

	<b>REPORT TO CABINET TO BE HELD ON 14 FEBRUARY 2017</b>	
	<b>Key Decision</b>	<b>YES</b>
	<b>Forward Plan Ref No</b>	
<b>Corporate Priority Aim 3 – Creating Healthy and Vibrant Communities</b>	<b>Cabinet Portfolio Holder</b>	<b>Cllr Bill Chatt Cabinet member for Public Health and Housing</b>

**REPORT OF: DIRECTOR (TW) – 17/31**

**WARDS AFFECTED: NORTH BAY, CASTLE & CENTRAL**

**SUBJECT: SELECTIVE LICENSING WITHIN PARTS OF THE  
NORTH BAY, CASTLE AND CENTRAL WARDS**

**RECOMMENDATION (S):**

Cabinet is recommended to:

- 1) Recommend to Council the introduction of a Council led scheme for the Selective Licensing of Private Rented Accommodation in the area defined as 'Scarborough North'. This area incorporates parts of the Castle and North Bay Wards as shown on the map in Appendix B of this report.
- 2) Recommend to Council the approval of the policy document for the *Selective Licensing of Private Rented Accommodation within the Scarborough North Area* as included within Appendix A of this report.
- 3) Approve the proposed fee structure along with recommended discounts and exemptions.
- 4) Recommend to Council that agreement is given to prepare and publish a Public Notice of designation under sections 80 and 83 of the Housing Act 2004. This Notice shall allow for the designation of the chosen area for the introduction of a Selective Licensing Scheme.
- 5) Instruct officers to begin working up the Business Case for the potential introduction of the next phase of Selective Licensing in the area defined as Scarborough Central. This area incorporates parts of Castle and Central Wards as shown in Appendix C of this report.

## **REASON FOR RECOMMENDATION**

In September 2016 Cabinet considered report 16/202 and gave 'in-principle' approval for the introduction of Selective Licensing of Private Rented Accommodation within the Castle and North Bay Wards. Officers were instructed to work up the final details of this proposal

This report seeks approval for the adoption of the final policy and fee structure needed. Approval is also required in order to take forward the formal designation of the proposed area. In addition a further recommendation is needed in order to start working up the Business Case for the next proposed phase of the scheme.

## **HIGHLIGHTED RISKS:**

See attached matrix.

### **1. INTRODUCTION**

- 1.1 In September 2016 Cabinet considered report 16/202 and gave 'in-principle' approval for the introduction of Selective Licensing of Private Rented Accommodation in an area defined as Scarborough North (see appendix B). This area incorporates parts of the Castle and North Bay Wards. Officers were instructed to work up the final details for this scheme including the policy and fee structure to be adopted.
- 1.2 This report seeks approval for this policy and fee structure. It also seeks approval to make a recommendation to Council that agreement is given to publish a Notice of Designation under sections 80 and 83 of the Housing Act 2004. This publication of this notice is a key legal requirement needed in order to proceed with this proposal.
- 1.3 The report also recommends that work is commenced on the next proposed phase for the introduction of Selective Licensing and that a Business Case for the area defined as Scarborough Central (see Appendix C) is worked up for Cabinet approval in early 2017.

### **2. CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN**

- 2.1 Contributes to Aim 3 of the Council's Corporate Plan, 'Creating Healthy and Vibrant Communities'.

### **3. BACKGROUND AND ISSUES**

- 3.1 In June 2015 Cabinet considered report 15/148. That report provided an overview of Selective Licensing and explained how when combined with other interventions could be a useful tool to help support the regeneration of areas of the Borough that suffer from high concentrations of privately rented accommodation, deprivation, poor housing conditions and high levels of anti-

social behaviour. Further to that report officers were instructed to work up a business case for the introduction of Selective Licensing in parts of the Borough.

