

**Report of Chief Officer, Housing Management**

**Report to Housing Advisory Board**

**Date: Tuesday 11<sup>th</sup> November 2014**

**Subject: Developing Community Lettings Policies**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

Housing Leeds' ambition is to create great places people want to live in and where tenants take pride in their homes and communities. Council homes are let under the council's lettings policy, supported by local lettings policies which operate in specific areas and property types.

In March 2014 Housing & Regeneration Scrutiny Board tasked Housing Leeds with improving consistency in the operation of local lettings policies across the city and developing alternatives to age related restrictions.

Executive Board agreed in June 2014 to prioritise council tenants with an excellent tenancy record to access new build homes delivered through the Council's Housing Growth Programme; establishing a principle for the new approach to developing 'community lettings policies' set out in this report and the extension of these principles to future reviews of the council's tenancy agreement and lettings policy.

**Recommendations**

Housing Advisory Board note the contents of the report and the new approach to developing community lettings policies which builds on the success of the new lettings criteria used for new build homes delivered through the Council's Housing Growth Programme.

The Chief Officer, Housing Management reviews the current local lettings policies following the process outlined in section 3.

## 1 Purpose of this report

- 1.1 The purpose of this report is to provide Housing Advisory Board with an overview of the lettings outcomes achieved in 2013/14 under the current lettings framework including feedback on the initial lettings of new homes delivered through the Council House Growth Programme.
- 1.2 The report seeks agreement for the proposed review and consultation methodology.
- 1.3 Finally, the report considers the potential to review the tenancy agreement and overarching lettings policy to deliver a coherent lettings and tenancy management framework which rewards tenants and applicants who have maintained an excellent tenancy record.

## 2 Background information

- 2.1 The overall framework for letting council homes is set out in the main lettings policy, supported by local lettings policies which reflect local issues and needs. The lettings policy is integral to the council's overall approach to delivering a customer-focussed, people-centred proactive housing management service.
- 2.2 The lettings framework is based on the council's legal duties set out under the Housing Act 1996 of meeting housing needs as well as meeting the aspirations of tenants and residents. In order to balance the needs of households in housing need with those local communities, the council lets 75% of properties based on housing need and 25% to households who have been on the waiting list the longest with a connection to the area.
- 2.3 The table below shows the breakdown of the housing waiting list by housing need band at the end of 2013/14 along with lettings outcomes:

Band	Band A	Band B	Band C	Total no.
<b>% waiting list on 31.3.14</b>	11%	9%	80%	24,793
<b>% lettings made 2013/14</b>	54%	14%	32%	5,214

- 2.4 This shows that demand for council housing far outstrips supply, with only 20% of households on the waiting list likely to be offered a home in any year. The average waiting time for households who were rehoused in 2013/14 was 55 weeks across all areas of the city, property types and sizes.
- 2.5 54% of council lettings are made to the 11% of households on the housing waiting list in the most urgent housing need.
- 2.6 59% of households on the waiting list are single people or couples who require a 1 bedroom property but only 39% lettings made in 2013/14 were of one bedroom properties.

- 2.7 The proportion of lettings made to existing council tenants has increased from 23% in 2012/13 to 28% in 2013/14. The number of mutual exchanges where social housing tenants can swap homes rose to 578, an increase of 109 from 2012/13.
- 2.8 Local lettings policies apply to approximately 1 in 5 properties across the city. The majority are based on age, but others relate to employment status, behaviour and local connection.
- 2.9 In March 2014 Housing & Regeneration Scrutiny Board made the following recommendations for the council in reviewing the current local lettings policies:
- Rationalisation of age restrictions to improve consistency across the city
  - Introducing pre-tenancy training for prospective tenants
  - Developing the use of evidence based LLPs to address behaviour issues such as antisocial behaviour
  - Reviewing the use of Introductory Tenancy extensions and Secure Tenancy demotions.
- 2.10 Housing Management is reviewing the local lettings policies in operation across the city to ensure a more consistent and transparent approach is taken and to deliver effective and sustainable outcomes. An officer group has been set up to lead the review including representatives from housing management, the Equality Team, Leeds Housing Options and Leeds Federated Housing Association.
- 2.11 The group has developed a number of proposals for consultation with key stakeholders, including Housing Advisory Board, Housing & Regeneration Scrutiny Board, elected members, tenants and residents groups and individual customers. These are set out in greater detail in section 3.
- 2.12 In reviewing the local lettings policies the council has an opportunity to develop a new approach to support the best council objectives and priorities of:
- Supporting communities and tackling poverty
  - Building a child friendly city
  - Delivery of Better Lives programme
  - Promoting sustainable and inclusive economic growth
  - Dealing effectively with the city's waste and
  - Becoming a more efficient and enterprising council
- 2.13 This paper outlines the need for a new approach to local lettings policies and sets out a standard 'menu' of proposed criteria to consult stakeholders on and the timescale for the completion of the review.

