

Report to CABINET

Introduction of Article 4 Direction for Houses of Multiple Occupation

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

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Reason for Decision

This report sets out the current issues and position regarding Houses in Multiple Occupation (HMOs) across the borough. It is in response to the recent motions that have been presented to full Council on the matter and it provides information to Cabinet on the options to introduce a boroughwide Article 4 Direction to remove the permitted development right allowing the conversion of dwelling houses (Use Class C3) into HMOs for up to six residents (Use Class C4).

Recommendations:

The Cabinet is recommended to:

- 1) Consider the evidence presented in this report and the information provided in respect of the options for the introduction of a boroughwide Article 4 Direction for Houses in Multiple Occupation (HMOs);

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- 2) Make 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, in line with the details set out in the report and the Article 4 notice presented at Appendix 5;
 - 3) Consider that a further report to 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.

Executive Summary

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. 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.

To address these concerns, where appropriate, the Council can adopt an Article 4 Direction to remove the permitted development rights that enable a C3 dwelling to be converted to a C4 “small” HMO. This would require such conversions to first apply for planning permission for the change of use. Requiring the submission of a planning application for such proposals will not necessarily reduce the number of C4 HMOs being created, but 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.

This report:

- Outlines the recent motions presented at council on the 9 April and subsequently 21 July 2025 on the introduction of an Article 4 Direction for HMOs;
- Sets out the legislation regarding Article 4 Directions and the process for implementation;
- Outlines the current position and evidence regarding HMOs across the borough; and
- Identifies the options available for the introduction of an Article 4 Direction for HMOs, specifically whether it focuses on specific areas or is boroughwide.

Informed by the evidence presented in this report the preferred option (as recommended) is to introduce a Non-Immediate Article 4 Direction on Houses of Multiple Occupation that will be implemented borough-wide. If this is agreed by Cabinet, a period of consultation from 29 September to 9 November 2025 for 6 weeks will take place, after which the Cabinet Member for Neighbourhoods will then consider whether to confirm the Direction and bring it into effect on 1 January 2026, having considered all consultation comments received.

This approach is the preferred option for the following reasons:

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- a) It 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) A non-immediate Article 4 Direction with the six-week period of consultation proposed and a commencement date of 1 January 2026 will provide sufficient notice to landlords (and prospective landlords) who have already purchased a C3 property with the intention to convert it to a C4 HMO.
 - c) 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.

Houses of Multiple Occupation Article 4 Direction

1 Introduction

- 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. In general terms, a HMO is a property rented out by at least three people who are not related and who share facilities like the bathroom and/or kitchen. The type of accommodation that could be classed as a HMO includes:
 - A number of bedsits in one building;
 - A hostel;
 - Halls of residence (private);
 - A shared house;
 - A block of converted flats; and
 - Individual shared self-contained single cluster flats.
- 1.4. However, to emphasise, the above is only classed as a HMO if they involve three or more unrelated people living together and sharing a bathroom and / or kitchen. Some accommodation in the above list can involve completely self-contained residential units that do not involve sharing facilities, and so, in that instance, they are not a HMO.
- 1.5. Under current planning legislation, HMOs are divided into two Use Classes, which are often referred to as 'Small' and 'Large' HMOs:
 - Small HMOs are houses or flats occupied by between 3 and 6 unrelated individuals who share basic amenities such as a kitchen or bathroom. These are classified as a 'C4' use within the Use Classes Order; and,
 - Large HMOs comprise houses or flats occupied by more than 6 unrelated individuals who share basic amenities such as a kitchen or bathroom. These are classified as Sui Generis (a use that does not fall in any use class).
- 1.6. Currently, single family dwellings, defined within use class C3 can change to a C4 use without the need for planning permission under permitted development rights. Similarly, a C4 HMO can be converted to a C3 dwelling at any time under permitted development rights. Whereas the conversion of any use other than C3 to a C4 HMO use (or the new-build development of a C4 HMO) does require planning permission.

