

Nottingham City Council

HMO Licensing and Compliance Team

Strategic Operational Plan Outline

January 2024 – December 2028

Communities, Environment & Resident Services



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Nottingham
City Council

1. EXECUTIVE SUMMARY

The Housing Licensing & Compliance team oversees the licensing and compliance of Houses in Multiple Occupation (HMO) across the city. The team has redesigned its Licensing and Compliance procedures to better target the strategic Council Plan and Local Plan objectives of “Better Housing” and retaining family homes. Community led problems such as ASB and waste issues connected to Houses in Multiple Occupation (HMO) properties have also been a key driver. The department has adopted a targeted approach to its Licensing and Compliance. A revised licencing process was implemented in January 2021 and has brought about a significant decrease in the number of licence applications pending a decision to grant or refuse. A new IT system call Cx has been purchased and will be operational for the start of this plan, with a “go live” date of summer 2023. A more targeted compliance system has also been developed. The compliance system adopts a 3-tiered approach to achieve an improvement in management, housing standards and neighbourhood unification of licensed properties.

Tier 1 – Licence Holder Compliance Audits

This is a desk top audit of documents required to satisfy the licence conditions.

Tier 2 – External Inspections

This is a physical inspection of the external areas and fabric of the property.

Tier 3 – Internal Inspections

This is a physical internal inspection of the property.

The team is aiming to licence approximately 1,060 properties per year and action approximately 12,000 compliance interventions over this five year plan.

Work has been undertaken to review the previous Additional licensing schemes. Looking at the evidence available to support a further scheme of Additional licensing during this planned period. Any proposed new additional scheme would look to run contiguous to the current scheme.

Consideration of best value principals has been given to the delivery of HMO licensing and several strategic and operational improvements which deliver greater efficiencies throughout the operation have been implemented. Building on this the three-tier approach to licensing has enabled the team to target higher risk properties. Improved diary management and booking of inspections for officers has also increased the number of internal inspections be 50% per month. Using out IT systems comprehensively and data gathered to coordinate, identify and target properties where intervention may be required has also improved. A suit of Business Intelligence reports is assisting with this data delivery. It is hoped that the Custom Access program will continue to build upon this success. Best value successes have also been outlined in the main report.

2. BACKGROUND INFORMATION

The primary legislation is the Housing Act 2004, it details the mandatory requirements for licensing along with the Additional discretionary designation requirements for HMOs. It specifies that authorities may take such steps as they consider appropriate (whether or not this involving an inspection) to comply with their duty to satisfy themselves that in relation to each of the licenced HMOs, that it is broadly compliant and free from hazards within a period of 5 years. The Housing Act also introduces the HMO management regulations that appear in secondary regulations and apply specific duties on the managers of all HMOs. Although the Housing Act 2004 is the main

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housing legislation that is regulated, the authority also consider multiple other pieces of statutory legislation that may equally apply to the Houses regardless of tenure.

The Mandatory licensing scheme is the nationwide scheme, whereas the Additional licensing scheme is a locally adopted designation, based on evidence and it can run for up to 5-year. The additional scheme covers a designated area of the city with evidenced of poorly managed properties, poor property condition and/or causing or likely to cause problems such as citizen complaints, waste management issues and Anti-social behaviour (ASB) mainly noise.

For the designation of an area to be subject to additional licensing the authority must consider that a significant proportion of the 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. The Licensing Schemes aim to protect the health, safety and welfare of all occupiers, whilst helping integrate HMOs into neighbourhoods. Further aims are to monitor the housing stock, help in the reduction of ASB (waste & noise), Crime and to improve the visual impact and quality of the HMO housing rental stock within the city.

In 2018 the approval was granted to introduce a second scheme of additional licensing, starting on the 1 January 2019 and due to end on the 31 December 2023. From this the Council currently operate two distinct licensing schemes for Houses in Multiple Occupation – Mandatory and Additional licensing - encompassing an estimated 4800 HMOs that may fall into one of the HMO licensing schemes. It is estimated that 5300 may be licensable between 1st January 2024 to the 31st December 2028, should the two scheme continue, and this estimate includes suspected HMO.

A major benefit of licensing ensures that when residents make a complaint, licence holders and managers take quick and effective action to put things right as they are known to the council and easy to contact.

