

REPORT TITLE: Article 4 Direction regarding Houses in Multiple Occupation



Performance, Assets and Strategy Overview and Scrutiny Committee (6 October 2026)

Report by:

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Wards affected:

All.

Director Approval: Director Stephen Kelly confirms that the report author has sought the advice of all appropriate colleagues and given due regard to that advice; that the equalities impacts and other implications of the recommended decisions have been assessed and accurately presented in the report; and that they are content for the report to be put to the Cabinet/Cabinet Member for decision.

1.	Recommendations
1.1	It is recommended that Scrutiny note the following Cabinet recommendations and provide feedback on the proposals: It is recommended that Cabinet: a. Agree to the preparation of a Non-Immediate Article 4 Direction to remove permitted development rights to change dwellings (planning use class C3) into small houses in multiple occupation (HMOs) (planning use class C4), to cover the area shown on the maps in Appendix 1; b. Delegate preparation of the above and the carrying out of a public consultation to the Director of Planning; c. Note that Cabinet approval will be required to confirm the Direction following the publication and consultation.
2.	Purpose and reason for the report
2.1	Evidence prepared to inform the Greater Cambridge Local Plan has highlighted that Houses in Multiple Occupation (HMOs) are an important source of residential accommodation, including comparatively affordable accommodation, in

	Cambridge, but impacts need to be appropriately managed. Policies have been included in the Proposed Submission Local Plan to ensure proposals are of an appropriate standard and amenity issues are properly considered. This report seeks agreement to prepare a Non-Immediate Article 4 Direction to remove permitted development rights to change dwellings (planning use class C3) into small HMOs (planning use class C4) without planning permission, to cover the urban area of Cambridge. This would mean that the impact of proposals for small HMOs (up to 6 unrelated persons) as well as large HMOs can be considered through the planning process. The Article 4 Direction would be subject to public consultation, and responses reported to Cabinet for consideration of whether the Direction should be confirmed. As a Non-Immediate Article 4 Direction it would come into force a year after it has been confirmed.
3.	Alternative options considered
3.1	Members may decide to: a. Agree the recommendations, including the consultation on a Non-Immediate Article 4 Direction b. Agree the recommendation subject to amendments; or c. Not agree the recommendations.
4.	Background and key issues
4.1	Introduction This report explores the case for and the practical details of issuing an Article 4 Direction which would mean proposals to change the use of dwellings into small HMOs would need planning permission in the City of Cambridge.
4.2	Background to Article 4 Directions for Small Houses in Multiple Occupation (HMOs) In normal circumstances permitted development rights allow dwellings (falling within planning use class C3) to change use into a small HMO (planning use class C4) for up to six unrelated individuals without planning permission (a larger HMO occupied by more than six unrelated people is treated as a sui generis use and always requires planning permission). Provisions under Article 4 of the Town and County Planning (General Development Procedure) Order 2015 allows Local Planning Authorities to remove the “permitted development rights,” that have the effect of grating planning permission for a range

	of development types. Part L of Schedule 2 of the Order grants planning permission for the change of use from Use Class C3 to Use Class C4. An Article 4 Direction does not prevent the development to which it applies, but instead requires that planning permission is first obtained from the council for that development. The newly published 2026 National Planning Policy Framework (NPPF) has incorporated guidance on the use of Article 4 Directions. Policy DM10 Removal of national permitted development rights states that: “The use of Article 4 directions to remove permitted development rights should: a. Be limited to situations where it is necessary to protect local amenity or the wellbeing of the area (for example safeguarding against the demolition of local facilities, preventing an over-concentration of uses which could affect the quality of life such as small Houses in Multiple Occupation, or supporting the vitality and viability of parts of town centres); b. Be based on robust evidence; and c. Apply to the smallest area required to mitigate the evidenced harm.” Therefore, in appropriate circumstances, an Article 4 Direction can be used by Local Planning Authorities to withdraw permitted development rights to require a planning application to be submitted for the change of use of a dwelling to a small HMO. An Article 4 Direction does not apply retrospectively. Any conversions which took place prior to the date the Article 4 Direction takes effect will not retrospectively require planning permission. When an Article 4 Direction is brought into effect by a Local Planning Authority, the Secretary of State retains an overarching power and can choose to modify or cancel any Article 4 Direction.
4.3	The case for an Article 4 Direction Following exploration of and feedback by members and local communities of the approach to planning for HMOs during earlier stages of the Local Plan process, the Greater Cambridge Shared Planning Service commissioned a study to explore the number and distribution of HMOs within Greater Cambridge, the role of HMOs in meeting the housing needs of Greater Cambridge, the impacts of HMOs, and the potential solutions. The Greater Cambridge Houses in Multiple Occupation (HMO) Study (2026) was subsequently published to accompany the Proposed Submission Local Plan consultation. The study identified: • As of February 2026, based on Cambridge City Council’s own data, there were

