

## **Report to CABINET**

# **Confirmation of the Article 4 Direction for Houses of Multiple Occupation**

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

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**15 December 2025**

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### **Reason for Decision**

At Cabinet on 22 September 2025, it was agreed to introduce a non-immediate, borough-wide Article 4 Direction to remove the permitted development right allowing the conversion of dwelling houses (Use Class C3) into Houses of Multiple Occupation for up to six residents (Use Class C4). A period of public consultation on the introduction of the Article 4 Direction was to follow for a period of 6 weeks – the consultation ran from 6 October to 16 November 2025. 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.

This report sets out the outcome of the public consultation, summarises the available evidence and, as a result, seeks confirmation of the Article 4 Direction, to come into effect on the 1 January 2026.

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## **Recommendations:**

Cabinet is recommended to:

- 1) Consider the evidence presented in this report, including the outcome of the public consultation; and
- 2) Confirm 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 to come into effect on the 1 January 2026, in line with the details set out in the report and the Article 4 notice presented at Appendix 3.

## **Executive Summary**

In a report to Cabinet on 22 September 2025, officers asked Members to 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. 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, which would then 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 responses is provided in section 2 of this report.

Informed by the available evidence and the consultation responses received, the preferred option (as recommended) is to confirm the borough-wide Article 4 Direction for Houses of Multiple Occupation (HMOs) to 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.

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- 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.

In addition to this report, a report detailing the consultation outcome and outlining the next steps involved to seek confirmation of the Article 4 Direction (i.e. this report), was presented to Council on the 10 December 2025.

## Confirmation of the 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. In general terms, an 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 an HMO includes the following, but only if they involve shared facilities such as a bathroom and/or kitchen:
  - 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. 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.
  - 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).
- 1.5. 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.
- 1.6. The conversion (or new-build) of any property to create a Sui Generis "large" HMO also already requires planning permission in all cases.
- 1.7. 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

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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).

- 1.8. 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.
- 1.9. 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 an HMO Licence and are subject to less statutory regulation, and so the quality of such HMOs cannot be monitored properly currently.
- 1.10. At Cabinet on 22 September 2025, it was agreed to introduce 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. The said report outlined that this would include a six-week consultation period. It is also agreed 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. The report is contained at Appendix 1 for information.
- 1.11. In line with the agreed report, this report now seeks confirmation of the Article 4 Direction, which in considering the available evidence and consultation responses, is necessary to ensure the appropriate consideration of all HMOs, and therefore their appropriate development, through the planning process.
- 1.12. This report:
  - Provides a summary of the legislative process for introducing an Article 4 Direction, the public consultation responses and the available evidence presented in the previous report to Cabinet (22 September); and
  - Seeks 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 boroughwide basis to come into effect on the 1 January 2026, in line with the Article 4 notice presented at Appendix 3.
- 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 six-week consultation on the introduction of the Article 4 Direction has attempted to raise awareness that the implementation of the Direction is forthcoming. This has helped to reduce the risk 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 it is to come into effect (publicised as the 1 January 2026, should the Direction be confirmed) has been in the public domain since at least the 22 September. Notwithstanding this there is a risk that compensation claims will be made against the Council following 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. *Legislation and process for introduction of an Article 4 Direction***

- 2.1.1. A summary of the legislation and process for introducing an Article 4 Direction is provided below, alongside detail of how the Council has complied with this process to date.
- 2.1.2. 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 policy<sup>1</sup> 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.
- 2.1.3. There are two types of Article 4 Directions – a non-immediate Direction which requires a period of public consultation before it can be introduced. It must then be confirmed after the consultation period ends and brought into effect. The Secretary of State must also be notified at the start of the consultation and when the Direction is confirmed; and an immediate Direction – which can take effect as soon as it is issued without a period of consultation, but must be confirmed after 6-months, and the Secretary of State notified.
- 2.1.4. A non-immediate Article 4 direction is made through a two-stage process within which there is a period of consultation, as set out below<sup>2</sup>.

