

**Policy and  
Resources  
Committee Report  
1 June 2026**

**POLICY AND RESOURCES COMMITTEE**  
**1 June 2026**

PART I

**HMO Article 4 Direction**

**(DoF)**

**1 Summary**

1.1 Following an update from officers regarding the increasing levels of potential HMOs coming forward (including pending licenses and informal discussions with the council), Members have requested a report to consider the implementation of an Article 4 Direction to control Houses in Multiple Occupation (HMO) in the Three Rivers District Council area.

**2 Recommendation**

2.1 That:

The Policy & Resources Committee note the contents of this report and agree the following:

**Recommendation 1**

Agree one of the following 3 options, to confirm how the council should proceed with a HMO Article 4 Direction:

- a) Do not progress with making a HMO Article 4 Direction, with officers keeping the situation under review; or
- b) Progress with making an immediate HMO Article 4 Direction and grant delegated authority to the Head of Planning Policy & Conservation and the Director of Finance to finalise the Direction Notice and other procedural matters (noting the financial risks set out in paragraph 7.2 and the financial implications report [part ii document]); or
- c) Progress with making a non-immediate HMO Article 4 Direction and grant delegated authority to the Head of Planning Policy & Conservation and the Director of Finance to finalise the Direction Notice and other procedural matters.

Then if choosing option b or c:

**Recommendation 2**

To agree the geographical area to which the Direction would apply (i.e district-wide or a specific area(s) within the district).

Report prepared by: Marko Kalik, Head of Planning Policy & Conservation and Aaron Roberts, Senior Planning Officer

**3 Details**

3.1 Members will be aware that on 26 January 2026 Policy and Resources Committee considered pursuing an Article 4 Direction. At the time it was

resolved that based on evidence at this time, that an Article 4 Direction is not progressed. However, officers agreed to keep this under review and if circumstances change, officers will consider the position.

- 3.2 In accordance with Rule 22 of the Council Procedure Rules, at least ten Members of the council must confirm that they wish the Committee to again consider this item, for reasons as detailed within the report. The Members are as follows:

Councillor Stephen Giles-Medhurst

Councillor Louise Price

Councillor Keith Martin

Councillor Chris Lloyd

Councillor Paul Rainbow

Councillor Steve Drury

Councillor Raj Khiroya

Councillor Kevin Raeburn

Councillor Elinor Gazzard

Councillor Jon Tankard

Councillor Andrew Scarth

Councillor Tom Smith

- 3.3 In simple terms, a House in Multiple Occupation (HMO) is a property with at least three tenants, forming two or more households and sharing certain facilities (such as a kitchen and bathrooms).

- 3.4 The change of use of a building from its use as a dwellinghouse ("C3" of the Use Class Order) to its use as an HMO that is to be occupied by six or less residents, is currently automatically granted planning permission by virtue of Class L of Part 3, Schedule 2 of the Town and Country Planning (General Permitted Development Order) (England) Order 2015 (as amended) ("the GDPO").

- 3.5 An Article 4 Direction is a planning tool used by local planning authorities to remove permitted development rights for certain forms of development across a specific area or across the whole council area. Following the removal of permitted development rights, the granting of planning permission is required for the restricted form of development.

- 3.6 There are two types of Article 4 Directions, immediate and non-immediate.

- 3.7 Immediate Article 4 Directions take effect immediately upon being made (including prior to the consultation) and are primarily implemented when there is an immediate threat to local amenity. An immediate Article 4 Direction cannot be made unless (as set out in Schedule 3 of the General Permitted Development Order 2015) the council 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*". The Direction must be confirmed by the

council within 6 months following a consultation (responses from this consultation must be considered before confirming the Article 4 Direction). It must be noted that compensation claims (relating to planning fees, loss of land value etc) as a result of immediate Article 4 Directions are payable by the council if planning permission for development (previously permitted under the GPDO) is refused or granted conditionally within 12 months of the direction taking effect. A further explanation of the financial (and other) implications can be found in section 6 (and onwards) of this report.

3.8 A non-immediate Article 4 Direction takes effect after a notice period (at least 12 months) and is confirmed following consultation and before the specified effective date. Non-immediate Article 4 Directions are not subject to compensation claims but take a longer period to take effect.

