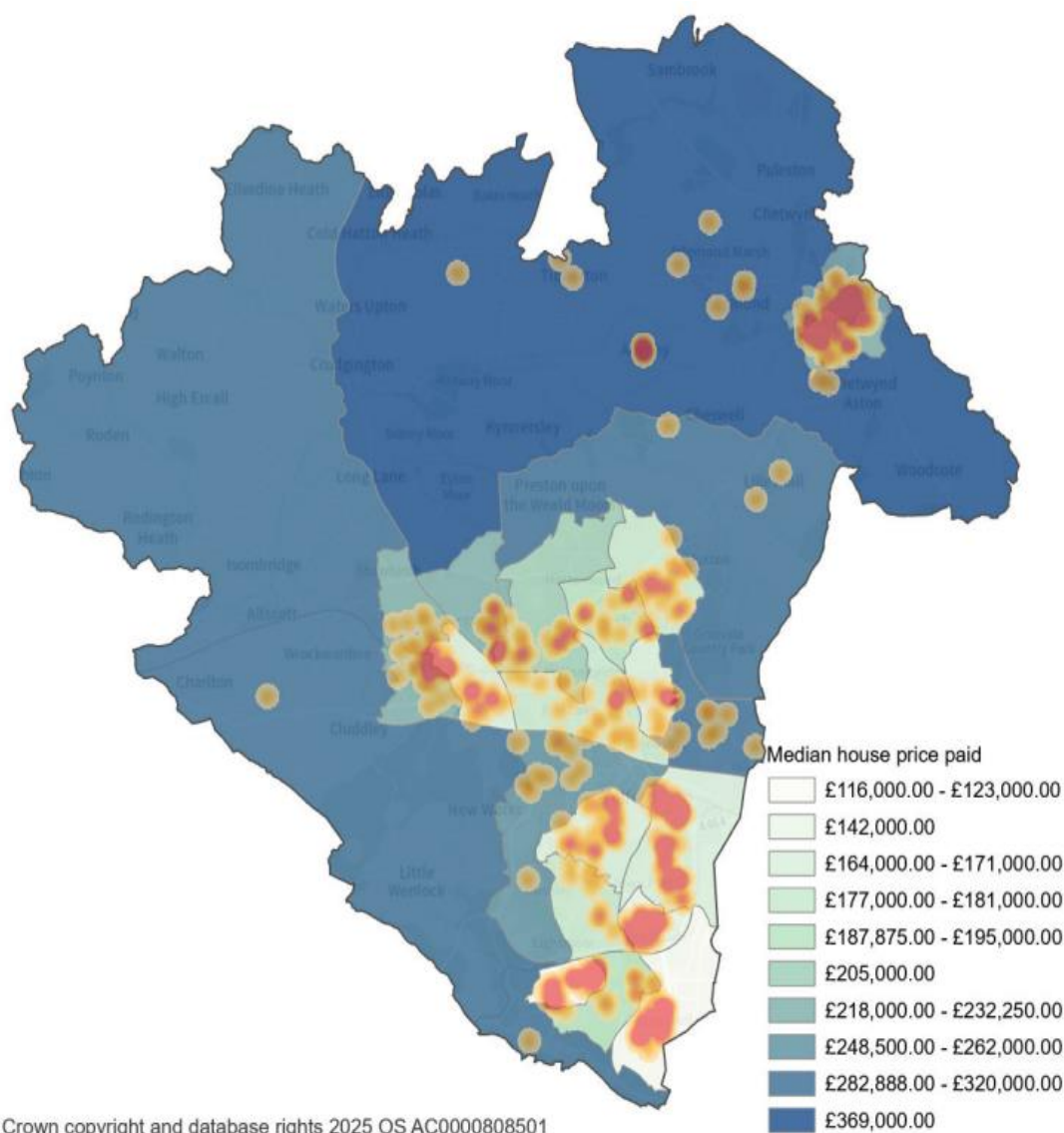
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House prices

Average house prices in Telford and Wrekin are amongst the lowest in the West Midlands region with the latest median house price £230,000 in the borough compared to a regional average of £250,000¹².

In the year ending September 2024, the median house price in 22 out of 24 MSOAs in the borough was below £300,000 and with average private rents increasing by 6.7% between August 2024 and August 2025 Telford and Wrekin is an attractive location for investors.

Map 6: Median House Prices paid year ending September 2024 and HMO heat map



¹²<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/medianhousepricesforadministrativegeographies>

Crime & Anti-social Behaviour

Analysis has been undertaken to determine the level of crime and anti-social behaviour that occurs in the vicinity of HMOs in Telford and Wrekin. This has shown that 28% of households in the borough are within 100m of a property known or believed to be an HMO. Analysis found that 35% of recorded crime¹³, 35% of anti-social behaviour reported to the police and 31% of anti-social behaviour incidents reported to the Council took place within 100m of HMOs between July 2024 and June 2025. This is disproportionate compared to the number of households.