- 3.2 Further to that report, in April 2016 Cabinet considered report 16/98. That report provided an analysis of the need and justification for the introduction of Selective Licensing in parts of the North Bay, Castle, Central and Ramshill Wards.
- 3.3 On consideration of that report Cabinet approved a Business Case for the introduction of Selective Licensing in an area defined as 'Scarborough North' (see Appendix B). The Business Case for this area was the first of three such proposed business cases for the urban parts of the Borough where there is sufficient need for the introduction of Selective Licensing. Officers were instructed to undertake a detailed public consultation exercise with residents, landlords, tenants and business who may be affected by the introduction of Selective Licensing in the Scarborough North area.
- 3.4 In September 2016 Cabinet considered report 16/202. That report provided a detailed overview of the results of the public consultation exercise undertaken within Scarborough North. Further to that report Cabinet gave 'in-principle' agreement to take forward a Selective Licensing scheme for the Scarborough North area subject to final details regarding the policy and fee structure being agreed. Officers were also asked to investigate the pros and cons of an alternative private sector led delivery model called Home Safe.
- 3.5 This report seeks approval for a final policy and fee structure. The report provides a brief overview of the Home Safe scheme but does not recommend that this model is progressed. The draft policy is built around an 'in-house' delivery model. It seeks approval for a recommendation to be made to Council to agree to the publication of a Notice of Designation. The publication of this notice is a key legal requirement needed in order to proceed with this proposal. The report also recommends that work on the next phase of Selective Licensing is commenced and that a Business Case for the area defined as Scarborough Central is worked up for consideration later this year.

## **4. CONSULTATION**

- 4.1 See report 16/202 September 2016.

## **5.0 ASSESSMENT**

### **Draft Policy and Fee Structure**

- 5.1 A draft policy for the Selective Licensing of Private Rented Accommodation in Scarborough North has been developed. Cabinet is recommended to approve this policy (see Appendix A).
- 5.2 This policy provides:

- An explanation of what Selective Licensing is.
  - An explanation as to why it is being introduced within the proposed area.
  - An overview of the business case for the scheme.
  - The aims and objectives of the scheme.
  - Clarification on the designated area.
  - An explanation of the properties affected along with the exemptions.
  - A detailed explanation of licensing conditions.
  - An explanation of how the scheme shall be delivered.
  - A fee structure.
  - An explanation of penalties.
- 5.3 One of the key elements received as part of the consultation process was the need to ensure that the level of fee charged does not place an unreasonable burden on landlords and have the knock on effect of increasing rents to an unreasonable level.
- 5.4 At the crux of this charging issue is the need for the Council to ensure that fee income received is at a sufficient level to adequately resource the scheme (and ensure that it can be delivered in a meaningful way) and the need to ensure that fees charged do not place an unreasonable burden on landlords and tenants.
- 5.5 In addition, the Council needs to ensure that in setting its fee that it both complies with the requirements of the Housing Act 2004 (which sets out the elements of activity that can and cannot be charged for) and has due regard to relevant case law on this issue. In recommending a fee structure officers have been very mindful of the implications of *R(Hemming) v Westminster City Council* 2013. Whilst this case law related to the licensing of sex shops, it does highlight the potential pitfalls for Councils of overcharging and not being able to fully justify and account for charges that are set.
- 5.6 A great deal of consideration has therefore been given to this issue. Fees have been carefully calculated based on actual hourly rates for each proposed element of activity within the administration of the scheme. This incremental approach to setting the fee, undertaken with the support of the Council's finance team, means that going forward the Council is able to fully justify the fee being charged.
- 5.7 Cabinet will recall that within the consultation process a £750 'average fee' per licence per building, over the full 5 year period was highlighted. Within the final policy it is proposed that:
- A £550 fee is the base licence fee. This is the standard licence charge for a property that is occupied by a single household.
  - An additional £100 is charged for every additional household within a dwelling up to a maximum of £1550 (e.g. a cap at any building that contains over separate 10 households).

- 5.8 In addition it is proposed that a range of discounts are approved. These include:
- A £50 discount per licence for ‘accredited landlords’ or members of a national approved landlord organisation.
  - A £50 discount for multiple licence applications.
  - A £50 ‘early bird’ discount for all application submitted and fully completed within the first 3 months of the designation.
- 5.9 Penalties are also proposed for late applications, incomplete applications and to landlords who have failed to apply for the required licence.
- 5.10 With the support of the Councils transformational team both the payment of fees along with the actual application process itself shall be done on-line.
- 5.11 Examples and different scenarios of what these charges mean in practice to landlords are highlighted within the policy.
- 5.12 It is estimated that there are approximately 450 licensable properties within the area, all of which shall require a detailed inspection within the first year of the licence period. It has been estimated that around 50% of these shall require follow up compliance inspections and around 50% of these properties (e.g. those deemed to be a higher risk) shall require mid-term compliance inspections. Additional staffing resources are needed to undertake this work and to support the administration of the scheme. These shall be front loaded within the first years of the scheme and taper off within years 3-5.
- 5.13 A full and detailed budget has been worked up for the scheme. In summary:

	<b>£k</b>
Licence income	367
Discounts claimed by landlords	(39)
<b>Anticipated income from the scheme</b>	<b>328</b>
Staffing costs	303
Other costs directly relating to the scheme	25
<b>Anticipated cost of the scheme</b>	<b>328</b>
<b>Anticipated Surplus / (Deficit) from scheme</b>	<b>0</b>

As outlined above, the anticipated income generated from the scheme matches the cost of providing the service and is therefore revenue neutral for the Council.

Staffing the service will require new posts being added to the Council's existing workforce but will also utilise some existing staffing resource. This

capacity has been made available following a restructure of the service and the funding for this already within the Council's base budget.

## **Enforcement**

- 5.14 Cabinet will recall from previous reports that income from licence fees can only be used to pay for the administration of the scheme and cannot be used to pay for enforcement activity. This means that whilst licencing officers shall be able to undertake initial action, such as providing advice, advising landlords of works required, highlighting breaches of conditions etc. they shall not be able to directly undertake formal enforcement activity.
- 5.15 Clearly for the proposed scheme to be effective, enforcement remains the key implication for the Council. Members will recall that aligned to the development of these proposals there has recently been a full review of the Environmental Health function. One of the objectives of this review was to establish a platform to be able to take Selective Licensing forward through the creation of a new Residential Regulation Team.
- 5.16 This review was completed in 2016 and the new team has been established. A key role of this new team will be to support and compliment the licencing process where needed. Additional capacity has been generated within this new team by reducing duplication and reviewing staffing roles and responsibilities. Effectively what was the Private Sector Housing team has been expanded to include various elements of enforcement activity that were previously taken by the separate Environmental Regulation team.
- 5.17 Support from this team shall typically be through the use of the various enforcement tools open to the Council to both tackle identified hazards within dwellings and deal with breaches of management conditions as well as prosecuting landlords operating within the area without the required licence to operate. To support this further a new **Residential Regulation Enforcement Policy** has also been created.
- 5.18 In addition, for the first year of operation of the scheme £65k of existing SIF Reserves have been earmarked to support additional enforcement activity related to this scheme. In effect these funds shall be used to pay for additional staffing costs associated with targeted enforcement and prosecution where needed. It is very much recognised that a robust approach to enforcement is needed to help reduce the potential likelihood of non-compliance during further potential phases.
- 5.19 Members shall also recall that key to effectively enforcing the licensing regime is the need for close and joined up partnership working with other agencies, particularly the Police and Fire Service. The Council already benefits from the existing structures to enable this to happen through its Community Impact Team. It is very much envisaged that the work of both licencing officers and enforcement officers shall be closely integrated with the Community Impact team to support delivery. Strong support has been given to this proposal from the Police and Fire Service from the outset.

## **Inclusion of Durham Street and Durham Place**

- 5.20 A minor change being recommended following feedback from the consultation process is the inclusion of Durham Street and Durham Place (off North Marine Road) within the designated area.
- 5.21 During the consultation process the Council received a number of responses from residents on Durham Street, some of whom were in favour of the scheme.
- 5.22 It is accepted that the omission of this area within the original proposal was an oversight. Other streets that run off the southern part of North Marine Road including Clark Street and Hope Street were included within the original proposal and the inclusion of Durham Street and Durham Place joins these streets to Trafalgar Square within the area of designation.
- 5.23 It is also accepted that these streets have similar issues with privately rented properties to the adjoining streets (as identified by residents). At least 30% of the properties on these streets are private rented and the Councils Community Safety Team have reported that this area is subject to the same levels of reported nuisance and ASB as adjacent streets.