3.9 The procedure for making and confirming Article 4 Directions is set out in Schedule 3 of the Town and County Planning (General Permitted Development) Order 2015 (as amended). The process is slightly different for the two types of Directions respectively, a summary of which is shown below:

#### **Immediate Article 4 Direction**

1. Evidence gathering
2. Committee decision on whether to proceed
3. Drafting of the Article 4 Direction
4. Making the Article 4 Direction and it coming into effect
5. As soon as possible after making the Direction, the LPA must:
  - Notify the Secretary of State
  - Publicise the Direction locally (site notices, local press, council website)
  - Notify affected owners/occupiers where practicable (in this case, it is not likely to be practicable)
  - Set out that the Article 4 Direction is effective
6. A minimum 21-day consultation period is required (the council must consider all responses)
7. Within 6 months of being made, the Article 4 Direction must be confirmed by the council or it will lapse

#### **Non-Immediate Article 4 Direction**

1. Evidence gathering
2. Committee decision on whether to proceed
3. Drafting of the Article 4 Direction
4. Making the Article 4 Direction (but it is not yet in effect)
5. Publicise the Article 4 Direction, including:
  - Notifying the Secretary of State
  - Publicise the Direction locally (site notices, local press, council website)
  - Notify affected owners/occupiers where practicable (in this case, it is not likely to be practicable)
  - Setting out the date which the Article 4 Direction will become effective (at least 12 months after the notice is published)

6. A minimum 21-day consultation period is required (the council must consider all responses)
  7. Confirmation of the Article 4 Direction before its specified date of effect
- 3.10 The Secretary of State has the power in paragraph 1(13) of Schedule 3 of the GPDO to at any time (even after an Article 4 Direction has been confirmed by a local planning authority), to either modify a direction or cancel the Direction.
- 3.11 As set out within the National Planning Policy Framework (NPPF), any Article 4 Direction must be based on robust evidence and apply to the smallest geographical area possible. Additionally, Planning Practice Guidance (PPG) sets out that “*the potential harm that the Article 4 Direction is intended to address will need to be clearly identified, and there will need to be a particularly strong justification for the withdrawal of permitted development rights relating to a wide area (such as the entire area of a local planning authority)*”. Members should take into account the geographical scope of permitted development rights being exercised across the district and any other evidence put forward to them to robustly justify pursuing an Article 4 Direction on a district-wide basis.
- 3.12 It is important to note that the Article 4 Direction:
- would not apply retrospectively, so existing HMOs would not require planning permission, and
  - all types of 3-6 person HMOs would be covered by the Article 4 Direction, including those used by working age professionals, three friends house sharing and government accommodation schemes.
- 3.13 At the January 2026 Policy and Resources Committee, Members agreed the following:
- Based on evidence at this time, additional licensing for HMOs is not progressed, however, this will be reviewed in 12 months’ time.
  - Based on evidence at this time, that an Article 4 Direction is not progressed. However, Officers agree to keep this under review and if circumstances change, Officers will consider the position.
  - Other licensing matters
- 3.14 However, in early April 2026, following an update from officers regarding the increasing levels of HMO interest (including pending licenses and informal discussions with the council), the Leader of the Council formally requested that officers proceed with preparing an evidence document in preparation for the making of an Article 4 Direction.
- 3.15 The evidence document can be seen at **Appendix 1**. A summary of the main findings of this evidence document can be found in section 4 of this report.
- 3.16 The evidence document does not set out the financial, legal, staffing etc implications of the different recommendation options, please see section 6 onwards of this report for the implications of the different options and the Part ii financial implications report.
- 3.17 Three Rivers District has approximately 39,000 dwellings. The council is aware of 19 HMOs (either licensed, under consideration for a license or exempt from

licensing), equating to approximately 0.05% of the properties across the district. Whilst the numbers of identified HMOs in the district is not particularly large numerically, it is suggested that the recent increases (including rising interest in HMOs) and signs of concentrations forming have reached a level where it is reasonable for the council to consider whether action should be taken.

- 3.18 It should be acknowledged HMOs play an important role in the housing mix within the district, especially for younger residents or those on lower income.
- 3.19 It must also be noted that if Members agree to proceed with an Article 4 Direction (immediate or not) it will take officers some time, potentially a few weeks, to draft the Direction and get it sealed by the legal department before it is formally made.

