

<b>Report Title:</b>	Confirmation of the Article 4 Direction to withdraw permitted development rights for the conversion of houses to small Houses in Multiple Occupation (HMOs).		
<b>Report to:</b>	Cabinet	<b>Date:</b>	18 March 2026
<b>Report of:</b>	Head of Planning	<b>Cabinet Portfolio</b>	Planning
<b>Cabinet Lead Member</b>	Councillor A Barnes	<b>Wards Affected</b>	All
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Integrated Impact Assessment:</b>	Required: Yes	Attached: Yes	
<b>Contact Officer:</b>	Anne Storah	<b>Telephone:</b>	01706 252418
<b>Email:</b>	<a href="mailto:annestorah@rossendalebc.gov.uk">annestorah@rossendalebc.gov.uk/</a> <a href="mailto:louisekirkup@rossendalebc.gov.uk">louisekirkup@rossendalebc.gov.uk</a>		

<b>Valley Plan Priorities</b>	<b>Thriving Local Economy</b> - This involves securing new inward investment, creating a sustainable economy, matching local skills with future job opportunities, and supporting town centres as unique destinations.	
	<b>High Quality Environment:</b> This includes having a "clean and green" local environment, reducing the borough's carbon footprint, improving waste and recycling rates, and delivering new homes with a good mix of housing tenures.	<input checked="" type="checkbox"/>
	<b>Healthy &amp; Proud Communities:</b> This priority focuses on improving the health and physical/mental wellbeing of residents, reducing health inequalities, ensuring access to better leisure facilities and health services, and fostering a sense of pride in the community.	<input checked="" type="checkbox"/>
	<b>Effective &amp; Efficient Council:</b> The aim is to provide good quality and responsive services, embrace new technology, be a financially sustainable council with a commercial outlook, and ensure sound governance.	

## 1. PURPOSE OF THE REPORT & EXECUTIVE SUMMARY

- 1.1 Under delegated authority, on 19 September 2025, the Council made an Immediate Article 4 Direction across all wards in Rossendale to withdraw permitted development rights for the conversion of houses (Use Class C3) to small Houses in Multiple Occupation (HMOs) (Use Class C4)
- 1.2 Following this, a 6-week consultation was undertaken. It is necessary for the Article 4 direction to be confirmed within 6 months of it being made.

## 2. RECOMMENDATIONS

- 2.1 To note the consultation responses received following the making of the Article 4 Direction.

**2.2 To confirm the making of the Immediate Article 4 Direction across all wards within Rossendale to withdraw permitted development rights for the conversion of houses to small Houses in Multiple Occupation (HMOs).**

**2.3 Due to the urgency Cabinet agrees to waive the call-in procedure in order to meet the deadlines laid down by legislation.**

### **3 BACKGROUND & REASON FOR THE DECISION**

3.1 Under permitted development rights, houses can be converted to small HMOs without requiring planning consent. For the purposes of planning, small HMOs are properties occupied by 3 to 6 unrelated individuals, as their only or main residence, who share basic amenities such as a kitchen or bathroom.

3.2 Legislation allows the Council to make an Article 4 Direction to remove these permitted development rights and so planning permission will be required to convert a house to a small HMO, where a material change of use will occur. The Director of Economic Development has authority to issue an Immediate Article 4 Direction across all wards within Rossendale, subject to consultation with the relevant lead member. This took effect on 19 September 2025. Confirmation of the Article 4 Direction is required before 19 March 2026, six months after the Article 4 Direction was made, otherwise it will cease to have effect.

3.3 Having made the Article 4 Direction in September, notices were issued as required by the legislation, with a local advertisement, site display at no fewer than two locations within the area to which the Direction relates for not less than 6 weeks, and the Secretary of State was also informed. The consultation was publicised in the local press and on the Council's website and social media pages. Please see [Article 4 Directions | Planning | Rossendale Borough Council](#) for further details.

