



Officer Decision Record – Key Decision

Key decisions taken by an officer are subject to the 5 day call in period from circulation to Members, and therefore the decision will be released for implementation following the call-in period and no call in being received

1. Cabinet date and copy resolution this key decision relates to

20th August 2025 - [2.-Cabinet-Minutes-20th-August-2025.pdf](#)

20th August 2025. DN.14 Selective Licencing – Proposed Scheme.

Pursuant to call in and in consideration of further recommendations to Cabinet, such decision ultimately being released for implementation, Cabinet made the following Decision:

1. Having regard and due consideration to the Selective Licencing Consultation Findings/Evaluation Report as set out in the Appendix to this report:
 - a. That the principle of the introduction of Selective Licencing 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 Licencing 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.
- e. Report to Cabinet within 12 months of implementation with update.

Cabinet decision released following call in – 8th October 2025

2. Subject and details of the matter (to include reasons for the decision)

Pursuant to the above delegation (2c) to formulate, approve and implement a flexible fee structure for Selective Licensing.

On the 7th October 2025 Cabinet approved a selective licensing scheme in a designated boundary of the East Marsh. 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**.

Section 87 of the Housing Act 2004 states that an application for a licence may be accompanied by a fee fixed by the authority.

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)”.

Article 13(2) of the EU Services Directive (2006/123/EC) requires that 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.

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. The Local Authority is required to operate the scheme on a cost-recovery basis, meaning it must not generate a profit or a loss. The scheme will therefore be reviewed periodically within budget monitoring and if it is found to be operating at either a surplus or a deficit, the council will need to adjust the fee structure to ensure it remains cost neutral. Calculations have been carried out to minimise the likelihood of the scheme running at anything other than cost-neutral throughout its duration.

The full fee structure can be seen in Appendix 1.

The funds raised from selective licensing are ring fenced, so the Local Authority cannot fund other services through the licence fee.

In line with *Hemming v Westminster City Council*, the licence fee will be levied in two parts. Part A of the fee is for the application for a licence and covers the costs of processing, administration, and validation of the application. Part B of the fee funds the running costs of the scheme, including licensing inspections and the cost of compliance checks relating to the scheme.

The payment model is broken down and considers the following:

- Part A fee: £600 (application processing)
- Part B fee: £400 (Inspection and compliance checks costs)

Total: £1000

A discount is offered on the Part B payment to licence holders who are members of the Council's landlord accreditation scheme. The breakdown of fees for accredited landlords:

Part A fee: £600 (application processing) Part B fee: £125 (compliance costs) Total: £725 Details of the landlord accreditation scheme will be included in communications on the selective licensing scheme.

For 2026-2032, the forecasted number of Licence applications expected is to be 1,322 resulting in a total income £1,285,700 and total expenditure of £1,285,990. This is projected income based on predicted number of licences received over the five-year period. The projected income considers any discounts that may be applied to application fees that landlords may be entitled when they apply.

Fees will be published on the Council website and conveyed using a range of written communication methods.

3. Decision being taken

That the Director of Economy, Environment and Infrastructure, in consultation with the Portfolio Holder for Housing, Infrastructure and Transport, approves the licence application Part A and Part B fee structure detailed in [Appendix 1](#) for applications in respect of the Selective Licensing Designation made by the Council on 8th October 2025 from 8th April 2026..

4. Is it an Urgent Decision? If yes, specify the reasons for urgency. Urgent decisions will require sign off by the relevant scrutiny chair(s) as not subject to call in.

No

5. Anticipated outcome(s)/benefits

The council is committed to ensuring that the selective licensing scheme operates at no cost to the council. While this means there will be no direct financial benefit to the

council, we have listened to concerns raised during the consultation about costs. As a result, we have developed the most cost-effective approach to delivering the scheme. This will allow licence fees to remain as low as possible for landlords, helping to encourage compliance.

6. Details of any alternative options considered and rejected by the officer when making the decision (this should be similar to original cabinet decision)

Not applicable

7. Background documents considered (web links to be included and copies of documents provided for publishing)

Cabinet Report

8. Does the taking of the decision include consideration of Exempt information? If yes, specify the relevant paragraph of Schedule 12A and the reasons

N/A

9. Details of any conflict of interest declared by any Cabinet Member who was consulted by the officer which relates to the decision (in respect of any declared conflict of interest, please provide a note of dispensation granted by the Council's Chief Executive)

N/A

10. Monitoring Officer Comments (Monitoring Officer or nominee)

The decision is consistent with the will and expectation of Cabinet and is appropriate for an exercise of this nature. The legal requirements have been considered and clearly outlined in the report, The fees must be published and made transparent.

11. Section 151 Officer Comments (Deputy S151 Officer or nominee)

The fees detailed in appendix 1 are reasonable and proportionate to the expected costs of delivering the selective licencing scheme, based on the estimated number of licences to be issued and with consideration to the total licensing fee income not exceeding the expenditure over the duration of the scheme. A full cost recovery model is assumed.

12. Human Resource Comments (Head of People and Culture or nominee)

There are no direct HR implications arising from the contents of this report.

13. Risk Assessment (in accordance with the Report Writing Guide)

There is a risk associated with predicting the income and associated costs relating to Selective Licensing, as the income is dependent on the number of licensable premises. This number can be subject to change due to ongoing usage of the properties, categorisation of the properties and also wider economic implications that could affect the housing rental sector.

Income and expenditure will need to be carefully managed so that the costs are always covered by the income and be regularly reviewed.

14. Has the Cabinet Tracker been updated with details of this decision?

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15. Decision Maker(s):

Name: Carolina Borgstrom

Title: Director of Economy,
Environment and Infrastructure

Signed: REDACTED

Dated: 06/02/2026

**16. Consultation carried out with
Portfolio Holder(s):**

Name: Cllr Stewart Swinburn

Title: Portfolio Holder for Housing,
Infrastructure and Transport

Signed: REDACTED

Dated: 6th February 2026

**17. If the decision is urgent then
consultation should be carried out
with the relevant Scrutiny
Chair/Mayor/Deputy Mayor**

Name:

Title:

Signed:

Dated:

Key Decisions are defined in the Constitution as:

A decision (whether taken collectively or individually by members) which is likely:

- (i) to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
- (ii) to be significant in terms of its effects on communities living or working in an area comprising two or more wards.

A decision will be considered financially significant if:

- (i) in the case of revenue expenditure, it results in the incurring of expenditure or making savings of £350,000 or greater;
- (ii) in the case of capital expenditure, the capital expenditure/savings are in excess of £350,000 or 20% of the total project cost, whichever is the greater

In determining whether a decision is significant in terms of its effect on an area comprising two or more wards, consideration shall be given to:

- (i) the number of residents/service users that will be affected in the wards concerned;
- (ii) the likely views of those affected (i.e. is the decision likely to result in substantial public interest)
- (iii) whether the decision may incur a significant social, economic or environmental risk.