



## London Borough of Enfield

<b>Title:</b>	<b><i>Procurement of a specialist transformation firm to assist the Council in the renewal of the Additional HMO Licencing Scheme</i></b>
<b>Report to:</b>	<b><i>Cllr Susan Erbil Cabinet Member for Licensing, Planning and Regulatory Services</i></b>
<b>Date of Report:</b>	<b>22<sup>nd</sup> November 2023</b>
<b>Directors:</b>	<b><i>Doug Wilkinson Director of Environment and Street Scene Interim Executive Director of Environment &amp; Communities</i></b>
<b>Report Author:</b>	<b><i>Martin Rattigan martin.rattigan@enfield.gov.uk</i></b>
<b>Ward(s) affected:</b>	<b>All</b>
<b>Classification:</b>	<b>Part I and Part II</b>
<b>Reason for exemption</b>	3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

### **Purpose of Report**

1. To approve the procurement of a specialist transformation consultancy firm to assist the Council in the renewal of the Additional HMO Licencing Scheme. The external provider will provide expertise and the capacity to manage the different phases in renewing the licensing scheme. This includes conducting the feasibility study, managing the consultation process, carrying out a comprehensive 12-week public consultation and providing the post consultation analysis and report. This work is programmed to commence in January 2024 and to complete in September 2025.

## Recommendations

That the Cabinet Member for Licensing, Planning and Regulatory Services.

- I. Agrees the procurement of a specialist firm to assist with the renewal of the Additional HMO Licensing scheme.
- II. Delegates authority to the Director of Environment and Street Scene to appoint the successful bidder from a Call-Off Framework.
- III. Agrees that we carry out a public consultation for the renewal of the additional borough-wide licencing scheme, following the consultation.

## Background and Options

2. On the 22 January 2020, Cabinet approved the implementation of a borough-wide additional licencing scheme. The review of the private rented sector prior to the implementation of the scheme in the borough found evidence of poor housing conditions, deprivation, anti-social behaviour, in Houses in Multiple Occupation (HMOs) that would fall under Additional HMO licencing. In addition, the review found a significant number of HMOs were poorly managed affecting both the occupants and other residents. Existing measures alone, such as enforcement under Part 1 of the Housing Act 2004, were not having the required impact to address the large-scale improvements that were needed in the borough's private rented sector.
3. Part 2 of the Housing Act 2004 allows local authorities the power to designate an area as subject to an Additional HMO Licensing Scheme, requiring those managing or having control of HMOs (that are not subject to mandatory licensing) to obtain a licence. These are properties occupied by 3 or 4 persons who do not form a single household and share amenities.
4. To designate an Additional Licensing Scheme, the local authority must consider that a significant proportion of the HMOs in the area are being managed sufficiently ineffectively, to give rise to one or more problems either for those occupying the HMOs or for the public.
5. Initial evidence in 2019 predicted that there were approximately 6,500 HMOs that would be subject to additional HMO licensing across the borough. The evidence indicated that significant numbers of those HMOs had poor housing conditions and a significant level of antisocial behaviour, and these were being ineffectively managed. So far, the council has licensed 1,177 HMOs of which 350 have been licensed under the additional scheme. Analysis of the original estimates found that 3,000 premises as suspected being HMOs have been licensed under the

selective scheme and over 800 properties have been licensed under the national mandatory HMO licensing scheme. We are constantly monitoring for any material deviations from the predicted numbers.

6. For the renewal of the additional HMO licencing scheme the local authority must undertake a public consultation of at least 10 weeks, taking reasonable steps to consult persons who are likely to be affected by the designation, and consider any representations made in accordance with the consultation. Ministerial confirmation is not required to designate an area subject to additional HMO licensing scheme. The designation can last up to five years.