3.4 The Council received 21 comments, which can be viewed at <https://www.rossendale.gov.uk/downloads/file/19321/responses-received>. Of these, 19 supported the Article 4 Direction, one was not in favour and one response was unclear. The issues that were raised include:

- Contributing to low prices of properties in an area
- Changing the character of an area
- Preventing families accessing the housing market
- Exacerbating parking issues
- Undermining community cohesion due to the transient nature of occupiers of HMOs
- Low standards of some HMOs
- Overcrowding, leading to potential physical and mental health problems for occupiers
- Increased number of people putting pressure on local services
- Hosting vulnerable users so requiring additional support from public services
- Anti-social behaviour e.g. excessive noise or not keeping outside areas clean and tidy.
- The Article 4 Direction will help with monitoring the location of HMOs, including the identification of clusters and the standards of HMOs

No reason was given as to why an individual (respondent 6) did not agree with the introduction of an Immediate Article 4 Direction.

- 3.5 Introducing an Immediate Article 4 Direction requires the Council to “*consider that the development to which the direction relates would be prejudicial to the proper planning of their area or constitute a threat to the amenities of their area*”.
- 3.6 It is acknowledged that HMOs play a crucial role in providing affordable and flexible/temporary housing options, particularly for younger people. However, there is concern about the increasing number of HMOs, the quality of accommodation provided, and the implications on the amenity and character of local neighbourhoods. As small HMOs do not require planning consent, it is very difficult to monitor their occurrence, and planning conditions cannot be imposed which would mitigate any impacts.
- 3.7 The 2021 Census recorded 17 HMOs, of which 15 were identified as small HMOs. Research undertaken in 2025 by the Planning team identified 79 HMOs (based on data identified from the Planning and Building Control Unit, rooms being advertised for rent on the website (e.g. the SpareRoom website) and Environmental Health records, including the Public Register of licenced HMOs). In addition, there are 31 properties that could be small HMOs, based on complaints and enquiries received. This shows there has been a staggering increase over the past four years, of about 500%. Mapping these properties has shown that HMOs are present in every ward in Rossendale and there are signs that clusters are beginning to form, in areas particularly around Haslingden, Bacup and Stacksteads.
- 3.8 In order to help in determining planning applications where there is a material change of use resulting in an HMO being created, Cabinet adopted Supplementary Planning Guidance (SPG) on 11 February 2026. This SPG is to ensure amenity is protected for both the residents of the HMOs and wider residential amenity for neighbouring properties.
- 3.9 Introducing an Immediate Article 4 Direction will not mean that planning applications will necessarily be refused, but it does mean that planning conditions can be imposed where appropriate. By requiring planning applications to be submitted, it will be valuable in helping the Council monitor how many are in operation and where they are located.
- 3.10 It is necessary to confirm the Article 4 Direction within 6-months of the Direction being made, otherwise the Direction will expire and the permitted development right will be restored. As such, Cabinet are being asked to consider this decision to be urgent, as any delay likely to be caused by the call-in process would seriously prejudice the Council’s and the public’s interest. The minute of any decision taken as a matter of urgency must indicate the reasons for urgency
- 3.11 It should be noted that there could be incidences where the Article 4 Direction may not apply, specifically if it is considered that there would be no material change where a proposal changes the use class from C3 to C4. Whether a material change of use has or will occur is a matter for the Local Planning Authority to determine on a case-by-case basis.

**Summary**

- 3.12 Due to the number of complaints, it was considered appropriate to see if an Article 4 Direction should be introduced in Rossendale to withdraw permitted development rights for small HMOs. Having considered various data sources, it was found that there has been an exponential increase in the number of HMOs since the Census was undertaken in 2021. Discussions took place with Cabinet members and an all-member briefing session was held on 10/09/2025, where support was given to making an Immediate Article 4 Direction to apply to all of Rossendale. In line with the Regulations, following the making of the Direction, consultation was held and 21 responses received, with all but two being clearly supportive.

Under the Regulations, the Council has six months after making it to confirm the Article 4 Direction otherwise it will cease to have effect. This means that a decision has to be made before 19 March 2026, and as such it is recommended that Cabinet waives the call-in process.

#### **4. RISK**

##### **4.1 Compensation**

Bringing an Immediate Article 4 Direction in force as soon as practically possible, will mean that there is a risk of compensation claims being brought against the Council. These compensation risks are unquantifiable. It should be noted that this risk has not prevented other authorities from introducing an Immediate Article 4 Direction.