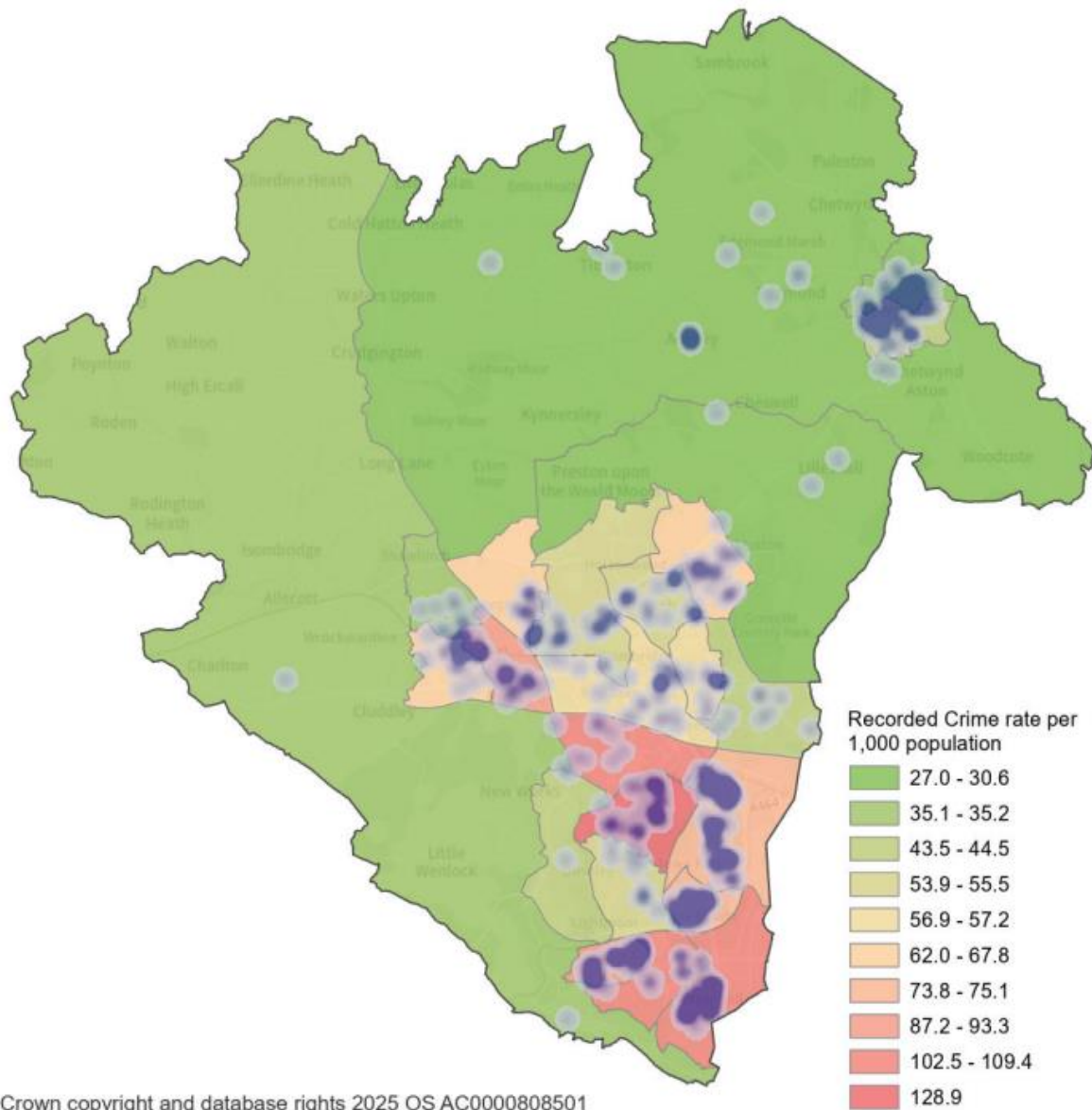
The rate of recorded crime per 100 households within 100m of an HMO was 17.2 per 100 compared with 12.2 per 100 households more than 100m from an HMO. For anti-

social behaviour reported to the police the rate was 3.8 per 100 households within 100m of an HMO compared with 2.7 per 100 households more than 100m from an HMO. For anti-social behaviour reported to the Council there was less variation with a rate of 1.4 per 100 within 100m of an HMO compared with 1.2 per 100 households more than 100m from an HMO.

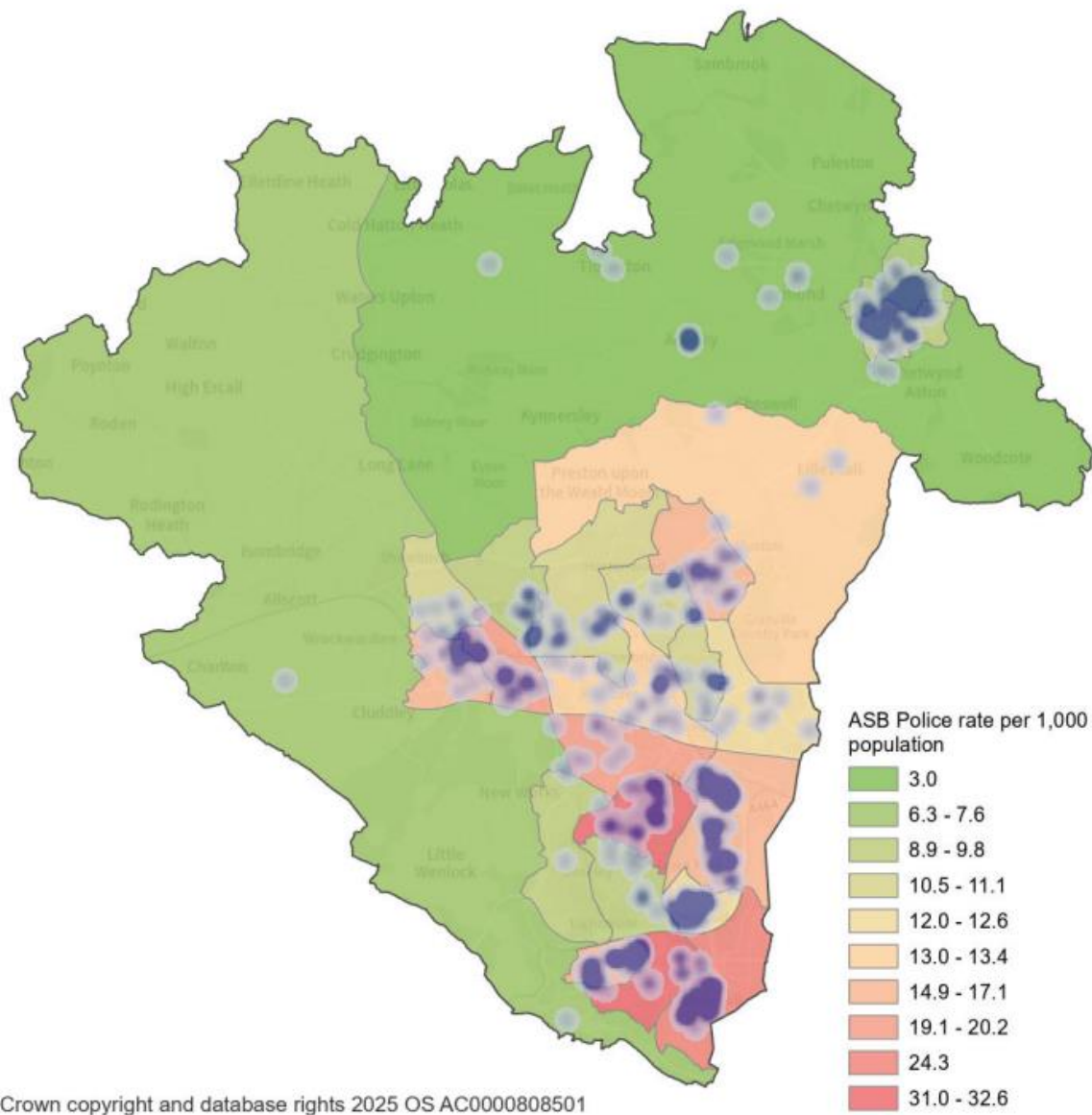
The following maps show that broadly speaking those areas with the highest rates of recorded crime and police recorded anti-social behaviour are also those areas with the highest concentrations of HMOs.

