

## Appendix 18: Risk Assessment

Once you have decided on the course of action to be taken in order to reduce or mitigate the impact, please complete the action plan below (An example is provided in order to help you)					
Number	Action	Required outcomes	By who?	By when?	Review date
1	Informing mortgage lenders as part of the licensing process of the intention to licence a property.  Monitor and review responses from lenders and licensing applicants.	That mortgage lenders will continue to base lending on risk and market factors not if the property is located within a selective licensing area or not.	Assistant Env Health Manager & Env Manager	From commencement of any scheme until completion	6 monthly
2	Monitor turnover of landlords in the proposed designation.	That the PRS does not reduce in size but improve in quality and management providing a choice for tenants.	Assistant Env Health Manager & Env Manager	From commencement of any scheme until completion	6 monthly
3	We will monitor and focus Housing and Planning Act enforcement activities to those areas where any displacement occurs.	That poor landlords who leave the proposed selective licensing areas do not reinvest in other areas of Oldham.	Assistant Env Health Manager & Env Manager	From commencement of any scheme until completion	6 monthly
4	Continuous reviews of the areas to ensure that all private rented properties are licensed, exempt where necessary and enforcement action taken where not.	That landlords within the areas will apply for a licence and comply with licence conditions.	Assistant Env Health Manager & Env Manager	From commencement of any scheme until completion	Quarterly
5 & 6	Promotion of the tenancy relations services and robust referral mechanisms.	Selective Licensing has a positive impact on landlord and tenants' relationships. Rent increases are only in line with market conditions and introduced in line with the legislation.	Assistant Env Health Manager & Team	From commencement of any scheme until completion	Quarterly

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6	Consideration and decision on payment options of the licence fee	That the licence fee has a maximum impact being of £650 one f fee for period of up to 5 years.	Leadership Team	March 2022?	N/A
7	Regular Monitoring of low demand indicators with periodic reviews of the scheme as a whole	Resources available to ensure the success of the scheme. Linking into exiting and new Council schemes	Assistant Env Health Manager, Env Health Manager, Head of Service & Leadership Team/Overview & Scrutiny	Dates to be confirmed	6 monthly and annually.
8	Availability and review of equality monitoring forms.  Transparency of decision-making process. Availability of documents.	Transparency, trust and confidence in the Council regarding the reasons for the implementation of Selective Licensing.	Assistant Env Health Manager, Env Health Manager, Head of Service & Leadership Team	Dates to be confirmed	6 monthly and annually.
9	Availability of decision making, including the matrix used for fee setting.	Transparency, trust and confidence in the Council regarding the reasons for the implementation of Selective Licensing, how the fee is set and what the fee is used for.	Assistant Env Health Manager, Env Health Manager, Head of Service	From commencement of any scheme until completion	Annually.

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Record any risks to the implementation of the project, policy or proposal and record any actions that you have put in place to reduce the likelihood of this happening.					
Ref.	Risk	Impact	Actions in Place to mitigate the risk	Current Risk Score	Further Actions to be developed
1	Financial institutions 'red line' the area for private rented sector (PRS).	<p>PRS unable to raise extra finance for repairs causing poor housing conditions.</p> <p>PRS abandon area creating increased voids.</p>	<p>Lenders have indicated there should be no difference to availability to loans due to a property being situated within a selective licensing area.</p> <p>If PRS abandon area, owner occupiers may purchase available premises as entry level properties. The area is currently classed as an area of affordable housing within Oldham.</p> <p>The Empty Properties Strategy would also help to reduce void levels with resources targeted to this area.</p> <p>There was no experience of this occurring during the 2015 -2020 scheme. There were new investors in the selective licensing areas during this time.</p> <p>Mortgage lenders are informed as part of the licensing process. Letters were received regarding the landlord not informing them that the property was rented, however this would be a financial discussion between the landlord and lender and does not stop the property from being rented.</p>	<b>Low risk</b>	Previously CLG have held discussions with mortgage lenders who have said they base lending on risk and market factors not if the property is located within a selective licensing area or not.

