

Report to COUNCIL

Outcome of consultation on the introduction of an Article 4 Direction for Houses of Multiple Occupation

Portfolio Holder: Cllr Elaine Taylor, Deputy Leader and Cabinet Member for Neighbourhoods

Officer Contact: Emma Barton, Deputy Chief Executive (Place)

Report Author(s):

Elizabeth Dryden-Stuart (Strategic Planning Team Leader)
Lauren Hargreaves (Senior Planning Officer, Strategic Planning)

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Reason for Decision

This report provides an update on the feedback received as part of the recent consultation on the introduction of an Article 4 Direction on Houses of Multiple Occupation (HMOs) and outlines the next steps.

Recommendations:

In considering this report Members are asked -

- 1) To reflect on the information provided in the body of this report.
- 2) To note that a report is to be taken to Cabinet on 15 December 2025 which recommends confirmation of the Article 4 Direction for Houses of Multiple Occupation.

Executive Summary

In a report to Cabinet on 22 September 2025, officers recommended that Cabinet authorise the making a Non-Immediate Article 4 Direction to remove permitted development rights for the change of use from Use Class C3 (dwelling houses) to Use Class C4 (small houses in multiple occupation) on a boroughwide basis. This included a 6-week period of public consultation.

It was also agreed that a further report be brought back to Cabinet at the first available opportunity to consider the outcome of the consultation and thereafter to determine if the Article 4 Direction should be confirmed and come into effect on the 1 January 2026 or such other later date as considered appropriate. These recommendations were agreed at Cabinet on the 22 September 2025. This report is contained at Appendix 1 for information.

A public consultation on the introduction of the Article 4 Direction was undertaken between 6 October 2025 to 16 November 2025. The consultation sought comments on the intention to introduce an Article 4 Direction to remove permitted development rights for the change of use from Use Class C3 (dwelling houses) to Use Class C4 (small houses in multiple occupation) on a borough-wide basis. 314 responses were received. The majority of respondents supported the intention to introduce the Article 4 Direction. A more detailed breakdown of the consultation responses is provided in section 2 of this report.

Informed by the available evidence and the consultation responses presented in this report (and the report presented to Cabinet), the preferred option (as recommended) is to confirm the borough-wide Article 4 Direction. If this is agreed by Cabinet on 15 December 2025, the Direction will come into effect on 1 January 2026.

This approach is the preferred option for the following reasons:

- a) The Article 4 Direction would enable the Council to assess the impact of all HMOs on a case-by-case basis, having regard to the individual circumstances and location of the development, and to better manage HMO concentration and prevent the formation of imbalanced communities, as well as reduce any negative impact on local amenity. It would also give residents a voice and a transparent process to ensure that their views are heard.
- b) Adopting a borough-wide approach reflects the evidence available, will avoid any effects of displacement as witnessed by other GM districts and ensures a consistent approach going forward.
- c) The decision to confirm the Article 4 Direction reflects that the majority of respondents to the consultation support the introduction of the Article 4 Direction. It is considered that the Article 4 Direction will also help address concerns related to HMOs raised by respondents, by allowing the full consideration of proposed HMOs through the planning process.

Houses of Multiple Occupation Article 4 Direction

1 Background

- 1.1 Over the last few years, and more recently through council motions, members have highlighted their concern with the number of Houses of Multiple Occupancy (HMOs) that are currently being introduced across the borough.
- 1.2 It is recognised that HMOs provide a much-needed source of housing for various groups in need within the borough, including young people, students, and single person households. However, poorly managed and maintained HMOs, especially where clusters of HMOs arise in one place, can have a detrimental impact on local areas.
- 1.3 Following motions submitted to Council earlier in 2025, and more recently in July 2025, it was requested that the Council consider the introduction of an Article 4 Direction to remove permitted development rights for the change of use from Use Class C3 (dwelling houses) to Use Class C4 (small houses in multiple occupation) on a borough-wide basis.
- 1.4 In response, a report was presented to Cabinet on 22 September 2025 recommending the introduction of a Non-Immediate Article 4 Direction to remove permitted development rights for the change of use from Use Class C3 (dwelling houses) to Use Class C4 (small houses in multiple occupation) on a borough-wide basis. This report outlined that this would include a six-week consultation period.
- 1.5 It was also agreed that a further report be brought back to Cabinet at the first available opportunity to consider the outcome of the consultation and thereafter to determine if the Article 4 Direction should be confirmed and come into effect on the 1 January 2026 or such other later date as considered appropriate. The report recommendations were agreed at Cabinet on the 22 September. The report is contained at Appendix 1 for information.
- 1.6 In addition, a report was taken to Council on 17 September 2025 setting out the legislation regarding Article 4 Directions and the process for implementation; the current position and evidence regarding HMOs across the borough; and identified the options available for the introduction of an Article 4 Direction for HMOs. The Council report also noted that a report was to be taken to Cabinet on 22 September 2025 outlining recommendations for the introduction of an Article 4 Direction on Houses of Multiple Occupation.
- 1.7 Section 2 below outlines the consultation on the introduction of the Article 4 Direction. Section 3 sets out the next steps that will be undertaken.