¹³ Not including shoplifting or business related crime.

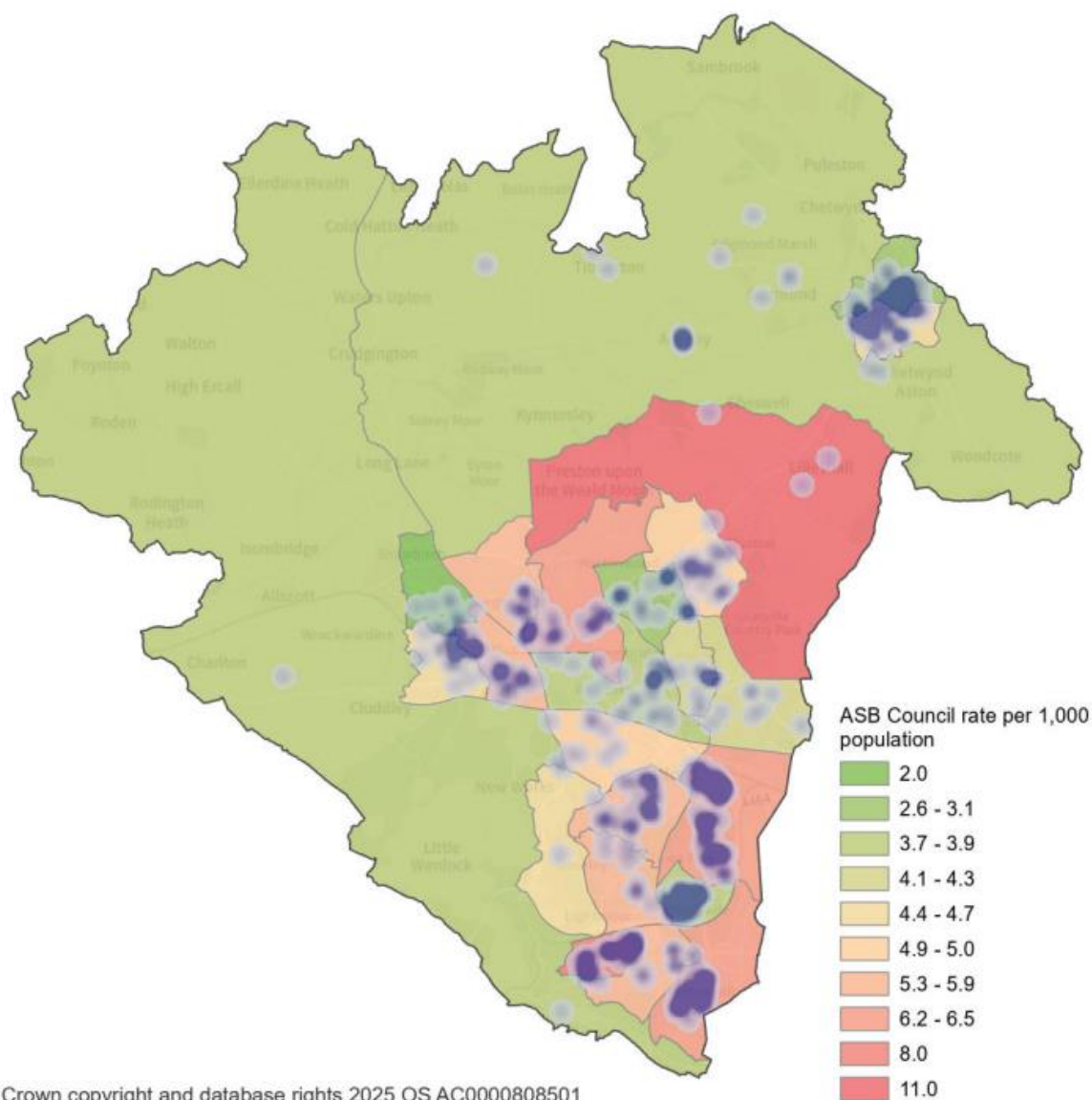
Map 7: Recorded crime rate per 1,000 MSOA population July 2024-June 2025 and HMO heat map



Map 7: ASB reported to Police rate per 1,000 MSOA population July 2024-June 2025 and HMO heat map



Map 8: ASB reported to Council rate per 1,000 MSOA population July 2024-June 2025 and HMO heat map



4. The Case for Additional Licensing in Telford and Wrekin

Additional Licensing

Local authorities can introduce a discretionary additional scheme for other types of HMOs not subject to mandatory licensing in part of its area or the whole of its area. This will include the category of HMO which is often referred to as a section 257 HMO. Section 257 HMOs are where the building was converted into self-contained flats before the 1991 Building Regulations came into force on 1st June 1992 and have not been subsequently improved to at least the 1991 standards.

In April 2015 the Secretary of State for Communities and Local Government gave Local Authorities general approval to make additional and selective licensing designations in England. When considering the introduction of an Additional Licensing Scheme the Council must proceed through the statutory process as laid out in Section 56 and 57 of the Housing Act 2004 and associated guidance. Licensing of Houses in Multiple Occupation and Selective Licensing of Other Residential Accommodation (England) General Approval 2015.

HMOs make a considerable contribution to the vibrancy of the borough's economy, and the Council recognises that the majority of landlords provide decent living accommodation. However we know this is not universally the case and it is therefore important that measures are put in place to encourage all landlords to operate to at least a minimum standard and to provide the means for the Council to take action where this is not the case and to raise overall standards across the HMO sector.

The significance of HMOs in the borough is only likely to increase. The pressures on the borough's housing market are such that house prices are likely to continue to rise restricting further those households who cannot access the property ladder. In turn, this will mean that for a greater number of people who live in the PRS, the best or only chance of a decent home is in a properly managed and well regulated, licensed house in multiple occupation.

Implementation

Section 56 of the Housing Act 2004 places requirements upon the Council when considering a designation for additional licensing of HMOs, in that the Council must:

- Consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise to, or be likely to give rise to, one or more particular problems either for those occupying the HMOs or for members of the public;
- Take reasonable steps to consult with persons who are likely to be affected and consider any representations made in accordance with the consultation and not withdrawn;
- Have regard to any information regarding the extent to which any codes of practice approved under section 233 have been complied with by persons managing HMOs in the area (these codes relate to universally managed accommodation).