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- 1.7. The conversion (or new-build) of any property to create a Sui Generis “large” HMO requires planning permission in all cases.
 - 1.8. There are also some HMOs that are covered under the ‘C3 dwelling houses’ use, such as those where there are up to six people living together as a single household and receiving care, and some groups of people (up to six) living together as a single household (e.g., a small religious community or homeowners living with a lodger).
 - 1.9. Where appropriate and justified by evidence, the Council can adopt an Article 4 Direction to remove the permitted development rights that enable a C3 dwelling to be converted to a C4 “small” HMO. This would require such conversions to first apply for planning permission for the change of use.
 - 1.10. Requiring the submission of a planning application for such proposals will not necessarily reduce the number of C4 HMOs being created, but 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 influence the quality of the HMO through the planning process. This is especially important for 3 and 4 person HMOs as they do not require a HMO Licence and are subject to less statutory regulation, and so the quality of such HMOs cannot be monitored properly currently.
 - 1.11. This report:
 - Outlines the recent motions presented at council on the 9 April and subsequently 21 July 2025 on the introduction of an Article 4 Direction for HMOs;
 - Sets out the legislation regarding Article 4 Directions and the process for implementation;
 - Outlines the current position and evidence regarding HMOs across the borough; and
 - Identifies the options available for the introduction of an Article 4 Direction for HMOs, specifically whether it focuses on specific areas or is boroughwide.
 - 1.12. The introduction of an Article 4 Direction on Houses of Multiple Occupation links to the Council’s Plan priorities of Healthier Happier Lives and Great Place to Live.
 - 1.13. In terms of the purpose of the report there are no / limited implications for:
 - Community Cohesion Implications, including crime and disorder implications under Section 17 of the Crime and Disorder Act 1998 – the introduction of a borough-wide Article 4 Direction would enable the Council to better manage HMO concentration and prevent the formation of imbalanced communities, as well as reduce any negative impact on local amenity.
 - Risk Assessments – the introduction of a non-immediate Article 4 Direction with a period of six weeks consultation will raise awareness that the implementation of the Direction is forthcoming. This can help to reduce the risk
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associated with introducing the Direction, minimising potential exposure to compensation claims as the Council's decision to introduce the Direction and the date on which this is to be confirmed will be in the public domain at the earliest opportunity. Notwithstanding this there is a risk compensation claims will be made against the Council for the introduction of the Article 4 Direction.

- Co-operative Implications, Human Resource Implications, IT implications, Property Implications, Procurement Implications and Environment and Health and Safety Implications – none.

2 Current Position

2.1. Recent motions presented to Council

- 2.1.1. A Motion was submitted to Council on 9 April 2025 by Councillor Taylor, and seconded by Councillor Davis, requesting the Council calls on the new Labour Government to reverse the changes introduced by the Conservative and Liberal Democrat Coalition Government in 2010 which removed the requirement for planning permission for small houses of multiple occupation. The full version of this motion can be found at Appendix 1 to this report.
- 2.1.2. An amended motion was then proposed, and approved¹, at Council on 9 April 2025 by Cllr Sam Al-Hamdani and seconded by Cllr Mark Kenyon. In addition to that in paragraph 2.1.1 this amended motion requested a report back on whether a case can be made for an Article 4 direction, to continue efforts to establish that case, and to report back on a regular basis. The full version of this motion can be found at Appendix 2 to this report.
- 2.1.3. Subsequently, a further motion was proposed by the administration and approved at Council on 21 July 2025.
- 2.1.4. The motion acknowledges residents' concerns regarding the number of HMOs which are currently being introduced across the borough and that, whilst it is not possible to prevent full planning applications from being submitted, the Council can act to close the loophole that allows for permitted development rights for HMOs where between three and six unrelated people share basic amenities, such as a kitchen or bathroom. Requiring a planning application to be submitted for change of use from class C3 to C4, and ensuring that due process is applied, gives residents a say in what happens in their communities.
- 2.1.5. Specifically, the motion requested that the Council resolves to:
1. As soon as possible, Cabinet to consider and make a direction pursuant to Article 4(1) of the Town and Country Planning (General Permitted Development) Order 2015 on a boroughwide basis. Withdrawing the permitted development rights to convert a dwellinghouse (C3) to a House in

¹ See minutes from Council meeting on 9 April 2025 available online at <https://committees.oldham.gov.uk/ieListDocuments.aspx?CIId=132&MIId=9176&Ver=4>

Multiple Occupation (C4) is appropriate, and justified, to prevent harm to local amenity and promote the wellbeing of the aforementioned areas.

2. To delegate authority to OMBC Planning Department to carry out all necessary consultation and to notify the Secretary of State in accordance with statutory requirements.
3. That the boroughwide Article 4(1) Direction will come into effect once made.
4. To put existing and prospective HMO landlords on notice that OMBC will look to implement the Article 4(1) Direction on 1st January 2026.

