

Cabinet

5 May 2026

Article 4 Direction – Houses of Multiple Occupation

Portfolio Holder: Councillor Simon Curry, Portfolio Holder for Climate Change and Strategic Regeneration

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Summary

This report presents a summary of the responses received following the extensive consultation undertaken by the Council relating to the Article 4 Directions which were brought into effect in the seven wards identified in the recommendations below.

1. Recommendations

- 1.1. The Cabinet is asked to note and consider the consultation responses that have been received, as well as the commentary provided on these responses, and confirm the seven immediate Article 4 Directions within the following wards: Chatham Central and Brompton; Fort Pitt; Gillingham North; Gillingham South; Luton; Strood North and Frindsbury; and Watling.
- 1.2. The Cabinet is asked to agree to authorise the Assistant Director, Legal and Governance to issue the relevant Direction and Notices to support the Immediate Article 4 Directions.

2. Suggested Reasons for Decisions

- 2.1. The Council is responsible for ensuring that all residents have a satisfactory standard of accommodation and for the delivery of all types of housing to be of a high quality, while protecting the residential amenities of an area and the existing residents within it, to ensure both existing and future residents' needs are met.
- 2.2. There is sufficient evidence as set out in the appendices to the report to the 16 December 2025 Cabinet, to suggest that the unregulated nature of HMOs within Medway within the relevant Wards is resulting in a poor standard of living, with subsequent and linked issues in terms of anti-social behaviour and detrimental impact on existing residential amenity.

2.3. Having considered the responses to the Consultation it is considered that the benefits of confirming the Article 4 Direction outweigh the concerns.

3. Budget and Policy Framework

3.1. Policy H7 of the Medway Local Plan 2003 and Policy T8 of the Regulation 22 Draft Local Plan 2025 set out the criteria for assessing whether a proposed HMO is acceptable. However, this only relates to large scale HMOs comprising of more than 6 unrelated residents living together in a property who share basic amenities such as kitchen, living room and bathroom but have separate bedrooms.

3.2. The Town and Country Planning General Permitted Development Order 2010 (GPDO) brought forward a new use class for the Town and Country Planning (use classes) Order 1987 (as amended) being use class C4 - houses in multiple occupation for 3-6 occupants. The GPDO permitted the change of use of a Class C3 dwellinghouse to a Class C4 (small scale HMO) without the need for planning permission.

3.3. As a result of the new GPDO small scale HMOs are permitted development and C3 dwellinghouses can be converted to a C4 use without the need for planning permission and therefore an assessment against the Local Plan policy criteria set out above.

3.4. The National Planning Policy Framework (NPPF) 2024 sets out very clearly the need to deliver a sufficient supply of homes to meet the needs the residents of the area. The reasoned justification to the above Local Plan policies set out the important role that HMOs can play in providing affordable accommodation particularly for young professionals, but this is against an assessment of each proposal against a criteria within the policies that seeks to ensure the quality of the accommodation, protection for existing family homes and to protect existing residential amenity.

3.5. The Town and Country Planning Act allows local authorities to remove permitted development rights through the serving of Article 4 directions where there is evidence that the use of those permitted development rights is causing harm to an area.

3.6. The sections below on compensation implications and finance set out the financial implications of confirming an article 4, whether immediate. There is no budget set aside for dealing with compensation claims if the Cabinet were to confirm an immediate Article 4 direction and therefore any justified and substantiated compensation claim would represent a financial pressure on the Council's budget.

4. Background

4.1. On 16 December 2025, Cabinet resolved to approve the making of seven immediate Article 4 directions and for them to be brought into effect immediately. The Article 4s would remove permitted development rights for the

change of use from use Class C3 dwellinghouses to use Class C4 small houses in multiple occupation for the following wards:

- Chatham Central and Brompton
- Fort Pitt
- Gillingham North
- Gillingham South
- Luton
- Strood North and Frindsbury
- Watling.

4.2. This decision was based on consideration of the Cabinet report and the HMO Review and Evidence paper that was appended to the report.

