

Appendix 3: Assessment of risks related to the property licensing policy

Description of Risk	Description of impact	Probability of risk	Level of Impact	Risk prevention, management or mitigation
<p>1. After designation there is a low level of licence applications/compliance.</p>	<p>Landlords operate illegally.</p> <p>Housing conditions are not improved.</p> <p>Local Authority resources are devoted to enforcement and prosecutions.</p> <p>Licence fee income is insufficient to sustain the scheme(s).</p>	<p>Medium</p>	<p>High</p>	<p>Approximately 50% of anticipated licence applications have been received; the schemes are entering year 3 of a 5 year duration . This is above profile for this stage of the schemes.</p> <p>Proposals for the scheme were subject to wide ranging public consultation.</p> <p>An ongoing publicity campaign is being undertaken with the aim of raising public awareness.</p> <p>Ease of application via an on-line application and payment system.</p> <p>A well-publicised, robust enforcement programme is beginning including mainstream use of civil penalties for failure to licence and criminal prosecutions in appropriate cases based on a refreshed PSH enforcement policy. Continued failure to licence following successful enforcement action will place an obligation on the Council to make a Management Order, thereby removing control of the property from the landlord and passing it to the Council. Experience from schemes in neighbouring and ELHP Boroughs has</p>

				seen higher than anticipated compliance rates.
3. Landlords may revert HMOs to single family use to avoid the Additional Licensing Scheme.	Loss of affordable, shared accommodation.	Low	Medium	There has been no evidence of this to date.
4. Some landlords may leave the rental market in the proposed Selective Licensing area.	Reduction of PRS units in the three proposed wards. Increase in abandoned and vacant properties. Increased homelessness.	Low	Medium	There has been no evidence of this to date.
5. Displacement of criminal landlords by proposed Selective Licensing scheme.	Effect of displacement on neighbouring areas.	Low	Medium	There has been no evidence of this to date.
6. Local Authority inadequately manages the scheme(s).	Failure of the scheme leads to revocation of the designation before the end of the five year period. Failure to improve housing conditions. Reputational to the Council.	Low	High	An experienced Head of Service is overseeing the scheme and engaging with stakeholders to develop a detailed business model for the licensing proposals. A Licensing Project Board is being established including key stakeholders and partners to provide effective governance of the scheme(s).

<p>7. Local Authority inadequately resources the scheme(s).</p>	<p>Financial loss due to failure to recoup the costs of setting up and implementing the scheme(s).</p>	<p>Low</p>	<p>High</p>	<p>Detailed cost analysis has been carried out and included in the resource plan to ensure adequate licensing fees. Fees will recoup set up costs as well as sustain longer term running costs.</p> <p>Governance structure to be in place to review resources.</p>
<p>8. Local Authority is unable to recruit suitable staff to deliver the schemes.</p>	<p>Low staff numbers leading to low morale and incomplete work processes.</p> <p>Reputational damage to the Council and internally reflecting negatively on the PSH team.</p> <p>Failure to implement the scheme and keep up with work flow.</p>	<p>Medium</p>	<p>Medium</p>	<p>A review of the recruitment and retention package is underway to ensure Hackney's offer is competitive with peer Boroughs.</p>
<p>9. IT outage - Non-availability of IT systems as a result of cyber attack.</p>	<p>Landlords unable to apply for licences and operate illegally.</p> <p>Reduced fee income.</p> <p>Failure to deliver the scheme(s).</p> <p>Failure to improve housing conditions.</p> <p>Reputational damage to the Council.</p> <p>Financial loss due to failure to recoup the costs of setting up and implementing the scheme(s)</p>	<p>Low</p>	<p>High</p>	<p>The Cyber attack (December 2020) did not affect the licensing application which is cloud based; licence applications, processing and approvals have been unaffected.</p> <p>Standard documentation for use in the licensing process was affected. Alternative temporary workarounds have been put in place and market testing of alternative systems to replace existing, compromised system is underway.</p>