2 Consultation

- 2.1 As agreed at Cabinet, a six-week public consultation, which sought views on the introduction of an Article 4 Direction to remove permitted development rights for the change of use from Use Class C3 (dwelling houses) to Use Class C4 (small

houses in multiple occupation) on a borough-wide basis, was held between 6 October 2025 and 16 November 2025.

- 2.2 The purpose of the consultation was to raise awareness of the intention to introduce an Article 4 Direction, inform existing and prospective HMO landlords and to provide an opportunity for interested parties to submit a representation with their views.
- 2.3 In line with the regulations set out in Schedule 3 of The Town and Country Planning (General Permitted Development) (England) Order 2015¹, the Secretary of State was notified at the start of the period of public consultation. An Article 4 Direction does not require the approval of the Secretary of State in order to come into force, however, they do have the power to modify or cancel an Article 4 Direction at any time before or after it is confirmed.
- 2.4 The consultation sought comments on the intention to introduce the Article 4 Direction. In total there were 314 consultation responses. Appendix 3 sets out a summary of the responses received as part of the consultation.
- 2.5 167 respondents (53%) supported the introduction of the Article 4 Direction. Many also commented on issues with HMOs.
- 2.6 A further 118 respondents (38%) did not specifically state whether they supported the introduction of the Article 4 Direction or not (or did not reference the Article 4 Direction), however they noted issues and concerns with HMOs
- 2.7 The issues with HMOs raised in the consultation responses were related to:
 - community cohesion
 - loss of family homes
 - parking/highway safety/ traffic
 - amenity/ local environment
 - anti-social behaviour/ safety
 - local character
 - housing quality
 - over concentration/ number of HMOs
 - local infrastructure/ services and facilities
 - regulation/ management
 - house/ rental prices
- 2.8 29 respondents (9%) did not support the introduction of the Article 4 Direction. The reasons stated by these respondents included:
 - that it is not necessary.
 - that it will increase homelessness (which is rising)
 - that it will limit access to housing for people in need (including those on lower incomes, working professionals, students, young people and vulnerable people). Several respondents commented that HMOs provide a valuable source of affordable housing for those in need.

¹ <https://www.legislation.gov.uk/uksi/2015/596/schedule/3>

- that it would discourage investment
- that it would reduce housing supply flexibility and limit the supply of rental options, which will lead to increased rental prices.
- that it won't be effective in limiting the number of HMOs.
- that a non-immediate Direction will not be effective.
- that a non-immediate Direction will still have a risk of compensation claims against the council.

2.9 In response to the concerns raised by those who did not support the introduction of the Article 4 Direction, it is considered that the Direction is necessary to protect local amenity and communities. It is recognised that HMOs provide a much-needed source of housing for various groups in need within the borough, including young people, working professionals, students, and single person households. However, poorly managed and maintained HMOs, especially where clusters of HMOs arise in one place, can have a detrimental impact on local areas. In addition, by removing the permitted development rights requiring a planning application to be submitted (for the conversion of C3 dwellings to C4 HMOs), the Direction may not necessarily reduce the number of HMOs, however it will allow for the consideration of planning matters such as design, space standards and amenity, as part of the planning process. It is considered that this will improve housing quality and offer a better standard of living for those in need groups.

2.10 In summary, the majority of respondents to the consultation supported the introduction of the Article 4 Direction.

3 Next Steps

3.1 After considering the evidence set out in the reports taken to Cabinet (and Council) in September 2025, including the Article 4 Direction Background (evidence) Document (contained at Appendix 2), and the consultation responses, outlined above, it is considered appropriate to seek confirmation of the Article 4 Direction to remove permitted development rights for the change of use from Use Class C3 (dwelling houses) to Use Class C4 (small houses in multiple occupation) on a borough-wide basis.