## **Consideration of the Home Safe proposal**

- 5.24 Cabinet shall recall that within report 16/202 it was highlighted that as part of the consultation process the Council was contacted by an organisation called 'Home Safe'. Home Safe is a private limited company that provides for the administration of Selective Licensing within the Doncaster and West Lindsey areas. The Council was asked to consider the use of the Home Safe model as an alternative method of delivery to the more traditional 'in-house' arrangements run by most Councils. Officers agreed to work with the Portfolio Holder to look at the pros and cons of this private sector led model in more detail.
- 5.25 Home Safe effectively works on the basis of what they describe as 'co-regulation'. Essentially under Home Safe, landlords have an option to deal directly with the private company and not the Council. Fee income is paid to the private company to cover their costs and generate profit. The Council still however has the obligation to run its own scheme in parallel with Home Safe and remains responsible for all aspects of enforcement activity.
- 5.26 Advice from Doncaster MBC is that the scheme does contain some benefits and advantages for them. The scheme is apparently more popular with landlords as it introduces an element of 'co-regulation'. Landlords who are committed to provide elements of self-regulation (such as periodic inspections) receive a less onerous inspection regime from the Home Safe provider. The fee structure for Home Safe is also quite different in that different elements of the service (such as an individual inspection) are charged for separately. Overall however, the level of fees, whilst configured

differently, broadly mirror those of Council run schemes, Home Safe also provides a range of commercial benefits such as the signposting of landlords towards contractors to undertake maintenance works. Income received by the provider for these commercial opportunities helps to offset cost and generate an element of profit for the provider.

- 5.27 The use of the Home Safe model is very much favoured by the National Landlords Association (NLA) who argues that model is good practice from their perspective. The NLA and Home Safe argue that the use of this model enables the Local Authority to better focus its efforts on tackling the criminal/rogue landlords.
- 5.28 Whilst feedback from Doncaster MBC has also been positive the scheme has only been operating in that area since July 2015 and has only just commenced in West Lindsey. To date no comprehensive evaluation of the scheme has been undertaken. It is not known whether this model does indeed offer long term advantages over more traditional, Council run schemes.
- 5.29 Whilst the proposal appears to have some advantages to landlords, it is likely to present some drawbacks and potential risk to the Council. Firstly the introduction of this model makes planning by the Council more problematic. As explained the Home Safe model operates as an option in parallel with the Councils own scheme. This makes it very difficult for the Council to plan ahead and understand the level of resource needed to support the Council run scheme.
- 5.30 In addition, as explained within report 16/98, the key implication for the Council around Selective Licensing is not necessarily the administration of the licensing scheme (that is paid for via fee income) it is the additional enforcement work that is likely to derive from the introduction of the scheme. It is not accepted that this model would help the Council better focus its resources on enforcement. Enforcement activity is a function that the Council must undertake regardless. The rules around how fee income can be used mean that there is a clear separation between licensing and enforcement activity.
- 5.31 In addition, the private sector led model proposed by Home Safe does not fit as well with the model as originally envisaged by the Council. Cabinet will recall that a key reason why Selective Licensing can be taken forward at this time is the strong level of partnership working that exists at the local level between the Council, the Police and the Fire Service. It is very much envisaged that the Selective Licensing service shall be delivered through this partnership and through the Community Impact team. The use of a private sector led provider (whilst bringing some potential advantages to landlords) is likely to mean that the Council loses elements of control over the scheme. The Councils role would shift away from delivering it in partnership, to managing a contract provided by an external provider.
- 5.32 The use of any external organisation, who would effectively be acting as an agent on behalf of the Council to deliver the legal functions of the Council,

clearly has a range legal and procurement implications. It is estimated that the total value of fee income from the proposed area of designation shall be in the region of £328k. Should the Council wish to take forward an alternative private sector led delivery model, then it is recommended that a full procurement exercise is undertaken.

- 5.33 It is understood that Doncaster and West Lindsey Councils have both undertaken a form of procurement exercise to open up the administration of their schemes to other potential providers *in addition* to Home Safe as their chosen provider. They have not however tendered for a provider in the normal way. It is understood that this was done in part because there is no direct financial relationship between the Council and Home Safe and in part because it was felt that the Home Safe model was unique to that single provider.
- 5.34 Whilst this approach may have suited the needs of those Councils this is not an approach that would be recommended for this Council. If members chose to go with a private sector led model then effectively a private sector led company would be undertaking functions on behalf of the Council. As such a full and transparent procurement process would be recommended as the best way of taking this forward. This would of course open up the possibility that alternative providers to Home Safe (including for example estate agents or other organisations) may wish to tender for this role. Such a tendering process would provide no direct financial benefit to the Council and would of course significantly delay implementation.
- 5.35 Whilst the Home Safe model clearly has some advantages to landlords, it is felt that the risk associated with such a model outweighs the benefit. In summary therefore it is not recommended that the Home Safe model be taken forward and that an in-house model as originally envisaged is supported.