### **3 Main issues**

- 3.1 The council proposes to develop a new approach to local lettings called 'community lettings policies' which reward tenants and applicants with excellent tenancy records, support sustainable communities and meet the specific needs of local communities.
- 3.2 The council has developed Community Lettings Policies based on a 'menu' of options to deliver sustainable, transparent and fair lettings criteria with the overall aim of moving away from age-related restrictions towards an evidence-based approach to lettings. Examples include preference to tenants who can demonstrate they have kept to their tenancy agreement, people in employment/

training, and people who have completed pre-tenancy training and demonstrated a commitment to the rights and responsibilities of the council's tenancy agreement.

- 3.3 New local lettings policies for the new build homes in Beeston Hill and Holbeck have been received very positively by tenants and members, particularly the principle of giving preference based on an excellent tenancy record.
- 3.4 Currently, age-related lettings criteria apply to specific property types including sheltered housing and general needs 1 and 2 bedroom flats.
- 3.5 **Sheltered housing**
- 3.6 Sheltered housing is designed to meet the needs of older people through the provision of sheltered housing support. The council currently operates a policy of letting sheltered homes to people aged 60 years and over, although housing associations let to people age 55 years and over.
- 3.7 The council manages some sheltered properties which have seen a fall in demand, mainly in upper floor flats which do not have lift access. A small number of flats in the east and south of the city have been reclassified as general needs accommodation and successfully let to people age 55 years old and over.
- 3.8 The council's High Rise Review found high rise accommodation provides a successful and popular form of sheltered housing, benefiting from an enhanced sense of security, good access for older and disabled tenants and well-used communal facilities.
- 3.9 The council proposes to investigate the benefits of moving to a needs based approach to the allocation of sheltered housing where health and support needs in addition to the age profile are assessed to ensure effective housing and support services are delivered to older people. This approach would enable a tailored service design and direct the investment decisions to ensure the accommodation and the service are designed to meet tenant's needs and ensure the environment is adapted for limiting illness and mobility.
- 3.10 **Age-related LLPs**
- 3.11 In the main age-related local lettings policies operate in 1 and 2 bedroom low and high rise flats which were historically introduced to overcome potential lifestyle clashes in property types with poor sound insulation and in response to tenant preferences.
- 3.12 The High Rise Review recommended distinct housing management approaches being used depending on the type of block of flats. For example, blocks with higher tenant turnover would be managed very differently to a sheltered block with a more settled tenant group. Classifying different blocks this way would enable the council to develop specific management and investment plans to meet tenants' aspirations and needs.
- 3.13 The council currently operates 9 separate age bands ranging from 21+ to 55+ which apply mainly to 1 and 2 bedroom flats. Following changes to housing benefit rules affecting under occupying council tenants introduced in April 2013, the council has seen a fall in demand for its 2 and 3 bedroom high rise homes. This has led to offers being made to people below the stated age preference.
- 3.14 The council proposes to fundamentally rationalise the age banding system. Where there is a requirement for an age related criteria the proposal is to introduce say a 50+ age band for more mature residents and an age band for younger people, say less than 30 years.