3. STRATEGIC COUNCIL PLAN

This operation plan has been reviewed in line with the Service and Divisional plans. The Divisional and Service plans outline how the service will delivering the organisational objectives and includes:

- Statutory duties/responsibilities (Business As Usual)
- Key projects/Initiatives
- Any transformation work planned or underway
- Implementation plans for any budget savings
- Council plan commitments
- Best Value
- One Council

Divisional Plans and the more detailed Service and Operational Plans will underpin the delivery of our Medium-Term Financial Plan. The Council is subject to a three-year Recovery and Improvement Plan that has been refreshed for 2022 and is now called the “Together for Nottingham”. As part of this transformation programme a revised Strategic Council Plan was approved to cover 2021-2023. The Licensing schemes are a contributor to the Council’s high-level outcomes, outlined in the Strategic Council Plan for Better Housing, Safer Nottingham and Clean and Connected Communities and will indirectly contribute to the other strategic goals.

4. RESOURCES

The licence fee income generally funds on average 30 FTE posts within the establishment structure, depending on the size of any new scheme. The fee is calculated to be cost neutral and includes all operational costs to operate and deliver the scheme. The HMO teams, staffing is flexible and will fluctuate over the five-year period of the schemes to meet demands and deliver outcomes. Staffing is reviewed in line with income and available budget. In general officer are targeted in their work to achieve the best value outcomes for the schemes and citizens. It is expected that roles will undertake the following general duties **(N.B. This is not exhaustive overview and acts as a guide only)**.

Additional Licensing Scheme Duration

Table 1 demonstrates the scheme scheduled for five years and there will be a cycle of activity throughout the first five-year period as indicated in grey. The further four years have been added as indicated in blue to highlight the requirement to continue the monitoring of any overhanging licences in the cycles, carry out compliance and enforcement work as required for the licences still in force.

The staffing structure will reflect these priorities and be flexible to support changes as they occur during the scheme and activities shall be continuing until the last licence expires, should they continue to be issued up to the end date of the scheme and any further proposed scheme.

Table 1: Scheme Priorities

Year	Promote	Process Applications	Engage	Enforcement	Compliance	Review
1						
2						
3						
4						
5						
6						
7						
8						
9						

A scheme review will be conducted in late 2026 and 2028 to evaluate the outcomes of the proposed additional designation and assess any evidence to support a further scheme proposal for additional licensing.

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Operational Roles

- **Licensing Support Officers (LSO)** will respond to general enquires, accept licence applications, process payments and support wider teamwork.
- **Licensing Support Team Leader** will oversee the LSO team
- **Compliance Officers (CO)** will work on determining licence applications and licence compliance, they will also undertake enforcement as required and maintain a reactive duty rota.
- **Regulatory Compliance Officers (RCO) and Environmental Health officers (EHO)** will work on projects and more complex cases to ensure licence compliance and they will undertake enforcement as required and maintain a reactive duty rota.
- **Proactive Officers** will work to identify unlicensed HMOs and bring them into licensing, and they will undertake enforcement as required.
- **Principal Licensing Officer (PLO) and Principal Environmental Health Officer (PEHO)** will work to manage the team, oversee and direct officers in complex cases some leading to enforcement, manage officer performance and undertake general welfare and HR matters and maintain a reactive managers duty rota.
- **Operational Manager** will deliver the planning, strategic and operational requirement of the scheme. They will monitor, maintain, and report team performance. They will also oversee complex cases leading to legal action, manage direct report and their performance and undertake general welfare and HR matters and manage the budget and financials.

5. FORECAST

Forward projections have been based on historical data held within the Civica Flare database system. Licence applications received over a five-year period and the expected number of renewal applications were forecast with a 20% variable added. This projection indicated that the Mandatory scheme was likely to receive 3000 applications and the Additional scheme is likely to receive 2300 applications over a five-year period. This information is reviewed regularly, and the forecast is modified to reflect actual applications received monthly.

These estimations have been broken down by scheme into tables for easy viewing and forecasting purposes over the five-year periods;

Financial Year	Renewal	Forecast	Total
2024/25 (Includes Jan- March 24)	231	138	369
2025/26	420	125	545
2026/27	762	100	862
2027/28	254	100	354
2028 (ends 31st Dec 2028)	120	50	170
Total	1787	513	2300

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Financial Year	Renewal	Forecast	Total
2023/24	543	140	683
2024/25	618	119	737
2025/26	655	115	770
2026/27	364	116	480
2027/28	160	170	330
Totals	2340	660	3000

The forecast for a further proposed scheme of Additional licensing will be fully confirmed if the geographical designation is fully approved in September 2023 and will follow the same methodology.