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2	<p>PRS reduces in size as landlords leave properties empty/sell on thus reducing availability.</p>	<p>Fewer properties to rent, increased demand over supply, increased rent for those who remain.</p> <p>Long term void levels increase contributing to the issues of low demand within the area.</p>	<p>If a private rented property is on the market, it may be purchased by another landlord who wishes to invest in the area ensuring the supply of properties for rent is maintained.</p> <p>Opportunity for owner occupiers to purchase affordable homes.</p> <p>New landlords step in as the market grows in response to changes in the housing market.</p> <p>Empty Dwelling Strategy to proactively target and prioritise this area.</p> <p>Experience from previous scheme did not provide any decrease in the PRS or increase in long term properties that wasn't consistent with changing markets.</p>	<p><b>Low risk</b></p>	<p>Monitor turnover of landlords in the proposed designation.</p>
3	<p>Displacement of poor landlords to other areas of Oldham</p>	<p>Poor management standards and issues of low demand transferred to similar areas within Oldham.</p>	<p>Similar value and style of properties are encompassed in the area.</p> <p>Experience from the previous scheme is that the majority of landlords in the proposed areas are accidental or one-time only landlords and therefore if they left the market, it is likely that they would not reinvest in rented properties.</p>	<p><b>Low risk</b></p>	<p>We will monitor and focus Housing and Planning Act enforcement activities to those areas where any displacement occurs.</p>
4	<p>Good landlords may leave the area and the void taken up by poor landlords</p>	<p>Properties which are badly managed by landlords perpetuate the current problems and the area deteriorates further.</p>	<p>Any landlords entering the market in this area will have to abide by the selective licensing scheme rules. Licence holders must be deemed as 'fit and proper' and measures will be in place to monitor their management</p>	<p><b>Low risk</b></p>	<p>Continuous reviews of the areas to ensure that all private rented properties are licensed, exempt where necessary and enforcement action taken where</p>

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			standards. Due to the area being subject to selective licensing, this will discourage poor landlords from entering the market; good landlords have nothing to fear.		not.
5	Retaliatory evictions as landlords evict tenants to avoid licence requirements	Increased numbers of tenants made homeless.	The Local Authority has a housing advice function based in Housing Options which currently deals with such issues advising both tenants and landlords as to correct eviction procedures. Most tenancies are 6 month short-hold tenancies which can be terminated in the usual manner. Landlords will then forgo rental income on their property.	<b>Low risk</b>	Promotion of the tenancy relations services and robust referral mechanisms.
6	Costs	Increase in rent to cover the licence fee. Avoid fee by leaving void or selling the property. Price the area out of reach of existing tenants.	Very little action possible. Rent levels can be altered by landlords at regular intervals depending on market conditions. This is beyond the Council's control. It may affect availability to tenants if regeneration of an area occurs and demand to reside in the area increases. Housing Benefit thresholds (ceiling) and the market will dictate rent levels more than licensing.	<b>Medium risk</b>	Promotion of the tenancy relations services and robust referral mechanisms.  Consideration and decision on payment options of the licence fee.

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7	<p>Selective Licensing has a negative impact on the area causing further decline in the housing market.</p>	<p>Continuation of the issues relating to low demand and further decline of the area.</p>	<p>Ensure all landlords are signed up to ensure its success.</p> <p>Services to help landlords deal with issues are made available.</p> <p>Engagement with landlords during the process</p> <p>Ensuring other schemes/projects are linked into Selective Licensing.</p> <p>The Council focusing resources on licensing will increase the likelihood of success.</p> <p>Regular monitoring of low demand indicators with periodic reviews of the scheme as a whole.</p> <p>Experience from previous scheme did not have a negative impact.</p>	<p><b>Medium risk</b></p>	<p>Regular monitoring of low demand indicators with periodic reviews of the scheme as a whole.</p>
8	<p>As part of the consultation a small number of consultees have stated that Selective Licensing is racially motivated</p>	<p>Lack of participation and trust from landlords which would impact the success of the scheme.</p>	<p>The proposed areas have been selected due to a robust statistical analysis of the whole borough on low housing demand indicators provided with the Housing Act 2004.</p> <p>Other measures have been carefully considered to determine if any other courses of action could achieve the same objective as Selective Licensing without its implementation.</p>	<p><b>Low</b></p>	<p>Availability and review of equality monitoring forms.</p> <p>Transparency of decision-making process.</p>

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			<p>Followed the government non – statutory guidance and requirements set out in the Housing Act 2004</p> <p>Carried out a structured, comprehensive statutory consultation and considered representations.</p> <p>Equality impact assessment completed</p> <p>Equality monitoring forms to be available during the scheme and reviewed.</p> <p>Availability and review of previous scheme completed monitoring forms.</p>	
9	<p>As part of the consultation a small number of consultees have stated that Selective Licensing is a back-door tax</p>	<p>Lack of participation and trust from landlords which would impact the success of the scheme.</p>	<p>The proposed areas have been selected due to a robust statistical analysis of the whole borough on low housing demand indicators provided with the Housing Act 2004.</p> <p>Other measures have been carefully considered to determine if any other courses of action could achieve the same objective as Selective Licensing without its implementation.</p> <p>Followed the government non – statutory guidance and requirements set out in the Housing Act 2004</p> <p>Carried out a structured, comprehensive statutory consultation and considered</p>	<p>Availability of decision making, including the matrix used for fee setting.</p>

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			<p>representations.</p> <p>Transparency of decision-making process in consideration and implementation of Selective Licensing including the fee setting.</p>		
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