- 3.15 Where an age related criteria are still required and assessment will be undertaken and consideration given to the following criteria prior to recommendation.
- Average age of current tenants in the block
  - Level of demand for properties
  - Tenancy turnover
  - Number of lettings made to customers under the existing age criteria
  - The concentration of properties within the ward area where age restrictions apply
- 3.16 The council will include a summary of this tenancy and lettings information for each block when it consults on the development of the new community lettings policy, in order to justify the proposal to reduce the age.
- 3.17 While age related local lettings policies have proved popular, they have two main negative impacts. Firstly some age groups, particularly young people find it difficult to be rehoused in certain areas of the city due to high numbers of age local lettings policies, and secondly age is not always an objective indicator of behaviour.
- 3.18 In the past, age has been used as a proxy for assumptions about an individual's behaviour, therefore the council will review all age related criteria with a view to introducing additional criteria places a focus on the behaviour and lifestyles of applicants. These are outlined below and are intended to reduce potential lifestyle clashes by ensuring tenants are clear about the behaviour expected of them under the tenancy agreement, particularly where they have not held a tenancy before or where a previous tenancy has failed.
- 3.19 Reducing age bandings in a managed way gives the council the opportunity to market properties to new customer groups, including younger people who are unable to afford home ownership.
- 3.20 The move to community lettings policies reflects the need to provide a holistic approach to lettings which balances a consistent citywide approach with the needs of the wider local community, rather than specific blocks or property types.
- 3.21 The menu of options available for use in blocks of flats which would replace or be used in conjunction with age preferences includes:
- Council tenants with an excellent tenancy record
  - People with an excellent tenancy record or equivalent
  - People who have successfully completed pre tenancy training
  - People in employment or undertaking vocational training
- 3.22 **Excellent Tenancy Record**
- 3.23 The basis of the local lettings policy for new build homes in Beeston Hill and Holbeck is to give preference for lettings to tenants who have demonstrated they have conducted their tenancy well in terms of having a clear rent account, no record of antisocial behaviour and maintaining their property inside and out to a high standard.

3.24 The aim is to reward tenants and build stronger neighbourhoods where people take pride in their home and wider community.

3.25 Under this local lettings policy, the council made a commitment to visit all potential tenants at home before an offer is made. There are resource implications involved in undertaking home visits and the potential for increased relet times, however, this is balanced against the need to ensure transferring tenants have conducted their previous tenancy well. This approach gives a clear message that the council will reward tenants with an excellent tenancy record and saves resources by reducing void costs on released properties.

3.26 Initial outcomes for the first 29 lettings made in Beeston Hill and Holbeck are shown below:

Address	Property Type	No of Properties	No of Bids (Filtered)	Council Tenants (Ward and City Wide)	Non Tenants
Beeston Road	2 bedroom house	3	311	96	215
Malvern Road	2 bedroom house	2	301	77	224
Beeston Road	4 bedroom house	3	78	21	57
Beeston Road	5 bedroom house	2	29	13	16
Hunslet Hall Close	2 bedroom flat	6	99	19	80
Hunslet Hall House	3 bedroom house	12	140	51	89
Beeston Road	3 bedroom house	4	142	64	78
Lady Pit Lane	3 bedroom house	9	136	58	78
Total		47	1307	416	891

3.27 The council has conducted 34 home visits to tenants and residents, of which only 5 did not meet the lettings criteria. The success of this approach can be taken further by developing a new offer to reward tenants who abide by their tenancy agreement for example, by allowing access to the property at annual tenancy visits and positively contributing to their local community by working or volunteering.

3.28 This approach can also be applied to other customers including housing association and private rented tenants, as well as other customers who do not hold a tenancy in their own name. One option is to review the council's lettings policy to give additional priority to reward community contribution and the completion of pre tenancy training and making home visits and taking up references prior to an offer of a council home being made.

