

Report of Chief Officer, Housing Management

Report to Chief Officer, Housing Management

Date: 20 October 2017

Subject: Local Lettings Policy for new build homes at Garnet Terrace and Garnet Place, LS11 5JX / 5HX

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): City and Hunslet, Middleton Park, Beeston and Holbeck		
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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: Appendix number:		

Summary of main issues

1. This report sets out the framework for the development and implementation of a new local lettings policy for 25 new build council houses to rent on the Garnet Terrace and Garnet Place development in LS11.
2. The Council House Growth Programme will deliver 1,000 new homes to rent across the city. The council recognises the contribution that a local lettings policy will have in creating sustainable communities and rewarding existing council tenants within the regeneration areas.
3. The report sets out the proposed local lettings policy which will support the council's ambition of being the best city and council in the UK.

Recommendations

4. That the Chief Officer, Housing Management, approves the new local lettings policy for the new build homes in LS11 detailed in section 3.8.

1 Purpose of this report

- 1.1 This report seeks approval for a local lettings policy for 25 new build houses on Garnet Terrace and Garnet Place in the LS11 area to deliver sustainable lettings and support community cohesion.
- 1.2 This report details how the local lettings policy for the Garnet development will support the Vision for Leeds, Council Business Plan and City Priority Plan.

2 Background information

- 2.1 The Council Home Growth Programme will deliver 1,000 new council homes across the city in the next few years.
- 2.2 The local lettings policy outlined in this report will cover the 25 houses on the Garnet Terrace and Garnet Place development site at the following addresses:

2-30 Garnet Terrace, LS11 5JX and 41-59 Garnet Place, LS11 5HX
- 2.3 The properties will be let at Affordable Rent, and all offers will be subject to an affordability check.
- 2.4 The council's lettings policy provides the overall framework for lettings of council properties. Local lettings policies allow the council to respond to local needs and have a localised approach to the management of specific property types. Local lettings policies may give preference for offers of accommodation to defined groups of customers, for example, on the basis of their age, employment status or local connection to an area.
- 2.5 The council wishes to let the new build properties through specific local lettings policies tailored to meet local needs and aspirations.
- 2.6 The council wishes to overcome the perception that the current lettings policy is unfair to tenants who have been on the housing register for a long time and who feel they have little hope of being rehoused ahead of other customers in housing need. For this reason, the council proposes to give preference for the majority of new build homes to existing Leeds City Council tenants who have a connection to LS10 and LS11 through residence or family association and can demonstrate an excellent tenancy record. All successful applicants will have to demonstrate an excellent tenancy record for themselves and other household members.
- 2.7 This approach has the benefit of releasing additional council properties for rent, which will be relet to other customers on the housing register. This approach has been used in other new build developments throughout the city and has helped create sustainable communities with below average turnover, rent arrears and tenancy management issues.
- 2.8 The local lettings policy will only apply when a home is being allocated under Part 6 Housing Act 1996. It does not cover mutual exchanges, assignments or successions which are regulated under Housing Act 1985. This allows the council to refuse requests to exchange a property if the tenant is an Introductory Tenant

or where tenancy possession action has been taken on rent arrears, antisocial behaviour or any other tenancy breach.

3 Main issues

- 3.1 In developing proposals for a local lettings policy the council has considered the information it holds about housing need in the locality as well as the aspirations of local communities. Draft proposals have been developed for consultation with key partners and stakeholders including elected members, tenants and residents.
- 3.2 The council posted a survey questionnaire with a freepost return envelope to local tenants and residents and to a proportion of housing applicants who indicated they would like rehousing in the area.
- 3.3 Respondents were asked which groups should be considered for preference. The council asked respondents to provide information about their circumstances including equality monitoring information, their current housing tenure (council tenant, private rented tenant, owner occupier etc.), and the postcode area they currently live in. The survey was anonymous and respondents were not required to provide these details.
- 3.4 The consultation in Inner South Leeds closed on 29th September 2017. Responses have been collated and a detailed report is provided in Appendix 1. The table below shows the preference groups the council consulted on, ranked in order of support:

