

Enfield Council - Additional Licensing Consultation 2024
Consultation on a proposal to reintroduce a borough-wide Additional Licensing scheme for the
London Borough of Enfield
Response from Propertymark
August 2024

Background

1. Propertymark is the UK's leading professional body for estate and letting agents, property inventory service providers, commercial agents, auctioneers and valuers, comprising over 18,000 members representing over 12,800 branches. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.

Overview

2. In September 2020, Enfield Council introduced a borough-wide scheme known as additional Houses in Multiple Occupation (HMO) licensing to improve property conditions and management standards in smaller HMOs. The additional HMO licensing scheme applies to properties occupied by three or four unrelated people sharing amenities. The additional HMO licensing scheme ends on 31 August 2025. The scheme, if approved, will build on the current scheme to improve property conditions and management standards in HMO properties with a view to being introduced in September 2025.

Summary

3. Thank you for the opportunity to respond to the consultation on reintroducing a borough-wide additional licensing scheme in Enfield. Propertymark is supportive of efforts made by local authorities to improve housing stock within the private rented sector (PRS). However, we do not think that licensing is the best method to achieve this aim. Accordingly, we object to your proposal. Propertymark would prefer a regulatory framework, which seeks to educate landlords in improving their stock rather than punitive measures that are difficult to enforce and only punish compliant landlords letting those that require improvements to go undetected. We oppose this proposal on several grounds which are set out below.

Licensing structure

4. **Scope of the scheme** – It is disappointing that Enfield must renew their previous additional licensing scheme for a further five years. This clearly demonstrates that they the aims and objections from the previous scheme were not met and they should find a new way of improving standards. Furthermore, we think that such a scheme on a local authority level would be duplicitous with the provisions of a national landlord's registration scheme being

proposed in the Renter's Rights Bill as outlined in the Kings Speech.¹ We would be grateful if Enfield could clarify if this would be the final phase of the additional licensing scheme as we have intelligence of some local authorities considering a third phase. Additionally, some of the justifications for the scheme would not be from a direct consequence of issues within the PRS, but other housing tenures. We note that in some communities within the London Borough of Enfield, the percentage of social housing is greater than the percentage of PRS housing. Therefore, it is likely that any social problems within this area are contributed by social housing. Essentially, using a borough-wide scheme is difficult to find the root cause of issues and the Enfield should consider targeting their scheme.

5. **Costs of the scheme** – We hope that Enfield Council can clarify how much the scheme will cost. Many additional licensing schemes are a significant investment for local authorities, and we would ask that Councillors consider carefully if such a scheme offers value for money for their residents and is the most cost-effective method to improve the quality of the PRS. We note that the scheme is being reintroduced. Accordingly, what has been the overall cumulative cost for the council in implementing licensing. The costs should include the total costs for the council in administering property licensing.

6. **Fees** – At £1450 for an additional licence, the fee is high given the economic challenges and costs faced by landlords operating in the area. It is also high when compared to other neighbouring local authority licensing schemes including £650 in Newcastle² and £550 in Liverpool.³ The fee is also higher compared to fees for many additional licenses schemes in London Boroughs where costs are typically high. We welcome the inclusion of a £50 discount for landlords who are members of an accredited landlord's scheme, and the further discount of £100 for properties that have achieved EPC C. However, we would recommend that the council considers further discounts for members of accredited membership organisations such as Propertymark. We are disappointed that no consideration has been given for members of such bodies as being a member of Propertymark demonstrates that the letting agent is suitably qualified, has access to regular training and meets compliance and regulatory standards, so encourage the council to consider discounts for Propertymark member letting agents. We also note that there is no discount for additional licensed properties which specifically disadvantages landlords with large portfolios. We would welcome clarity on how agents can pay fees and would recommend that in some instances agents may wish to pay by invoice especially if they are administering many property licenses.