Consultation

- The General Approval requires that any consultation period for the proposed designation should not be less than 10 weeks.
 - This condition will be met by the Council running a 12-week consultation, which will be primarily online with opportunities for face-to-face engagement throughout the consultation period. We aim to conduct 4 face-to-face events for stakeholders in accessible locations covering the geography of the borough.
 - Stakeholders include; Elected members, Landlords – both HMO and non-HMO, private tenants, lettings agents, owner-occupiers, landlord organisations, local housing organisations and partners, community groups, town and parish councils, general public, media, Council staff, including housing and planning, Harper Adams University and student unions.

Strategies

Section 57 provides further considerations for the Local Authority in that they should ensure that:

- Exercising the designation is consistent with the authority's overall housing strategy;
 - [The Housing Strategy](#) 2025-2030 outlines the Council's commitment to expand and improve housing across the borough by:
 - Making the best use of our existing homes
 - Supporting safe, clean, green, healthy and connected communities
 - Providing homes to support and empower our most vulnerable people

Borough wide additional licensing will support all three of these objectives.

- Seek to adopt a coordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector as regards combining licensing with other action taken by them or others;
 - [The Borough Long Term Empty Property Strategy](#) adopted in 2021 provides the framework for dealing with the various issues associated with long-term empty homes in the borough, including ASB, crime and blight affecting neighbourhoods and community cohesion.
 - [The Homelessness Strategy](#) adopted in 2024 sets out how Telford and Wrekin Council and its partners across the statutory, community and voluntary sectors work together to prevent and tackle homelessness and rough sleeping in the borough. The use of shared housing is essential in delivering these objectives.
 - [The Safer Stronger Communities project](#) was established in 2021 to help residents feel safer in their homes and communities and;

- [The Safer Telford and Wrekin Strategy 2024-2027](#) sets out the Community Safety Partnership's plan for tackling crime and anti-social behaviour. Setting additional safety standards in HMOs directly delivers these objectives.
- Consider whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of dealing with the problem or problems in question; and
- That making the designation will significantly assist them to deal with the problem or problems (whether or not they take any other course of action as well).

Options Appraisal

Option	Limitation
Do nothing This option would involve the Council doing nothing to intervene in the small HMO sector leaving the local housing market to be the driver for landlords carrying out improvements to their properties.	This approach would fail to address the concerns regarding the management of some of these properties, borough-wide, highlighted in the evidence base, ignoring the impact on tenants and local neighbourhoods.
Informal area action (proactive inspection programme) This is dependent upon voluntary compliance from tenants and landlords.	This is already in process via the safer stronger programme, and whilst successful, interventions are limited by lack of regulatory tools and inspection powers and has not affected the changes the evidence base indicates is needed in the HMO market, to deliver more consistent and sustainable improvements.
Voluntary Accreditation Accreditation schemes have a set of standards (or code) relating to the management or physical condition of different HMOs and recognise properties/landlords who achieve/exceed the requirements.	We have previously operated a landlord accreditation scheme and, whilst it served well to identify and help us work with the already compliant landlords in the borough, it did not help us identify poorer performing landlords nor did it encourage landlords to improve their practises.
Do the minimum (reactive inspection programme only) This option would mean that the Council's intervention in the small HMO sector would be limited to a basic, reactive complaint response service with action by other	The option is reactive and relies largely on the housing market as a driver for landlord-initiated housing improvement across the board. All council services would continue to use their existing enforcement powers.

departments and agencies on a largely ad hoc basis.	
Targeted use of Interim Management Orders (IMOs) and Final Management Orders (FMOs). The Housing Act 2004 gives local authorities powers to use Management Orders for addressing comprehensive and serious management failures.	The use of IMOs on individual properties does not appear to give value for money, as the amount of resource being put into one property will mean that other properties cannot be tackled. If this were to be the only sanction available then operating more than a few IMOs at a time would not be feasible given the lack of funding. This approach is reactive, seen to be heavy handed, and can cause problems for the Council when attempting to work with and engage with landlords. Additional licensing is about engaging with landlords to improve consistent standards.
Area-based Additional licensing scheme Licensing could be introduced in selected wards in the borough where, for example, there are the highest concentration of HMOs.	However it has been shown that there are HMOs borough-wide and focussing only on specific areas could lead to displacement of HMO/poor practices to other parts of the borough and risks management standards and impacts on tenants and communities varying across the borough.

Other Limitations of Alternative Options

- The cost of other approaches would fall to all tax payers. This is considered unfair given many of the problems are due to poor management practices by landlords or agents operating in a buoyant marketplace. The proposals being put forward for additional licensing will be self-financing with the fee paid by the applicant covering the cost of licensing.
- Other schemes will not give the Council detailed and accurate information concerning the HMO stock. This is essential in order to undertake meaningful prioritisation and work planning. Such information is not only used in the area of Regulatory Services but is also used and required by colleagues in other services.

5. Introduction of Additional Licensing Scheme

Based on the evidence contained within this report, the Council believes that the introduction of an additional licensing scheme of all smaller HMOs on a borough-wide basis is the best course of action to improve the quality of housing standards and communities in the borough.

Application Process

The application process will be the same as the mandatory licensing scheme with all details available on the Council website. The process involves an online application form, certain certification such as electrical and gas safety etc and an application fee.

Licence Fee

The fee for a five year (in certain circumstances the Council may issue a licence for a shorter duration) additional licence in 2026/2027 will be £1,522.42 per property. *Please see fees and charges schedule appended to this report. This fee level has been calculated based on financial modelling to establish the operating cost of the scheme over a 5-year period and benchmarked against neighbouring authorities.

Subject to Cabinet approval, it is proposed that all full and valid applications received within the 3 month lead in period will benefit from a 10% early bird discount.

Support

Each application will have a nominated technical officer who will process the application. This will include an inspection of the property to ensure minimum standards are met. Landlords will be supported to reach minimum standards within reasonable timescales.

In light of the impending changes being introduced through the Renters' Rights Act, landlords will also have support throughout the duration of the licence from the Council's Landlord, Tenant Coordinator. *This is subject to the landlord requesting support proactively.

Licence Conditions

The Housing Act 2004 requires that every licence must include certain mandatory management conditions. Proposed licence conditions are contained in the consultation pack.

Penalties for non-compliance

It is a criminal offence to let out a property in a designated licensing area without a licence and/or for failure to comply with any condition of the licence. In line with the Council's enforcement policy adopted in July 2024, failure to apply for or obtain a licence could lead to prosecution and an unlimited fine or, as an alternative to prosecution, the issue of a civil penalty with a financial penalty of up to £30,000.