3.2 It is important to note that the Article 4 Direction requiring the submission of a planning application for such proposals will not necessarily reduce the number of C4 HMOs being created, however it does allow for the proper consideration of the effects of a proposed HMO on an area's amenity and local community, before issuing any planning permission and, in doing so, we are able to influence the quality of the HMO through the planning process. As such, it is considered necessary.

3.3 A report to Cabinet will be taken on 15 December 2025 which will recommend that the Article 4 Direction is confirmed. If confirmed, the Article 4 Direction will come into effect on 1 January 2026. From this date, the change of use from dwelling houses to small HMOs will require planning permission.

3.4 In line with the regulations, the Secretary of State will be notified when the Direction is confirmed.

3.5 If Cabinet do decide to confirm the Article 4 Direction for HMOs in Oldham, planning applications for the conversion of C3 dwellings to C4 HMOs will, for the time-being be considered on the same policy basis that planning applications for HMOs are already considered, having regard to issues such as amenity, character and highway safety. However, through the proposed new Local Plan for Oldham, updated policies will be included that allow a more nuanced approach to planning for HMOs in the borough, particularly geared toward avoiding clusters of HMOs on any given street and ensuring that the space and design standards of rooms in HMOs are adhered to, to avoid over-crowding and poor living conditions.

4 Options/Alternatives

Support the confirmation of the Article 4 Direction

4.1 It is considered that the Article 4 Direction should be confirmed by Cabinet based on the evidence set out in the reports taken to Cabinet (and Council) in September 2025 (contained at Appendix 1), including the Article 4 Direction Background (evidence) Document (contained at Appendix 2), and the consultation responses, outlined above. The Article 4 Direction will allow for the proper consideration of the effects of a proposed HMO on an area's amenity and local community, before issuing any planning permission and, in doing so, we are able to influence the quality of the HMO through the planning process.

Not support the confirmation of the Article 4 Direction

4.2 Should the Article 4 Direction not be confirmed, the permitted development right for the change of use from C3 Dwelling house to C4 Small HMO would remain. The Council would continue to have limited control as to how and where small HMOs come forward, particularly those for less than 5 people, which do not need to apply for an HMO Licence.

4.3 An Article 4 Direction would not necessarily stop or reduce HMOs coming forward in the borough, but it would mean that the Council is able to assess the impact of all HMOs on a case-by-case basis, having regard to the individual circumstances and location of the development. A Direction would enable the Council to better manage HMO concentrations and prevent the formation of imbalanced communities, as well as reduce any negative impact on local amenity. It would also give residents a voice and a transparent process to ensure that their views are heard.

4.4 These options regarding the confirmation of the Article 4 Direction for HMOs will be considered as part of the Cabinet report and in reaching the preferred option.

5 Preferred Option

5.1 In considering this report, the preferred option is for Members (as per the recommendations):

- To reflect on the information provided in the body of this report.
- To note that a report is to be taken to Cabinet on 15 December 2025 which recommends the confirmation of the Article 4 Direction for Houses of Multiple

Occupation. In considering that report, the preferred option is for Cabinet to confirm the borough-wide Article 4 Direction for Houses of Multiple Occupation. If this is agreed by Cabinet, the Direction will come into effect on 1 January 2026.

5.2 This approach is the preferred option for the following reasons:

- a) The Article 4 Direction would enable the Council to assess the impact of all HMOs on a case-by-case basis, having regard to the individual circumstances and location of the development, and to better manage HMO concentration and prevent the formation of imbalanced communities, as well as reduce any negative impact on local amenity. It would also give residents a voice and a transparent process to ensure that their views are heard.
- b) Adopting a borough-wide approach reflects the evidence available and will avoid any effects of displacement as witnessed by other GM districts and ensures a consistent approach going forward.
- c) The decision to confirm the Article 4 Direction reflects that the majority of respondents to the consultation support the introduction of the Article 4 Direction. It is considered that the Article 4 Direction will also help address concerns related to HMOs raised by respondents, by allowing the consideration of HMOs through the planning process.

6 Consultation

6.1 A consultation on the introduction of the Article 4 Direction was held between 6 October to 16 November 2025. This report sets out the responses received to this consultation (also see Appendix 3).

