

**Report of** Director of Environment and Housing  
**Report to** Environment and Housing Scrutiny Board  
**Date:** 7 July 2016  
**Subject:** Lettings Policy Review Consultation Update

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

### Summary of main issues

In February 2016, Executive Board agreed to commence consultation on changes to the current lettings framework.

The Consultation commenced with two Elected Member sessions in March 2016. This has been followed by further consultation with community committees, local tenant and resident groups, statutory and voluntary sector partners and individual tenants and residents.

We have consulted on the following proposals:

- The introduction of a tenant transfer policy;
- Review of the main lettings policy to mainstream some elements previously covered by local lettings policies;
- A new approach to community lettings policies to replace local lettings policies, with improved links to tenancy management issues in the wider community.

The paper provides an update on progress with the consultation to date, and some feedback on the key themes to emerge so far.

### Recommendations

Environment and Housing Scrutiny Board is invited to note progress to date with the lettings policy review consultation.

## **1.0 Purpose of this report**

- 1.1 To provide an update to Environment and Housing Scrutiny Board on progress with the Lettings Policy Review consultation.

## **2.0 Background**

- 2.1 In 2015/16 Housing Leeds let 4,691 homes under the lettings policy, and 665 applicants from the housing register were rehoused by housing associations under the council's nominations agreements.
- 2.2 The current lettings framework is based on the council's legal duties set out in the Housing Act 1996 of meeting housing need 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 housing register list the longest with a local connection to the ward area.
- 2.3 Demand for council housing outstrips supply. The average waiting time for households who were rehoused in 2015/16 was 57 weeks across the city, property types and sizes.
- 2.4 Currently there are 23,762 (31/12/15) households on the housing register, approximately 24% (5,635) of customers have assessed housing needs (Band A & B) and 76% households have no identified housing need, but have expressed a preference to be rehoused by the council.
- 2.5 Around 1 in 6 of the council's 57,000 homes have a local lettings policy which gives preference to certain groups of applicants for some properties, e.g. local connection preference in some outer lying areas of the city or age restrictions intended to minimise lifestyle clashes in flats.
- 2.6 Over the past two years, Housing Leeds has undertaken a harmonisation programme of tenancy management policies and procedures, to ensure a consistent, high quality service is provided. The programme has taken the good practice of the former ALMOs, and developed policies and procedures which are based on the social contract model of reinforcing tenant responsibilities whilst providing high levels of support.
- 2.7 As part of the harmonisation programme Housing Leeds commenced a fundamental review of the local lettings policies currently in operation to ensure they are fit for purpose and consistently applied across the city. The review has involved extensive consultation with tenant and resident groups, officers, Housing Advisory Board and Scrutiny Board. As the project developed new priorities have emerged, and the scope of the review was widened to include the wider lettings framework.
- 2.8 In February 2016, Executive Board agreed to commence consultation on these proposed changes to the current lettings framework.

### 3. Overview of consultation

- 3.1 The consultation commenced with two Elected Member sessions in March 2016. This has been followed by further consultation with Community Committees, local tenant and resident groups, statutory and voluntary sector partners and individual tenants and residents.

A full timetable for the consultation is below:

Consultation plan	Timescales
Finalise proposals for consultation	Jan / Feb 2016
Executive Board approval to commence consultation	Feb 2016
Political briefings on draft version	March 2016
Public consultation with stakeholders on proposed changes to lettings policy, including tenants / customers	March – July 2016
Housing Advisory Board update	June 2016
Tenant Scrutiny Board	June 2016
Community Committees and follow up meetings	June / July 2016
Environment and Housing Scrutiny Board update	July 2016
Collation of responses	July 2016
Equality Impact Assessment of proposed changes to lettings policy	July - August 2016
Proposals to Housing Advisory Board	September 2016
Environment and Housing Scrutiny Board update	October 2016
Executive Board to consider and approve changes	December 2016
Implementation including IT changes, training and promotion of new policy	December 2016 to February 2017
Implementation of Community Lettings Policies on Block by Block Basis	From December 2016 (3 year implementation)
Regular Updates to Environment and Housing Scrutiny Board and Housing Advisory Board throughout implementation.	December 2016 – April 2017

