



Cabinet Working Party Houses in Multiple Occupation

Selective Licensing Update

1. CONTRIBUTION TO OUR AIMS

- 1.1. The matters for consideration in this report contribute to the strategic objectives and priorities of the Council as detailed in Our plan for North East Lincolnshire: 2025 to 2028.
- 1.2. The designation of the Selective Licensing area contributes to the overarching priorities of delivering a Stronger Economy and Stronger Communities. The Council is clear that everyone should have the right to a safe place to call home, and we understand the vital link between good homes and good health.
- 1.3. The report also supports our vision to become a Marmot Place, building health and wellbeing into everyday life, through good work, safe homes, strong communities, and a healthy environment, so that every resident can live a longer, happier lifework.

2. BACKGROUND

- 2.1. Selective Licensing is a discretionary tool that enables local authorities to designate specific areas where all private landlords must obtain a licence to operate. Licence conditions typically require landlords to ensure properties are safe, well-maintained, and managed in accordance with legal standards. Licences are generally valid for five years.
- 2.2. On the 8th October 2025 Cabinet made the following decision:
 1. Having regard and due consideration to the Selective Licensing Consultation Findings/Evaluation Report as set out in the Appendix to this report:
 - a. That the principle of the introduction of Selective Licensing of private rented accommodation within parts of the East Marsh ward as detailed in the Appendix now submitted and aligning to the Safer Streets geographical area be supported.
 2. That the Director of Economy, Environment and Infrastructure in consultation with the Portfolio Holder for Housing, Infrastructure and Transport be authorised to take all requisite actions to implement such a scheme and in particular:
 - a. Publish a Public Notice of designation under Section 80 and 83 of the Housing Act 2004. This Notice shall allow for the designation of the chosen area for the introduction of a Selective Licensing Scheme.
 - b. Publicise the Selective Licensing consultation results.
 - c. Formulate, approve and implement a flexible fee structure for Selective Licensing.

d. Carry out all ancillary activity reasonably arising from the above including recruitment of staff and procurement of delivery partners and schemes to enable and mobilise the resources required to support implementation and enable further review and collation of data to support improving housing conditions within the private rented sector across the area.

Report to Cabinet within 12 months of implementation with update.

2.3. This report provides an update on each of the respective points above.

3. NORTH EAST LINCOLNSHIRE COUNCIL'S SELECTIVE LICENSING SCHEME

3.1. North East Lincolnshire Selective Licensing Scheme is located in Grimsby within the ward area of East Marsh and was formally designated on 8 October 2025 and in accordance with statutory timescales will come into effect on 8 April 2026. This means that property owners who privately rent their properties within the Selective Licensing Scheme designated area need to apply for a licence.

3.2. A definitive map of the area can be found at [Selective Licensing Area Map](#)

3.3. There are a number of statutory exemptions to property licensing set out in the Housing Act 2004. Local Authorities can only exempt properties from selective licensing if they fall within the statutory exemptions specified in the Act and associated regulations. We do not have the power to create our own unique exemptions outside of this legal framework.

3.4. The statutory exemptions include:

1. A body which is registered as a social landlord under Part 1 of the Housing Act 1996
2. A non-profit registered provider of social housing
3. A profit-making registered provider of social housing in respect of social housing (Part 2 of the Housing and Regeneration Act 2008)
4. Mandatory HMO's Licenced Under Part 2
5. Those Houses subject to temporary exemptions under section 86 Housing Act 2004
6. Those where there is a Management Order in place (Chapter 1,2 or Part 4)
7. Specified Exemptions via an order: The Selective Licensing of Houses (Specified Exemptions) (England) Order 2006

3.5. In addition, there are a number of specified exemptions by Order, which include:

1. Prohibition of occupation by law
2. Certain tenancies which cannot be assured shorthold tenancies

3. Tenancies and licenses managed or controlled by public bodies (local housing authority, police, fire service and health service body within the meaning of section 4 of the National Health Service and Community Care Act 1990).
4. Certain student lettings
5. Long leaseholders, with a tenancy over 21 years.
6. Certain family arrangements
7. Holiday lets
8. Certain lettings by a resident landlord

3.6. Taking into consideration the above, it is estimated that the scheme covers approximately 1,322 properties.

3.7. A designation cannot be implemented until three months after it is made. The introduction of a scheme may be delayed by a further three months to prepare for the scheme's implementation.