7. **Impact of cost-of-living and landlords** - Regardless of the fee level, we are concerned these charges will come at a time when landlords are impacted by ongoing mortgage costs, the cost-of-living crisis and the impact fees could have on the ability of landlords to improve standards. Our members have also told us that a common concern from landlords on licensing schemes is that the costs can be extremely high for landlords especially those, as we have just

¹ [The King's Speech 2024 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/speeches/the-king-s-speech-2024)

² [Fees and Charges.pdf \(newcastle.gov.uk\)](#)

³ [Fees, discounts and exemptions - Liverpool City Council](#)

highlighted, as having larger portfolios of properties. These costs are especially high for landlords operating in London Borough's such as Enfield.

8. **Impact on supply of homes** - Exiting the market is especially a concern for smaller landlords who are more likely to sell their properties and further shrink the supply of much sort after PRS properties leaving remaining private tenants with higher rents. Our research on the shrinkage of the PRS⁴ found 53% of buy to let properties sold in March 2022 left the PRS and that there were 49% less PRS properties to let in March 2022 compared with 2019. In addition to these concerns, those landlords who remain in the market, often have less money to improve conditions from increased costs. If the decision to operate a borough-wide additional licensing scheme across Enfield is approved in areas that are already low demand, then there is a concern that landlords currently operating within these areas could invest in neighbouring local authority areas or exit the market altogether. This could result in fewer housing options for people living in Enfield communities meaning some people might be forced to find housing options outside the area, change employment or break social ties within the community.

9. **Unintended Consequences** – We are pleased to see that Enfield Council acknowledge that the PRS is an important and increasingly growing tenure that is home to many people living within the Borough and home to 1 in 4 families. Renting in Enfield can be expensive with an average rent in some Enfield post codes being £2,350 per calendar month (August 2024).⁵ It is likely that many low waged and people in receipt of benefits access the PRS in Enfield live in HMO property. We are concerned that landlords may increase rent due to the added and significant costs of licenses. Accordingly, some renters living within the Borough will require cheaper accommodation due to being on a low income and the continued challenges in the cost-of-living crisis. We previously outlined the possibility that further legislation could reduce the housing options of the most vulnerable from landlords exiting the market there could be further implications on the rent level for those landlords who remain. As is the general law of supply and demand, if the supply of PRS property reduces, the cost of rent for the remaining properties is likely to rise. With the current demographics of persons accessing the PRS in Enfield, there is a very real danger that many low-income families will be priced out of living in the area. This is acknowledged in the Enfield consultation document, which states ‘Enfield is consistent with the rest of London in that it has a shortage of affordable housing, with house prices remaining out of reach for many. The demand for social housing far outstrips the supply. As a result, privately rented accommodation is increasingly becoming the only viable housing option for many Enfield residents, especially for families with children priced out of owner occupation.’⁶

⁴ [A shrinking private rented sector | Propertymark](#)

⁵ <https://www.london.gov.uk/programmes-strategies/housing-and-land/improving-private-rented-sector/london-rents-map>

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https://www.enfield.gov.uk/_data/assets/pdf_file/0013/60304/730effff12008f07f281b82b2c6d53122b742168.pdf

Improving standards

10. **Property condition** – Large parts of Enfield are characterised as including significant levels of older housing stock. According to the Enfield Borough Profile 2023, 24% of housing stock was built before 1919⁷. Areas that have these characteristics are often inner-city communities with large section of pre-1919 built housing. Accordingly, a significant amount of investment is required to improve the condition of stock including the energy efficiency of properties. We would be grateful if Enfield Council could clarify if they have any proposed financial grants or loans available for landlords to improve stock.

11. **Energy efficiency** - Since 1 April 2020, landlords in England and Wales can no longer let or continue to let properties covered by the Minimum Energy Efficiency Standards if they have an Energy Performance Certificate (EPC) rating below E, unless they have a valid exemption in place. The current UK Government are making provisions for revised energy efficiency standards for landlords to meet EPC C by 2030. According to the consultation document one of the outcomes of the licensing scheme is to ensure ‘HMO properties meet a minimum Band E EPC rating (unless an exemption applies).’ However, only a very small number of properties would be below EPC E, and these may be exempt.