- 3.2 In addition to face to face consultation, we have also published an online survey through the council's Talking Point portal, which has been promoted through the Leeds Homes flyer and website, Housing Leeds website, tenant newsletter and via social media. A paper based version of the survey has been printed in the Leeds Homes flyer and circulated at tenant events.
- 3.3 The consultation is currently focusing on the overarching policy framework and any changes to individual blocks will be subject to further local consultation with tenants and residents prior to implementation on a phased basis.
- 3.4 The consultation asks for feedback on the following proposals:
- **Introduction of a tenant transfer policy** to give greater preference to and reward existing council tenants who have successfully held a secure tenancy as

part of our commitment to the social contract and enabling the council to make better use of its housing stock

- **Review of the main lettings policy** to mainstream some elements previously covered by local lettings policies – specifically:
  - Use of local connection preference in outer lying areas of the city with low turnover and high demand
  - Giving preference to tenants with a good tenancy record
  - Conducting home visits to prospective applicants prior to making an offer
  - Introducing pre tenancy training for 16 and 17 year olds, and applicants who are unable to demonstrate a good tenancy record
  - Using our good neighbour criteria in areas with significant issues of anti-social and criminal behaviour
- **New approach to community lettings policies** to replace local lettings policies, with improved links to tenancy management issues in the wider community. To include more proactive marketing of lower demand homes to attract new customer groups, and to encourage people in employment and flat sharing, and to encourage council tenants to downsize to a smaller property or high rise flat, and free up a family council house

### **3.5 Progress to date**

- 3.5.1 To date the consultation team have held two member sessions, and met with a number of groups, including Community Committees, Cross City Chairs Group (and circulated to Housing Advisory Panels), Equal Access Group, Homeless Team Adult Social Care, Housing Advisory Board, Leeds Tenants Federation General Meeting, TARAs Panel Conference, VITAL, VOLT (Voice of Older Tenants) and Yagi.
- 3.5.2 We are continuing discussions with Community Committees through follow up workshops.
- 3.5.3 The online survey has now been live since April, and closes at the end of June. The survey has been promoted to current tenants and prospective tenants through the Leeds Homes flyer and website, Housing Leeds website, tenant newsletter and via social media.
- 3.5.4 The survey has to date generated 626 responses (22 June 2016). Not all respondents who start the survey complete it but of the 626:
  - 237 (38%) are existing Housing Leeds tenants;
  - 34 (5%) are Leeds housing association tenants;
  - 93 (15%) are in private rented accommodation;
  - 26 (4%) are home owners;
  - 61 (10%) have no fixed address (either living with friends/relatives or registered as homeless)
- 3.5.5 Of respondents to date 52% are female, with 22% male. A further 26% preferred not to say or did not answer the question. There is an equal split in terms of age with 36% aged under 40 years old, and 40% over 40, with 24% not answering the question.

- 3.5.6 Respondents to the survey have also provided more detailed feedback which will be analysed and collated in the final proposals. Feedback from the remaining consultation (ie meetings and events) has been captured on a consultation log. This also contains more qualitative data and will be used to draft the final proposals for approval, and will inform the Equality Impact Assessment. Some events are still scheduled throughout July, so the consultation responses will change over the coming weeks.
- 3.5.7 From the consultation so far, there are a number of key themes to emerge which are summarised below:

- **Introduction of a tenant transfer policy**

There is general support for the introduction of a tenant transfer policy. It is generally felt that the policy would allow us to reward and incentivise good tenant behaviour, and would add flexibility to the lettings process. There is a consensus that the policy should be kept as simple as possible and clearly explained to both existing and prospective tenants so the policy is clearly understood. Some thought needs to be given to how it would work for tenants wanting to downsize and how we could incentivise people in 2 or 3 bedroom houses to move to 1 or 2 bed flats. More detail is needed on which properties would be selected for a tenant transfer and how this would be managed.

