

## MUNICIPAL YEAR 2019/2020 REPORT NO.

### ACTION TO BE TAKEN UNDER DELEGATED AUTHORITY

### OPERATIONAL DECISION OF:

Director of Customer Experience & Change

<b>Agenda – Part: 1</b>	<b>KD Num: 5079</b>
<b>Subject: Procurement and funding the implementation of an Additional and Selective Licensing Scheme IT solution.</b>	
<b>Wards: n/a</b>	

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## 1. EXECUTIVE SUMMARY

- 1.1 The Cabinet will be asked to approve an additional and selective licensing schemes that will require all privately rented properties included in those designated schemes to apply to the Council via our website for a licence along with payment of a licence fee. As part of this, the Council needs IT software that will manage the licence application process, payment of and the splitting of fees, and scheduling and recording of inspections undertaken. A public register of granted licences is also required.
- 1.2 The Council requires an IT solution to manage and process the implementation of the proposed Additional and Selective Licensing Scheme for privately rented properties in the borough from end to end. The IT solution would also accommodate the management and processing of the existing Mandatory HMO licensing scheme.
- 1.3 A feasibility appraisal was undertaken of the current inhouse IT system (Northgate – Assure) to test its suitability, considering the enhanced functionality required, compared to procuring an externally hosted solution. This demonstrated that the existing inhouse IT solution has shortfalls and that an external IT solution (MetaStreet) was determined as being suitable for the required needs.
- 1.4 The associated costs of procuring, implementing and supporting the new IT solution are documented in Part 2.
- 1.5 In terms of providers in the market space the preferred provider can be sourced from the framework, G-Cloud, and is a compliant procurement method.

## 2. RECOMMENDATIONS

- 2.1 This report recommends procurement of an externally hosted IT solution (MetaStreet) for the proposed Additional Selective Licensing Scheme. The IT solution will also incorporate the Mandatory HMO licensing scheme.
- 2.2 To agree to the procurement and implementation of the IT solution including ongoing support for the next five years.
- 2.3 To note that the information provided in this report together with an award of contract from G-Cloud to MetaStreet Ltd demonstrates that it meets the business requirements for an end to end solution and represents value for money.
- 2.4 To approve a direct award from a framework to MetaStreet Ltd.

## 3. BACKGROUND

- 3.1 A review of the private rented sector in the borough revealed that a significant number of private rented properties experience poor housing conditions, are poorly managed, located in areas of high deprivation and experience antisocial behaviour.
- 3.2 On 20<sup>th</sup> June 2019, the decision was made by the Portfolio Holder to go to consultation on two proposed private rented property licensing schemes (additional and selective licensing). This decision was upheld and supported by the Overview and Scrutiny Committee on 15 July 2019. The public consultation took place between 28 August and 29 November 2019. The proposed schemes are informed by the robust evidence base on the private rented sector in the borough, and the government guidance relating to the designation of discretionary licensing schemes, as follows:
  - A selective licensing scheme comprising two designations covering 14 of the borough's wards, which would apply to eligible dwellings occupied by a single-family household or by single adults or couples.
  - The **first** designation includes 13 wards – Bowes, Edmonton Green, Enfield Highway, Enfield Lock, Haselbury, Jubilee, Lower Edmonton, Palmers Green, Ponders End, Southbury, Southgate Green, Turkey Street and Upper Edmonton. The **second** designation is for Chase ward.
  - A borough wide additional licensing designation which would apply to eligible Houses in Multiple Occupation (HMOs) whose separate households share one of more standard amenities.

- 3.3 The main objective of both licensing schemes is to improve the management and maintenance of properties in the sector. There are approximately 32,000 privately rented properties that would fall under the proposed additional and selective licensing schemes.
- 3.4 If the additional and selective licensing schemes are approved, all privately rented properties within the designated schemes will be required to be licensed. Landlords will need to apply and pay for their licence online via our website. This will involve high volumes of applications (about 32,000) and also include them uploading the required documents.
- 3.5 Therefore, an IT solution is required that is as quick and streamlined as possible, with a demonstrable track record of meeting the business requirements. Such IT solutions to meet the demands of additional and selective licensing schemes are specialist and there are few on the market. We have an existing software provider (Northgate Assure) that provides the software for our regulatory services, which could potentially meet the business requirements for additional and selective licensing schemes. However, no local authorities have yet gone fully live or public facing with Assure, and so there are no Councils using Assure for their additional and selective licensing schemes. Councils have experienced various difficulties in moving forward with the full and public facing implementation of Assure to date.
- 3.6 Having conducted some market research we established that MetaStreet Limited is a specialist company that provides software to manage additional and selective licensing schemes. This is one of their areas of expertise. This software is used, or about to be used, by at least 7 other Councils for their selective or additional licensing schemes and has a proven track record of reliable and successful implementation and operation.
- 3.7 We have therefore undertaken an appraisal of Assure and MetaStreet to determine their capability to successfully deliver additional and selective licensing schemes. As a result, we are not confident that Assure will be enough or ready to deliver these licensing schemes within the proposed timescales. We need to an IT solution to be implemented by the end of April 2020.