### **Designation**

- 5.36 Should Cabinet agree to the introduction of Selective Licensing in the proposed area then it is recommended that Council is asked to agree to this and to instruct officers to prepare and publish a Public Notice of Designation under sections 80 and 83 of the Housing Act 2004. This notice shall allow for the designation of a Selective Licensing scheme in the area identified. The legislation requires that a recommendation to publish this notice must come from a Council decision.
- 5.37 Approval of the Selective Licensing scheme by Council will enable the Public Notice to be issued. Following approval there has to be a minimum of period of 3 months before the designation can take effect. It is likely therefore that the scheme would become operational from June 2017.

### **Future Phases**

- 5.38 It is also recommended that work is now started on preparing the Business Case for the next potential phase of Selective Licensing, incorporating the

area as defined as Scarborough Central (see appendix C). An initial analysis of the need to introduce such as scheme in this area and within an area defined as Scarborough South (incorporating parts of the Ramshill Ward) was provided in report 16/98.

- 5.39 In order to progress this matter it is recommended that this Business Case is worked up for consideration by Cabinet in 2017 with a view to potential implementation from April 2018. Should Cabinet and Council decide to progress with this second designation then once again a full consultation process shall be required. Initial learning from the first designation shall be used to help inform any final decision. Work on investigating the potential for a further a final designation for the Scarborough South would commence in 2018.

## **6.0 IMPLICATIONS**

### **(a) Policy**

- 6.1 The introduction of a Selective Licencing Scheme is a new policy for the Council.
- 6.2 A draft policy document is included as an Appendix to this report.
- 6.3 Cabinet are recommended to adopt this policy prior to consideration by Council.

### **(b) Financial**

- 6.4 The draft policy proposes a fee structure to pay for the administration of Selective Licensing.
- 6.5 Fee income derived from the scheme shall be used to pay for its administration. It is estimated that there are 450 licensable properties within the proposed area of designation and that these shall generate a fee income of income of around £328k.
- 6.6 These funds shall be used to cover additional staffing and management costs associated with the scheme. Staffing costs shall primarily be front loaded within year one of the scheme.
- 6.7 A summary of the budget for the scheme is included within the report.
- 6.8 It is also proposed to use £65k in SIF reserves to help cover additional enforcement costs in respect of year one of the scheme.

### **(c) Legal**

- 6.9 The Housing Act 2004 gives Local Authorities power to designate areas for Selective Licensing. In order to take this forward it will be necessary to issue a public notice of designation.

- 6.10 The designation will come into force at least three months after the issue of that notice and unless revoked it will remain in force for a period of five years from that date. Throughout the period of the notice the Council shall review the effectiveness of the designation to assess whether it is achieving its desired outcomes to support the uplift of the area.

**(d) Equalities and Diversity**

- 6.11 The introduction of a Selective Licensing scheme should have a positive impact in terms of Equalities and Diversity issues and along with other interventions support the uplift and regeneration of the designated area.
- 6.12 A full equalities impact assessment and action plan for the proposal has been prepared. This action plan places careful consideration on the needs of the Polish and Eastern European community within the affected area.

**(e) Staffing Issues**

- 6.13 Introducing Selective Licencing for the proposed areas will inevitably result in an increased workload for the Council. Fee income shall therefore be used to pay for additional staff to administer the scheme. It is envisaged that these staffing costs shall be front-loaded over the first years of the designation and taper off from years 3-5.
- 6.14 In parallel to the development of Selective Licensing, the Council has also undertaken a review of its Environmental Health function. As part of this review a new Residential Regulation team has been established. A key role of this new team is to support the role out of the Licensing through the use of effective enforcement.