Concerns have been raised that a tenant transfer policy would disadvantage non-tenants who are applying for housing and are in housing need.

From the online survey, 66% of respondents are supportive of a tenant transfer, although it should be noted that responses from people who are not existing Housing Leeds or Housing Association tenants the response has been more mixed, with around 30% disagreeing with the introduction of a tenant transfer policy.

- **Home visits**

Again there has been strong support for introducing home visits for prospective tenants. From the online survey so far, 71% of respondents are in favour of conducting home visits with potential applicants.

Several issues have been raised around the need to ensure that we have a flexible approach to home visits, and that, in particular, existing support needs should be taken into consideration when undertaking the visits. It was also felt that the timing of visits needed to be carefully managed to ensure that it was undertaken as close to the commencement of a tenancy as possible.

- **Local connection**

The response so far has generally been positive towards having a local connection policy across the city, although feedback has suggested that there is a limited understanding around how the policy works, where it applies and how it is implemented (definition of the local area etc). A number of suggestions that clear guidance is needed, as well as further training for staff. At present 25% of

properties are advertised through the date of registration quota where the successful applicant must have a connection to the Ward area, and some areas also operate a separate local connection local lettings policy, where the connection is the housing office administrative area. This has caused confusion among respondents to the consultation and was a major driver for the review to ensure consistency and clarity in our approach.

Some concerns have been expressed around people without a local connection being blocked from living in certain areas of the city and restricting aspiration.

From the online survey, 55% of respondents so far are in favour of using local connection in other areas of the city.

- **Community Lettings – proposals to replace existing age restrictions**

The response to this proposal has been mixed. There has been a general acceptance that the current policy of relying on age has not always worked, and leaves us open to legal challenge. Members and some of the strategic tenants groups in particular have been supportive of a move away from age related restrictions, emphasising that we should be more intelligent around lettings rather than using age as a management tool. Strong emphasis that this should be supported by strong and robust management to reassure tenants that removing age restrictions would not increase problems, particularly within high rise blocks.

The online survey is more mixed, with around half supportive of removing age restrictions and half against it. Unsurprisingly when you look at age breakdowns of respondents, older people are mostly in favour of age restrictions, while younger people are more supportive of removing them in favour of other options.

There is a high level of support across the board for giving preference to under occupiers to free up a house for another family and again for the introduction of home visits/ tenancy checks and pre-tenancy training.

In summary, the number and percentage of respondents who support the proposed alternatives is shown below:

<b>Alternative to age restrictions</b>	<b>No. in favour</b>	<b>% in favour</b>
Local connection	342	55
Employment	236	38
Home visits / tenancy checks	311	50
Pre tenancy training	178	28
Downsizing tenants	310	50

69 respondents (11%) indicated they disagreed with all the groups listed above, and made comments supporting the retention of age restrictions and not rehousing people from abroad, or people with drug or alcohol-dependency issues.

- 3.5.7 The lettings policy proposals have been considered by the Community Committees at their meetings in June 2016. Feedback has been mixed, and members have requested additional briefings to discuss the proposals in full. This will give an opportunity to update members on the proposals contained in the Housing and Planning Act, which will impact on housing management, specifically the sale of higher value council homes, higher rent for tenants earning over £31K a year and the removal of secure tenancies and succession rights.
- 3.5.8 Over the next few weeks further consultation will continue with Tenant Scrutiny Board, tenant groups including VITAL and elected members. A full summary and outcomes from the consultation will be presented to Executive Board in October 2016. A further update will be provided at the October meeting of Environment and Housing Scrutiny Board.

