

Report of Director of Environment and Housing

Report to Environment & Housing Scrutiny Board

Date: 13 October 2016

Subject: Housing Theme – Update

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 type="checkbox"/> Yes	<input checked="" 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

This report provides an update on 3 key housing issues which were identified by Environment and Housing Scrutiny Board as particular areas of interest at the June meeting. They are as follows:

- Implications and progress relating to the 2016 Housing and Planning Act;
- The quality of private rented sector housing;
- Turnaround times for filling void Council properties;

The report also includes an update on the Tenant Scrutiny Board and their recent enquiry work.

Recommendations

Scrutiny Board is requested to note the content of this report and identify areas for further investigation.

1. Purpose of this report

The report covers areas of housing policy / activity highlighted by the Board and sets out the context, current position and the key challenges or next steps.

2. Main Issues

2016 Housing and Planning Act

2.1 This update is further to a more detailed report which was presented to Environment and Housing Scrutiny Board in March 2016.

2.2 The Housing and Planning Bill gained Royal Assent on 12 May 2016. During the passage of the Bill a number of changes were made to the original proposals. 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:

- Provision of Starter homes;
- The sale of higher value vacant local authority homes;
- Pay to Stay;
- Mandatory use of fixed term tenancies;
- Extension of right to buy to Housing Associations; and
- Reforms to private rented sector.

2.3 Although the Act has become law with an expected implementation date of April 2017, we are awaiting further guidance on each of the policy changes. Until this is received it is difficult to put the necessary plans in place to ensure Leeds is able to meet its responsibilities as detailed in the Act and inform tenants of the changes which affect them.

2.4 A project group, chaired by the Chief Officer-Housing Management has been established with key officers from across the Council to co-ordinate proposals and develop a project plan for implementing the Act. A significant amount of work has already been done to look at processes that need to be put in place and initial scoping of the potential impact to tenants. However, without guidance/regulations it has been difficult to put a robust plan in place.

2.5 A communications plan has been developed to ensure we give tenants the right information at the right time. We have provided information in the tenant newsletter and developed a webpage at www.leeds.gov.uk/hpa2016 to give as much information as we can, but have delayed any further communications until we receive guidance on which tenants are likely to be affected and how.

2.6 Officers have been in regular dialogue with DCLG officials and have taken part in technical working groups to influence the guidance/regulations and to request a delay in implementation to allow sufficient time for the proposals to be properly considered and the negative impact on tenants to be minimised as far as possible. Officers have also made contact with neighbouring authorities to develop and share good practice in responding to the Act. The Executive Member for Communities has also formally

written to the Minister requesting a delay but at present DCLG are maintaining that implementation is on track for April 2017.

2.7 The main issues for the Council on each of the policy areas are as follows:

2.8 Starter Homes

- We are waiting for the government to make changes to national planning policy later in 2016. At the moment we don't know how many homes will be built, if Starter Homes will replace affordable housing, or the qualifying criteria for buying a Starter Home.

2.9 Sale of Higher Value Vacant Local Authority Homes

- While Central Government has indicated an expected implementation date of April 2017, DCLG have not yet issued further guidance on how 'higher value' will be determined. This makes it impossible to assess the likely impact on the Housing Revenue Account Business Plan and to consider alternative options to pay the levy ahead of the expected implementation date of April 2017.
- It is also unclear at this stage how the proceeds raised through the sale of high value homes will be used to fund a replacement property and subsidise right to buy in Registered Provider homes.

2.10 Higher Income Social Tenants: Mandatory Rents or 'Pay to Stay'

- Again, while Central Government has indicated an expected implementation date of April 2017, DCLG have not yet issued further guidance on how it expects landlords to administer Pay to Stay. This makes it difficult to plan for the implementation of Pay to Stay.
- DCLG have indicated they expect local authorities to verify income of all tenants who may be affected by the policy. In Leeds this would mean contacting between 21,000 and 24,000 tenants to request they provide proof of their household income.
- The administrative costs of writing to these tenants are estimated at over £8,500 (this does not include costs of verifying the information). DCLG have indicated reasonable administrative costs can be deducted from the amount raised through Pay to Stay which is paid to the Treasury, but there would be no assistance with upfront funding.
- DCLG have stated that no support will be available to landlords from HMRC to verify income details, although Central Government may use HMRC to may verify some of the information obtained to ensure authorities have applied the guidance correctly.