#### **4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Do nothing. This is not a viable option due to the large-scale poor housing conditions and poor management of private rented property in the borough and the increasing growth of the sector. It is clearly evident that a viable and robust IT system is needed to ensure that the Council will reach its stated objectives to improve the conditions in the private rented sector in the borough. The number of comments and feedback received from the public consultation have expressed fears

that applications, inspections and enforcement will not be carried out appropriately due to poor IT systems.

- 4.2 Use the existing HMO Licensing Module within Northgate Assure (current in-house database). This option was explored and following a viability assessment was discounted as it is still being developed, does not have the proven ability to deliver the IT needs and would not have the demonstrable capacity to deliver the volume of licensing applications and processes required by the council. The viability report is shown in *Appendix1*.
- 4.3 Procure a fit for purpose IT solution. A viability and options appraisal was carried out to assess the solutions available out in the market place that could meet the business and technical requirements, as well as provide value for money. The preferred and only supplier with a current developed IT system that can provide an end to end solution is MetaStreet Ltd. The recommendation is to make a direct award from a framework (G-Cloud) to MetaStreet Ltd. This is a compliant procurement method.

## **5. REASONS FOR RECOMMENDATIONS**

- 5.1 The introduction of this IT solution for Additional and Selective Licensing will:
  - Assist in capturing the anticipated volume of licence applications and renewal forms which can then be exported and accessed through APIs.
  - Provide a full end to end licence application, processing and workflow management that will reduce processing time and errors.
  - Provide real time data validation and confirmation across licencing type and enabling efficient Senior Officer approval.
- 5.2 The IT solution will deliver a demonstrable reliable, stable and system including the following benefits:
  - Capability to handle a large numbers of licence applications (approx. 30,000)
  - Customised additional and selective licensing registration and application pathways
  - Mobile inspection and enforcement functionality
  - Accommodates all split fees and payment options
  - Produces a public register
  - Provide key reporting and performance indicators
- 5.3 The preferred supplier is MetaStreet Ltd. The intention is to make a direct award from a framework. MetaStreet is on the framework G-Cloud listing and can be found here <https://www.digitalmarketplace.service.gov.uk/g-cloud/services/838684117850658>

## **6. COMMENTS FROM OTHER DEPARTMENTS**

### **6.1 Financial Implications**

See Part 2 report.

### **6.2 Legal Implications**

*Provided by CP on 30.12.19 based on version circulated 24.12.19*

6.2.1 Parts 2 and 3 of the Housing Act 2004 provide powers for a local housing authority to designate areas, or the whole of the area of its district, for additional (Part 2) and/or selective (Part 3) licensing of private rented accommodation. Details as to the use of this power, and relevant conditions, are set out in the Portfolio Report referred to at 3.2 above. Section 111 of the Local Government Act 1972 gives a local authority power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The Council also has a general power of competence in section 1(1) of the Localism Act 2011 which states that a local authority has the power to do anything that individuals generally may do provided it is not prohibited by legislation. The contract award proposed within this Report is in accordance with such powers.

6.2.4 The form of contract must be approved in advance of contract commencement by Legal Services on behalf of the Director of Law and Governance.

6.2.5 The Council must ensure value for money in accordance with the Best Value principles under the Local Government Act 1999.

*(Legal Services must be consulted in all cases)*

### **6.3 Property Implications**

There are no property implications, the system is externally hosted.

### **6.4 ICT Implications**

The existing ICT system Assure includes the HMO Mandatory licencing system which is supported within the current ICT Service catalogue. The new system is expected to be able to be added to the catalogue and supported within the existing staff in the service.

However, the new system has more functionality and also covers mobile apps, which will impact on the Enterprise Architecture, this

includes the costs of security patching and maintenance, integration tools with a hosted product and maintenance of the infrastructure to support and connect to it. Additional estimated costs of £10,000 per annum are included as a result.

The costs of the ICT system are incurred regardless of whether the scheme generates the expected income.

## **6.5 Procurement Implications**

- 6.5.1 Any procurement must be undertaken in accordance with the Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).
- 6.5.2 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.
- 6.5.3 All awarded projects must be promoted to Contracts Finder to comply with the Government's transparency requirements.
- 6.5.4 The Additional and Selective Licensing IT solution will be procured through the Crown Commercial Services (CCS) G-Cloud 10 framework. Frameworks such as these provides the council the ability to procure services and products in a compliant and standardised manner. They also offer the convenience of providing a pre-selected group of buyers, that have already been approved to provide these services. The framework must be accessed in line with the framework regulations.
- 6.5.5 The framework recommended for the IT solution procurement is G-Cloud as delivered through Government Digital Services. All G-Cloud suppliers have:
  - Confirmed information about their company and the way they work
  - Added information about the services that they offer
- 6.5.6 Due to the potential for the contract to be unsupported; which will affect service, there is insufficient time to carry out a full EU procurement. Using the framework fits in with the time scales of the project. This is a compliant route to market, but it must be noted that the terms and conditions of the framework must be used by the Council. The P&C Hub expect that the service checks that this fits with the needs of the service. The P&C hub expects the service to carry out a mini competition on the framework to ensure VFM.