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<sup>1</sup> See paragraph 54 of the 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)

<sup>2</sup> Schedule 3 of The Town and Country Planning (General Permitted Development) (England) Order 2015<sup>2</sup> (Procedures for Article 4 directions) sets out the procedures for Article 4 directions.

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*Stage 1: The Local Planning Authority makes the Direction.*

- 2.1.5. Once the Direction has been made the Council then notifies the Secretary of State and carries out consultation. The consultation should be carried out in accordance with the legislative procedures and for a period of at least 21 days, allowing for any representations concerning the Direction to be made to the local planning authority.
- 2.1.6. 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. Notice of the Direction must also be displayed by local advertisement and at no fewer than 2 locations within the area to which the Direction relates.
- 2.1.7. The Council carried out public consultation on the introduction of the Article 4 Direction for a period of 6 weeks between 6 October and 16 November 2025. The length of the consultation was considered appropriate given the significance of the change that the proposed Article 4 Direction would bring for landlords and it gave adequate notice to landlords who may 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 has also reduced the potential for compensation claims from landlords affected by the Article 4 Direction.
- 2.1.8. As the Article 4 Direction is for a boroughwide Direction, individual service on owners and occupiers was considered impractical and was not undertaken (as was set out in the original report). Instead, the notice was published on the Council's website and sent to all those on the Council's Local Plan mailing list and Development Management's (Planning) mailing list. It was also sent to all ward members, statutory consultees and other bodies as was considered appropriate.
- 2.1.9. The consultation was also publicised by advertisement of notice in the local press (Manchester Evening News on Friday 3 October 2025); announcement of the consultation on the Council's social media; and the Article 4 Direction Notice was displayed in all of Oldham's public libraries and at the Council's principal office.
- 2.1.10. The Council notified the Secretary of State at the start of the 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.

*Stage 2: The Direction is confirmed and comes into effect*

- 2.1.11. 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 must come into effect no earlier than 28 days and no later than 2 years from the start of the consultation period.

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- The Secretary of State must then be notified that the Direction is confirmed and has come into effect.
- 2.1.12. The following sections of this report summarises the available evidence, sets out the consultation responses received, and, as a result, seeks confirmation of the Article 4 Direction to come into effect on 1 January 2026, in line with the regulations set out above.
- 2.1.13. If the Article 4 Direction is confirmed, the Secretary of State will be notified that the Direction is confirmed and will come into effect on 1 January 2026.

## **2.2. Evidence regarding HMOs across the borough**

- 2.2.1. In the report to Cabinet on 22 September the current position regarding HMOs in the borough was set out. In addition, a Background (evidence) Paper (contained at Appendix 2 for information) accompanied the report which provided further detail to support the introduction of the Article 4 Direction. A summary of this evidence is provided below for context.
- 2.2.2. As of July 2025, according to the best available evidence<sup>3</sup>, there were approximately 384 HMOs in the borough<sup>4</sup>. This is the latest position available.
- 2.2.3. 81 of the 384 HMOs had secured a HMO Licence<sup>5</sup> or been issued a draft licence ready for the final licence to be issued, and 43 applications were in the process of being considered.
- 2.2.4. The number of HMOs represents 0.38% of the borough's total dwelling stock (99,081 dwellings, as of September 2025<sup>6</sup>).

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<sup>3</sup> 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.