**(f) Environmental, Health and Safety, Sustainability, Crime and Disorder**

- 6.15 The introduction of Selective Licencing should have a positive impact in terms of the sustainability of the community within the designated area. The whole purpose the scheme is to help uplift the area and reduce incidents of nuisance associated with poorly managed privately rented properties. For more details on the background to the scheme see the Business Case for Selective Licensing and report 16/202.

**(g) Planning**

- 6.16 No direct implications however the introduction of Selective Licensing is intended to make a positive impact in terms of the appearance and visual amenity of the designated area.



**Trevor Watson**  
**Director**

**Author:** **Andrew Rowe** – Housing Manager  
Telephone No: 01723 383598  
Fax No: 01723 365280  
E-mail address: [andrew.rowe@scarborough.gov.uk](mailto:andrew.rowe@scarborough.gov.uk)

**Background Papers:**

**Report 15/148 16/6/2015**

<http://democracy.scarborough.gov.uk/documents/s64618/15148%20SELECTIVE%20LICENSING%20OF%20PRIVATE%20RENTED%20ACCOMMODATION%2020150616.pdf>

**Report 16/98, 24/4/2016:**

<http://democracy.scarborough.gov.uk/documents/s68090/16098%20CONSULTATION%20ON%20SELECTIVE%20LICENSING%20OF%20PRIVATE%20RENTED%20ACCOMMODATION%2020160412.pdf>

**Report 16/202 13/9/2016**

<http://democracy.scarborough.gov.uk/documents/s64618/15148%20SELECTIVE%20LICENSING%20OF%20PRIVATE%20RENTED%20ACCOMMODATION%2020150616.pdf>

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS, PLEASE CONTACT ANDREW ROWE ON 01723 383598 OR E-MAIL [andrew.rowe@scarborough.gov.uk](mailto:andrew.rowe@scarborough.gov.uk)

## RISK ASSESSMENT

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
1	February 2017	Legal Challenge/Judicial Review	<p>Could delay implementation of scheme through legal process</p> <p>Legal costs incurred</p> <p>Adverse Publicity</p> <p>Worst case scenario may result in scheme not being implemented</p>	<p>Ensure all statutory requirements and guidance are fully met</p> <p>Ensure that the consultation programme meets all statutory requirements and guidance</p>	B4	A1	Housing manager	
2	February 2017	Landlords avoid licensing properties/fail to apply	<p>Fails to solve problems in PRS: "bad" landlords continue to operate</p> <p>Resources will be used in identifying unlicensed properties rather than improving properties</p> <p>Adverse publicity: lose good will of "good" landlords</p> <p>Fee income projections not met</p>	<p>Ensure scheme is very well publicised and landlords are informed during lead in time</p> <p>Use all data sources to identify PRS properties and landlords</p> <p>Offer "early bird" discounts and incentives to encourage early applications</p> <p>Also have range of charges to landlords who don't come forward</p> <p>Undertake enforcement and prosecution where required and publicise</p>	B4	A1	Housing manager	
3	February 2017	Fee income projections not met	<p>Viability will be affected and may be financial shortfall</p> <p>Adverse impact on wider service in terms of resources</p>	<p>Ensure license fees are set at rate to ensure scheme can be self-funded</p>	B4	A1	Housing manager	

<b>Risk Ref</b>	<b>Date</b>	<b>Risk</b>	<b>Consequences</b>	<b>Mitigation</b>	<b>Current Risk Score</b>	<b>Target Score</b>	<b>Service Unit Manager/ Responsible Officer</b>	<b>Action Plan</b>
				<p>Identify as many licensable properties in advance by type to ensure business plan is as realistic as possible</p> <p>Ensure there is high take up of scheme (see previously) to maximise fee incomes</p>				
4	February 2017	Landlords sell properties or leave them vacant to avoid licensing	<p>Less PRS accommodation available</p> <p>Potential increase in homelessness</p> <p>Impact on vulnerable groups</p> <p>More empty properties</p>	Work closely with landlords to promote benefits of scheme: provide support for landlords through training, fee incentives to landlords etc.	B2	A1	Housing manager	
5	February 2017	Licence fee charge could result in increased rents	<p>Increases in rents</p> <p>May go above LHA rents in some cases, so could be top up for tenants</p>	Ensure fees are set a level and provide range of discounts to minimise potential rent increases. Overall rents within the area are 30% lower than the rest of the Borough	D3	D2	Housing manager	
6	February 2017	Staffing resources unable to meet the volume of work generated by the scheme	<p>Delays in processing licensing applications and undertaking inspections</p> <p>Cash flow problems</p> <p>Adverse publicity</p>	<p>Fee income set at a level to cover cost of required staffing resources.</p> <p>Streamline back office processes including on-line application process and easier payment systems.</p>	B4	A1	Housing manager	