2.1.6. The full version of this motion (as amended) can be found at Appendix 3 to this report. The alternative motions presented at Council on 16 July 2025 can be found as part of the published agenda at <https://committees.oldham.gov.uk/ieListDocuments.aspx?CId=132&MIId=9600&Ver=4>.

2.2. Legislation and process for introduction of an Article 4 Direction

2.2.1. Councils can remove permitted development rights by making an Article 4 Direction, provided they can demonstrate a clear need for such a measure. National planning policy² advises that an Article 4 Direction should only be used when absolutely necessary, and that they must be supported by strong evidence, aim to protect local amenity or community well-being, and should cover the smallest area possible.

2.2.2. There are two types of Article 4 Direction:

- Non-immediate Article 4 Direction: This type requires a minimum 21-day period of public consultation before it can be introduced. It must then be confirmed after the consultation period ends and brought into effect within 2 years of the start of the period of public consultation. The Secretary of State must be notified at the start of the period of public consultation and also when the direction is confirmed.
- Immediate Article 4 Direction: This can take effect as soon as it is issued, removing permitted development rights immediately before consultation. However, it must be confirmed by the local authority within six months, and the Secretary of State must also be notified at the start of the period of public consultation and also when the direction is confirmed.

2.2.3. Schedule 3 of The Town and Country Planning (General Permitted Development) (England) Order 2015³ (Procedures for Article 4 directions) sets out the procedures for Article 4 directions. Essentially, an Article 4 direction is

² See paragraph 54 of the National Planning Policy Framework at https://assets.publishing.service.gov.uk/media/67aafe8f3b41f783cca46251/NPPF_December_2024.pdf

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

made through a two-stage process within which there is a period of consultation, as set out below.

Stage 1: The Local Planning Authority makes the direction.

- 2.2.4. Once the Direction has been made the Council then notifies the Secretary of State and carries out consultation (see below). Under current legislation, the local planning authority must send a copy of the direction and notice, including a copy of a map defining the area to which it relates, to the Secretary of State on the same day that notice of the direction is first published or displayed.
- 2.2.5. In accordance with the legislative procedures for the publicity and consultation of an Article 4 direction, the following consultation will be undertaken:
- Advertisement of notice in the local press; and
 - The Article 4 Direction Notice will be displayed in all Oldham public libraries and the council's principal office.
- 2.2.6. The Regulations require notice to also be served on the owner and occupier of every part of the land to which the direction applies, except where the number of owners and occupiers to which the direction relates makes individual service impractical. As this proposal is for a boroughwide direction, individual service on owners and occupiers will be impractical and will not be undertaken. Instead, the notice will be published on the council's website and sent to all those on the council's Local Plan Mailing List as well as to all ward members, and statutory consultees and other bodies as may be appropriate.
- 2.2.7. Schedule 3 (paragraph 1(4) (d)) sets out that a period of at least 21 days must be allowed for any representations concerning the direction to be made to the local planning authority. In this instance a period of six weeks is proposed for the consultation, commencing no sooner than 29 September 2025. This length of consultation is considered appropriate given the significance of the change that the proposed Article 4 Direction would bring for landlords and to give more than adequate notice to landlords who have already purchased a C3 property to convert to a C4 HMO under the current permitted development rights. By providing this notice period, the council is also reducing the potential for compensation claims from landlords affected by the Article 4 Direction.

Stage 2: The direction is confirmed and comes into effect

- 2.2.8. In deciding whether to confirm the direction, the Council must:
- Consider representations received during the consultation period.
 - Subject to the consideration of the representations, the Direction would then be confirmed and, if it is, must come into effect no earlier than 28 days and no later than 2 years from the start of the consultation period.
 - The Secretary of State must then be notified that the direction is confirmed and has come into effect.
- 2.2.9. Given the proposed six-week consultation period and the need to ensure that an appropriate notice period is given, if Cabinet resolves to make an Article 4 Direction as a result of this report, it is anticipated that the Direction will come

into effect in Oldham on the 1 January 2026 or such other later date as considered appropriate.