3.29 **Local lettings policies based on behaviour**

3.30 The council's main lettings policy already takes behaviour into account in a number of ways including:

- making checks on previous conduct when an applicant joins the housing waiting list
- removing people from the waiting list in serious cases of antisocial behaviour, or reducing their preference on the waiting list
- bypassing the top ranked customer for offers of accommodation on the basis of their previous behaviour, for example, a tenant would not be rehoused in the area where they had perpetrated antisocial behaviour
- making 'sensitive lets' of properties where the previous tenant was evicted for antisocial behaviour, to ensure the letting is made to a customer without a history of causing antisocial behaviour

3.31 The appropriate response will depend on the individual circumstances taking into account whether the behaviour is still on-going and the impact rehousing will have on the locality. Customers would be offered an introductory (probationary) tenancy unless they were already a secure tenant, in which case we would offer them another secure tenancy.

3.32 The council has powers to demote secure tenancies and extend the introductory tenancy period if the tenant breaches the tenancy agreement. In some cases where a household is facing eviction other interventions may be considered, for example, a Family Intervention Tenancies which requires them to agree to an intensive support package aimed at improving their behaviour.

3.33 Local lettings policies can also be used in areas or types of blocks where there are known antisocial behaviour or lifestyle issues.

### 3.34 **Pre-tenancy training**

3.35 Giving preference to people who have completed pre-tenancy training gives prospective tenants the opportunity to demonstrate their commitment to taking on the responsibility of becoming a council tenant.

3.36 New Charter housing association operate a pre-tenancy training course for all 18 – 39 year olds who are taking up their first tenancy or are reapplying for housing having had a 'failed' tenancy due to low level rent arrears. The sessions cover how to maintain a tenancy successfully, why tenancies fail, rent payment and budgeting, community responsibilities, how to find a home and employment.

3.37 Pre-tenancy training could initially be put in place for specific customer groups such as 16 and 17 year olds, households completing the Families First programme or piloted within specific blocks or areas of the city. The requirement to complete the training is intended to improve access to housing for people who might otherwise be excluded due to historic behaviour.

3.38 New Charter run the training themselves, including officers from housing management, repairs, rent recovery and antisocial behaviour teams. This means the housing association can start developing a relationship with prospective tenants prior to any offer of accommodation being made.

3.39 Pre-tenancy training means customers commit to attending a number of sessions and less resource intensive than council officers visiting individual tenants and residents in their own homes to conduct tenancy checks. New Charter's feedback has been very positive, with evidence of increased tenancy sustainment from tenants who completed the programme.

### **3.40 Good neighbour local lettings policy**

3.41 The council currently operates a 'Good Neighbour criteria' in four areas of the city where Housing and Community Safety have agreed the need to conduct checks on previous criminal and antisocial behaviour.

3.42 The criteria seeks to address cases of family members being rehoused on the same estate where families have historical problems, for example, grown up children being released from short term prison sentences being offered rehousing on the estate. Initial feedback suggests a number of positive outcomes including a reduction in reports of nuisance, but one concern is that there may be displacement to other areas and further monitoring is required to confirm whether this is the case. Further monitoring of the impact of conducting checks on increased void times is also needed.

### **3.43 Employment / Training**

3.44 At present 12 flats managed by the BITMO have a lettings policy giving preference to people in employment. This has been successful in assisting tenants in employment secure affordable housing.

3.45 Employment preference received a very positive response in the consultation for the Beeston Hill and Holbeck properties, as did being in training for a keyworker profession. Providing affordable homes for low income households is a key element in supporting the council's objective of promoting sustainable and inclusive economic growth as well as reaching out to people priced out of the housing market.

3.46 The council will identify other geographical areas where an employment preference for lettings could benefit local employers, tenants and residents, including high rise flats located close to major employment centres. The use of employment as a preference group could help reduce the impact of changes to housing benefit rules which affect under occupying council tenants of working age.

### **3.47 Rehousing children in high rise accommodation (above 7 floors)**

3.48 There is a perception that the council doesn't rehouse households with dependent children in high rise properties but this is not the case. Practice has differed across the City, with restrictions on rehousing families with children at height operating in East and South, but not historically in the West.

3.49 The review needs to provide clarity on the long standing practice and therefore the Council proposes that it shall not discharge rehousing duties to families through an offer of accommodation in high rise accommodation; however, it will not prevent rehousing where it is the family's choice through the bidding process.