#### **4.0 Housing and Planning Act**

- 4.1 Since the Lettings Policy consultation commenced the Housing and Planning Act has received Royal Assent. The Act provides the necessary legislation to implement a number of Government proposals which fundamentally alter the nature and provision of social and affordable housing in England, including:
- The sale of higher value vacant local authority homes;
  - Starter homes;
  - Pay to Stay;
  - Mandatory use of fixed term tenancies;
  - Extension of right to buy to Housing Associations;
  - Reforms to private rented sector;
  - A range of further measures aimed at boosting homeownership.
- 4.2 The proposals in the Act will significantly impact on a number of the proposals contained in the Lettings Policy Review. In particular, the loss of succession rights and the introduction of fixed term tenancies will have a significant impact on the tenant transfer policy; Pay to Stay may impact on our ability to give preference to people in employment; and the proposals on the sale of higher value homes will have a big impact on our ability to maintain stock levels in some areas of the city and will therefore significantly impact local connection policy. The proposals in the Act will also have a big impact on our ability to make best use of stock.
- 4.3 Despite the Act becoming law, there is still a significant amount of work to do before the proposals come into effect. Much of the details, guidance and regulations are expected over the summer. A Project team has been put in place to manage the implementation of the Act in Leeds and to ensure our tenants are fully prepared for the impact that the proposals may have. It is suggested that a further paper outlining the key implications of the Act be brought to a future meeting of Environment and Housing Scrutiny Board.

- 4.4 The final proposals for a new Lettings Policy framework will be presented to Executive Board in December 2016. This will allow us to fully assess the impact of the Housing and Planning Act.

## **5.0 Corporate Considerations**

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

- 5.1.1 Environment and Housing Scrutiny Board members are asked to note the progress being made with the Lettings Policy review consultation, and as such, a decision is not being made. An Equality Impact screening assessment has been completed and the council will conduct a full equality and diversity impact assessment as part of the review to identify potential positive and negative impacts, and will develop an action plan to address any negative impacts identified. A full EIA on the final proposals will be included in the final Executive Board report in October for approval.

### **5.2 Council policies and Best Council Plan**

- 5.2.1 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. This links to the best council outcomes of improving the quality of life for residents, particularly those who are vulnerable or in poverty.
- 5.2.2 Existing local lettings policies are perceived by some existing tenants as positive in establishing stable communities, but also restrict the choice of rehousing for other customer groups.
- 5.2.3 The proposals will help achieve the savings and efficiencies required to continue to deliver frontline services by rewarding tenants who abide by their tenancy agreement.

### **5.3 Resources and value for money**

- 5.3.1 The Council aims to ensure its housing stock is managed efficiently and best use is made of the limited resource, for example, by reducing homelessness and the associated social and financial costs such as temporary accommodation placements.
- 5.3.2 The Council aims to operate an efficient lettings process, to reduce the length of time properties remain empty to ensure the needs of customers in housing need are met, and to increase tenant and resident satisfaction with their homes and neighbourhoods.
- 5.3.3 The move to develop community lettings policies will improve lettings outcomes and reward tenants who abide by their tenancy agreement and care for their property, and reallocate resources to support proactive tenancy sustainment through home visits and pre-tenancy training.



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

5.4.1 None at this stage. The report is an update paper.

## **5.5 Risk Management**

5.5.1 The report is an update paper. A full risk assessment has been undertaken for the Lettings Policy Review.

## **6.0 Conclusions**

5.1 This report highlights the progress that has been made to date with the consultation on the lettings policy review, and provides some feedback on the key messages emerging from the consultation so far. A full report on the outcome of the consultation and next steps will be presented to the September meeting of Housing Advisory Board, prior to being taken to Executive Board for approval. A further update will be presented to Environment and Housing Scrutiny Board in October 2016.

## **7.0 Recommendations**

6.1 Environment and Housing Scrutiny Board is invited to note progress to date with the lettings policy review consultation.

## **Background documents<sup>1</sup>**

- February 2016 Executive Board paper 'Effective Housing Management and Lettings Framework.'

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.