4.2 In accordance with Sections 107 and 108 of the Town and Country Planning Act 1990 and The Town and Country Planning (Compensation) (England) Regulations 2015 (as amended) property owners may be eligible for compensation if they are affected by the introduction of an Article 4(1) direction within a 12-month period of it coming into effect. Compensation claims can arise from property owners and/or developers who have incurred abortive expenditure or losses due to the withdrawal of permitted development rights or the imposition of planning conditions. The level and nature of compensation is unknown and will likely remain broadly unknown. Compensation claims only apply to planning applications submitted within 12 months of the Direction being made.

4.3 Legal advice was sought and this noted that the landlord sector is well informed and advised by specialist legal firms.

4.4 It should be noted that of the two Local Planning Authorities who introduced immediate Article 4 directions relating to HMOs more than 12 months ago, Trafford Council received no compensation claims, and the London Borough of Merton received one compensation claim outside of the claim period

##### **4.5 Resources**

Additional resources may be required in order to determine these planning applications, off set by the planning fees. In addition, there are likely to be more planning enforcement cases arising

##### **4.6 Reputational**

The Secretary of State has the power to cancel or modify an Article 4 direction at any time before or after it is confirmed.

4.7 Not bringing into effect a Direction to remove permitted development rights will mean it will be continue to difficult to monitor actual numbers of HMOs. This means that the numbers of this type accommodation can increase, possibly at the expense of family accommodation, and result in further concerns raised by residents in the Borough.

4.8 Introducing an immediate Article 4 Direction will not mean that planning applications will necessarily be refused. In addition, changes that do not result in a material change of use will still not require planning permission. As such it is possible that the expectations of the public will not be met. Where such applications are refused it is expected that appeals will be brought.

#### **5. SECTION 151 OFFICER COMMENTS (FINANCE)**

5.1 There are no direct financial implications arising from the report. As referenced in the point above there may be financial implications depending on the outcomes of any potential claims which should they arise be a pressure on the revenue budget.

## **6. MONITORING OFFICER COMMENTS (LEGAL)**

6.1 Legal implications are covered in the body of the report. The Article 4 Direction was prepared in accordance with Article 4 of the Town and Country Planning (General Permitted Development) Order 2015. The making of an Article 4(1) Direction is also informed by the requirements of the Town and Country Planning Act 1990, and the Regulations set out in Schedule 3 of the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended).

There is no right of appeal against an Article 4 direction. The decision of the Council to make an Article 4 direction can be subject to judicial review proceedings. If the proceedings are successful, the Article 4 direction could be quashed.

6.2 This is a key decision as the matter is significant in terms of its effect on communities living or working in an area comprising two or more wards but that due to the urgency of the decision Cabinet should consider waiving the call-in procedure in order to meet the deadlines laid down by legislation for the confirmation of the Direction.

## **7. INTEGRATED IMPACT ASSESSMENT IMPLICATIONS**

7.1 As attached.

## **8. POLICY/STRATEGY FRAMEWORK IMPLICATIONS**

8.1. Introducing the Immediate Article 4 Direction will help the Council ensure “having access to a good quality home to either rent or buy plays a fundamental part in our residents’ quality of life.” (Healthy and Proud Communities, the Valley Plan).

## **9. LOCAL GOVERNMENT REORGANISATION IMPLICATIONS**

9.1 It is expected that the Article 4 Direction will remain in force for the area shown on the map (which is the entire Borough of Rossendale) until is replaced, revoked or amended.

## **10. BACKGROUND PAPERS**

10.1 Scheme of Delegation

10.2 Immediate Article 4 Direction – details of the consultation [Article 4 Directions](#)

10.3 Evidence Base to support Immediate Article 4 – Available at Futures Park upon request

10.4 SPG on HMOs [Supplementary Planning Documents \(SPDs\)](#)



## Integrated Impact Assessment

The council carry out Integrated Impact Assessments (IIA) to analyse the effects of our decisions, policies or practices. Throughout this document, policy refers to any policy, strategy, project, procedure, function, decision or delivery or service. The IIA should be undertaken/started at the beginning of the policy development process before any decisions are made. Policies are developed and reviewed using a consultative approach involving relevant internal and external stakeholders. Officers must consider what action needs to be taken to help overcome or minimise any disadvantages that people who share a protected characteristic will experience in compliance with the Equality Act 2010 and socio-economic disadvantage.

