

Appendix 6

Possible Effects of Proposed Designation – Risk Assessment

When proposing a selective licensing designation, it is essential for local authorities to carefully assess the potential economic impacts, both in terms of the delivery of the scheme and its effects on landlords. A thorough risk assessment allows for the identification of potential challenges and the implementation of appropriate controls to mitigate these risks. This document explores the possible economic effects of the proposed designation, evaluating their likelihood and impact, and outlines the measures in place to manage these risks effectively, ensuring that the scheme achieves its intended objectives without causing undue hardship to landlords or tenants.

Possible Effects	Likelihood	Impact	Total	Controls
Landlords do not licence their properties	Unlikely	Major	Medium	<ul style="list-style-type: none">• Area subject to licensing previously• Some landlords aware of licensing process due to HMO licensing• Full consultation to be undertaken• Active campaign promoting landlord licensing• Reduced fee for early applications• Reduced fee for membership of an accreditation scheme• Robust management of the scheme• Other LA's have good uptake and can use lessons learned.• Make the process as easy as possible

Displacement of unprofessional landlords to other areas of the district	Unlikely	Moderate	Medium	<ul style="list-style-type: none"> • Keep under review landlords selling and moving out of area because of designation across other local schemes • Work with/support/train landlords to promote/encourage satisfactory management • Work with recognised accreditation schemes to provide training for landlords. • Provide annual information sessions and forums to landlords on the scheme.
Increased cost to landlords	Almost certain	Minor	Medium	<ul style="list-style-type: none"> • Proposals for reduced fee for early applications • Proposal for reduced fee for accredited landlords • Fee payment in 2 stages (application/licence granted) • Well managed properties are more sustainable and have less turnover which should save landlords tenancy turnover/void/reletting costs. We will respond promptly to landlord enquiries with advice.
Licence fee passed to tenants rent	Moderate	Minor	Low	<ul style="list-style-type: none"> • Proposals for reduced fee for early applications • Proposal for reduced fee for accredited landlords • Fee payment in 2 stages (application/licence granted) • Well managed properties are more sustainable and have less turnover which should save landlords tenancy

				turnover/void/reletting costs.
Reputable landlords ceased operating to avoid licensing regime	Unlikely	Moderate	Medium	<ul style="list-style-type: none"> • Keep under review landlords selling and moving out of area. • Regular communication, to work with/support/train landlords to promote/encourage satisfactory management • Keep under review the areas to ensure they are meeting the SL objectives and to improve market conditions for landlords, which may encourage the continue to operate in the area. • Work with recognised accreditation schemes to provide training for landlords. • Provide annual information sessions and forums to landlords on the scheme.
Restricting the growth of the private rented sector	Unlikely	Major	Medium	<ul style="list-style-type: none"> • Keep under review the areas to ensure they are meeting the SL objectives and to improve market conditions for landlords, which may encourage the continue to operate in the area.

In conclusion, the risk assessment highlights that while there are certain economic risks associated with the implementation of the selective licensing scheme, these risks are generally manageable through the controls and measures proposed, ensuring that the scheme can be implemented successfully without significantly burdening landlords or restricting the growth of the private rented sector. By proactively addressing these concerns, the Council aims to achieve a balanced approach that supports both the improvement of housing standards and the sustainability of the local rental market.

Risk matrix used - impact

Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	Medium	Medium	High	High	High
Likely	Low	Medium	Medium	High	High
Moderate	Low	Low	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Medium	Medium

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