12. **Empty properties** – Enfield shares our fundamental belief that an empty property is a wasted resource, and we are pleased to see that the council have embedded their Empty Homes Strategy 2021-2026 within the consultation, which sets aside over £1m in capital funding to tackle empty homes over the next five years.⁸ We would welcome clarity on proposals the council would consider increasing housing stock including Empty Management Dwelling Orders or enforced sales to highlight their activity. The council should provide further information into what active steps have been taken the reduce the number of empty properties within the borough to aid the high number of people waiting on the housing list for housing.

13. **Current enforcement** – Enfield Council is experienced in the implementation of Licensing Schemes with the previous schemes. We would be grateful for some clarity on the performance of previous schemes. For example, how many working days did it take for a typical licence application to be processed and issued? The council also highlight some of the key statistics on their enforcement activity including warning letters, prosecutions, and civil penalties issues. We would be grateful if this data could be broken down by years. We would also be grateful for clarity on the reasons for issuing civil penalties for example, how many were for over-crowding, banning orders or for simply not obtaining the correct license.

14. The number of civil penalties given to property owners and landlords for previous scheme is relatively low at just five civil penalties from the additional licensing scheme compared to 64 for the mandatory scheme. This is very low and enforcement for the previous additional licensing scheme was either not required or insufficient. Nevertheless, we would welcome

⁷ https://www.enfield.gov.uk/data/assets/pdf_file/0023/44717/Borough-profile-2023-Your-council.pdf

⁸ <https://governance.enfield.gov.uk/documents/s88252/1657560%20-%20Cabinet%20Report%20-%20Empty%20Homes%20-%20with%20legal%20implications%20ECC.pdf>

clarity on what the council's enforcement policy will entail. How will the council educate landlords to ensure they are complaint, and for those landlords who struggling with the management of properties, will the council recommend landlords discharge their duties to Propertymark registered agents? We also note that the 293 complaints from eligible additional licensing properties made up less than 28% of all complaints with the majority coming from mandatory. Enfield should draw its resources on effectively enforcing an improvement in mandatory licensed properties.

Engagement

15. **Engagement with landlords and letting agents** - For most cases of substandard accommodation, it is often down to landlord's lack of understanding rather than any intent to provide poor standards. We note that Enfield Council did not respond to our recent Freedom of Information request on landlord engagement since 2021. Therefore, we would like clarity on how Enfield engages with landlords and property agents including landlord forums, and training opportunities. In addition, we would welcome clarity on how the council encourages landlords and agents to be members of an accredited membership scheme such as Propertymark.
16. To strengthen this engagement, we would be very happy to support the council in engaging with our members and local property agents. A licensing scheme is a very reactive mechanism, and it is far more beneficial to have a programme of education to engage with landlords on helping them improve before a situation gets worse. We would welcome clarity on what training opportunities the council will provide to landlords and agents to help them understand their responsibilities and improve standards. We recognise the council have made strong efforts in this in the past with engagement via the council's Landlord Forum and an accreditation scheme for local landlords. However, engagement is more credible over a longer more embedded period. Propertymark has a network of Regional Executives and a series of Regional Conferences that take place throughout the year.⁹ We would be very happy to work with the council to engage with local agents over a virtual roundtable discussion on how standards can be improved.
17. We note one of the schemes objectives is to have an emphasis on engagement and education to raise awareness amongst landlords, letting agents and tenants of their respective rights and responsibilities. The consultation document states that Enfield 'recognise that the majority of landlords in the borough are both responsible and cooperative. Therefore, in the first phase of the scheme implementation, the department took a more educational approach, seeking to work with landlords and bring about compliance through informal means.' We would welcome clarity on how Enfield will achieve these education aims.