The level of any financial penalty issued will be based on factors including:

- Severity of the offence
- Culpability and track record of the offender
- Harm caused, or the potential for harm to be caused, to the tenant(s)
- An appropriate and proportionate punishment of the offender
- A suitable deterrent to committing the offence
- Removal of any financial benefit the offender may have obtained as a result of committing the offence.

In addition, the council or the tenants of the property could apply to the First Tier Tribunal (Property Chamber) for a Rent Repayment Order, requiring the landlord to repay an amount equivalent to up to twelve months of any rent received in respect of a property.

Fit and Proper Person Test

If a licence applicant or property manager has been convicted of a specified criminal offence or issued with a financial penalty, they may be considered as not '*fit and proper*' to hold a licence and may be refused a licence. Similarly, in such cases, an existing licensee may have their licence revoked. In cases where the person applying for the licence is not considered fit and proper and the property is to continue to be rented, an alternative, unrelated person will have to apply to be the licence holder. If a suitable licence holder cannot be found then the council may have to take over management of the property itself by, for example, making an interim management order under Part 4 of the Housing Act 2004.

Duration of licence

In line with our enforcement policy, we also reserve the right on a case-by-case basis to issue a shorter duration licence where we do not have sufficient confidence in management.

Standards and Amenities Guide for Houses in Multiple Occupation (HMO)

This guide was adopted by Cabinet in July 2024, to assist owners, agents and occupiers in relation to the standards / amenities expected in houses in multiple occupation (HMOs) in the borough.

Benefits of Additional Licensing – Landlords

- Responsible landlords will be rewarded for positive letting practices by being issued with a full five year licence with no additional charges. This equates to 83 pence a day.
- Creation of a level trading environment for private sector HMO landlords.
- Landlord's reputation will be enhanced by holding a licence, while those landlords whose poor practices have given private renting a negative status, will either be made to bring their properties up to the standard of the others or risk losing the right to let their properties.

- HMO landlords can promote their licensed status and find it easier to attract tenants who know that a licensed property is well managed and safe; a better environment will make properties easier to let and sustain tenancies.
- Better management and tenancy agreements will enable the HMO landlord to have greater control over the property and landlords will be supported in dealing with tenants who commit anti-social behaviour.

The Benefits for Private Tenants

- Enhanced protection for all tenants living in HMO accommodation, including the vulnerable, by ensuring, for example, that the accommodation has adequate amenities, space standards and fire safety.
- Protection from possible retaliatory eviction as licensing enables the proactive checking of properties and management practices, rather than relying on the tenant to report poor conditions.
- The standards imposed will ensure that the landlord is not permitted to have more tenants than recommended for the size of the property and the facilities provided so tenants can be assured that they are not living in cramped, overcrowded accommodation.
- Advice and guidance will be available to tenants so that they can understand their rights to a decent home.
- Added protection for tenants as a result of better landlord management practices and greater protection from unlawful eviction.

The Benefits for the Community

- All HMOs will have a consistent minimum standard, amenities and repairs.
- Reduce the number of overcrowded properties that can lead to anti-social behaviour especially relating to noise and rubbish.
- The Council will be aware of all HMOs, making hidden HMOs easier to find and for neighbours to report.
- The Council will have extended powers to gain access into properties suspected of being unlicensed HMOs.

Appreciation of Property Values

- Telford's strong housing market promises long-term financial gains for landlords as HMO standards improve, reflected in rising property values. While HMOs can accelerate property wear and reduce area amenities if concentrated, licensing agreements between landlords and local authorities help maintain quality and support neighbourhood stability, preserving property values.

Benefit: Pro-active involvement eliminates reactive work

- Licensing also provides a consequential benefit in that it eliminates or mitigates many of the issues that generate tensions between landlords and tenants. Licensing is a means of pre-empting problems (for example, damp or ventilation issues leading

to poor living conditions) before they become matters of contention and stress that the landlord would otherwise have to manage. It will provide a recognised route for resolving any disputes without the cumbersome mechanisms of prosecution.

- The Council already deals with much of this work but in different capacities. The work is normally in response to a service request. Reacting to something after damage has been done is usually a negative and inefficient way of resolving an issue. Additional licensing will allow for positive, pro-active and efficient involvement, and should eliminate many problems before they occur.

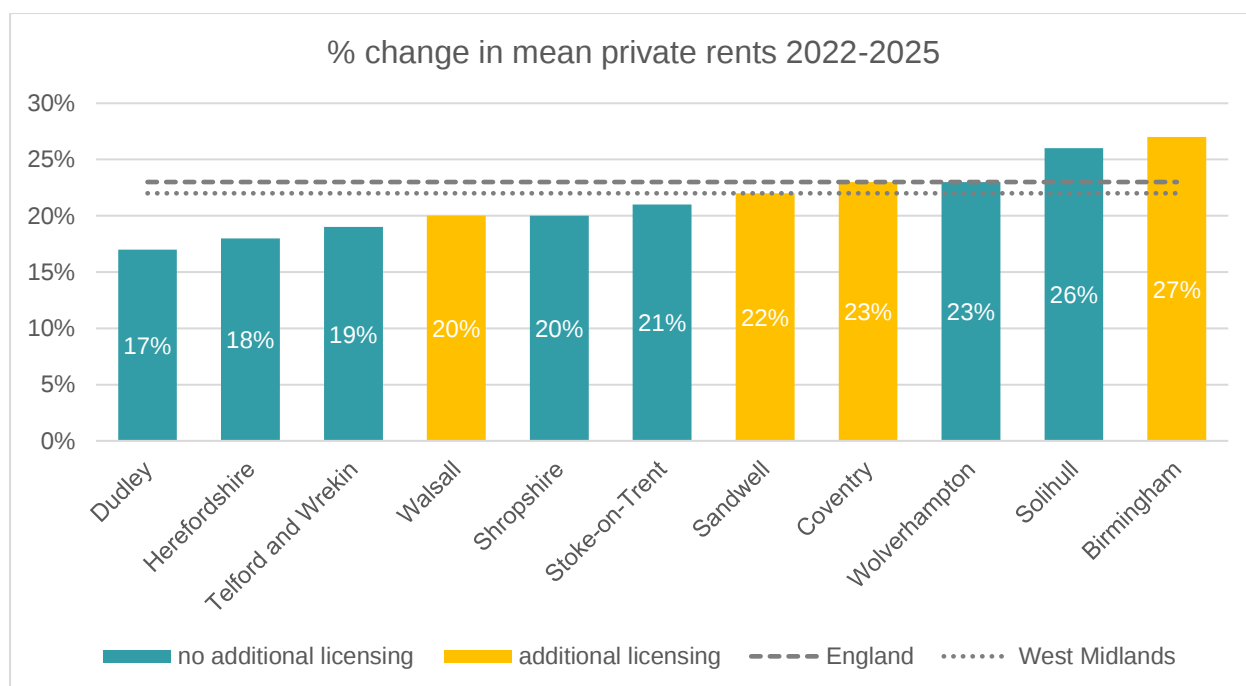
Impact of licensing

One of the biggest criticisms of any licensing scheme is that the cost associated with the licensing fee will be passed onto tenants by an increase in rent. The Council has conducted some research into this area and made a comparison of rents from 2022-2025 between upper tier local authorities in the West Midlands region with additional licensing schemes and those without, in order to establish if there was any evidence to show that additional licensing increases rent. licensing increases rent.