4. ACTIONS REQUIRED TO IMPLEMENT THE SCHEME

4.1 There are several statutory publication requirements that a local authority must follow relating to the designation. This includes:

1. Place the notice of designation on a public notice board at one of more municipal buildings in the designated area, or if there are no such buildings within the designated area, at the closest such buildings situated outside the designated area. There is a public notice in the Municipal Offices, published within the 7-day window and copies circulated around the East Marsh.
2. Publish the notice on the authority's internet site - [Selective Licensing | NELC](#), and;
3. Arrange for the publication in at least two local newspapers circulating in or around the designated area. The public notice was published in the Grimsby Telegraph, with a request to publish and list the notice five times.
4. The local authority must send a copy of the notice to any person that responded to the consultation and to anyone who represents the interests of landlords and tenants within the designated area. This was circulated by email to all respondents with a link to the public notice on the website.
5. Our website has been updated to include information on selective licensing with further communication, letters and leaflets scheduled to go out over the coming months.

4.2 In accordance with the decision from Cabinet, the consultation results are available on our website and in the Cabinet Report - [Selective Licensing | NELC](#).

5. FEE STRUCTURE

- 5.1 Section 87 of the Housing Act 2004 states that an application for a licence must be accompanied by a fee fixed by the authority.
- 5.2 Section 87(7) of the Housing Act 2004 states that: "when fixing fees under this section, the local housing authority may (subject to any regulations made under subsection (5)) take into account:
 - (a) all costs incurred by the authority in carrying out their functions under this Part, and
 - (b) all costs incurred by them in carrying out their functions under Chapter 1 of Part 4 in relation to Part 3 houses (so far as they are not recoverable under or by virtue of any provision of that Chapter)
- 5.3 The licence fee paid by the applicant must be reasonable and proportionate to the cost of the authorisation (licensing) procedure and shall not exceed the cost of the authorisation procedure. This means that the costs of the proposed licensing schemes must be cost neutral whereby the total licensing fee income does not exceed the expenditure over the five-year duration of the scheme. The licence fees for licence applications have been set considering, all the council's costs in administering and carrying out its licensing functions.
- 5.4 The proposed fees are underpinned by assumptions about the level of income the fees will generate, based upon the number of properties that we expect to be licensed during the life of the scheme.
- 5.5 The consultation document and the Cabinet Report included an indicative fee, ranging from £899 - £1284. These fees have now been reviewed, taking into consideration any potential discounts that can be applied. This includes the proposal for a landlord accreditation scheme, which can be available for all landlords across the borough.
- 5.6 A briefing paper has been circulated to members of Transport, Infrastructure and Strategic Housing Scrutiny Panel and Communities Scrutiny Panel outlining the proposed fees and charges, welcoming feedback and comments by the 26th January 2026.
- 5.7 In accordance with the Cabinet Decision, Selective Licensing Fees will be approved by the Director of Economy, Environment and Infrastructure in consultation with the Portfolio Holder for Housing, Infrastructure and Transport

6. RECRUITMENT AND PROCUREMENT OF DELIVERY PARTNER

- 6.1 Following the decision, the service commenced a recruitment process for suitably qualified officers to support with the preparations and

delivery of the scheme. Whilst the authority managed to attract people to the entry level positions, we were unsuccessful in our attempts to recruit suitably qualified officers.

- 6.2 As a result, the Council commenced preliminary market engagement (PME) to determine whether there were contract providers available to deliver the specifications of the scheme. This includes but is not limited to stakeholder engagement, a managed online application platform including payment facility, suitably qualified staffing capacity to carry out inspections and licence compliance management.
- 6.3 Enforcement remains the responsibility of the local authority.
- 6.4 We had one response to the PME from an organisation that could meet our requirements. We are currently engaging with legal and procurement on the next steps.

7. NEXT STEPS

- 7.1 The project team are currently designing processes and making the necessary changes to our systems to support the implementation. This involves officers from a wide range of services to ensure that decision making for scheme delivery aligns to our wider council objectives.
- 7.2 Over the forthcoming months and in advance 8 April, we need to:
 - Approve and publicise the fees
 - Appoint a delivery partner and agree contract terms
 - If approved, introduce a landlord accreditation scheme
 - Accelerate our communications plan
 - Finalise the processes
 - Prepare the officers
 - Update the website
 - Arrange workshops for landlords so they are familiar with scheme requirements
 - Finalise and approve the licence conditions
 - Ensure that wider services are aware of the scheme and have the support available should they need it.