<b>Name of policy:</b>	Confirmation of the Article 4 Direction to withdraw permitted development rights for the conversion of houses to small Houses in Multiple Occupation (HMOs).
<b>Lead officer name</b>	Anne Stora
<b>Job title</b>	Principal Planner
<b>Service area</b>	Planning
<b>Telephone contact</b>	01706 252418
<b>Email contact</b>	annestorah@rossendalebc.gov.uk
<b>Date Assessment commenced</b>	08.09.25
<b>Date assessment completed</b>	<b>10.02.26</b>

### The main aims/objectives of this policy are:

By issuing an Article 4 Direction and removing permitted development rights, will ensure that any proposals involving the change from a house to a small House in Multiple Occupation (for 3 to 6 individual households) to need planning consent.

Indicate the status of the policy or decision

New/proposed  Modified/adapted  Existing

Indicate protected characteristics have been assessed

Age	<input checked="" type="checkbox"/>	Disability	<input checked="" type="checkbox"/>	Gender reassignment	<input checked="" type="checkbox"/>
Religion/belief	<input checked="" type="checkbox"/>	Sexual orientation	<input checked="" type="checkbox"/>	Sex	<input checked="" type="checkbox"/>
Pregnancy/maternity	<input checked="" type="checkbox"/>	Race	<input checked="" type="checkbox"/>	Marriage or civil partnership	<input checked="" type="checkbox"/>

Indicate socio-economic disadvantage has been assessed

1. Identify any positive or negative impacts on protected characteristics and socio-economic disadvantage

Protected characteristic	Positive/Negative	How does it impact?
Age		The Article 4 Direction will not impact on any protected group in a different way to other people
Disability		The Article 4 Direction will not impact on any protected group in a different way to other people
Gender reassignment		The Article 4 Direction will not impact on any protected group in a different way to other people
Marriage and civil partnership		The Article 4 Direction will not impact on any protected group in a different way to other people
Pregnancy and maternity		The Article 4 Direction will not impact on any protected group in a different way to other people
Race		The Article 4 Direction will not impact on any protected group in a different way to other people
Religion or belief		The Article 4 Direction will not impact on any protected group in a different way to other people
Sex		The Article 4 Direction will not impact on any protected group in a different way to other people
Sexual orientation		The Article 4 Direction will not impact on any protected group in a different way to other people
Socio-economic		HMOs are more prevalent in areas where house prices are lower, and can be occupied by people on lower incomes, although not always. However, it is not the intention that there will be a blanket ban on HMOs, rather that they will require planning permission so that adequate space and

		facilities can be provided, neighbour amenity maintained, and their location monitored to avoid clustering in unsuitable locations.
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2. Explain and provide examples of any evidence/data used (add additional rows if needed)

Evidence	How does this have an impact on the protected characteristic?
<b>ONS data, Indices of Deprivation, Census 2021, records from Planning &amp; BC, Environmental Health</b>	

3. Outcome of IIA

What course of action does this EIA suggest you take?	Please indicate
Outcome 1- The IIA has not identified any potential for negative impact on the protected characteristics. Progress to <b>EIA approval – section 5</b>	<input checked="" type="checkbox"/>
Outcome 2- The IIA has identified a possibility for negative impact on the protected characteristics. <b>An IIA Action Plan must be completed to mitigate the negative impact – section 4 before approval section 5</b>	<input type="checkbox"/>

4. IIA action plan

Based on the above impact assessment, findings/evidence and outcomes identified, please complete the Action Plan below. The action plan should address:

- Any gaps in findings/evidence research including any consultation or engagement regarding the policy and its actual/potential impacts
- How you will address any gaps
- What practical changes/action that will help reduce any negative impacts identified
- What practical changes/action that will help enhance any positive contributions to equality

Negative impact identified	Action required	Lead officer	To be completed

**Monitoring and reviewing the effect of the policy**

Please state how you will monitor the impact and effect of this policy

5. IIA approval (to be completed by the relevant Head of Service/Director)

- Outcome of IIA agreed/approved by Management Team: (date)
- Published on council website: (date)

Signed: ..... (Head of Service/Director) (date)