	an estimated 1,727 licensed and unlicensed HMOs (equating to 3% of total building stock) in the City. • Large and small HMOs form a key part of the housing supply in Cambridge, providing accommodation at a comparatively affordable rent for professionals, students and healthcare workers, especially in central Cambridge locations. • HMOs also represent the most viable market-based housing option for those unable to access social housing. • There is evidence of concentrations in some areas, particularly around Mill Road and Anglia Ruskin University, strongly linked to the prevalence of older terraced housing and proximity to local district amenities, employment centres and universities. • Areas with more HMOs are also locations likely to have wider amenity issues due to inner city and main road locations, and housing types (e.g. terraced homes). The study concluded that there appeared to be no correlation between HMOs and crime or antisocial behaviour, and some correlation between HMOs and residential amenity complaints (e.g. noise, rubbish). There may, however, be other factors (density and amenity complaints) that also share such a correlation. The Council's data cannot therefore demonstrate a causal relationship. • There is limited evidence that HMOs are leading to a loss of availability of family-sized dwellings. • The study therefore recommended a policy approach that avoids sandwiching, minimises cumulative impacts and seeks appropriate design to ensure that HMOs created in the City were of good quality. Third party submissions have also been made to City Council. This included further information on the distribution of HMO's and was accompanied by strong advocacy for a Local Plan Policy incorporating a percentage ceiling on HMO's alongside requests for improve data collection to assist decision making. The adopted Cambridge Local Plan 2018 includes a policy for HMOs (Policy 48: Housing in multiple occupation), which is applied when planning applications for HMOs are submitted. The Proposed Submission Local Plan policies, including H/MO: Houses in Multiple Occupation which identifies standards to improve the quality of HMOs, were considered by the Councils Scrutiny Committee and Cabinet prior to consultation on the Local Plan commencing in August 2026. The outcome of that consultation is due to be considered by Councillors prior to the local plan submission deadline in December 2026.
4.4	Defining the Geographical Area of the Article 4 Direction Cambridge is a relatively compact City and its “urban area” crosses administrative boundaries, encapsulating parts of South Cambridgeshire that are nevertheless functionally connected to the City and its services. The relatively small size of the

	City, and the dispersed academic and employment hubs, including peripheral campus type developments attracting staff and students who are likely to use HMO accommodation means that confining the Article 4 to a distinct part of the City would not in officers view address the specific qualitative concerns that the Councils is seeking to resolve. The evidence is also clear that there is already broad spread of HMOs across the urban area of Cambridge. Given the policy focus on addressing quality issues, it is accordingly considered appropriate that an Article 4 Direction be applied to the whole urban area of Cambridge. South Cambridgeshire District Council Cabinet will therefore also be receiving a report in November to seek authorisation to introduce an Article 4 Direction for the areas forming a contiguous part of the urban area such as Orchard Park and Cherry Hinton. If they confirm the approach the Article 4 processes will be undertaken simultaneously. The area proposed in Cambridge is shown on the map attached as Appendix 1 to this report.
4.5	Immediate versus non-immediate Article 4 Directions can either be non-immediate or immediate. A non-immediate Article 4 Direction does not take effect until after a certain period of time following its making, typically 12 months. Liabilities for compensation from the Council nevertheless arise if the period of a non-immediate Article 4 direction is less than 12 months. This allows a statutory process for consideration of representations before confirming when it will come into force. An immediate Article 4 Direction takes effect as soon as it is introduced, but has a high threshold of evidence, requiring demonstration of an immediate threat to local amenity. An immediate Article 4 would mean that within the first 12 months after the direction is introduced, property owners may be eligible for compensation if they have planning permission refused for a conversion which would otherwise be permitted development or if conditions are attached to a planning permission which make the conversion more onerous than it would have been were it to have been undertaken under permitted development. Officers have considered the likely scale of compensation that use of an Immediate Article 4 might give rise to. Given the nature of the permitted development “right” to be removed, the potential scale of compensation could be very significant – capturing both reduced revenue and capital asset values. Calculating a cost reliably, given that it depends upon the numbers of such applications received or granted conditional approval is therefore very difficult. For these reasons most local