6. PROCESSING

This work is undertaken in accordance with Part 2 of the Housing Act 2004. The team aims to process all duly made licence applications and determine them to grant or refuse within 6 months of receipt of a duly made application where possible. More complex applications will take longer to process.

The average licence duration is 5 years, although others may only be issued for a shorter time depending on known risk factors such as lack of planning permission or other management concerns. A consultation with other department is conducted by officer who determine the licence applications when considering granting or refuse a licence. An example of this would be a where a Planning issue or lack of planning permission is identified.

The estimated time taken to process and determine a straightforward application provided with all of the correct documents and information with no representations made is approximately 9/15 hours of Officer time per application. However more complex cases can take significantly more time for example when a pre- inspection is carried out, missing documents and information need providing or its under investigation.

LSO will offer support for a range of licensing and compliance activities in combination to the priorities highlighted above. LSO will also rotate through the tasks to ensure resilience and allow tractability for final payments as per internal audit requirements*along with Customer Access work streams and re-charges.

Annual target & output projections per officer			
Accepting Officers This is a varying number and there is a 100% target for applications to be processed ready for pick up within 10 working days.	Current number of Officers tasked with receipt of applications, payments and other support functions.	Output officers are required to accept the application within 10 days of receipt. 1 FTE Team Leader will oversee this work.	Expected interventions for the Officers for the period is determined by demand and one
100% of applications received	FTEs 7	10 days	To be monitored
Taking Payments - This is a two part process part A payment is collected when the application is made, and this is then verified, and the Part B payment is collected before the final	Current number of Officers tasked with Payments		Expected interventions for the Officers for the period is based on demand

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licence is issued and confirmed by a second LSO.			*no officer is permitted to record, check and take both payments. **Second part fees are reviewed by the determining officer, who may apply the less compliant higher or other fees applicable.
100% of payments check and received.	FTEs 7	N/A	To be determined

Proactive Enforcement is undertaken by a team member who look for unlicensed properties. Currently 1 FTE equivalent officer is funded to find HMOs that have failed to licence. Our in-team LSO support some of this work to ensure any expired licences have made a renewal or new application if a licence has expired and is still required.

Annual target and outputs projections per officer			
Compliance Officer determining licence applications and output per annum is targeted per officer and set in the Performance Appraisal at 18 per month.	Current number of Officers tasked with applications	Output per year for 5 FTE Officers and 1 FTE Principal Licensing Officer Managing	Expected interventions for the Officers for a five-year period. *it must be remembered that not all licence application are granted or refused and may be withdrawn part way through processing. **new officer work on reduced targets. ***applications do not come in uniformly and peaks in demand can be expected, so staffing will need to flex.
216	FTEs 5	1,080	5,400

Other licensing work task flows will be required and will vary on time and demand, these can include;

- Application to vary a licence
- Application for a temp exemption notice (TEN)
- Application to revoke a licence

Managers will respond to;

- Complaints
- Ombudsman Complaints
- Information Request
- Repot and Mange Potential Data breaches to maintain compliance
- Representations and appeals
- Government departments

This work is estimated, and should the team be required to investigate further, respond to a representation, or receive an appeal that requires the generate a file for the First Tier Tribunal, it is estimated that this work may take up to 80+ hours of an Officer time.

7. COMPLIANCE PROCESS

The compliance process will be driven by a targeted and intelligence led approach, with the aim that all licensed HMO properties will have had an intervention during the duration of their licence. To achieve this with the available resources, a three-tiered approach has been adopted, with one or all of the following interventions utilised with each property:

- Tier 1 – Licence Holder Compliance Audits
- Tier 2 – External Inspections
- Tier 3 – Internal Inspections

The approach is targeted to ensure that properties with known risk factors including previous non-compliance with housing law. Less compliant fee payers will be prioritised for internal inspection as they have had one or more intervention and may have been prompted to make a licence application by the Proactive Enforcement Team. Properties highlighted as requiring improvement at the licence application stage or upon receiving information and intelligence of concerns, will be targeted for Internal Compliance. Other properties will be initially targeted by the Licence Holder Compliance Audits and External Inspection compliance visits. All information will feed into the Internal Compliance prioritisation process, dependant on the responses to the audits and/or matters highlighted on the external compliance visits.

In considering this targeted approach to Compliance, we are hoping to reduce the burden on proven Licence Holders, whilst ensuring that tenant's safety is monitored and maintained. This ensures that resource is spent in the right areas to maximise Better Housing compliance and effect a raise in good property management practices, housing conditions and safety within the licenced HMOs in the City.