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
				Close working arrangements in place to support the scheme.				
7	February 2017	Lack of resources to carry out enforcement following inspections	<p>Fails to solve problems in PRS: "bad" landlords continue to operate</p> <p>Adverse publicity: lose good will of "good" landlords</p>	<p>Restructure of Environmental Services should allow more resources for enforcement</p> <p>Joint inspections with police and fire and rescue and use of wider enforcement powers from other agencies</p> <p>Prioritisation system for enforcement following inspection.</p>	B4	A1	Housing manager	
8	February 2017	Selective Licensing area becomes stigmatised. Financial institutions unwilling to invest in the area for PRS	<p>Landlords unable to raise finance/investment to improve properties and meet licensing requirements</p> <p>Landlords sell or leave property vacant</p>	Lenders unlikely to base lending decisions on whether property is located within a Selective licensing area. Decisions usually made on risk and local market factors	B4	A1	Housing manager	
9	February 2017	"Good" landlords leave and replaced with "bad" landlords	<p>Problems in the area will increase</p> <p>Will create extra enforcement work and strain on resources</p>	Purpose of scheme intended to uplift standards. More likelihood of some "bad" landlords being replaced with "good landlords"	A1	A1	Housing manager	
10	February 2017	Has negative impact on area causing area to decline and reducing property and rental values	<p>Problems in the area will increase</p> <p>May impact on investment across all sectors in the area</p>	<p>Rental and property values already below Scarborough average. Unlikely to reduce significantly lower</p> <p>If scheme is successful will result in increased property</p>	A1	A1	Housing manager	

Risk Ref	Date	Risk	Consequences	Mitigation	Current Risk Score	Target Score	Service Unit Manager/ Responsible Officer	Action Plan
				and rental values in medium to long term				
11	February 2017	Displacement of tenants to other areas of Scarborough	<p>Potential increase in problems in other areas</p> <p>Potential increase in demand for PRS in other areas and properties converted to PRS accommodation</p>	<p>Risk of displacement does not outweigh the need to uplift standards.</p> <p>Proposed to extend Selective Licensing to neighbouring areas (rest of Castle and Ramshill) over next 2 years.</p> <p>Unlikely to see displacement outside of proposed SL areas due to nature of stock and local housing market</p>	C3	C3	Housing manager	
12	February 2017	Loss of PRS accommodation could cause increase in homelessness	<p>Increased strain on Housing Options team and other agencies</p> <p>Risk of increase in rough sleeping</p> <p>Increased strain on other accommodation providers including Social Landlords</p>	<p>No evidence from national evaluations.</p> <p>Closely monitor any loss of PRS either through landlord actions or enforcement actions</p> <p>Liaise with Housing Options team and other agencies as early as possible when possible threat of closure is known</p> <p>Liaise with other PRS landlords in the scheme whose accommodation has been inspected and meets all licensing requirements.</p>	C4	B2	Housing manager	

## Glossary of Terms

Risk

An event which may prevent the Council achieving its objectives

Consequences

The outcome if the risk materialised

Mitigation

The processes and procedures that are in place to reduce the risk

Current Risk Score

The likelihood and impact score with the current mitigation measures in place

Corporate Objectives

An assessment of the Corporate Objectives that are affected by the risk identified.

Target Risk Score

The likelihood and impact score that the Council is aiming to achieve

Service Unit Manager

The Service Unit or Officer responsible for managing the risk

Action Plan

The proposed actions to be implemented in order to reduce the risk to the target score

## Risk Scoring

Impact	5					
	4					
	3					
	2					
	1					
		A	B	C	D	E
	Likelihood					

### Likelihood:

A = Very Low

B = Not Likely

C = Likely

D = Very Likely

E = Almost Certain

### Impact

1 = Low

2 = Minor

3 = Medium

4 = Major

5 = Disaster