Preference group	Agree	Disagree	Don't know / no response	Total	% in favour
Applicants who have a good tenancy record	52	4	4	1	85%
People with a local connection to the City and Hunslet Ward area – including living, working, or having close family living in the area	51	7	3	0	84%
People who are living in overcrowded conditions	49	5	6	1	80%
LCC tenants living in the City and Hunslet ward	43	10	7	1	70%
Members and former members of HM Armed Forces	38	8	10	6	62%
People who are living in a home too big for their need	33	17	9	2	54%

- 3.5 Views of respondents have been taken into account when finalising the draft local lettings policy for approval.
- 3.6 In addition to the consultation, the Council analysed information from the housing register about customers who need 2 and 3 bedroomed houses and indicated

their preference for rehousing was in the City and Hunslet area. Of the 732 customers on the housing register, 158 (22%) are Council tenants of which 83% are not in any assessed housing need and are in Band C.

- 3.7 The properties will be let at an Affordable Rent (80% of market rent) as shown in the table below.

Addresses	Property size	Weekly rent
4 -10 Garnet Terrace, Holbeck, LS11 5JX	2 bed semi-detached houses	£108.92
43 – 57 Garnet Place, Holbeck, LS11 5HX	2 bed semi-detached houses	£110.77
16 – 22 Garnet Terrace, Holbeck, LS11 5JX		£110.77
2 Garnet Terrace, Holbeck, LS11 5JX	2 bed detached house	£112.62
12 Garnet Terrace, Holbeck, LS11 5JX	2 bed detached house	£114.46
26-30 Garnet Terrace, Holbeck, LS11 5JX	3 bed semi-detached houses	£115.38
41 Garnet Place, Holbeck, LS11 5HX	3 bed detached houses	£120.00
14 Garnet Terrace, Holbeck LS11 5JX		£120.00
24 Garnet Terrace, Holbeck, LS11 5JX	2 bed semi-detached house	£120.00
59 Garnet Place, Holbeck, LS11 5HX	3 bed detached house	£121.85

- 3.7.1 Following consultation with ward members consideration has been given to local connection criteria and how this should be assessed/established specifically for the Garnet new build scheme to ensure that these lettings meet the needs and aspirations of the local community.
- 3.7.2 Leeds City Council's Lettings Policy refers to the statutory definition¹ of local connection as being; normal residence in an area, now or in the past, where the residence was the customers own choice; being employed there (including people serving in the Armed forces); family associations; or special circumstances.

¹ Leeds City Council's Lettings Policy (5.1.12) takes this definition of local connection from s199 of the Housing Act 1996.

- 3.7.3 For the Garnet new build scheme the local lettings policy will define a connection to the LS10 & LS11 postcode areas through residence or family association to the area and not through employment.
- 3.7.4 The exclusion of employment as a qualifying local connection criteria within the proposed local lettings policy will positively address the demand for local housing in the LS10 & LS11 postcode areas of the city. Leeds City Council will meet the needs and aspirations of local people and support the sustainability of those communities.
- 3.7.5 The council proposes to operate a local lettings policy which will give preference for offers of accommodation on the following basis:

Shortlisting will be by date of application on the housing register 75% (19 properties) 14 x two bedroom 5 x three bedroom	Shortlisting will be in order of priority band on housing register 25% (6 properties) 4 x two bedroom 2 x three bedroom
First preference: Leeds City Council tenants living in the LS10 or LS11 postcode area who have an excellent tenancy record regardless of priority band.	First preference: Applicants with an excellent tenancy record; living in the LS10 & LS11 postcode areas based on residence with one the following preference groups: <ul style="list-style-type: none"> • people living in overcrowded conditions; • people living social housing who need to downsize; or • members / former members of HM Armed Forces
Second preference: Leeds City Council tenants with an excellent tenancy record with a connection to the LS10 & LS11 postcode areas by way of family association to the LS10 or LS11 postcode areas.	Second preference: Applicants with an excellent tenancy record; with a family association to the LS10 & LS11 postcode areas with one the following preference groups: <ul style="list-style-type: none"> • people living in overcrowded conditions; • people living social housing who need to downsize; or • members / former members of HM Armed Forces
If applicants do not meet the above criteria the following order of preference will apply:	If applicants do not meet the above criteria the following order of preference will apply:
Applicants with an excellent tenancy record; living in or with a family association to the LS10 or LS11 postcode areas.	Applicants with an excellent tenancy record; living in or with a family association to the LS10 & LS11 postcode areas.