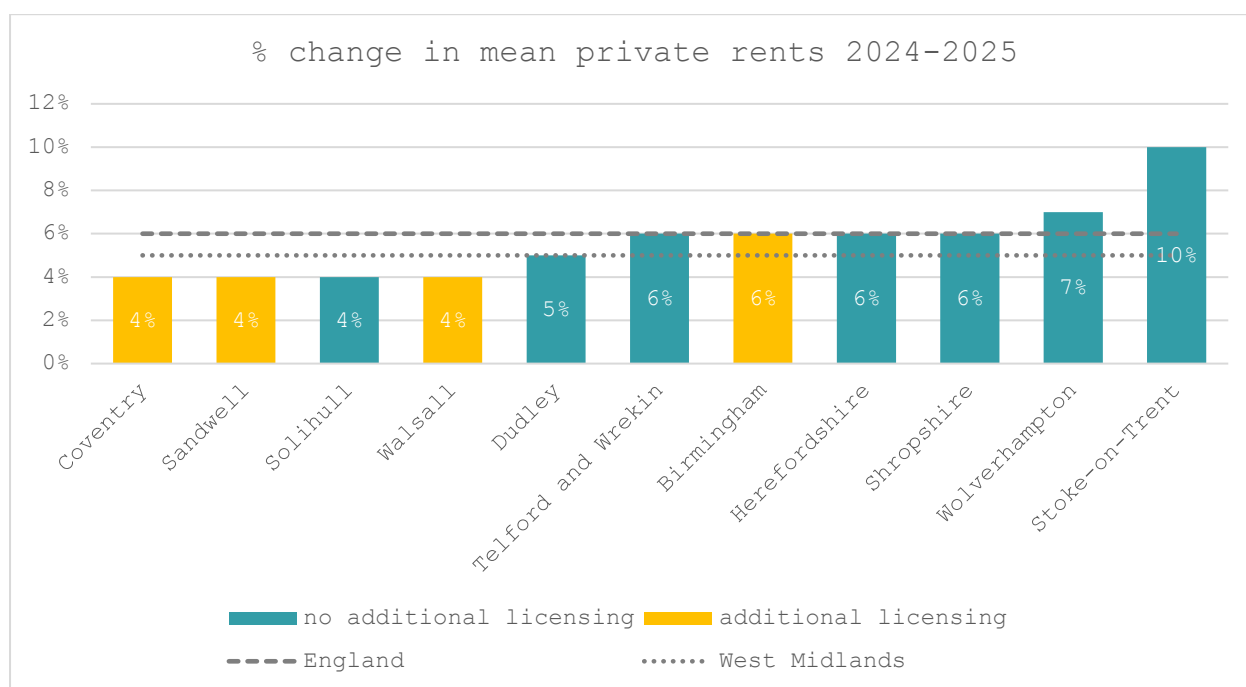
The research showed that rental values had increased in Telford and Wrekin by an average of 19% between 2022 and 2025 compared to 22% in the West Midlands and 23% in England over the same period.¹⁴

Between 2022 and 2025 private rents increased in all upper tier local authorities in the West Midlands. Four Local Authorities had increases above the regional and national average. Two of these (Coventry and Birmingham) have implemented additional licensing, whilst two (Wolverhampton and Solihull) have not.

¹⁴<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/october2025/private-rents-across-the-uk>



Six upper tier local authorities in the West Midlands region (including Telford and Wrekin) had increases in private rents between 2024 and 2025 that were greater than the regional average. Of these six local authorities, only Birmingham currently has an additional licensing scheme in place.



Despite the perception that licensing increases rents, this data analysis shows little evidence to suggest that discretionary licensing schemes are directly responsible for rental increases. Where there has been an increase in rent it is more likely associated with supply and demand and not the introduction of discretionary licensing schemes.

6. The Case for Article 4 in Telford and Wrekin

Article 4 - The Town & Country Planning (General Permitted Development) Order 2015 (as amended)

In April 2010, amendments were made to the Use Classes Order and the General Permitted Development Order to introduce a new Use Class C4 (Houses in Multiple Occupation) - typically referred to as 'Small HMOs'. HMOs where there are 6 or more unrelated people are still considered as HMOs, however these are now commonly referred to as 'Large HMOs' which in broad terms, consist of more than six occupants. Current legislation therefore allows a family dwelling (Use Class C3) to Change-the-Use of a small HMO (Use Class C4) without the need to apply for formal planning permission, by utilising Permitted Development Rights.

An Article 4 Direction is a direction made under Article 4 of the General Permitted Development Order (GPDO) which enables the Secretary of State or the Local Planning Authority to withdraw specified Permitted Development rights across a defined area. An Article 4 Direction cannot be used to restrict changes between uses in the same Use Class of the Use Classes Order.

Para. 54 of the National Planning Policy Framework (NPPF), 2024, makes it clear that in all cases, an Article 4 Direction should be based on robust evidence, and apply to the smallest geographical area possible, where a Direction is necessary to protect local amenity or the wellbeing of the area. National Planning Practice Guidance also notes that blanket Article 4 Directions covering large areas (for example, the whole of a town) are not encouraged unless there is convincing evidence to justify such a direction.

A review of surrounding Local Authorities indicates that an increasing number of neighbouring Local Authorities, namely Shropshire, Wolverhampton, Dudley, Sandwell and Birmingham, have implemented Article 4 Directions.

Local Planning Authority	Additional Licensing	HMO Article 4	Measures Implemented
Shropshire Council	No	No	-
Wolverhampton Council	No	Yes	borough Wide (2017) & SPD (2019)
Walsall Council	Yes	Yes	
Dudley Council		Yes	borough Wide (2023)
Sandwell Council	Yes	No	-
Birmingham Council	Yes	Yes	City Wide (2020) & SPD (2022)

It has been noted that the three Local Authorities with Article 4 Directions in place have experienced a notable surge of small HMOs since the introduction of the 2010 GPDO, and the associated social and economic issues.