4.3. The Article 4 Direction came into effect on 22 January 2026 when the Secretary of State (Rt Hon Steve Reed) was informed of the decision, the consultation process proposed and invited to make comments on the decision. The Secretary of State has acknowledged receipt of the letter and advised that he will only contact further if additional information is required and in the meantime the Council should proceed with any processes associated with introducing the Article 4 directions. No further responses have been received from the Secretary of State's Office.

4.4. The Council undertook the following consultation between 22 January 2026 to 25 February 2026:

- Site notices (four erected within each ward.)
- Newspaper advertisement.
- Online Consultation.
- Targeted letters to known landlords/developers of this type of property.

5. Options

5.1. The Council is presented with the following options:

(a) To Confirm the Article 4 Directions in all 7 Wards. This will remove permitted development rights for the change of use from Use Class C3 dwellinghouses to Use Class C4 small houses in Multiple Occupation within any Ward as identified within the Direction.

(b) Not to confirm the Article 4 Directions and to maintain a business-as-usual approach, considering planning applications for larger HMOs but not to remove permitted development rights in relation to smaller HMOs.

6. Advice and Analysis

6.1. Responses Received

6.1.1. In total, four responses have been received relating to the imposition of Article 4 Directions within the seven aforementioned Wards. Of these letters, two object, one is in support, with one being related to two specific properties (but is generally in support of the Direction). Due to

the relatively low level of public interest, these letters will be dealt with in turn.

6.2. Letters of Objection

6.2.1. Within the letters of objection, a number of points have been raised. These include:

- a disproportionate scope – the Directions should have been more targeted – i.e. street by street.
- the impact on housing supply – there is a demand for affordable and flexible housing within Medway, and this would undermine that supply.
- there are existing controls in place.
- there would be an impact on investment – houses that could be converted may fall into disrepair.
- lack of evidence of harm.
- the evidence provided is not robust.
- there is no evidence of parking problems as a result on HMO provision.

6.2.2. These matters are considered below:

6.3. A Disproportionate Scope

6.3.1. It is suggested that it is disproportionate to seek to impose this Direction across all seven Wards, and that it would be more appropriate to seek to impose them on a 'street by street' basis. Whilst this comment is noted, the evidence paper that supported the December 2025 Cabinet Paper does provide a rationale for seeking the Directions to be imposed within whole Wards on the basis that by seeking to restrict unregulated HMOs in a more prescribed manner, it may well result in the proliferation of this type of housing growth outside of these streets. By imposing the Directions on a Ward by Ward basis this is less of a concern. Of the seven Wards that have been identified there was a reasonable spread (please refer to the mapping that formed part of the evidence base) of existing HMOs in any event.

6.4. The Impact on Housing Supply

6.4.1. The Council acknowledges that there is the demand for HMO, and that this provides an important component of the housing supply. The Council are not seeking to restrict this supply, but rather to regularise it – to ensure that it is of a sufficient standard of accommodation, and that there is not an over proliferation in any area which would detrimentally impact the character of that area.

6.4.2. It is important therefore to consider the existing Local Plan Policy (H7) and draft Plan Policy (T8) allow for the conversion of properties, acknowledging their importance to the local housing supply subject to certain criteria. It is the Council's view that as long as any future HMOs comply with these criteria (or any future policy) they would not be

seeking to restrict this supply. The Council do not therefore consider that this Direction would prevent developers from delivering HMOs as long as they are of sufficient quality and do not harm the character and amenity of an area.

6.5. There are Existing Controls in Place

6.5.1. It is stated that there is existing mandatory licencing for properties with five or more occupants across two or more storeys. Furthermore, additional and selective licencing schemes can provide further controls on property standards and management. This Direction therefore adds a further layer of regulation where adequate controls already exist.

6.5.2. Whilst the current licencing arrangements are acknowledged, it is considered that additional and selective licensing can work alongside the Article 4 Directions to ensure that future HMOs are delivered to an appropriate standard, including internal amenity and also do not harm the character and amenity of areas through over proliferation. It should also be noted that planning permission would only need to be applied for once – and should it be granted it would not need to be updated/replaced unless a material change occurred to the building. This is not therefore considered to be unduly onerous.