External Compliance will be utilised to feed into the Internal Compliance, whilst also addressing waste and ASB issues. This approach will also incorporate data fed into the team by the wider council departments, the directorate and our external partners such as Accreditation Providers, Notts Fire and Rescue, Notts Police and the Universities.

The schemes are described below:

- Licence Holder Compliance Audits (LHCA):** The LHCA is a process aimed at monitoring generally compliant and accredited properties and is in the form of an audit questionnaire sent out to Licence Holders/Managing Agents for them to fill in and return with information about their licenced properties. It will be targeting crucial areas such as Fire Safety, ASB, Gas and Electrical Safety and occupancy of properties. This requires the Licence Holder to answer set questions and provide requested documentation. Dependant on the quality of the information provided or a possible partial response, the property will be triaged and where required submitted for External and/or Internal Compliance.

This work stream will be delivered through monthly mailshots.

This is estimated at taking approximately 3/5 hours of Officer time per property. Follow up enforcement work is not included in these estimations.

- ii. **External Compliance (EC):** EC will be utilised on a ward HMO high concentration basis and a different ward will be targeted each week. The licensed HMOs in each ward will be split down to street level to allow for time efficiency savings. The EC will focus on licenced properties within a defined area, considering their waste storage and conditions of the exterior elements of buildings, including overgrown gardens. Properties which are noted as having satisfactory EC will not be notified of the findings.

This is estimated at taking approximately 1 hours of Officer time per property – this may range from 5 minutes to 120 minutes depending on the level of intervention required with an estimated average performance time of 45 minutes. Follow up enforcement work is not included in these estimations.

- iii. **Internal Compliance Inspections (ICI):** This will be a full inspection, conducted under The Housing Act 2004 under Section 239, and will result in the condition of the property and compliance with the conditions of the licence being examined in full. Officers will utilise the full breadth of their statutory and delegated powers available to them to improve the condition of properties, reduce the impact of poor repair to neighbouring properties and ultimately improve the neighbourhoods and the health of our citizens as a whole.

This is estimated at taking approximately 4/8 hours of Officer time per inspection. Follow up enforcement work is not included in these estimations.

- iv. **Enforcement:** This work will be undertaken in line with the NCC Enforcement Policy, developed in 2015 in line with the Enforcement Concordat and Regulators Code. The inspecting Officer will undertake a review of any breaches/hazards identified in conjunction with a Principal Officer. Should any breaches be identified, a decision will be made on the most appropriate course of action appropriate. A staged approach is generally used and will ask, warn, and then commence enforcement to make improving the condition of the property or to achieve legal compliance. In more concerning cases a straight to enforcement option may be employed. This will be auditable process and may involve liaison with Legal Services prior to interventions.

This is estimated at taking approximately 12/16 hours of Officer time to inspect and serve a notice. Should the team be required to investigate further and generate an Enforcement file that would be used for a Civil Penalty Notice or Prosecution, it is estimated that this work may take in excess of 80+ hours of an Officer time.

- v. **Reported ASB and Waste:** this compliance work will run in parallel with existing work-streams surrounding licenced properties and will be costed in line with the above estimated calculations with 2 x FTEs.

8. TRIAGING FACTORES & PROCESS

Licence Holders Compliance Audit (LHCA) - cases put forward for Compliance Audit will be consider against the following known risk factors.

#	Requirements
1	Fee Paid – Accredited, Standard or Less Compliant
2	What date the licence is due to expire
3	The property has not had an inspection within the term of the current licence

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Additional	
5	Ward
6	Occupancy number

For less compliant fee payers the LHCA will take place as part of the internal inspection process. Less compliant fee payers are prioritised for inspection. A fee policy has been published and is available on the NCC website.

External Compliance (EC): All properties will be subject to multiple EC throughout the compliance plan period, however particular focus will be paid to known problem areas with waste management, data drawn from partners, ASB complaints and local knowledge. It is envisaged that every HMO will get more than one inspection over a 5-year licence.