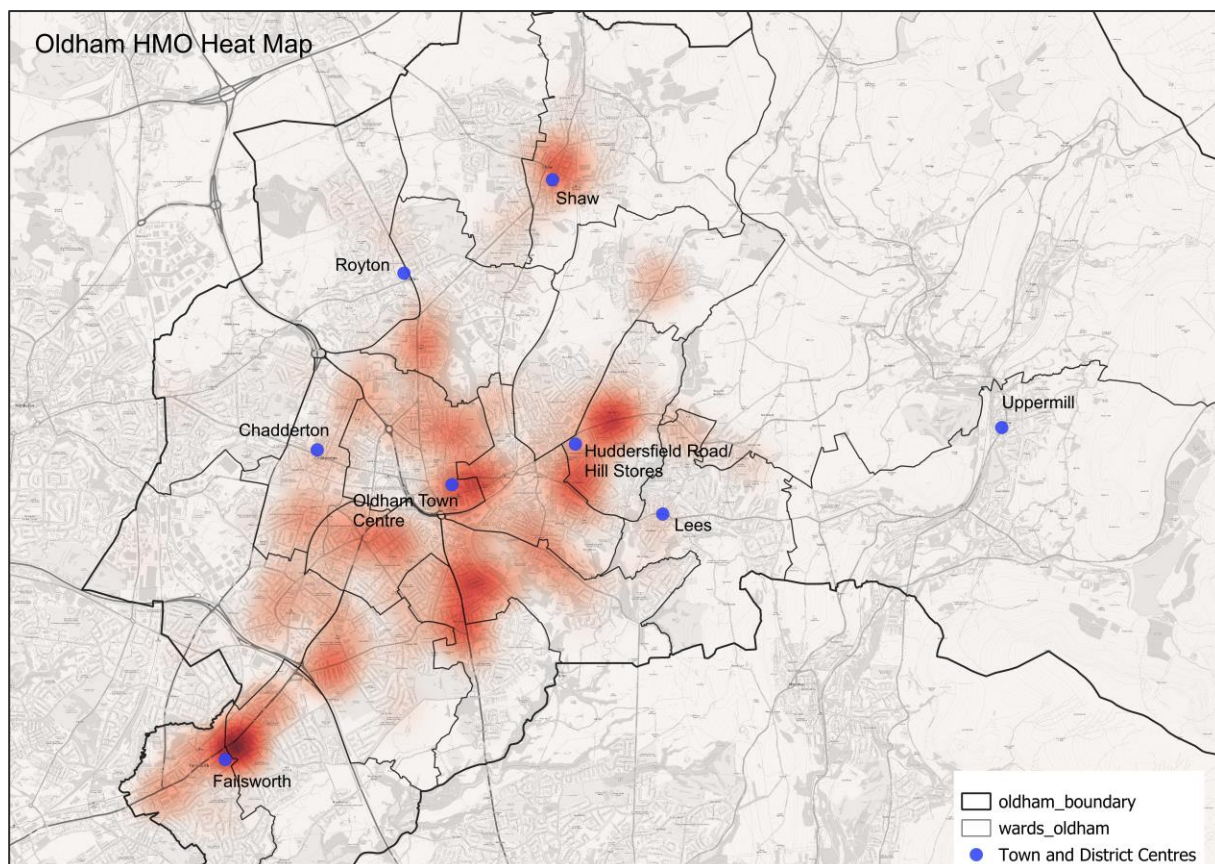
<sup>4</sup> The actual number of HMOs in the borough may differ somewhat. The Council is not currently notified of all conversions of C3 dwellings to small HMOs (as this is currently permitted development), but this figure is based on the best available evidence to us. Whilst it would be hoped those 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.

<sup>5</sup> 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](https://www.oldham.gov.uk/info/201198/help_for_landlords/258/houses_in_multiple_occupation)

<sup>6</sup> Source – Oldham Council, Council Tax data (September 2025).

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- 2.2.5. The majority of the existing HMOs in the borough are smaller HMOs, for up to 6 people. There are approximately 75 HMOs (of the total 384 existing HMOs) which are for more than 6 people (19%) (large HMOs).
- 2.2.6. Almost half (over 48% or 185 properties) of the total 384 HMOs have been changed from a single household dwelling to a HMO, often with additional bedrooms being created.
- 2.2.7. Sometimes, issues can arise when existing C3 dwellings are converted to HMOs. 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. 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.
- 2.2.8. Also, 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.
- 2.2.9. 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.
- 2.2.10. In terms of location, 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*



- 2.2.11. 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.
- 2.2.12. 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.
- 2.2.13. The majority of the borough's existing HMOs are located in accessible locations, with access to public transport and key services. 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.