Proposals for Article 4

In order to protect amenity and ensure the communities within the borough of Telford and Wrekin Council remain sustainable, with a mix of dwellings, including those for families and single occupiers, the Council proposes to introduce an Article 4 Direction to remove the Permitted Development Rights currently allowing the conversion of a dwellinghouse (Use Class C3) into a Small HMO (Use Class C4) for up to six residents.

As a result of the 12-month lead in time for an Article 4 Direction, this would allow opportunity for the Local Planning Authority to explore introducing an HMO Supplementary Planning Guidance / Supplementary Planning Document (SPD) that would provide guidance that could be used to:

- assess planning applications for HMOs, supporting the implementation of Policy H07 (Houses in Multiple Occupation) of the emerging Local Plan;
- provide an overview of HMOs licencing requirements; and
- provide a checklist of information the Council requires to be submitted with a planning application.

Legislative Controls

National Planning Policy, 2024

The National Planning Policy Framework (NPPF) sets out the Government's Planning Policies for England and how these policies should be applied. To achieve sustainable development, the NPPF expects the planning system to support strong, vibrant and healthy communities as a key social objective. There is no specific reference to shared housing within the NPPF but local planning authorities are required to make provision for the size, type and tenure of housing needed for different groups in the community, including for those who require affordable housing, students, families, and people who rent their homes.

Chapter 5 of the NPPF supports local planning authorities to ensure that the delivery of new housing seeks to meet locally identified need and that the needs of groups with specific housing requirements are addressed. Chapter 11 of the NPPF promotes making 'effective use of land in meeting the need for homes and other uses, while safeguarding and improving the environment and ensuring safe and healthy living conditions.'

Chapter 12 of the NPPF emphasises the importance of creating high quality, beautiful and sustainable buildings and places which promote health and well-being, with a high standard of amenity for existing and future users.

In light of the principles established by the NPPF, it is considered that provision of planning policy guidance on HMO development will help to ensure mixed and balanced communities

and a high standard of accommodation and amenity supporting the adopted local planning policies.

Para. 54 of the 2024 National Planning Policy Framework (NPPF) makes it clear that in all cases, an Article 4 Direction should be based on robust evidence, and apply to the smallest geographical area possible, where a Direction is necessary to protect local amenity or the wellbeing of the area.

Local Planning Policy

Telford and Wrekin Local Plan para. 5.1.1.1 establishes the borough's overall housing requirement to meet the development needs of Telford & Wrekin until 2031, committing the Council to boost the supply of new homes significantly to meet the national shortage of housing and to ensure that the borough's future housing needs for both Market and Affordable Housing, in full over the plan period and to ensure that every household has access to a good quality home at a price they can afford in an appropriate location.

Para. 5.2.1.1 acknowledges that National Planning Policy supports the delivery of a wide choice of high quality homes, including opportunities for home ownership and the creation of socially mixed communities with Policy HO4 of the Local Plan establishing the Council's overall approach to promoting housing schemes that meet a range of housing needs.

Policy BE1 'Design Criteria' seeks to ensure, inter alia, that there are no significant adverse impacts on nearby properties by noise ... and that new development does not prejudice or undermine existing surrounding uses;

Whilst there are no specific policies within the Council's current Development Plan documents that relate to the development of HMOs within the borough, there is a concern that the number of HMO's in the borough is not only impacting on the quality and choice of housing available but is contributing towards the continued decline of the borough in the relative rankings of local authority deprivation, contrary to the vision and objectives of the Telford and Wrekin Local Plan.

A Supplementary Planning Document (SPD) relating to HMO would add weight and additional advice/support to landlords. However the absence of a specific Policy on HMOs within the existing Development Plan means that it is currently not possible to develop a Supplementary Planning Document (SPD). The Telford and Wrekin Local Plan Review, 2020-2041 was formally submitted to the Planning Inspectorate on 12 September 2025 and as at December 2025 is now at the Regulation 22 Stage and therefore limited weight will be given to the relevant policies within the document.

Within the Emerging Local Plan, Policy H07 (Houses in Multiple Occupation (HMO)) is a specific Policy relating to the development of new Houses in Multiple Occupation within Telford and Wrekin. This Policy states that:

1. In circumstances where planning permission is required for the subdivision of dwellings into Houses in Multiple Occupation (HMOs), the council will support the proposal where:
 - a. There is no significant adverse impact on the amenity of existing and future residents, including the homes and gardens of neighbours and they do not change the character of the area;
 - b. There is not an over proliferation of HMOs in the surrounding area;
 - c. The HMO would offer a good standard of living accommodation including access to communal and outdoor amenity space;
 - d. Safe, well designed vehicle access and parking is provided to meet the needs of the development and prevent any foreseeable parking issues in the surrounding area;
 - e. There is provision for waste/recycling storage to meet the needs of the development;
 - f. There is provision for cycle storage to meet the needs of the development;
 - g. The proposal complies with other relevant policies in the Local Plan including on design, landscape and historic environment; and
 - h. For larger HMOs, there should be a consideration for on-site management staff ensuring that the building is managed.

The explanatory text in para's. 9.71 and 9.72 also notes that 'the Council has adopted local amenity standards for HMOs' noting that any development for HMOs in the borough should comply with these standards, or any subsequently published. It further notes that generally HMOs that require planning permission are of a scale where there would be an increased demand for vehicle parking spaces, cycle storage and waste storage. To ensure high quality homes are provided, such developments should provide sufficient facilities and storage. The Council has published its vehicle parking and cycle storage requirements in the Highways Design Guide.

The policy approach to determining planning applications for the formation of the HMOs will be guided by the emerging Local Plan with the intention to secure strong and balanced communities. It is particularly noted that Policy H07 takes a relatively permissive approach towards HMOs borough Wide. That said, Policy H07 should be read in conjunction with Policy DD1 (Design Criteria), which requires that new development (pertinent criterion listed only):

1. To ensure good place-making the Council will support development which:
 - a. Make a positive contribution to an area's character and enhances the quality of the local built and natural environment;

- d. Preserves and reinforces historic street patterns, groups of buildings, layouts, traditional frontages and boundary treatments to satisfactorily integrate the development into the surrounding area;
- h. Creates a secure environment which, having regard to Secured by Design principles, is legible and safe for all including people with physical accessibility difficulties, attractive and convenient through the design and orientation of buildings, the integrated provision of external spaces, drainage, landscaping, open space and parking;
- i. Creates and adapts places and spaces to create active environments that enable healthy living, with convenient opportunities for exercise on or around the development and through development 'greening';
- m. Provide homes with good quality internal environments with adequate spaces for users and good access to private, shared or public spaces;
- n. Demonstrates that there is no significant adverse impact on nearby properties by noise, dust, odour or light pollution or that new development does not prejudice or undermine existing surrounding uses.