### **Preferred Option and Reasons For Preferred Option**

7. The borough-wide Additional Licensing Scheme came into effect on the 1 September 2020 and has a lifespan of five years. The current scheme will expire on 31 August 2025. The intention the council is to renew the scheme, while we have seen significant improvements; the scheme is vital to maintain and improve the management of HMO's. The council believes the renewal of the Additional HMO Licensing Scheme will:
  - help landlords, agents and the public by helping to improve housing standards, public health and welfare.
  - reduce complaints about poor housing conditions, noise, rubbish, overgrown gardens, rodents and pests.
  - enforce against non-compliant landlords.
  - allow the council to direct resources to deal with the most problematic and highest risk properties.
  - improve waste management and recycling compliance.
  - give landlords and agents guidance about required legal standards.
  - give confidence to tenants and encourage take-up of accommodation in licensed HMOs.
  - ensure regular inspections by council officers of licensed HMOs.
  - overall result in better regulated and managed privately rented housing.

### **Relevance to Council Plans and Strategies**

8. Fairer Enfield - services and projects impact different members of our community in different ways. The scheme will tackle longstanding inequalities and improve outcomes for people experiencing disadvantaged living conditions.
9. Strong, healthy and safe communities – a well-managed housing provision will improve feelings of safety and tackle crime and antisocial behaviour and help protect vulnerable residents from harm. Overall, it aims to ensure that residents live in good quality homes that are well managed.

### **Financial Implications**

10. The intention and requirements are that the scheme is self-financing over the five-year period it is in force. The licence fees will be set in line with the requirements of operating the scheme and are at a level which is estimated to equal these costs. The projected costs for this consultancy work are covered and budgeted for through the scheme and will be paid over a 18 month phased period.
11. We do not have the expertise or staff resource to conduct this work. In addition to staff costs we would need to appoint an independent consultation company to run the public consultation (legal requirement).

### **Legal Implications**

12. Part 2 of the Housing Act 2004 allows local authorities to designate HMOs as subject to an additional licensing scheme. The Council is legally required to undertake a consultation exercise before introducing a licensing scheme for a period of a minimum of 10 weeks Section 56 empowers a local housing authority to designate the area of their district, or an area in their district as subject to additional licensing in respect of the description of HMOs specified in the designation outlined in the consultation documentation where it considers that a significant proportion of those HMOs in the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public

### **Equalities Implications**

13. Enfield Borough is characterised by significant inequalities between the relative affluent west of the Borough and the deprived east, separated by the A10, which represents both a physical and social boundary between communities. The licencing scheme should help those that are most disadvantaged through ensuring that proper tenancy arrangements are in place. The elimination of overcrowding and addressing poor energy efficiency within the private rented sector will help to improve the health outcomes of the most disadvantaged groups. Overall, tenants should benefit from an improvement in their property conditions and better standards of property management.
14. The public consultation on the proposed licensing scheme will be widely publicised using various media including ethnic newspapers and voluntary and third sector organisations. We will collect equality monitoring information as part of the public consultation process. An EQIA was undertaken in 2019 to identify those affected and assess the impact of the change (attached) and will be updated following the consultation. In general, the licensing proposals have had a positive impact for all protected groups.

### **Other Implications – Procurement Implications**

15. Any expenditure in relation to appointing a Consultancy firm must be in line with the Councils Contract Procedure Rules and the Procurement Regulations 2015.
16. The award of the contract, including evidence of authority to award, promoting to the Councils Contract Register, and the uploading of executed contracts must be undertaken on the London Tenders Portal including future management of the contract.
17. In accordance with the Councils CPR's, the service must ensure that a Contract Manager is nominated and allocated to the procurement once uploaded onto the LTP, and that the contract monitoring requirements are adhered to.
18. Where a contract has not been procured via the LTP, then the signed contract and supporting Record of Decision etc, must be sent to [procurement.support@enfield.gov.uk](mailto:procurement.support@enfield.gov.uk) who will create a record in the LTP and promote to Contracts Finder to ensure the Council meets its transparency obligations.
19. Any contracts let or running are effectively managed within the Contract Management Framework to ensure Value for Money and delivery of Council outcomes.

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