- 2.2.10. This proposed commencement date for the Direction to come into effect, coupled with the initial advertisement and notification after Cabinet's decision, should also provide sufficient notice to landlords (and prospective landlords) who have already purchased a C3 property with the intention to convert it to a C4 HMO, so that they are aware that, if they do not convert the property (i.e. have it occupied and let as a HMO) before 1 January 2026, they would need to apply for planning permission to make the conversion. This should reduce the risk to the Council of compensation claims under section 107 of the Town and Country Planning Act 1990 if that permission was subsequently refused and the landlord was therefore affected financially.

2.3. Current position and evidence regarding HMOs across the borough

- 2.3.1. As of July 2025, according to the best available evidence⁴, there are approximately 384 HMOs in the borough. 81 of these HMOs have secured a HMO Licence⁵ or been issued a draft licence ready for the final licence to be issued, and 43 applications are in the process of being considered.
- 2.3.2. The number of HMOs represents 0.38% of the borough's total dwelling stock (98,912 dwellings, as of October 2024⁶).
- 2.3.3. The actual number of HMOs in the borough may differ somewhat. The Council is not currently notified of all conversions of C3 dwellings to small HMOs (as this is currently permitted development), but this figure is based on the best available evidence to us. Whilst it would be hoped those small HMOs would be picked up through Council Tax records (and many are), this is not always the case, depending on what information has been provided by the occupiers on Council Tax returns. Also, HMOs can change back to single family dwellings without notifying the Council.
- 2.3.4. Of the 384 existing HMOs in the borough, 74 have been granted planning permission. A further 19 applications for a HMO have been granted planning permission and are yet to be implemented, or they are under construction, and so the HMO is not yet occupied / in use.

⁴ Please note, the council hold housing and development data across several sources and systems. This data has been amalgamated across systems and checks have been undertaken, however anomalies or errors may be present. The number of HMOs can be difficult to ascertain, given existing permitted development rights, as such this data represents the best available data on the number of existing HMOs in the borough up to July 2025.

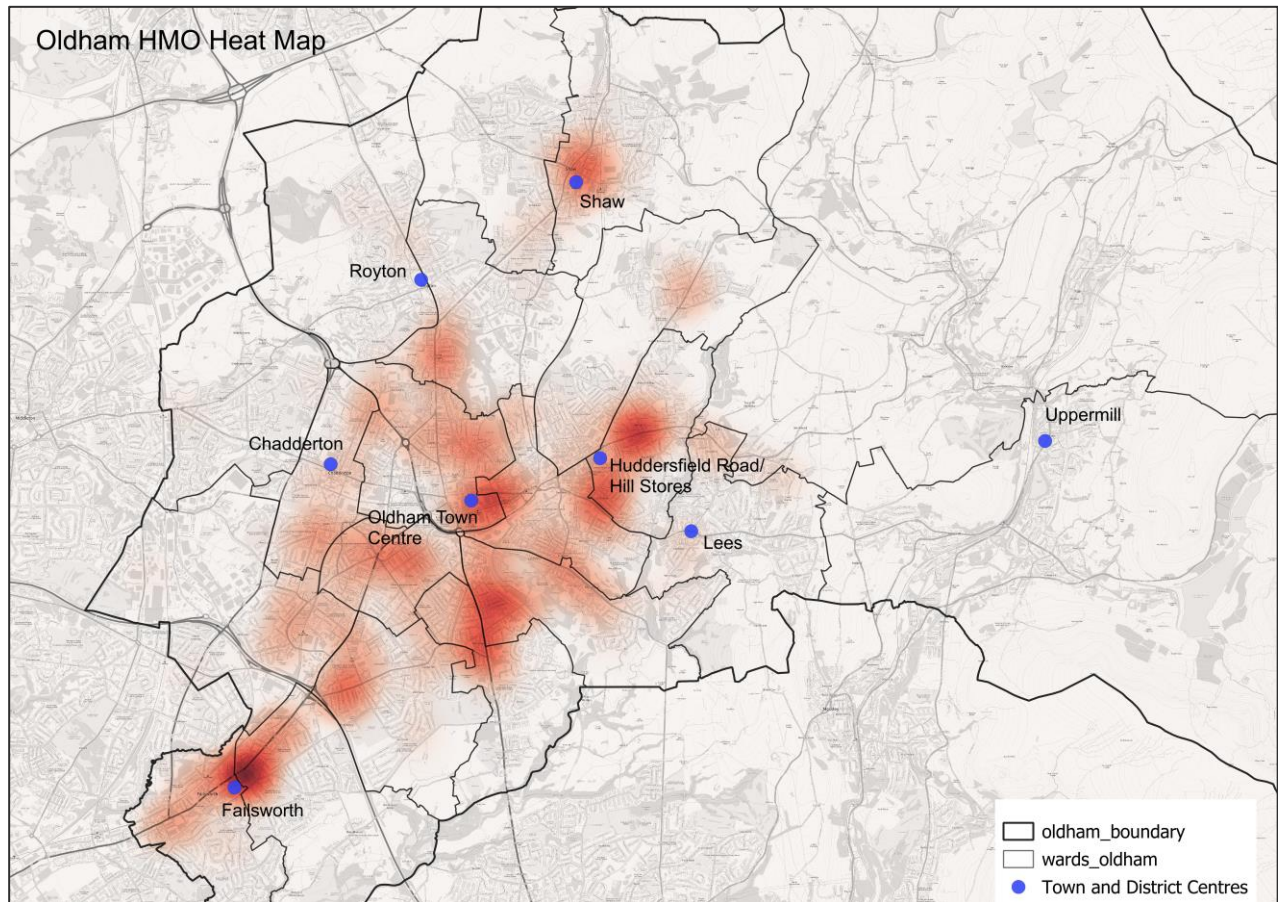
⁵ A HMO license is required for HMOs with an occupancy of 5 or more people. Further information can be found at: https://www.oldham.gov.uk/info/201198/help_for_landlords/258/houses_in_multiple_occupation