#### **4 Main findings of the HMO Article 4 Evidence Document**

- 4.1 The evidence document can be seen at **Appendix 1**.
- 4.2 This document outlines the policy context, evidence base and justification for implementing an Article 4 Direction under the Town and Country Planning (General Permitted Development) Order 2015 (as amended) to restrict permitted development rights for the conversion of properties from Use Class C3 (dwellinghouses) to Use Class C4 (Houses in Multiple Occupation) across the entire Three Rivers District.
- 4.3 Local circumstances dictate that a district-wide Article 4 Direction may be appropriate, including the unsustainable areas of the district being unsuitable for HMOs and the more sustainable areas being particularly vulnerable to HMO conversions. This is already being demonstrated within the district as there is a concentration of HMOs emerging within the sustainable areas (in terms of access to services and public transport) of South Oxhey and Carpenters Park, closely followed by Rickmansworth.
- 4.4 At the time of the paper that was presented to Policy and Resources Committee in January 2026, the council had 13 licensed HMOs on its HMO Register and it was confirmed to Members that officers were also considering 1 new application. During the period following this paper being presented to Members, the council has now received 3 further new HMO licence applications that are currently being considered (resulting in 4 pending HMO license applications). In addition to this, via proactive and reactive investigation, officers within Residential Environmental Health are aware of works being undertaken via permitted development to a number of properties across the district and expect to receive a further 6 new HMO licence applications in the near future. Should these licences be received as expected, and subsequently granted, this would represent a significant increase in the licensed HMOs within the district, over a very short period of time. In comparison, the council only received 1 new HMO license application in 2025. This application was subsequently withdrawn. Additionally, there will likely be numerous small HMOs across the district converted under permitted development which do not require a license and are therefore unknown to the council.
- 4.5 There has also been a proliferation of HMO related complaints in 2026, where the first 4 months of the year has already seen 32% more HMO related queries than the entirety of 2025, further demonstrating the potential negative consequences of HMOs in action, such as impacts on parking, impact on character and local amenity and impacts on local services and that interest in establishing more HMOs across the district is increasing.

- 4.6 The introduction of a district-wide Article 4 Direction could assist the council's housing team in identifying unlicensed HMOs given that landlords will not be able to covert 'under the radar' using permitted development rights, helping to safeguard the standard of housing across the district.
- 4.7 The implementation of a district-wide Article 4 Direction could ensure that future HMO proposals are assessed against clear, plan-led criteria, rather than being unrestricted and piece-meal. It is important to note that any future Article 4 Direction would help the council to manage the growth of HMOs rather than preventing them outright.

## **5 Options and Reasons for Recommendations**

- 5.1 The officer recommendation is that:

The Policy & Resources Committee note the contents of this report and agree the following:

### **Recommendation 1**

Agree one of the following 3 options, to confirm how the council should proceed with a HMO Article 4 Direction:

- a) Do not progress with making a HMO Article 4 Direction, with officers keeping the situation under review; or
- b) Progress with making an immediate HMO Article 4 Direction and grant delegated authority to the Head of Planning Policy & Conservation and the Director of Finance to finalise the Direction Notice and other procedural matters (noting the financial risks set out in paragraph 7.2 and the financial implications report [part ii document]); or
- c) Progress with making a non-immediate HMO Article 4 Direction and grant delegated authority to the Head of Planning Policy & Conservation and the Director of Finance to finalise the Direction Notice and other procedural matters

Then if choosing option b or c:

### **Recommendation 2**

To agree the geographical area to which the Direction would apply (i.e district-wide or a specific area(s) within the district).

## **6 Policy/Budget Reference and Implications**

- 6.1 If the council chose to implement an immediate Article 4 Direction this would not be within the council's agreed budget.

## **7 Financial Implications**

- 7.1 There would be minimal costs involved with progressing with a non-immediate Article 4 Direction as this type of Direction is not subject to compensation, although there would be some costs associated with the consultation process, for example publishing the notice in the Watford Observer. There may be additional costs of processing planning applications that are not covered by planning fee income, dependent upon the level of applications.

7.2 The option which has the highest potential for financial implications is progressing with an immediate Article 4 Direction, primarily due to potential compensation claims. Within the first 12 months that the Direction takes effect, the council would be liable to pay compensation for any planning applications that were refused or subject to more stringent conditions as a result of the Article 4 Direction. The Part ii financial implications report provides an assessment of the potential costs to the council and advice from the Council's section 151 officer on affordability and the significant risk to the Council's financial sustainability.