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## **2.3. Consultation Responses**

- 2.3.1. As set out above, 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, in line with the regulations.
- 2.3.2. The consultation sought comments on the intention to introduce the Article 4 Direction. In total there were 314 consultation responses. Appendix 5 sets out a summary of the responses received as part of the consultation.
- 2.3.3. 167 respondents (53%) supported the introduction of the Article 4 Direction. Many also commented on issues with HMOs.
- 2.3.4. 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
- 2.3.5. 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
- 2.3.6. 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.
  - 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.
- 2.3.7. 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

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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.

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

### **3 Options/Alternatives**

- 3.1 This section of the report identifies the options available for the confirmation 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 boroughwide basis.

#### **3.2 Confirm the Article 4 Direction**

- 3.2.1 The available evidence has shown that there is a need for smaller units of accommodation in the borough, which HMOs can provide. However, there is also a need for larger family homes. The majority of the borough's existing HMOs are smaller HMOs (C4 use) (only 19% are larger HMOs for 6 people and above). Also, almost half of the borough's identified HMOs have been converted from C3 Dwellings (single household). This means that family homes have been lost to HMOs. Also, there may be issues of overcrowding and amenity when smaller properties are converted to HMOs, which currently we cannot control with the existing permitted development right.
- 3.2.2 In terms of location, 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. In this regard, it was considered appropriate to apply the Article 4 Direction borough wide to ensure consistency. This would also reduce potential displacement effects, with smaller HMOs being developed outside of the Direction area, if the Direction was applied to a smaller area.
- 3.2.3 Many of the responses to the public consultation supported the introduction of the Article 4 Direction. Many respondents also noted issues and concerns regarding the number and location of HMOs in the borough, as well as citing specific issues associated with HMOs, including impacts on amenity, local character and communities.

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- 3.2.4 As such, given the extent of smaller HMOs in the borough, concerns with HMOs raised by Council Members and the respondents to the consultation, it is considered that the Article 4 Direction is appropriate and should be confirmed to come into effect on 1 January 2026. It is considered that the Direction will give control to the Council over the issue and ensure that HMOs are properly developed, with appropriate consideration given to their design, location, amenity and impact on existing communities and local character. The Direction will also give a voice to local communities as they will be able to comment on planning application for HMOs in their area.
- 3.2.5 If the Article 4 Direction is confirmed, 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.

### **3.3 *Do not confirm the Article 4 Direction / No Article 4 Direction***

- 3.3.1 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 in place. This means 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, with the exception of those that are for more than 5 people, which would need to have a HMO Licence.
- 3.3.2 An Article 4 Direction will 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 confirm 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 to come into effect on 1 January 2026.
- 4.2. 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

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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.

## **5 Consultation**

- 5.1 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 5).

## **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.

(Mohammed Hussain)

## **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

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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.

(A Evans)

## **8 Procurement Implications**

- 8.1 None.

S Kapoor (Commercial Procurement Unit)

## **9. Oldham Equality Impact Assessment, including implications for Children and Young People**

- 9.1 The completed Oldham Equality Impact Assessment is attached at Appendix 4. 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 'Happier 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.

## **10 Key Decision**

- 10.1 Yes

## **11 Key Decision Reference**

- 11.1 RBO-12-25

## **12 Background Papers**

- 12.1 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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## 13 Appendices

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

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

Appendix 3 - Draft Article 4 Direction Confirmation Notice. *See separate document.*

Appendix 4 - Oldham Equality Impact Assessment. *See separate document.*

Appendix 5 – Summary of responses to the Article 4 Direction Public Consultation.

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

See separate document.

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## **Appendix 2 – Article 4 Direction Background Paper**

See separate document

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### **Appendix 3 – Draft Article 4 Direction Confirmation Notice**

See separate document.

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## **Appendix 4 – Oldham Equality Impact Assessment**

See separate document.

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## **Appendix 5 – Sealed Article 4 Document**

See separate document.

## Appendix 5 – 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.

<b>Issue Theme</b>	<b>Response Summary</b>
	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

<b>Issue Theme</b>	<b>Response Summary</b>
<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.