⁶ Source – Oldham Council, Council Tax data (October 2024).

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- 2.3.5. It can be assumed that the majority of the existing HMOs in the borough are smaller HMOs, for less than 6 people. There are approximately 75 HMOs (of the total 384 existing HMOs) which are for 6 people or above (19%). We mainly know this because, as set out above, HMO development for 6 people and above is not permitted development and planning permission is required. Also, sometimes, the information is provided in an application to building control⁷.
- 2.3.6. Over 48% (185 properties) of the total 384 HMOs have been changed from a single household dwelling to a HMO. An additional 47 bedrooms have been created where a change of use from single household dwelling to HMO has occurred (and bedroom numbers are known).
- 2.3.7. Whilst this does not always equate to a loss of a residential unit (as per planning guidance some smaller HMOs can still exist under use class C3 – the same use class as a single household dwelling), it could mean the loss of a family home into smaller, single occupation uses.
- 2.3.8. The Local Housing Needs Assessment (LHNA) (2024) has identified a need for family housing, including larger family housing of 4+ bedrooms across the borough. The loss of family housing to HMOs can impact on the dwelling stock available for families, and the ability of the housing stock to meet local housing needs.
- 2.3.9. Where smaller homes are converted into HMOs (especially small HMOs which do not currently require planning permission), the units of individual accommodation that are created could be smaller and not meet the minimum space standards that we would like to see provided for. This could lead to overcrowded and substandard living conditions.
- 2.3.10. Other HMOs are typically created from change of use from shops, restaurants or commercial properties (which already requires planning permission).
- 2.3.11. The LHNA has identified that there is a need for smaller units of accommodation and affordable housing, which HMOs could provide. HMOs can also be suitable housing options for students or key workers. However, it is important that this housing provides a decent standard of living and does not contribute to overcrowding.
- 2.3.12. The heat map at figure 1 indicatively illustrates the spatial distribution of the recorded HMOs in the borough.

Figure 1: Heat map showing spatial distribution of HMOs in Oldham

⁷ Detailed data is not always required to be supplied for building control applications depending on the application/ approval type.



2.3.13. As shown in figure 1, the HMOs are predominantly located within inner Oldham, along key transport routes (e.g., the A62, which connects Oldham to Failsworth and Manchester) and within and around district centres.

2.3.14. In particular, there may be clusters of HMOs emerging within and around Failsworth district centre, Huddersfield Road district centre, Oldham Town Centre, Shaw district centre and within Greenacres/ Clarksfield and Hathershaw (along Ashton Road). There are also lesser numbers of HMOs located near Royal Oldham Hospital (within Coldhurst and Royton South) and within areas of Central and South Chadderton, Hollinwood and Werneth. Conversely there are very few HMOs located within Saddleworth wards.