7.3 If a combination of an immediate and district-wide Article 4 Direction were to be progressed, it would likely significantly increase the number of compensation claims compared to if a smaller geographic area was subject to the Direction, because the Direction would cover every property in the district (approximately 39,000 properties), all of which (where relevant) would be able to claim compensation.

## **8 Legal Implications**

8.1 For both immediate and non-immediate Article 4 Directions, the process for making and confirming the Direction is set out in Schedule 3 of the Town and County Planning (General Permitted Development) Order 2015 (as amended). The statutory process will need to be followed, regardless the type of Article 4 Direction chosen.

## **9 Staffing Implications**

9.1 The planning policy and housing teams have undertaken the necessary work for the Article 4 Direction (including reports, evidence document, consultation preparation etc) as part of business as usual. The legal team will be involved with the drafting of the Direction, also as part of business as usual.

9.2 Following the implementation of an Article 4 Direction (whether immediate or non-immediate), there will likely be an increase in planning applications relating to HMOs and likely an increase in planning enforcement cases relating to HMOs. These increases may require additional staffing resource dependent upon the level of applications received.

## **10 Customer Services Centre Implications**

10.1 The Customer Service Centre would be briefed about any potential Article 4 Direction and consultation.

## **11 Communications and Website Implications**

11.1 All the documents relating to any future Article 4 Direction, consultation or any other procedural matter would be uploaded to the relevant webpage(s) of the council's website.

## **12 Equal Opportunities**

12.1 See attached Equality Impact Assessment (EQIA).

12.2 The potential future reduction of HMO accommodation as a result of the Article 4 Direction could potentially reduce options of relatively affordable housing for more vulnerable groups.

## **13 Public Health, Environmental and Community Safety Implications**

13.1 None specific.

#### 14 Risk and Health & Safety Implications

14.1 The council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. In addition, the risks of the proposals in the report have also been assessed against the council's duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.

14.2 The subject of this report is covered by the Planning Policy and Conservation service plan. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this plan.

Nature of Risk	Consequence	Suggested Control Measures	Response (tolerate, treat, terminate, transfer)	Risk Rating (combination of likelihood and impact)
Compensation Claims (relates to immediate Article 4 Directions)	Possible significant financial implications because of compensation claims	Make a non-immediate Article 4 Direction	Treat/Terminate	12
Level of Compensation Claims is unaffordable (immediate Article 4 Direction)	The level of compensation Claims is such that the financial sustainability of the council is put at significant risk.	Make a non-immediate Article 4 direction.	Treat/Terminate	12
Planning permission is granted to HMOs on appeal.	The Article 4 does not limit the increase in HMOs.	n/a	Tolerate	9
Removal by Secretary of State (relates to immediate and non-immediate Article 4 Directions)	Three Rivers wouldn't have an Article 4 Direction in place	n/a	Tolerate	3
	It could be	n/a	Tolerate	3

Reputational Damage (relates to immediate and non-immediate Article 4 Directions)	negatively perceived if the council implements an Article 4 Direction restricting permitted development rights for a more affordable housing option (which may disadvantage vulnerable people more)			
Judicial review of Article 4 Direction	Financial and resource implications of defending Judicial Review	n/a	Tolerate	3

14.3 The above risks are scored using the matrix below. The council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood scores 6 or less.

Likelihood Very Likely ----- Remote	Low 4	High 8	Very High 12	Very High 16
	Low 3	Medium 6	High 9	Very High 12
	Low 2	Low 4	Medium 6	High 8
	Low 1	Low 2	Low 3	Low 4
	Impact Low -----> Unacceptable			

**Impact Score**  
4 (Catastrophic)

**Likelihood Score**  
4 (Very Likely (≥80%))

3 (Critical)	3 (Likely (21-79%))
2 (Significant)	2 (Unlikely (6-20%))
1 (Marginal)	1 (Remote (≤5%))

- 14.4 In the officers' opinion the financial impact of the new risks above, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore Corporate risks.

### **Background Papers**

Housing Act 2004

Town and Country Planning Act 1990 (as amended)

Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011)

National Planning Policy Framework (December 2024)

Planning Practice Guidance

### **APPENDICES**

**Appendix 1** - Article 4 Direction Evidence Document