3.50 The main lettings policy gives preference for lettings of houses to people with primary care of dependent children ahead of households with part time access to children who are regularly housed in low and high rise flats.

3.51 The information held on the proportion of children living in high rise blocks is not robust, and details of household composition are being recorded through the Annual Tenancy Visit process. In the West of the City, an estimated 13% households living in high rise flats have children living as part of the household.



- 3.52 In reviewing the current restrictions, the council must consider customer choice particularly in areas with a high proportion of 2 and 3 bedroom flats compared to houses. In addition, many of these flats would otherwise be let to single people or couples who could be affected by the reduction in housing benefit paid to under-occupiers.
- 3.53 It is proposed that the general lettings policy does not impose a blanket ban on lettings of high rise accommodation to households with dependent children but instead the council proposes to consider each block individually and consult on basing restrictions on rehousing households within flats on the following criteria:
- The construction type of the block meaning children should not be rehoused into a high rise block with open balconies or walkways, where there is a risk of falls
  - Known issues with sound-proofing within blocks
  - Accessibility and lifts
  - The number of children currently living in the block
  - The availability of houses to let nearby.
- 3.54 Work has commenced to review the investment and management of High Rise in the City and the investment decisions will reflect the mix and make-up of household compositions in the blocks.
- 3.55 The issue of children living in flats and at height needs detailed consideration within the review as there are challenges regarding the nature and location of the Council's housing stock, the level of housing need in the City and access to affordable housing.
- 3.56 Other property types**
- 3.57 The majority of local lettings policies apply to 1 and 2 bedroom low and high rise flats, but other types of policies are used for houses in high demand areas of the city and to address localised housing need.
- 3.58 Local connection**
- 3.59 The local connection criteria operate for lettings of houses in some outer areas of the city – Wetherby, Garforth, Kippax and Rothwell - where there is high demand and little affordable housing. Discussions are ongoing about a similar LLP in the Otley area.
- 3.60 Local connection based on residence, family associations and employment is used as a deciding factor within the housing need band, meaning a household with a local connection in Band A would be made an offer ahead of another household who had been in Band A for longer but had no connection to the area.
- 3.61 The review gives an opportunity to ensure a consistent definition of local connection is used across the city, specifically whether children in education establish a connection.
- 3.62 The review needs to take account of changes in Ward boundaries.
- 3.63 The review gives an opportunity to develop other community lettings policies including:

- A protocol with Adult Social Care to let a small number of properties as joint tenancies to tenants nominated by ASC where onsite support is available.
- Giving preference to members of the Armed Forces. This preference has received a positive response in consultation for the new build properties and supports Housing Leeds' commitment to the Leeds Armed Forces Community Covenant

### 3.64 Project timescales

3.65 The 2014 review commenced in April 2014 in line with the timetable below:

Action	Timescale
Approve principles of standard 'menu' of options and overall approach	Aug – Sept 2014
Develop consultation toolkit including template letters and paper-based surveys	Aug – Sept 2014
Collate performance information for each area	Aug – Oct 2014
Housing Advisory Panel – lettings for sustainable communities	October 2014
Housing & Regeneration Scrutiny Board	October 2014
Desktop assessment of criteria to recommend options	October 2014
Finalise format of consultation for each area	November 2014
Consultation with Housing Advisory Board	November 2014
Consultation with tenants, residents and members	Nov 2014 – Jan 2015
Consultation with other groups including national organisations eg Youth Council, Age Concern etc	Nov 2014 – Jan 2015
Assessment of responses and finalise delegated decision report to approve new Community Lettings Policy	Jan / Feb 2015
Review equality impact assessment and develop an action plan to address any impacts	Jan / Feb 2015
Approval – BITMO Board / delegated decision	Feb 2015

3.66 The council will develop a standardised approach to the consultation with partners. The Project Team will collate and assess responses to the consultation to ensure consistency in the final proposals being considered for approval.

3.67 The council wishes to seek feedback on the proposed consultation strategy from Scrutiny Board before commencing public consultation. The consultation strategy is outlined in more detail below.