2.3.15. The majority of the borough's existing HMOs are located in accessible locations. Just under half (191) of the borough's recorded HMOs (384) are located within 800m of a Metrolink station and 2 are located within 800m of a train station (Mills Hill and Moston). The vast majority are in walking distance of a bus stop. Typically, HMOs can be a lower cost form of accommodation, and as such appeal to those with lower incomes, where levels of car ownership are also likely to be lower. As such, it is important to ensure HMOs are located sustainably with access to public transport within a suitable walking distance

3 Options/Alternatives

3.1. This section of the report identifies the options available for the introduction of an Article 4 Direction for HMOs in Oldham.

3.2. *Non-Immediate or Immediate Article 4 Direction*

- 3.2.1. The main benefit of an immediate direction is that the Council would gain control over the issue and respond to members and communities concerns from day one the direction is acknowledged. However, it is considered that:
- Introducing a Non-Immediate Article 4 Direction with a period of six weeks consultation will raise awareness that the implementation of the Direction is forthcoming. This can help to reduce the risk associated with introducing the Direction and minimising potential exposure to compensation claims, as the Council's decision to introduce the Direction and the date on which this is to be confirmed will be in the public domain at the earliest opportunity.
 - In addition, the introduction of an Immediate Article 4 Direction has a substantially higher evidence threshold whereby the local planning authority would be required to demonstrate that the development to which the direction relates would be prejudicial to the proper planning of the area or constitute a threat to the amenities of the area. It is not considered that this higher evidence threshold is currently being met anywhere in the borough.

3.3. *Borough-wide*

- 3.3.1. Evidence shows that, whilst there are several potential clusters beginning to form within and around inner Oldham, along key transport routes (e.g., the A62 corridor connecting Oldham to Failsworth and Manchester - and Ashton Road) and within and around several district centres, there is still a general spread of HMOs across many areas of the borough, as shown in figure 1 above. We are therefore unable to clearly define those areas disproportionately affected. Furthermore, whilst our monitoring processes are much improved, we cannot be certain that our evidence has captured all three and four person HMOs in the borough.
- 3.3.2. In addition, other authorities in Greater Manchester are using Article 4 Directions to have greater control on the location and quality of HMOs. This includes the introduction of borough-wide Article 4 Directions to address concerns of displacement that area-specific Article 4 Directions might cause. In Wigan, for example having introduced an Article 4 Direction in Swinley and central Leigh in 2020, they are finding evidence of a displacement effect where restrictions on HMOs in one area are leading to an increase of HMOs in neighbouring areas of borough. Salford City Council is also increasing the footprint of its current Article 4 Direction on HMOs to cover a much broader area, in response to a similar displacement effect, and Bolton Council has also just been through the process of introducing a borough-wide Article 4 Direction.
- 3.3.3. Therefore, given concerns around the proliferation of HMOs in various parts of Oldham, and that these are spread across many of areas of the borough, if Cabinet consider that the evidence does justify an Article 4 Direction, it is felt prudent to apply that Direction borough-wide. This will avoid any effects of

displacement as witnessed by other GM districts and ensures a consistent approach going forward.

- 3.3.4. If Cabinet do decide to make an 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 overcrowding and poor living conditions.

3.4 Area-specific

- 3.4.1. As evidenced, the data identifies several areas where clusters of HMOs appear to be forming within and around inner Oldham, along key transport routes and within and around several district centres. However, there is still a general spread of HMOs across many areas of the borough, and we are unable to clearly define those areas disproportionately affected. Coupled with concerns of potential displacement, it is considered an area-specific Article 4 Direction would not provide the consistency and control required to ensure that HMOs do not negatively impact on the amenity of our local communities and the character of the borough.

3.5 No Article 4 Direction

- 3.5.1. Having no Article 4 Direction in place would mean that small HMOs would continue to come forward as they do at present as permitted development. The council would therefore have limited control as to how and where these come forward. The council would still have some control over those HMOs that are for 5 to 6 people though as, whilst planning permission is not required for these, they would need to have a HMO Licence.
- 3.5.2. An Article 4 Direction would not stop 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 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.

4 Preferred Option

- 4.1. It is proposed to introduce a Non-Immediate Article 4 Direction on Houses of Multiple Occupation that will be implemented borough-wide, if confirmed following consultation.