	authorities introduce Article 4 Directions seeking to restrict changes of use from C3 to C4 using the non-immediate approach. Reflecting the above, a non-immediate Article 4 Direction is proposed.
4.6	Public Consultation A non-immediate Article 4 Direction has its own regulatory requirements which must be followed, but the consultation approach can also draw on the Greater Cambridge Statement of Community Involvement. Due to the number of properties, the notice would be advertised rather than notifying individual properties.
4.7	Next Steps If the Cabinet agrees to issue a non-immediate Article 4 Direction as described in this report, it is proposed to commence a six-week consultation in November. The results of the consultation are expected to be reported to Cabinet in early 2027, when a decision will be sought on whether the Direction should be confirmed. Dates will be refined through the drafting process, but the aim would be for it to take effect as soon as possible after the one-year period of notice had expired.
5.	Corporate plan
5.1	The proposed Article 4 Direction for HMOs would contribute to achieving many of the key priorities set out in: Corporate plan 2022-27: our priorities for Cambridge - Cambridge City Council, in particular improving housing conditions and making best use of existing homes.
6.	Consultation, engagement and communication
6.1	The Article 4 Direction will be consulted on in line with the Article 4 Direction procedures, and will also draw on the Greater Cambridge Statement of Community Involvement.
7.	Implications
	Relevant risks
7.1	There is a minor risk that an Article 4 Direction being in place could reduce the supply of HMOs as they need to be provided at a higher quality to be given planning permission, and some landlords may be put off providing accommodation in HMOs. However, this risk is balanced against the need to ensure that HMOs in Cambridge are of a high quality and minimise impacts on the residential amenity of occupiers and neighbours. This reflects the role of HMOs in providing alternative accessible and more affordable accommodation for students, professionals and workers in Cambridge.

	Local Government Reorganisation (LGR)
7.2	There are no specific LGR considerations. A future unitary council could choose to continue the approach or revoke the Direction.
	Financial Implications
7.3	Preparing the Direction can be undertaken using existing staff resources. Undertaking the consultation will have a small cost which would be covered by existing budgets. Once the Direction takes effect, there would be an increase in planning applications relating to smaller HMOs, but normal planning fees would apply. This could have implications for the level of resourcing required, but fees would be charged for each application that would cover part of the cost. As a Non-Immediate Article 4 Direction is being proposed, the Council will not be liable to pay any compensation.
	Legal Implications
7.4	Officers have sought advice from 3C Legal in the preparation of this report and would continue to seek appropriate advice in processing the proposed Article 4 Direction.
	Equalities and socio-economic Implications
7.5	The Article 4 Direction proposal has been subject to an Equalities Impact Assessment (see Appendix 2). HMOs can provide an important source of comparatively affordable accommodation, including for people on lower incomes and those who may have fewer housing options. It is therefore important to maintain the supply of HMOs while focusing on the improvement of the quality of accommodation and managing impacts on residential amenity. Housing quality, affordability and health inequalities must continue to be considered together.
	Net Zero Carbon, Climate Change and Environmental implications
7.6	The proposal is not expected to have any significant climate change implications. Using the Climate Change Rating Tool, it has been assessed as having a Low Impact.
	Procurement Implications
7.7	N/A
	Community Safety Implications

7.8	N/A
8.	Background documents Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985. Greater Cambridge Houses in Multiple Occupation (HMO) Study (2026)
9.	Appendices - Appendix 1 – Map of Proposed Article 4 Boundary - Appendix 2 – Equalities Impact Assessment (EQIA)
10.	To inspect the background papers or if you have a query on the report please contact Jonathan Dixon - Planning Policy Manager Telephone: 07514 925952 email: jonathan.dixon@greatercambridgeplanning.org