### 3.68 The Leeds lettings and tenancy management framework

3.69 The development of community lettings is one part of the council's lettings and housing management framework. In order to achieve a holistic and comprehensive offer to tenants, the principles of rewarding tenants and residents who abide by their tenancy agreement will be applied to future reviews of the council's tenancy agreement and overarching lettings policy.

3.70 This would include the development of a separate transfer list as permitted under the Localism Act 2012 which rewards excellent tenancy records and a recognition in the lettings policy of the contribution made by tenants and residents for example through employment or volunteering.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 The council will consult on proposals with tenants and residents, customers on the housing waiting list, partners including Registered Providers, Supported Housing providers and local Ward members.
- 4.1.2 A detailed consultation programme will be drawn up in conjunction with the Tenant and Community Involvement Service. Key milestones will include formal consultation with Housing Advisory Board and the High Rise Group.
- 4.1.3 The consultation process will include a specific consultation process with Children's Services to assess the impact of children at height and the need to balance housing need and rehousing options optimal housing environments.
- 4.1.4 The consultation process will include a specific consultation process with Adult Social Care to ensure synergy between access to older people's housing, sheltered housing and extra care and ensure that this is linked to support & health needs
- 4.1.5 In order to ensure ongoing tenant involvement, the current officer led project group will invite a tenant representative from the High Rise Group to join the project team.
- 4.1.6 The council will seek feedback on the development of community lettings policies with external organisations including Age Concern and the Youth Council.

### **4.2 Equality and Diversity / Cohesion and Integration**

- 4.2.1 The council will conduct a full equality and diversity impact assessment as part of the review of LLPs to identify potential positive and negative impacts, and will develop an action plan to address any negative impacts identified.

### **4.3 Council policies and City Priorities**

- 4.3.1 The development of community lettings policies supports the council's ambition of being the best city in the UK, which is fair, open and welcoming to all. The links to the best council outcomes of:
- Improving the quality of life for residents, particularly those who are vulnerable or in poverty. LLPs are generally perceived by existing tenants as positive in establishing stable communities, but also restrict the choice of rehousing for other customer groups.
  - Achieving the savings and efficiencies required to continue to deliver frontline services by rewarding tenants who abide by their tenancy agreement.

### **4.4 Resources and value for money**

- 4.4.1 The development of community lettings policies will improve lettings outcomes and reward tenants who abide by their tenancy agreement and care for their property. This will provide value for money by improving tenancy sustainment, reducing void times and costs and improving outcomes for tenants and residents. This is balanced against the reallocation of resources to proactive tenancy sustainment through home visits and pre-tenancy training.

## **4.5 Legal Implications, Access to Information and Call In**

4.5.1 Under the Equality Act 2010 age discrimination is unlawful unless it can be shown to be a proportionate means of achieving a legitimate aim. A legal challenge could be made to an age related lettings policies on the basis of discrimination. If the policy is found to be unlawful discrimination, the claimant could be entitled to damages.

## **4.6 Risk Management**

4.7 The main risk of a challenge under the Equality Act relates to the use of age LLPs. The move away from age related preferences reduces the likelihood of a successful legal challenge on the ground of unlawful discrimination based on age.

5.8 Other risks of continuing to operate local lettings policies in their current format include reduced demand for properties and the potential for under occupation in 2 and 3 bedroom high rise properties resulting from changes to Housing Benefit paid to under occupying tenants of working age.

## **5 Conclusions**

5.1 The ability to develop community lettings policies offers the council the flexibility to deliver a lettings service which is responsive to local needs.

5.2 The current LLPs in operation need to be reviewed to ensure they meet their stated objectives.

5.3 LLPs must be evidence based if they are to support the council's ambition to become the best city in the UK.

## **6 Recommendations**

6.1 Housing Advisory Board note the contents of the report and the new approach to developing community lettings policies which builds on the success of new lettings criteria used for new build homes delivered through the council's Housing Growth Programme.

6.2 The Chief Officer, Housing Management reviews the current local lettings policies following the process outlined in section 3.

## **7.0 Background Documents**

7.1 None

## **Appendices**

Appendix 1 List of local lettings policies