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- 4.2. Following a period of consultation, commencing 29 September and running for six weeks until 9 November 2025, the Cabinet Member for Neighbourhoods will then consider whether to confirm the Direction and bring it into effect on 1 January 2026, having considered all consultation comments received.
- 4.3. This approach is the preferred option for the following reasons:
- a) Whilst an Article 4 Direction would not stop HMOs coming forward in the borough, 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 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) A non-immediate Article 4 Direction with the six-week period of consultation proposed and a commencement date of 1 January 2026 will provide sufficient notice to landlords (and prospective landlords) who have already purchased a C3 property with the intention to convert it to a C4 HMO.
 - c) 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.

5 Consultation

- 5.1 A period of consultation, commencing 29 September and running for six weeks until 9 November 2025 is proposed. Following this, the Cabinet Member for Neighbourhoods will then consider whether to confirm the Direction and bring it into effect on 1 January 2026, having considered all consultation comments received.

6 Financial Implications

- 6.1 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.
- 6.2 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.
- 6.3 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.

7 Legal Implications

- 7.1 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.
- 7.2 A decision about whether to withdraw permitted development rights is an executive function and can be dealt with by the Cabinet or a Cabinet Member.

(A Evans)

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

- 8.1 The completed Oldham Equality Impact Assessment is attached at Appendix 6. The introduction of a borough-wide non-immediate Article 4 Direction on HMOs is found to have a moderate positive impact on the care leavers equality characteristic and the Council's corporate priorities for 'A Great Place to Live' and 'Happer Healthier Lives'. As HMOs can provide an affordable housing option for single person households such as care leavers and a borough-wide Article 4 Direction would enable the Council to better manage HMO concentration and prevent the formation of imbalanced communities, as well as reduce any negative impact on local amenity.

9 Key Decision

- 9.1 Yes

10 Key Decision Reference

- 10.1 HL/02/25

11 Background Papers

- 11.1 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](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>

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Appendix 1 – Original Motion submitted by Labour on Houses of Multiple Occupation, 9 April 2025

To be Moved by: Councillor Taylor

to be Seconded by: Councillor Davis

This Council notes with concern the increasing number of Houses of Multiple Occupation (HMOs) in Oldham and the impact this has on local communities, housing standards, and infrastructure. While HMOs can provide an important source of affordable accommodation, their proliferation in certain areas has led to issues including overcrowding, pressure on local services, and a decline in housing quality. In the past 5 years the number of licensed HMOs in Oldham has almost doubled.

This Council further notes that current national planning regulations allow certain HMOs (Class C4, up to six residents) to be established without the need for planning permission. This limits the ability of local authorities to manage their spread and ensure they are appropriately located and regulated.

This Council welcomes the recent announcement by the Chancellor of an additional £2 billion for social and affordable housing. This funding provides an opportunity to address the shortage of genuinely affordable homes and to ensure that people in Oldham have access to safe, secure, and high-quality housing.

This Council calls on the new Labour Government to reverse the changes introduced by the Conservative and Liberal Democrat Coalition Government in 2010 which removed the requirement for planning permission for small houses of multiple occupation.

This council further requests that the Chief Executive writes to the borough's 3 MPs and the Secretary of State for Housing, Communities and Local Government, asking for their support in reversing the aforementioned changes.

Appendix 2 – Amended and Approved Liberal Democrat Motion on Houses of Multiple Occupation, 9 April 2025

Proposed: Sam Al-Hamdani

Seconded: Mark Kenyon

This Council notes with concern the increasing number of Houses of Multiple Occupation (HMOs) in Oldham and the impact this has on local communities, housing standards, and infrastructure. While HMOs can provide an important source of affordable accommodation, their proliferation in certain areas has led to issues including overcrowding, pressure on local services, and a decline in housing quality. In the past 5 years the number of licensed HMOs in Oldham has almost doubled.

This Council also notes that

- on 1 November 2023, it resolved to direct officers to “collect and collate evidence on the number of HMOs in each ward across the Borough, identifying clusters and report back to the relevant cabinet member if any case can be made for an Article 4 direction”.
- current national planning regulations allow certain HMOs (Class C4, up to six residents) to be established without the need for planning permission. This limits the ability of local authorities to manage their spread and ensure they are appropriately located and regulated.
- no figures are currently available on the number of HMOs in the borough – only for the number of licenced HMOs (which meet one definition) or for HMOs which have received planning permission (which meet a separate definition).
- there are standard tests which allow the Council to define whether any building is an HMO, as defined under the Housing Act 2004.
- Councillors have been told that they cannot be informed of forthcoming HMOs for licensing, due to data privacy.
- Councillors have no right to make a representation to the Council on HMO licence applications and renewals.
- the Council has let licenses for HMOs lapse on multiple occasions, sometimes for up to a year.