6.5.7 Even though a framework is being used the P&C Hub expect that the LTP is used to record all activity, to ensure that the process is fair, transparent and equal, and that there is a comprehensive audit trail.

6.5.8 The business case came to the P&C board on the 14/01/20 and was approved.

## **7. KEY RISKS**

7.1 Reputational risk if we are unable to provide an online IT solution to deal with the volume of applications, leading to customer dissatisfaction and would bring the Council into dispute.

7.2 Financial risk if we are unable to take payments, match fees with the applicants address which is a split process for application and grant of the licence. Loss of revenue to the Council and uncontrollable costs to carry out manual processing while trying to develop a IT solution.

7.3 Risk of legal action by applicants if we fail to duly process licence applications in a timely manner and leading to uncontrolled housing provisions in the borough.

7.4 If we go to the market and use a provider whose systems are still in development, we may have to abandon the process and go back to the preferred supplier.

*(All reports should be sent to [riskmanagement@enfield.gov.uk](mailto:riskmanagement@enfield.gov.uk) for comments)*

## **8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD**

### **8.1 Good homes in well-connected neighbourhoods**

- One of the Council's key promises in the corporate plan is "Delivering initiatives to improve standards in the private rented sector and tackle rogue landlords." The introduction of mandatory, additional and selective licensing schemes is fundamental to the delivery of that promise and is the most important tool the Council will have to enable an improvement in the standard of privately rented homes and making Enfield a place that does not tolerate rogue landlords.
- The schemes will also work positively and supportively with good landlords to raise the professionalism and management of the sector and ensure that properties are safe, secure and well-maintained.
- By improving standards in the private rented sector and tackling rogue landlords, this will improve the neighbourhood as a whole

and will help to encourage investment in regeneration and housing in the borough.

- Together, these will enable the Council to deliver on its aim of, “Working with the public and private sector to deliver decent, safe housing that meets residents’ needs.”

## **8.2 Sustain strong and healthy communities**

- A good quality private rented sector will encourage residents to stay in Enfield, in turn creating sustainable communities. A poorly managed rented sector, with badly maintained properties, not only encourages a faster turnover of tenants but often distracts from the look and feel of the street. This can put off residents of all tenures from remaining in the borough and destabilises the community.
- The main objective of both licensing schemes is to improve the management and maintenance of properties in the sector. Additional & Selective licensing, in particular, will have a specific aim to reduce category 1 hazards in the private rented sector, such as excessive cold, damp, infestations and fire/electrical issues, which adversely affect the health and wellbeing of residents. This supports the council’s corporate aim to “Build measures into all our strategies and projects that will help improve public health and people’s wellbeing.”
- Another of the objectives of introducing additional and selective licensing in Enfield is to reduce property-related anti-social behaviour (ASB). This is consistent with Enfield’s’ corporate plan pledge of “Working with partners to make Enfield a safer place by tackling all types of crime and anti-social behaviour; and protecting the local and urban environment.”

## **8.3 Build our local economy to create a thriving place**

- The introduction of selective and additional licensing in Enfield aims to provide an improved standard of housing within the private rented sector. Poor property conditions are borne by the most vulnerable and economically disadvantaged in the community so, by improving housing conditions these schemes will help the council to deliver on its pledge to “work on reducing inequalities to make Enfield a place for people to enjoy from childhood to old age.”
- An improvement in property conditions also has an inevitable effect on the streetscape and will help to ensure “our high streets and town centres thrive and attract people to live, work and visit.”

## **9. EQUALITIES IMPACT IMPLICATIONS**

- 9.1 An EQIA is available for the implementation of the Additional and Selective Licensing Scheme. The guidance states that we must provide various options for the licence applicants, so alongside the on-line system we will facilitate a paper application with assistance for any disabilities.**

## **10.PERFORMANCE AND DATA IMPLICATIONS**

**10.1 The proposed system has a reporting functionality for key performance indicators. Dashboard links to Power BI.**

## **11.HEALTH AND SAFETY IMPLICATIONS**

N/A

## **12.HR IMPLICATIONS**

N/A

## **13.PUBLIC HEALTH IMPLICATIONS**

11.1 There are no public health implications in providing an end to end IT solution and this provide a streamlined, efficient licence application process that net will assist applicants by providing guidance and removing stress of filling in paper forms.

## **14.Background Papers**

See Part 2 report.