Internal Compliance Inspections (ICI): Properties will be selected for ICI based on known risk factors and will be identified following the identified risk profiling measures outlined below (*N.B. This is not exhaustive and acts as a guide only*):

#	Requirements	Intelligence Source	Weighting	Priority Level
1	Less Compliant Fee	A.P.P Flare (CIL)	1	High
2	Concerns raised by EC	A.P.P Flare (CR4)	1	High
3	Intelligence Driven Compliance	A.P.P Flare (CCF)	2	High
4	High Risk Housing Providers (vulnerable persons)	A.P.P Flare NAU Local knowledge Partner referrals	2	High
6	Safer Housing Triage Complaints (High & Medium) referral	APP Flare (###)	2	Medium
5	Standard fee licences with Additional Conditions	A.P.P Flare (CH1)	1	Medium
6	Waste Concerns	A.P.P Flare (CGB)	1	Medium
7	ASB Concerns	A.P.P Flare (C3C)	1	Medium
8	Warning Letter issued following audit LHCA	A.P.P Flare (###)	1	Medium
9	Disrepair complaints resolved, where a compliance inspection was not noted*	A.P.P Flare (A36 and NO CCC)	1	Medium
10	Standard fee licence with no additional conditions	A.P.P Flare (CHE)	0.5	Low
11	Accredited Selection for verification purposes**	A.P.P Flare (CO2, CSP)	-	Low

*Disrepair complaints are processed by the Safer Housing Core team who undertake a separate triage system for inspections and licensing compliance will be undertaken on all licensed HMOs that are visited as Urgent or High Risk as part of this process. High and Medium risk Safer Housing triaged properties that may not be visited will be scheduled for licence compliance inspections.

** Accredited properties will be prioritised as LOW unless they present any of the higher risk elements.

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When considering risk profiling, a combination of issues will be considered in further risk rating properties and weightings have been applied to this end. To streamline the process, all effort will be made to allocate to individual Officers and on an area basis approach to reduce travel time where possible and inspections are booked for officers to attend. Officers will schedule their own revisits as and when required.

Portfolios will be inspected with a representative sample initially which will escalate to full portfolio based on conditions found. Portfolios will be expected to implement any learning from ask and warn interventions, across the whole portfolio. If this is not observed a straight to enforcement approach may be considered for all further interventions.

8. COMPLIANCE TARGETS

Action No.	Activity	Resources	Target*
1	Internal Compliance	Environmental Health Officers, Regulatory Compliance Officers, Compliance Officer	Will inspect 100% of all less compliant fee payers. All others prioritise on risk.
3	External Compliance	Compliance officers (CO)	100% of all licenced properties inspected within a five-year period.
4	Licence Holders Compliance Audits	LSO CO, RCO, EHO (Duty Officer Allocation)	40 per month
5	ASB Complaints Waste/Noise	Principal Enforcement Officer Enforcement Officer	Respond to all complaint within 5 working days of receipt
6	Enforcement	To be determined as required	As required, no set target

*The following projections are all estimated and based on a fully staffed and a fully trained team. The outcome of the LHCA and the number of unsatisfactory outcomes is unknown but projected at 30%. In addition, the figures are dependent on the number of received applications staying true to forecast. This will influence the number of officers able to undertake Compliance at any given time. Furthermore, there are recruitment shortages National for Housing Officer and Environmental Health Officers, and this created additional training needs within the team which will reduce the overall activities undertaken.

Internal Compliance Inspection Outcomes:

Annual target per officer	Officer projected output		
Compliance interventions output per Officer per annum based on targets set in the Performance Appraisal (8 per month)	Current number of Officers tasked with compliance	Output per year for 8 FTE* Officers & 2 FTE PEHO	Expected number of interventions for the team for the period of five years.
96	8 x FTEs	480	2400

*Estimate for 8 FTE fully trained

** New officer work on reduced targets until fully trained.

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Licence Holders Compliance Audits:

Number of Programmed Audits	Resources	Expected interventions for the team for the five-year period
40 per month	2 x FTEs	2,400*

*None programmed audits will also take place with internal inspection and a programmed audit has not taken place in the last 12 months.

External Compliance		
Licensed Properties Forecast*	Resources	Expected Interventions for the team for the period of five years
5800	1 x FTEs Compliance Officers	5725

*Subject to change

All figures are based on projections and the assumption of being fully staffed with a fully trained team and variances are highly likely.

DOCUMENT VERSION CONTROL & CHANGE HISTORY				
Revision Date	Version No.	Author of Changes	Summary of Changes	Approved
28.12.2022	Version 1	Julie Liversidge James Lilley	First Version	Submitted as draft to executive board February 2023.
15.06.2023	Version 2	Julie Liversidge	Reviewed and updated figures.	Approved at SLT 14.08.2023