7 Financial Implications

- 7.1 A rise in planning applications for HMO conversions is expected, resulting in increased Planning workloads. Additional planning application fee income is therefore also anticipated and will help contribute to any additional staff costs. All planning application income and expenditure will be allocated from within the Development Control & Planning service budget.
- 7.2 The implementation of the Article 4 Direction, either immediate or non-immediate, could potentially give rise to compensation claims against the Council. These claims could be more prevalent under the immediate imposition of Article 4, as identified within the report.
- 7.3 Having consulted Legal and Risk & Insurance colleagues, they have confirmed there is no dedicated funding resource for any potential claims. Therefore, any such claims would be an additional pressure on the service which would need to be covered from within the service's general revenue budget.

(Mohammed Hussain)

8 Legal Implications

- 8.1 Under Article 4 of the Town and Country Planning (General Permitted Development) (England) Order 2015, a local planning authority can restrict the scope of permitted development rights in relation to defined areas. It is a power of pre-emption rather than prohibition: by withdrawing the deemed permission under the Order, its effect is to require an application to be made for express permission for development proposals. If that permission is refused or granted subject to conditions other than those in the Order, the landowner is entitled to claim compensation for abortive expenditure and any loss or damage caused by the loss of rights. The National Planning Policy Framework advises that the use of Article 4 should be limited to situations where an Article 4 direction 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.
- 8.2 A decision about whether to withdraw permitted development rights is an executive function and can be dealt with by the Cabinet.

(A Evans)

9 Procurement Implications

- 9.1 None.

S Kapoor (Commercial Procurement Unit)

10 Oldham Equality Impact Assessment, including implications for Children and Young People

- 10.1 An Oldham Equality Impact Assessment has been prepared alongside the preparation of the Cabinet Report and will be available as an appendix to that report.

11 Key Decision

- 11.1 N/A

12 Key Decision Reference

- 12.1 None

13 Background Papers

- 13.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

National Planning Policy Framework at
https://assets.publishing.service.gov.uk/media/67aafe8f3b41f783cca46251/NPPF_December_2024.pdf

Schedule 3 of The Town and Country Planning (General Permitted Development) (England) Order 2015 - <https://www.legislation.gov.uk/uksi/2015/596/schedule/3>

14 Appendices

Appendix 1 – Report to Cabinet (22 September 2025) – Introduction of Article 4 Direction for Houses of Multiple Occupation (as agreed). See *separate document*.

Appendix 2 – Article 4 Direction Background (evidence) Paper. See *separate document*.

Appendix 3 – Summary of responses to the Article 4 Direction Public Consultation.

**Appendix 1 – Report to Cabinet (22 September 2025) – Introduction of Article 4
Direction for Houses of Multiple Occupation (as agreed).**

See separate document.

Appendix 2 - Article 4 Direction Background (evidence) Paper

See separate document.

Appendix 3 – Summary of responses to the Article 4 Direction Public Consultation



Issue Theme	Response Summary
<i>General/ Article 4 Direction</i>	The Article 4 Direction will allow the consideration of issues (including pressure on local services, parking, waste, long-term sustainability and housing quality) as part of the planning process, on a case-by-case basis.
	The Article 4 Direction will ensure decisions are transparent and accountability in the planning process is returned.
	The borough-wide Direction will ensure that HMO conversions are not displaced from one neighbourhood to another, perpetuating problems elsewhere.
	Planning permission should be required for all HMOs. The permitted development right should be removed.
	It is hoped the Article 4 Direction would increase the council's ability to monitor and regulate HMOs and refuse or remove licences where appropriate.
	The Article 4 Direction is not necessary.
	The Article 4 Direction is not necessary at a borough-wide level and should be implemented at an area-specific level.
	A non-immediate Direction will not be effective.
	A non-immediate Direction will still have a risk of compensation claims against the council.
	The Article 4 Direction will not be effective in limiting the number of HMOs.
<i>Community cohesion</i>	Transient populations living in HMO properties negatively impact on the community cohesion and neighbourhoods.
	Lack of involvement of the local community in decision making for HMOs at present. Local community feel like their concerns are not heard. Article 4 will increase community involvement and allow communities to comment on planning applications.
	HMOs can negatively impact the dynamic of communities and increase, or lead to, community tensions.
	HMOs can make neighbourhoods feel unsafe and unstable.
	HMOs can foster a lack of integration and be detrimental to the social fabric of communities.
	HMOs impact the long-term sustainability of communities.