2.11 Mandatory Fixed Term Tenancies

- Again, while Central Government has indicated an expected implementation date of April 2017, DCLG have not yet issued further guidance on mandatory fixed term tenancies. This makes it difficult to plan for the implementation of fixed term tenancies.
- Housing Leeds is represented on a working group with DCLG and has been invited to submit detailed suggestions on the draft guidance and regulations.

- To date we are aware of limited circumstances where existing secure tenants will retain their security of tenure if they transfer to another property. These are likely to be tenants who downsize to a smaller property and tenants who are required to move due to regeneration schemes.
- Further discussions are taking place regarding other management moves, moves due to domestic violence and abuse, and tenancy changes where a joint tenancy ends and the property is relet under a new tenancy agreement as a sole tenancy.
- The council needs to review its existing Tenancy Strategy and Tenancy Agreement to incorporate the fixed tenancy regime and remove existing succession rights prior to the implementation date. If the Council does not do this, the default position is that all new tenancies would be offered on a 5 year fixed term.

2.12 Private Rented Sector

- The Act is broadly welcomed in terms of the Private Rented Sector. Again Leeds is represented on one of the DCLG working groups, but no detailed guidance has been issued to date.

2.13 Further updates will be provided to Scrutiny Board on the Housing and Planning Act when DCLG guidance/regulations have been published.

2.14 Quality of Private Rented Sector Housing

2.15 The Private Rented Sector continues to grow in the city with an estimated 60,000 properties in the sector. There is no single market and the majority of these properties provide good quality homes for individuals and families. However it is estimated that 25% of the market is low market rents with some of the poorest housing in the city. This market has seen a significant growth in recent years and provides the biggest challenge to the Council.

2.16 The Council has mandatory and discretionary powers under the Housing Act 2004 to address standards in the sector. Last year the Council:

- Received 2600 request for service from tenants in the private rented sector
- Inspected all properties under the Temporary Accommodation contract and let via the Private Sector Letting Scheme
- Undertook work to improve the standards of 5500 individuals living in the sector.

2.17 Reducing the number of empty homes continues to be a priority for the service. The Core Planning Strategy has a target of a net reduction of 2000 empty homes from April 2012 to March 2017. As of August 2016 the net reduction was actually 2252 since April 2012. The Council has adopted a new Empty Homes Strategy for 2016 to 2019. This continues the work to address empty homes, not just by the work of the Council but also with partners in the Community Led Housing Sector.

2.18 The Council has a mandatory duty to licence all houses in multiple occupation which are 3 storeys and above and are occupied by 2 or more households and 5 or more people. The city has the largest number of such properties in the country at around 2800 at any one time. Currently preparations have commenced for the third phase of the licensing where the majority of these will need relicensing in April/May next

year. The cost of the licensing to the Council is covered by the licence fee charged to owners.

2.19 As part of addressing standards in the sector the Council continued with its Leeds Neighbourhood Approach in Holbeck, targeting 185 properties in the Receptions to address poor quality homes, empty homes to return them back into occupation and worked with partners to address issues affecting individuals concerns. These include access to health services, addressing social and financial exclusion, fire safety, security and jobs and skills. In the first area all properties have been inspected and 370 hazards identified and being address, 206 referrals have been made to partners to address issues and 50 out of the 70 empty homes returned to occupation. In July 2016 the Executive Board agreed that the approach should remain in Holbeck for a further 3 years. This will allow all properties to be visited and inspected, including all of the Council's own stock to ensure full compliance with the relevant legislation.

2.20 Further initiatives have now also been agreed by the Council's Executive Board to further enhance standards within the private rented sector. The service has begun to implement two further strategies:

- Replace the existing Leeds Landlord Accreditation Scheme (LLAS) with a new sector led Leeds Rental Standard. The aim is to introduce an element of self-regulation in the market whereby good landlords will voluntarily meet agreed property and management standards and this will be overseen by a governing body administered by the sector and with Council approval. The successful introduction of such a scheme will be unique across the country and will allow the Council to target its' limited resources on the areas of greatest need.
- Creation of a rogue landlord unit – this is a specific small team of officers (taken from existing resources) that are tasked with identifying those landlords who consistently act in a criminal or rogue manner. The proactive action will be robust and co-ordinated with other services and agencies to maximise the impact.

Void Turnaround Times of Council Homes

2.21 As of week 25 (26th September 2016) LCC have 323 voids, that is 0.57% of properties. The average relet times is currently 27.61 days, which is within the target of 28 days, broken down as follows:

	May-16	Jun-16	Jul-16	Aug-16
Housing Leeds	28.63	28.31	28.07	27.61
BITMO	28.7	27.41	29.53	28.27
East	25.76	26.55	26.05	25.13
South	31.17	30.81	30.62	30.3
West	29.15	27.97	27.61	27.35

2.22 Relet time performance is continuing to improve, and the percentage of empty properties remains extremely low. We are continuously looking at how we can further improve performance through improved processes and place a greater emphasis on quality and customer care, whilst ensuring that budgets are managed effectively.

