

Additional Licensing Scheme Risk Assessment

Risk	Implications	Likelihood	Mitigation
Unprofessional landlords improve or leave area with possible displacement to other areas within the city, or to neighbouring local authorities.	<p>Properties managed by more professional landlords, reducing the issues identified.</p> <p>Properties become empty as a result.</p> <p>Reduced private rented sector.</p>	Low	<p>Other neighbouring authorities with similar demand for HMOs already have similar schemes so unlikely to have significant impact.</p> <p>City-wide scheme will prevent displacement to other areas of the city.</p>
Lenders not lending in areas where discretionary licensing is in place.	Landlords may not be able to access mortgages from some companies.	Low	Most current landlords will already have a mortgage. A mortgage company cannot prevent a property being licensed purely on the grounds that it doesn't wish it to have one.
The proposed fee could be challenged.	<p>Judicial review can only be considered if the fee does not reflect the cost of licensing process only.</p> <p>A lower fee will prevent the scheme from being self-financing.</p>	Low	<p>The proposed fee structure has been carefully calculated by breaking down the costs of the proposed process and including only permitted costs.</p> <p>The fee needs to be reasonable and justifiable in order to withstand challenge.</p>
The proposed fee structure could be insufficient to recover costs of running the scheme.	The process proves to be more resource intensive than predicted.	Low	<p>A full review of processes and a detailed analysis of the costs involved, have been undertaken as part of the financial modelling.</p> <p>As we already run a mandatory licensing scheme, we have a good understanding of the resources required to run such a scheme.</p>
The fees collected could be insufficient to recover costs of running the scheme.	The estimated number of HMOs in the city could be significantly inaccurate (as HMOs do not need to be legally declared to the council our financial modelling for the scheme is based on an estimated number of HMOs compiled from several sources of data).	Low	We will need to carefully manage the resources for the scheme to ensure that we do not incur large costs upfront before knowing the true extent of applications received.

Additional Licensing Consultation - Appendix 4

<p>Licensing does not achieve the aim of improving the management and standards of HMOs in the city</p>	<p>Future schemes could be compromised. Reputational loss for the council.</p>	<p>Medium</p>	<p>Sufficient resources will need to be committed to effectively manage the scheme including administering licenses and carrying out inspections under the Housing Health & Rating System (HHSRS).</p>
<p>Rent Increase</p>	<p>Landlords may pass on the costs of the licence to the tenant.</p>	<p>Medium</p>	<p>The proposed cost of a typical licence for a 4 bed HMO would equate to approximately £3.75 per month, or £0.90 per week per occupant.</p>