6.6. Loss of Investment

6.6.1. It has been suggested that these Directions would result in existing, poor quality housing stock not coming forward for development - and therefore having a detrimental impact on the Wards in question.

6.6.2. The Council do not accept this point. There is a significant need for housing in Medway, including HMOs and also small family homes. There is no evidence to substantiate a claim that if not converted to a small scale HMO the dwellings would be left empty and would deteriorate. Indeed, the evidence is to the contrary in terms of the importance of the properties to housing supply needs in Medway.

6.7. Lack of Evidence of Harm

6.7.1. A lengthy response has been received relating to the evidence that was placed before Members for their consideration. This sets out that the evidence is flawed, and that a full analysis was not undertaken. This submission highlights a number of issues that have been summarised below:

- the correlation between number of HMOs and wider housing issues is casual and lacks full analysis.
- the evidence does not fully disaggregate private sector housing issues from HMO issues.
- there is no evidence that HMOs add pressure to parking requirements.
- the Council's evidence relating to hazards is not provided with context.

- 6.7.2. These points are noted, however the Council consider that the evidence placed before Members was robust, and proportionate. The evidence sought to draw correlations between known issues, i.e. the number of HMOs and matters such as anti-social behaviour and quality of housing stock. Importantly, when considering the 'number' of HMOs in any Ward, the overall number of households were also provided - to provide context.
- 6.7.3. This evidence sought to highlight the areas where these issues were most prevalent, and where the correlation between the types of housing, and known issues were greatest. This is consistent with the approach taken in other Districts and Boroughs within the UK that have sought to impose similar Directions.
- 6.7.4. With regard to the lack of disaggregation between PRS and HMOs it is reasonable to assume that higher levels of anti-social behaviour and poor housing conditions also relate to HMOs, given that HMOs make up a significant proportion of PRS.
- 6.7.5. One of the submissions suggests (through their own interpretation of the evidence) that there is no particular correlation between HMOs and anti-social behaviour and poor housing conditions. It seeks to justify this through identifying that the areas most affected by these issues are also those with the highest level of overall households - thereby suggesting that this is simply a case that *'housing issues come from housing.'* Whilst this is noted, both the Council's evidence, and that submitted by the objector is consistent in that:
- the seven Wards with the highest level of housing containing 'hazards' are those where Article 4 Directions have been imposed.
 - the seven Wards where there have been the highest number of complaints about the housing stock are those where Article 4 Directions have been imposed.
- 6.7.6. Members are also aware that part of the aim of the Article 4 direction is specifically to address housing quality and there is a direct correlation between housing quality and health. This is part of the Marmote principles that the Council recognises and is working with in order to improve the health (mental and physical) and wellbeing of Medway residents.
- 6.7.7. The comments within the objection are therefore noted, but this does not change the Council's position in terms of whether the evidence provided was robust or thoroughly analysed.
- 6.7.8. This submission also highlights that there is no evidenced link between the lack of parking and the proliferation of HMOs within Medway. The evidence does refer to the 2008 report (Evidence Gathering – Housing in Multiple Occupation and possible planning responses) which refers to the pressures on parking provision. The evidence report highlights the areas where there is the greatest element of parking control with a discussion then provided in relation to the number of HMOs within

these areas. Areas such as Fort Pitt, Gillingham North and Gillingham South are identified as already being under significant pressure for parking - with a lack of off-street provision, or restrictions already in place (due in part to their proximity to Town Centres/Railway Stations). The evidence did not however, identify this as a reason for the imposition of the Direction within all Wards.

6.7.9. With regard to the type of evidence used (including 'hazards') where possible context was provided. Where it was considered unnecessary to provide further explanation – i.e. the use of the word 'hazard' did not require further definition – then the report did not provide additional commentary.