Issue Theme	Response Summary
	HMOs are causing an imbalance in local demographic mix.
<i>Housing stock/ Loss of family homes</i>	The conversion of family homes into HMOs is creating, or adding to, a shortage of family homes available for families.
	HMOs are leading to the loss of larger family homes (including larger family homes being sub-divided into several HMOs).
	There is already enough housing of smaller sizes to accommodate single occupants/ lower earners – don't need to convert family homes to HMOs.
	Families do not want to buy in areas where HMOs are present.
	There are families on waiting lists for housing, and in temporary accommodation, who cannot access family housing due to a shortage.
	Lack of family homes will increase demand for Green Belt and open land for residential development.
	Families cannot move up the property ladder due to lack of family housing.
	The Article 4 Direction will reduce the housing stock available for people in need (including those on lower incomes, working professionals, students, young people and vulnerable people). HMOs provide a valuable source of affordable housing for those in need.
	The Article 4 Direction will remove much needed housing stock and lead to increased homelessness, which is already rising.
<i>Parking/ highway safety/ traffic</i>	HMOs are being developed without adequate parking spaces. There is not enough parking to support them.
	HMOs are reducing the parking available and causing congestion and improper parking problems on streets.
	HMOs are causing/ increasing traffic congestion.
	HMOs are negatively impacting on highway safety.
<i>Amenity/ local environment</i>	HMOs negatively impact on the local environment, including increasing issues with littering, fly tipping, vermin, drainage.
	The conversion of single occupancy homes to HMOs negatively impacts on local amenity.
	HMOs can lead to overcrowding which impacts on local amenity.
	Many HMOs are being developed without providing adequate waste disposal which is causing environmental health problems.
	Increased amount of waste and lack of bins.

Issue Theme	Response Summary
	Increased noise pollution.
	Lack of property maintenance – overgrown gardens, overflowing bins etc.
<i>Anti-social behaviour/safety</i>	HMOs lead to increase in anti-social behaviour, including offences related to violence, alcohol misuse and drugs.
	Negative impact of HMOs on community safety.
	Safety concerns related to the perceived HMO residents and safeguarding of vulnerable residents or groups.
<i>Local character</i>	HMOs change, or negatively impact on, the character of local areas.
<i>Housing quality</i>	Poor living conditions in some HMOs negatively impact the tenants themselves and neighbours.
	There is a need to consider living conditions as part of the planning process. Requiring planning permission will improve living conditions in HMOs.
	Cost saving measures undertaken in the conversion of HMOs can lead to problems with the lifespan and structural integrity of the properties. The consequences are poor living conditions for tenants and increased maintenance issues for landlords.
	HMO landlords do not adequately maintain properties.
	Poor living conditions of HMOs are exacerbated in densely populated areas.
	HMOs can become overcrowded, worsening living conditions.
<i>Over concentration/number of HMOs</i>	There are too many/ enough HMOs in the borough already. There is not a need for more/ adequate amounts of smaller properties already exist.
	Negative impacts associated with HMOs can put people off living in areas of Oldham.
	People are moving out of the area because of the number of HMOs.
	There is a need for better control over the number and concentrations of HMOs in the borough.
	Over-concentrations of HMOs exist in the borough and are worsening.
	The over-concentration of HMOs can lead to many negative impacts on areas and exacerbate existing problems.
<i>Local infrastructure,</i>	HMOs are negatively impacting on the availability of local infrastructure, services and facilities including schools, doctors

Issue Theme	Response Summary
<i>services and facilities</i>	and health facilities. There is not enough local infrastructure to support the increase in HMOs.
	HMOs are being developed without consideration of local infrastructure.
<i>Regulation/ management of HMOs</i>	There is a lack of regulation or inadequate regulation of HMOs, through policy/ national regulation and individual management companies.
	HMOs are often poorly managed.
	Further control/ regulation of HMOs and landlords is needed.
	Problems are being experienced by local authorities in enforcing regulations resulting in costs and capacity issues.
	Registered housing providers should be appointed for HMOs.
<i>House/ rental prices</i>	Loss of family homes to HMOs is increasing the price of family homes (to buy or let), pricing families and first-time buyers out of the market.
	Permitted development for HMOs does not allow the Local Planning Authority to make a balanced decision based on impact, an understanding of local tenant demand (which can be a detriment to the local housing market), vacancies and rental yields.
	The location, and over-concentration of, HMOs in areas can decrease property values and make properties difficult to sell.
	The Article 4 Direction will reduce housing supply flexibility and limit the supply of rental options, which will lead to increased rental prices.