- 3.10 Prior to offers being made, the council will check the tenancy record of applicants to ensure they have met their responsibilities under their tenancy agreement. This will include checks on their rent payment history, condition of the property including internal and external areas such as gardens, and community responsibilities, including antisocial behaviour, nuisance and environmental issues. The council will conduct a home visit to the property as part of the robust checks.
- 3.11 The local lettings policy and adverts will include clear definitions of preference groups and how this will be evidenced, as shown in Appendix 2. The local lettings policy is framed to allow the council to consider customers who are not able to meet the strict criteria where there would be the potential for unlawful discrimination, for example, an applicant fleeing domestic violence unable to be rehomed in their local area may be offered a home if they were the highest ranked customer on the shortlist who met the good tenant criteria.
- 3.12 Due to tight handover deadlines the onus will be on customers to provide evidence of how they meet the criteria within the timescales given in the advert.
- 3.13 The local lettings policy will apply to all initial lets and subsequent relets made to the end of 2019. The council will then evaluate the effectiveness of the policy and decide whether to extend it.
- 3.14 Once approval has been received, the properties will be advertised through Leeds Homes with clear detail on the local lettings policy criteria. The properties will be advertised ahead of the handover date to allow shortlisting and verification to be completed, and properties pre-allocated to the successful customer.
- 3.15 By giving preference to existing council tenants there will be an increase in the number of transfers from neighbouring council tenancies, but the associated void costs will be minimised through the use of enhanced pre-transfer tenancy checks.
- 3.16 New tenants will be offered an introductory tenancy, unless they previously held a secure tenancy with the council, or an assured tenancy with a housing association.
- 3.17 An introductory tenancy is for a trial period which lasts for a year. Provided there are no issues the tenancy will become a secure tenancy at the end of the year. The introductory tenancy can be extended for a further six months if the tenant does not fully comply with the tenancy terms, or action to repossess the property can be taken.
- 3.18 The council will develop its tenancy management service offer to tenants in the new build properties, including a comprehensive sign up process, a programme of tenancy welcome visits and annual tenancy visits. The council will also seek to involve new tenants with Tenants and Residents Associations and Good Neighbour Agreements to ensure ongoing sustainability and tenant satisfaction.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The council consulted in the City and Hunslet area, where the properties are situated.
- 4.1.2 This included seeking the views of local Ward Members, the local housing team and local tenants and residents. A written survey was sent to a proportion of customers on the Leeds Homes Register who have expressed an interest in rehousing in the City and Hunslet area and need a 2 or 3 bedroom property.
- 4.1.3 Previous consultations on changing the Council's main lettings policy have consistently shown high levels of support for making lettings based on waiting time and local connection. With affordable social housing being a scarce resource, the Council wishes to meet the aspirations of its tenants who have abided by the terms of their tenancy agreement, but who would not necessarily receive any priority on the housing waiting list.
- 4.1.4 Making lettings to existing tenants will assist tenants remain in the area they have a connection with, and will improve community cohesion and sustainability of the area, for example by allowing grown up children to remain near their family. It offers another route into housing and will assist people before their housing situation becomes so urgent that they warrant a priority award.
- 4.1.5 Making lettings to existing tenants also assists to reduce overcrowding and related issues in Council properties.
- 4.2 **Equality and Diversity / Cohesion and Integration**
- 4.2.1 The council has undertaken an equality and diversity impact assessment of the local lettings policy, which identifies the main positive and negative impacts on equality groups. The assessment includes an action plan to address any potential negative impacts available in Appendix 3.
- 4.2.2 The council has also taken into account recent allocations cases in other areas of the country to ensure any learning is incorporated into the equality impact assessment.
- 4.2.3 In developing the criteria for the local lettings policy, the Council has considered the equality groups who may be unable to meet the criteria and allowed for the criteria to be relaxed, for example, an offer could be made to a customer experiencing domestic violence who is unable to meet the connection criteria based on residence or family associations.
- 4.3 **Council policies and City Priorities**
- 4.3.1 Leeds' ambition is to be the best city in the UK – fair, open and welcoming with an economy that is both prosperous and sustainable so all our communities are successful. The development of local lettings policies for new build homes will support the council's desired outcomes of improving quality of life for our residents, particularly for those who are vulnerable or in poverty.
- 4.4 **Resources and value for money**

4.4.1 The development of new local lettings policies requires resources to ensure effective consultation takes place and to undertake enhanced verification of applicants (through home visits) prior to a formal offer of accommodation being made. The timely approval of the local lettings policy, property advertisements and shortlisting is essential to ensure the properties are let as soon as they are available to reduce potential void costs to the council.