⁹ <https://www.propertymark.co.uk/about-us/board-and-governance.html>

Tackling Anti-Social Behaviour (ASB)

18. Some areas of Enfield are integral to the night-time economy within the Borough. Accordingly, it is likely that Anti-Social Behaviour (ASB) is contributed from a variety of sources outside private tenants. Enfield Council highlight that licensing schemes works closely with the Community Safety Team and is also a part of the Multi Agency Tasking and Coordination Group. The consultation document states, “from March 2023, the Council employed an ASB Coordinator to investigate serious ASB incidents linked to HMOs, including brothels; cannabis farms; noise and other ASB complaints; and a suspected illegal labour market operation. To continue this good work, the Council has set up an Enfield Partnership Tasking and Enforcement Group bringing together all the relevant Council operational services and regulatory enforcement teams, including Community Safety, Trading Standards and Planning Enforcement and the Police so that the authority has a joined up collaborative and multi-agency enforcement response to crime and antisocial behaviour that is affecting our residents, businesses and visitors.’ We would like greater clarity on the extent that this ASB originated within PRS properties. And further clarity on any efforts to tackle ASB using a multi-agency approach. On the subject of the problem of cannabis farms, Propertymark has developed a factsheet for our members, which we would be happy to share with Enfield.
19. Unfortunately, landlords are not the best equipped to deal with anti-social behaviour and certainly do not have the skills or capacity to deal with some tenants’ problems such as mental health or drug and alcohol misuse. As one example, if a landlord or their agent had a tenant that was causing anti-social behaviour, the only tool that the landlord or agent could use would be to seek possession from the tenant under a Section 8 notice. While this would remedy the problem in the short-term, the tenant is likely to still occupy this behaviour and all that has been achieved is that the anti-social behaviour has moved from one part of Enfield to another or another local authority area. In this context, it should be noted that with regards to reducing anti-social behaviour, landlords and their agents can only tackle behaviour within their properties. Effectively, they are managing a contract and not behaviour. Landlords and their agents are not responsible in any form for anti-social behaviour occurring outside the property. Nevertheless, we would be interested to learn about any partnership work the council are proposing with stakeholders such as the Metropolitan Police in reducing anti-social behaviour within communities including outcomes from the Home Office funded Safer Streets Programme.

Environmental crime

20. The evidence document has highlighted additional licensing as a tool to tackle environmental crimes such as fly tipping, poor waste, husbandry and street cleaning. However, Enfield Council have provided no evidence to support the extent that particular PRS properties are impacted by both fly tipping and other environmental crimes, and as is the case in most local authorities, we suspect this is an issue on local authority highways. While we welcome efforts to tackle fly tipping, unless the perpetrator is caught doing the fly tipping or there is some sort of evidence, such as an addressed letter, within the fly tip, then it is impossible to suggest to what extent fly tipping is a problem in the PRS. Even if the link between fly tipping and the

PRS could be proved, there is very little that landlords could do for any behaviour outside the tenancy unless the fly tip was done within the grounds of the property.

Selective Licensing and Section 21

21. Propertymark would like clarification on the council's policy concerning helping a landlord when a section 21 notice is served, the property is overcrowded, or the tenant is causing antisocial behaviour, as per the council's consultation. What steps will the council take to support the landlord? It would be useful if the council were to put a guidance document before introducing the scheme to outline its position regarding helping landlords remove tenants who are manifesting antisocial behaviour. The recent proposed changes to section 21 legislation and how tenancies if implemented could mean landlords will become more risk-averse to taking tenants with a perfect reference and history. We would be willing to work with the council and develop a dispute resolution service with other local authorities.

Conclusions and alternatives

22. Propertymark thinks that local authorities need a healthy private rented sector to complement the other housing in an area. This provides a variety of housing types that can meet the needs of both residents and landlords in the area. Appropriate regulation and enforcement are essential for improving standards and removing criminals from the sector who exploit landlords and tenants. An active enforcement policy that supports good landlords and letting agents is crucial as it will remove those who exploit others and help create a level playing field. It is essential to understand how the sector operates as landlords and letting agents can often be victims of criminal activity and antisocial behaviour with their properties being exploited.
23. If the scheme is approved, the council should consider providing an annual summary of outcomes to demonstrate to tenants, landlords and letting agents' behaviour improvements and the impact of licensing on the designated area over the scheme's lifetime. This would improve transparency overall. Propertymark has a shared interest with Enfield Council in ensuring a high-quality private rented sector but strongly disagrees that the introduction of the proposed measures is the most effective approach to achieve this aim both in the short term and long term.
24. We would welcome the opportunity to work with Enfield Council to further engage with our members and property agents in the local area.