In the absence of an Article 4 Direction relating to HMO, the formation of small HMOs (Use Class C4) through the Change-of-Use of existing dwellings will not be subject to planning control. Therefore, only proposals in relation to the large HMOs (sui generis) will require Planning Permission and be assessed in accordance with the relevant Development Plan Policies and the NPPF.

An application for planning permission can be either Approved, Approved subject to Condition(s) or Refused. Clear reasoning for the decision has to be provided by the Local Planning Authority. An application shall not be Refused when the reasons for doing so can be addressed by the use of Condition(s).

Condition(s) attached to the approval of permission can vary depending on the application and site-specific matters and will usually include a timeframe for the commencement of works and a list of approved plans, and may also include issues such as the laying out of car parking, provision of bins or suitable bin storage areas and a limitation of the number of occupants.

It must be noted that an Article 4 Direction cannot be used as a tool to prevent further new HMOs within the borough. Rather, the purpose is to limit the impacts on the character of an area and amenity of new HMOs, where such impacts are identified through the planning application process.

7. Conclusion

This report has set out the background and evidence base for the introduction of a borough wide Additional Licensing scheme requiring all new and existing HMOs that fall out of the scope of mandatory licensing to obtain an additional HMO licence. It also provides the

evidence base to support an Article 4 Direction to remove Permitted Development rights for the Change-of-Use from dwelling houses (Use Class C3) to HMOs for up to six residents (Use Class C4).

This report has demonstrated the need for intervention in the current HMO market to regulate their over-concentration and contribution to increased deprivation, poor quality housing and living environment, crime and anti-social behaviour.

It is acknowledged that the removal of Permitted Development rights through the introduction of an Article 4 Direction will likely result in an increase in the number of planning applications for HMOs especially during the lead in time, however, the benefit of having an additional licensing scheme working hand in hand means all HMOs will have minimum standards to adhere to. On-going annual monitoring of the numbers of HMOs requiring licensing would also provide up-to-date evidence base for the assessment of new planning applications.

As set out in the section above, there are approximately 747 HMOs identified within the borough of Telford and Wrekin as at September 2025. This represents 0.90% of the borough's total housing stock and is comparable to the national average of 0.8% (2021 Census), albeit the actual number of HMOs operating may well be significantly greater as the number of small HMOs cannot be accurately monitored because they do not currently require planning permission or licensing.

Analysis of the spatial distribution of HMOs identifies that HMOs are spread across many areas of the borough. The borough of Telford and Wrekin has several demographic and housing issues - parts of Telford, particularly Hollinswood, Brookside and Woodside, have high levels of deprivation and lower levels of income. There are also issues of overcrowding within some areas of the borough and pressures arising from concentrations of student accommodation. There are also issues of disrepair and poor conditions within the borough's housing stock.

Local communities have actively raised concerns regarding the proliferation, location, quality and management of HMOs in the borough, and the impact they may be having on local character, communities and amenity.

To further note, the requirement for the submission of a planning application will not necessarily reduce the number of small HMOs, however this will allow for the full and proper consideration of the effects of a proposed HMO on the character of the local area and residential amenity prior to issuing planning permission, and in doing so, influence the quality of the HMO through the planning process and then licensing requirements. This will reduce some of the current housing issues experienced within the borough whilst ensuring that high quality HMOs are available to those who need them recognising that this tenure is an important one in meeting local housing needs.

8. Timeline and Delivery of Additional Licensing

Indicative Timescales (subject to change)

4 th December 2025	Seek Cabinet Approval to commence consultation on borough wide implementation of Additional Licensing of HMOs
*The following steps are subject to cabinet approval	
16 th December 2025	10 weeks (+ additional 2 weeks to allow for Christmas period) public consultation goes live online and in person (details to follow on in person events)
10 th March 2026	Public consultation ends. Consider findings
12 th May 2026	Report to Cabinet with findings from consultation and recommendations.
*The following steps are subject to cabinet approval	
17 th May 2026	Designation of additional licensing is confirmed (subject to 3 month lead in period)
17 th August 2026	Designation of additional licensing comes into force

9. Timeline and Delivery of Article 4

The procedural requirements (including publicity and consultation) for Article 4 Directions are set out in Schedule 3 of the GPDO 2015. Article 4 Directions are made through a two-stage process.

Stage 1: Telford and Wrekin Council as Local Planning Authority makes the Article 4 Direction following the Decision made by Cabinet and notifies the Secretary of State (SoS) that the Article 4 Directions is made and carries out Consultation borough wide.

In accordance with Schedule 3 of the GPDO 2015 the Council is required to undertake the following actions:

- Local Press/Media Advertisement;
- Displaying an Article 4 Direction Site Notices at relevant locations within each Ward in the borough for a period of 6-weeks;
- Publish the Article 4 Direction, Site Notice and Supporting Evidence on the Council's website and at all Libraries within the affected Wards;
- Invite written representations for a period of 6-weeks

Stage 2: The Article 4 Direction is Confirmed by Telford and Wrekin Council and the Secretary of State is further notified. When confirming the direction, the Council must take into account responses received at the Consultation Stage and consider whether any changes are necessary to the Article 4 Direction. If any material changes are necessary, the Council must re consult.

Although Article 4 Directions introduced by Local Planning Authorities do not require approval from the Secretary of State, the Secretary of State can intervene to stop an Article 4 Directions taking effect, should they deem it appropriate to do so.

Stage 3: The Article 4 Direction, if confirmed, comes into effect 12-months after the date it was made.

Indicative Timescales (subject to change)

04 December 2025	Cabinet Decision to delegate power to Director: Prosperity & Investment to make an Article 4 Direction as proposed
16 December 2025	Article 4 Direction is made and Secretary of State (SoS) notified
16 December 2025 - 10 February 2026	Eight-week consultation runs inviting comments on the Article 4 Direction (two-week extension as a result of Christmas)
11 February 2026 - 25 February 2026	Analysis of Consultation Responses
26 February 2026	Article 4 Direction is Confirmed (taking into account consultation responses as necessary) and the Secretary of State (SoS) notified
27 February 2027	Article 4 Direction comes into effect

The map displays the Article 4 & Additional Licensing area in Shropshire, England. The area is shaded in pink and includes numerous villages and towns such as Newport, Telford, Broseley, and Much Wenlock. The map shows roads, rivers, and green spaces.