4.4.2 Void costs associated with increased transfers will be minimised by conducting enhanced checks on existing tenancies, including a home visit to inspect the property.

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

4.5.3 The Council must abide by the Housing Act 1996, as amended, in developing its allocations scheme, including local lettings policies. Local lettings policies may be used to achieve a wide variety of housing management and policy objectives. However, the Council must have regard to its duties under equalities legislation, as well as the requirement to give overall priority for allocations of social housing to people in the reasonable preference (housing need) categories, including homelessness, medical need or overcrowding. This is achieved through the Council's approach to lettings across the wider ward areas and city.

4.6 **Risk Management**

4.6.1 The demand for the properties is likely to be high. There is a strong demand for 2 and 3 bed houses. However the demand from Council tenants may be lower because the rents are significantly higher than other council stock. The average rent for the existing 2 bedroomed council stock in the Garnets is £70.36 per week whilst the new build rents will range from £108.92 per week for a 2 bedroomed property to £121.85 for a 3 bedroomed property therefore the rents are significantly higher. Affordability assessments will be carried out to ensure all new tenants will be able to cover the rental costs. Should an applicant be financially reliant solely on benefits the housing cost element of Universal Credit will cover the full rental responsibilities when the property is let in accordance with the Local Lettings Policy. The local lettings team will make certain every property is let to full capacity ensuring all new tenants don't incur the under-occupation charge.

4.6.2 Designs will deliver highly energy efficient properties to help minimise running costs for tenants, address fuel poverty and contribute to broader sustainability and wellbeing agendas.

4.6.3 The number of properties handed over is of a medium size but there is no other new build scheme to be handed over in the same period. Additionally, we are in discussion to implement a phased handover which will seek to avoid the Christmas period.

4.6.4 During the consultation process the local connection was referred to as; People with a local connection to the City and Hunslet Ward area – including living, working, or having immediate family living in the area. We have since removed the 'working within the ward' element of the local connection due to the ward boundaries including the city centre, this element would attract applicants from all

over the city with no other vested interest in the geographical area. Housing Leeds wanted to support applicants living in and having a family connection to the LS10 and LS11 areas of the city, we want to deliver local housing to local people and reward those with an excellent tenancy record who may not have had the opportunity to move otherwise.

- 4.6.5 Giving preference to council tenants residing in the LS10 & LS11 postcode areas will increase the number of voids from properties in the area due to local authority transfers. These voids will provide other Leeds City Council applicants a greater opportunity to be rehoused in the LS10 and LS11 postcodes areas of the city
- 4.6.6 There is also a risk that despite high demand for the new builds that insufficient numbers of applicants who meet the criteria. This has been the experience on some earlier new build schemes. The assessment of customers is resource intensive, involving home visits to customers, and failure to identify suitable applicants on the shortlists may increase void times.

5 Conclusions

- 5.1 These new homes are part of a wider programme that will see the Council providing more than 1,000 new properties by 2018.
- 5.2 The Council is working with local stakeholders to develop new local lettings policies to address housing need and community aspirations, which support the Council's ambition to become the best city in the UK.
- 5.3 The development of the new build homes present an opportunity for the council to address the aspirations of tenants who have waited for a move, and reward tenants who have demonstrated a commitment to their existing tenancy.

6 Recommendations

- 6.1 That the Chief Officer, Housing Management, approves the new local lettings policy for the new build homes at Garnet Place and Garnet Terrace in LS11 as detailed in sections 3.13.

7 Background documents²

Appendix 1: Summary of consultation

Appendix 2: Local lettings policy criteria, verification and definitions.

Appendix 3: Equality Impact Assessment

² 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.