2.23 Housing Leeds monitor the quality of empty properties and ensure a high quality customer service through the following:

- There are Key Performance Indicators in place to monitor the contractor's performance, including the quality of voids returned to let.
- 20% of post and pre inspections are carried out by Housing Leeds after the contractors have handed the property back to ensure that the relet standard has been met.
- Final fix ring backs are carried out 30 minutes to 1 hour after the appointment to ensure that the appointment has gone ahead satisfactorily and the customer is able to move in. If there are issues this allows the voids team to take ownership and try and resolve any issues that may have occurred at first point of contact.
- The Technical Officers name and contact number is given to the customer at sign up so if there are any issues the customer can ring the Technical Officer direct and these can be dealt with at first point of contact.
- Quality checks are carried out by Tenant Inspectors on a quarterly basis.
- Complaints are reviewed to identify any learning/ actions that can be implemented.

2.24 Housing Leeds has recently introduced a Variable Lettable Standard which enables us to offer an enhanced lettable standard to 22 blocks / streets which have sustainability issues and low levels of customer satisfaction. The enhanced standard will mean that new tenants will be offered full decoration of the kitchen, bathroom and one other room of the tenant's choice as part of the void works.

Tenant Scrutiny Board

2.25 The last completed Tenant Scrutiny Board enquiry was into the environment of estates. The Board examined a wide range of information and evidence, including a meeting and survey with Elected Members, survey of Tenants and Residents Associations, survey and meetings with officers and attending estate walkabouts. The Board made a number of recommendations:

- That Tenant Scrutiny Board review progress with service harmonisation and "One Council" approach.
- Improvements are made to the Estate Walkabout process as recommended by Tenant Scrutiny Board.
- That the Council introduces an improved waste management solution for individual estates.
- That the Council provides more bins, better collection of recycling, more clean up days and an education campaign for tenants around recycling.
- That appropriate enforcement action is taken to ensure that tenants meet responsibilities in their tenancy agreement relating to the upkeep of gardens.
- That tenant responsibilities relating to maintenance of gardens are clearly communicated to tenants.
- That Housing Leeds encourages and facilitates tool bank schemes.

- Improved Council communications to residents on the financial constraints and impact on grounds maintenance.
- That responsibility for maintenance of particular pieces of land is clearly identified.
- That Housing Leeds reports back to Tenant Scrutiny Board on any recommendations from its review of garages.
- That Housing Leeds proactively encourages and supports the development of Tenants and Residents Associations in those areas where activity is low.

2.26 All recommendations from the enquiry were accepted by the Council. A full copy of the recommendations and service responses are attached in Appendix 1.

2.27 At the Board's meeting on 3 August it was decided that its next enquiry would be of the East Leeds Repairs Service. The purpose of the enquiry is to undertake an assessment of, and make recommendations on the following areas:

- Current policies and procedures.
- Consultation with tenants.
- Co-ordination of services and agencies.
- Developing and delivering standards.
- Performance measurement.
- Customer satisfaction.

2.28 The enquiry began in August 2016 and is expected to conclude in early 2017, with the final report of recommendations being presented to the Tenant Scrutiny Board meeting in March 2017.

2.29 In addition to the above a working group has been established with Tenant Scrutiny Board in order for officers to consult on the Lettable Standard. This working group will be in place for the next 2 months to provide tenant feedback on the standard.

3. Corporate Considerations

Consultation and Engagement

Consultation and engagement is embedded within the individual policy / areas of activity.

Equality and Diversity / Cohesion and Integration

An equality impact assessment is not required at this stage as this report is primarily an information report.

Council policies and City Priorities

Housing policy and activities contribute to making *Leeds the best city to Live*.

Resources and value for money

Individual evaluations are undertaken within the individual policy / areas of activity

Legal Implications, Access to Information and Call In

This report does not contain any exempt or confidential information.

Risk Management

Risk management is embedded within the individual policy / areas of activity.

4. Conclusions

The report covers a range of policy areas identified by Environment and Housing Scrutiny Board at their June meeting.

5. Recommendations

Scrutiny Board is requested to note the contents of this report, and highlight any areas for further investigation.

6. Background documents¹

None

¹ 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.