6.8. Letters of Support

6.8.1. The Council has received one letter of support for the imposition of the Article 4 Direction. This highlights that it will increase powers to better control and monitor the impacts of new Houses in Multiple Occupation (HMO). The letter of support (from a neighbourhood forum) identifies that they will now have greater control over the balance of the community and cohesion, whilst still acknowledging the role that HMOs have.

6.8.2. A further letter has been provided which identifies that they support the principle of the Article 4 Directions, however, wish to object to two specific lawful development certificate refusals that have been issued since it was brought into force.

6.8.3. With regard to the first letter of support, the Council wish to reiterate that this policy does not seek to object to the principle of HMO provision, but rather to have greater control and to set the criteria for when HMOs are acceptable. As such the Council concurs with the content of this letter. With regard to the second letter, the two applications in question have been determined, and it is therefore for the applicant to best consider their next steps which includes appeal or re-submission following pre app and addressing any issues and the reasons for refusal.

6.9. Summary

6.9.1. The Council have undertaken a thorough consultation across the Wards, including the erection of site notices, advertisements within local newspapers and providing details on their website. Following the six week consultation, four letters were received – two objecting and two in support.

6.9.2. The matters raised within these letters have been fully considered within this report, and a response to each issue has been given. There are no matters that are considered to change the previous recommendation.

7. Diversity Impact Assessment

- 7.1. This proposal will ensure that all existing and future residents of Medway have better accessibility to high quality housing. A Diversity Impact Assessment is set out at Appendix 1 to the report.

8. Risk Management

- 8.1. With the imposition of immediate Article 4 Directions there would be the opportunity for owners of properties who have their planning application refused (who would not ordinarily require the benefit of planning permission) to seek compensation. At present, it is not possible to quantify this risk.
- 8.2. The level of risk could be managed by the Development Management department having a clear understanding as to how any planning policy would be applied to planning applications, and to have a clear methodology as to seeking to refuse applications on the basis of proliferation (for example, when more than 10% of properties within a specific area/street has been exceeded). At present that policy framework does not exist, but it may be that through the development of the new Local Plan, this could be introduced prior to adoption (para. 49 NPPF).

9. Consultation and Engagement

- 9.1. The Council undertook the following consultation between 22 January 2026 to 25 February 2026:
- site notices (four erected within each ward);
 - newspaper advertisement;
 - online consultation;
 - targeted letters to known landlords/developers of this type of property.
- 9.2. Consideration of the consultation responses is set out in the advice and analysis in section 6 above.

10. Climate Change Implications

- 10.1. There are no significant climate change implications as a result of this proposal.

11. Financial Implications

- 11.1. The Article 4 Direction will result in an increase in the number of full planning applications for conversions of dwellings to 'small' HMOs (that is between 3-6 residents). The cost of processing these will not be covered by additional planning application fees as the statutory fees do not allow for application fees to be charged for applications subject to Article 4 Directions. However, there may be an uplift in fees from additional LDC submitted to the Council to regularise any existing HMOs within the seven identified Wards. There will be staff time associated with the preparation and implementation of the Article 4 Direction which cannot fully be recovered from external sources. However, it is expected that this will be absorbed into the existing service. Future monitoring

of the numbers of small HMO planning applications will provide an accurate assessment of impacts.

- 11.2. There are compensation implications in relation to an immediate direction. A claim for compensation can be made to the Council if planning permission is refused or granted subject to conditions in addition to those conditions imposed by the legislation 'the Town and Country Planning (General Permitted Development) Order 2015'. However, compensation is only payable if an application is made within 12 months of the Article 4 direction taking effect.
- 11.3. It is unknown how many applications are likely to be submitted and therefore not possible to accurately predict the extent of any financial risk or liability for the Council at this stage. However, any claim for compensation will only be in relation to the difference in value, if the Article 4 direction was not in effect. Relevant planning applications for small HMOs should be robustly monitored during each financial year to evaluate any potential cost implication on the Council's general fund revenue budget.

12. Legal Implications

- 12.1. The legal implications of making an Article 4 direction are set out within this report.

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Appendices

Appendix 1 – Diversity Impact Assessment

Background Papers

None