



**Cabinet Working Party  
Houses in Multiple Occupation**

***Progress Report***

**March 2026**

## 1. BACKGROUND

- 1.1 The HMO cabinet working group was established in May 2024 to explore the current position with Houses in Multiple Occupation across North East Lincolnshire and make recommendations to Cabinet on any suggested areas for improvements. Following an initial focus on Selective Licensing, the group commenced the HMO theme in October 2025.
- 1.2 There are complex legal tests associated with the statutory definition of a House in Multiple Occupation. In simple terms, a property which is let to several tenants who are not members of the same family, may be a 'House in Multiple Occupation' if both of the following apply:

- at least 3 tenants live there, forming more than one household
- toilet, bathroom or kitchen facilities are shared

A household consists of either a single person or members of the same family who live together. It includes people who are married or living together and people in same-sex relationships. Some self-contained flats and converted buildings can also be HMOs.

- 1.3 Some regulatory controls on HMOs already exist and can be summarised as follows.

- HMO's that have **more than 6** unrelated persons require planning permission and a mandatory licence.
- HMO's with **6 or 5 persons** require a mandatory licence but do not require planning permission.
- Smaller HMO's with an occupancy of **3-4 persons** currently do not require planning permission or a licence. These HMOs are still required to meet standards set out in Housing legislation for the private rented sector. The Council will investigate complaints and concerns about housing conditions raised by tenants on a reactive basis.

- 1.4 Regulation of the private rented sector is being strengthened by government. The Renters' Rights Bill (RRB) was introduced in the House of Commons on 11 September 2024, with aims to reform the private rented sector (PRS) in England by enhancing tenants' rights and protections. The Renters Rights Act 2025 (RRA) aims to fundamentally transform the private renting experience in England, addressing longstanding issues within the sector. It seeks to target the insecurity, poor quality and unaffordability of housing in the sector and has been designed to provide renters with greater security and stability, enhancing their rights to reside in decent and safe homes without fear of sudden eviction. Due to the nature and extent of the changes, the measures in the Act will be introduced in three phases starting in May 2026.

- 1.5 Further to national legislation, there are two potential schemes available to for Local Authorities to regulate HMOs, which can be applied over a discrete geographical area.
- Where Local Authorities can evidence that a significant proportion of 3–4-bedroom HMOs in the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public, they can introduce an Additional Licensing Scheme.
  - Local Planning Authorities can also, in exceptional circumstances, impose restrictions on selective permitted development rights, across a defined area, using a direction under Article 4 of the Town and Country Planning (General Permitted Development) Order 2015. The National Planning Policy Framework advises that all Article 4 directions should be applied in a measured and targeted way, based on robust evidence of any problems and apply to the smallest geographical area possible. An Article 4 Direction can only remove permitted development rights and do not apply retrospectively to existing conversions. Should future planning applications be received for changes of use to HMOs they must be considered on material planning considerations and their own merit.

## **2 RECOMMENDATIONS MADE TO DATE**

2.1 At meetings held in October and November 2025, the group considered the background information and existing evidence held by the Local Authority and made a number of recommendations to inform further discussion.

### **2.2 Housing Need:**

A recommendation was made to carry out further analysis of Census and HEDNA data in order to report back on estimated current number of HMOs, wider availability of 1-bed housing stock and the projected future need of smaller unit to establish if supply is balanced with housing demand.

### **2.3 Improved Data:**

The group supported a proposal from the Council's Data and Insight Team to improve data gathering around smaller HMOs, both in relation to numbers, locations and local impact.

### **2.4 Wider Transformation:**

The group considered and supported the proposed transformation the Council's Private Sector Housing Enforcement resource, which is already in progress following the end of the Equans contract. This includes recruitment of enhanced officer resource to ensure all complaints received regarding unsafe or illegal HMOs can be investigated and actioned.

### **3. PROGRESS UPDATE**

#### **3.1 Housing Need:**

The Council is currently in the process of completing data validation of Housing waiting list data to finalise its Housing Needs Assessment to inform the emerging Local Plan (2025–2043). The work is being delivered by Litchfield an independent specialist consultancy and is expected to be finalised and published in May 2026 as part of the Local Plan consultation.

Based on interim data, we are expecting that the assessment will highlight a continued high need for 1-bed units of accommodation across the Borough to meet our housing need. Data further confirms that our historic build rates for 1-bed units are significantly lower than national average and our population need. This is likely to contribute to the increased demand in the private rented sector for conversion of older properties into self-contained flats and HMOs.

#### **3.2 Improved Data:**

Using national and local statistical data sets, the number of smaller HMOs has been estimated across the Borough. In proportional terms (indicative only), it is estimated that to 0.08%–1.23% of the approximate 76,000 properties in the borough are small HMOs, equivalent to 0.42%–6.61% of the 14,185 privately rented households (Census 2021). This provides a screening view, not a definitive count. Assessing community impact from HMOs using existing data is still proving difficult, as the Council does not log incoming complaints based on property status. Improved data collection in the Environmental Health and Housing Team form part of the team transformation and should go some way to improve our knowledge around existing HMOs going forward.

#### **3.3 Wider Transformation:**

Transformation plans are now in place and well established for the new Environmental Health and Housing Team. Advertising and recruitment of posts have taken place. A new management team is in place and has brought increased skills and enforcement focus. There have been some challenges in recruiting qualified Environmental Health or Senior Housing Officers. However, 4 new staff members have joined the team at entry level position, working towards more formal qualification. From February 2025 agency staffing is in place for key qualified posts, to support the team whilst a long term “grow your own” approach through apprenticeships is implemented across the team. To enable effective implementation of Selective Licensing a delivery partner has also been procured, bringing in specialism to mobilise the scheme with less impact on existing team resources.

## **4. SUMMARY**

- 4.1 Legal frameworks are already established to control conversion of properties into large HMOs. This ensures that for HMOs with 6 or more people, planning permission and a license is required. For HMOs with 5 or more people only a licence is required. This ensures that larger HMOs are converted to an appropriate standard and free of housing hazards. Our data indicate that licensed HMOs in the Borough generally meet the required standard on inspection.
- 4.2 Smaller HMO conversions are still required to meet Building Regulations and reach rental housing standards. The Council would investigate any complaint of small HMOs containing housing hazards and the Council can take legal action if required to ensure compliance.
- 4.3 If the Council wished to introduce further local regulation of HMOs in the future, there is a requirement that these are applied in a measured and targeted way, be based on robust evidence of any problems and apply to the smallest geographical area possible.
- 4.4 National legislation is currently undergoing significant change, with strengthening requirements on private sector landlord. This is designed to improve housing standards across all of the private rented sector, including HMOs.
- 4.5 Following transition of Private Sector Housing delivery from Equans in July 2025, the Council has made a significant investment of resources in this service area, including a structured programme of learning and upskilling of staff.
- 4.6 The increased resource and focus on enforcement, together with introduction of new legislation is expected to lead to improved property standards across the private rented sector. It will also ensure NELC tackles poorly managed HMOs more effectively by having the right capacity and skills to investigate any complaint we receive in respect to problematic HMOs.
- 4.7 A selective licensing scheme will start in part of the East Marsh area from summer 2026. This will apply to all private rented homes in the identified footprint, including smaller HMOs.

## **5. CONTACT OFFICERS**

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