This Council welcomes the recent announcement by the Chancellor of an additional £2 billion for social and affordable housing. This funding provides an opportunity to address the shortage of genuinely affordable homes and to ensure that people in Oldham have access to safe, secure, and high-quality housing.

This Council calls on the new Labour Government to reverse the changes introduced by the Conservative and Liberal Democrat Coalition Government in 2010 which removed the requirement for planning permission for small houses of multiple occupation.

This council further requests that the Chief Executive writes to the borough's 3 MPs and the Secretary of State for Housing, Communities and Local Government, asking for their support in reversing the aforementioned changes.

This Council calls on the Cabinet Member responsible to provide a report back to Council at the soonest opportunity on the work that has been carried out to establish whether a case can be made for an Article 4 direction; to continue efforts to establish that case, and to report back on a regular basis.

This Council will wherever possible ensure that any building being used as an HMO is defined as such, with a view to ensuring that any work towards an Article 4 direction is provided with the best available information.

This Council will provide information on forthcoming HMO applications, with any personal information removed.

The Council will establish a right for Councillors to make representations to the Council on HMO licence applications and renewals.

Appendix 3 – Motion (as amended) submitted by the administration to Council on 16 July 2025

Proposed by: Cllr Elaine Taylor

Seconded by: Cllr Davis

Motion as Amended

Article 4(1) direction on small HMOs

Residents are rightly concerned with the number of Houses of Multiple Occupancy (HMOs) which are currently being introduced across the borough.

We have always believed HMOs are a symptom of the housing crisis and not a solution. In some cases, exploiting some of the most vulnerable people within our community through substandard and unsafe accommodation.

Whilst it is not possible to prevent full planning applications from being submitted, we can act to close the loophole that allows for permitted development rights for Houses in Multiple Occupation (HMOs) where between three and six unrelated people share basic amenities, such as a kitchen or bathroom.

Oldham Council currently permits, without the need for planning permission under 'permitted development rights', the change of use of a typical dwelling house occupied by a single household in use class C3, to a property used as a 'small' HMO that is shared by between three and six unrelated people in use class C4.

The Council can, however, adopt an Article 4 Direction to remove these permitted development rights. This will require a planning application to be submitted for change of use from class C3 to C4. This means due process will be applied giving residents a say in what happens in their communities.

We had hoped the government would introduce new legislation to make HMO developers more accountable and give residents a greater say by making it mandatory for small HMO developers to be licensed with the local authority.

In addition, the government has stated it is committed to removing all asylum applicants (approximately thirty thousand) from temporary hotel accommodation. We believe this action will inevitably mean further demand for HMOs.

We acknowledge and accept that the implementation of Article 4 borough wide will have a significant impact on available resources particularly the Planning Department.

This Council resolves to:

1. As soon as possible, Cabinet to consider and make a direction pursuant to Article 4(1) of the Town and Country Planning (General Permitted Development) Order

2015 on a borough wide basis. Withdrawing the permitted development rights to convert a dwellinghouse (C3) to a House in Multiple Occupation (C4) is appropriate, and justified, to prevent harm to local amenity and promote the wellbeing of the aforementioned areas.

2. To delegate authority to OMBC Planning Department to carry out all necessary consultation and to notify the Secretary of State in accordance with statutory requirements.
3. That, the Borough wide Article 4(1) Direction will come into effect once made.
4. To put existing and prospective HMO landlords on notice that OMBC will look to implement the Article 4(1) Direction on 1st January 2026.

Oldham Council does not intend to rely on or hide behind government legislation on this issue.

An Article 4(1) Direction can be used to manage HMO concentration and prevent the formation of imbalanced communities and negative impact on local amenity. As a resident focused Council, we value residents' opinions and put communities at the forefront of decision making. We are committed to giving residents a voice and a transparent process to ensure that their views are heard.

The adoption of this motion demonstrates to the people of the borough that the council is prepared to act in their interests.

Appendix 4 – Article 4 Direction Background Paper

See separate document

Appendix 5 – Article 4 Direction

See separate document