

## Lettings Policy Review 2023-24

Date: 13 December 2023

Report of: Director of Communities, Housing and Environment

Report to: Executive Board

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### Brief summary

Under Housing Act 1996 Leeds City Council is required to publish a lettings policy, setting out how it manages applications for housing, which groups are given reasonable preference for offers and how it allocates its housing stock.

Since the last lettings policy review in February 2019, Leeds has seen an increase in demand for social housing from applicants in housing need at the same time the number of properties available to let has reduced, which has been exacerbated by the pandemic.

The Date of Registration and Tenant Transfer lettings quotas have been suspended to increase the proportion of lettings made to customers in housing need. The suspension has previously been approved until May 2024. Housing Leeds is requesting this is extended further.

Housing Leeds has developed proposed changes to the current policy and is seeking approval to commence consultation to obtain feedback on the proposals from organisations, council tenants and customers.

### Recommendations

- a) Executive Board approve the consultation plan set out in section 17 on proposed changes to the council's lettings framework.
- b) Executive Board receive a report in summer 2024 setting out the results of the consultation exercise, a full equality impact assessment and seeking approval for the implementation of a revised Lettings Policy
- c) Executive Board approves an extension to the suspension of the Date of Registration and Tenant Transfer quotas until the new lettings policy is approved.

## **What is this report about?**

1. The report sets out current pressures on the council, and outlines proposals for consultation on changes to the council's lettings policy to manage demand and customer expectations more effectively. The report sets out the proposed consultation process and timescales for implementation of the new policy and seeks Executive Board approval to commence consultation.
2. Historically Leeds has operated an open housing register, allowing customers to register a housing application regardless of their place of residence, local connection to Leeds, financial resources and level of housing need.
3. The council is facing unprecedented pressure on demand for social housing, with an increase in demand from customers in high housing need and a reduction in the number of properties available to let. This has led to waiting times of over 2 years for customers in Band A priority and an increase in the use of temporary and bed and breakfast accommodation for homeless customers.

## **What impact will this proposal have?**

4. The proposal will allow the council to commence consultation and obtain feedback on the proposals from partners such as housing associations and from customers, including tenants and applicants on the housing register.
5. An Equality and Diversity Impact screening has been completed to consider the impact on equality groups. The main findings are:

### **Suspension of the Date of Registration and Tenant Transfer Quotas**

The policy for allocating council homes states 75% of properties are advertised based on housing need, 15% based on their date of registration and local connection to the ward area and 10% to existing tenants who require a transfer. The Date of Registration and Tenant Transfer quotas were suspended in April 2022 in response to the increased demand from applicants in housing need. Since then, a higher percentage of lettings has been made to customers in assessed housing need (an increase from 83% to 89% lettings to Band A+, A and B in total, and an increase of 68% to 77% to Band A)

There has been no significant difference to overall lettings by ethnicity, disability, age band, sexuality or carer status, but all these groups will be considered in the full impact assessment when the decision is brought back to Executive Board.

### **Proposals for consultation**

The Equality and Diversity Impact screening highlights the need for safeguards to be in place to ensure support is in place to make a housing application, identify housing needs, any local connections, and help with bidding and the priority extension process.

Taking financial resources into account will need to consider the size of the household, whether the household is in receipt of disability benefits, and any individual circumstances.

Certain groups would be exempt from some restrictions including travellers, customers experiencing domestic abuse, members of the Armed Forces, tenants moving to take up work and Leeds care leavers placed out of area, and discretion would be applied in exceptional circumstances.

Consideration needs to be given to the impact excluding customers who are not in housing need would have on demand for Retirement Life properties suited to over 60s, as well as under

occupation moves that would free up a larger council or housing association home for other customers.

There needs to be consideration of the impact on extended families where different generations are already living together and have been for some time.

Further analysis and a full impact assessment will be brought forward with the final proposals, and equality impacts will be covered in the consultation.

## Current pressures

6. The number of households on the register has increased over the last 5 years, as has the percentage in Band A, the highest band. These are customers who are homeless, threatened with homelessness, in medical need, living in unacceptable housing conditions or who have an urgent welfare need to move.

<b>Band / Year</b>	<b>2017/18</b>	<b>2022/23</b>	<b>2023/24 Q2</b>
<b>Band A no.</b>	3,981	5,390	5,236
<b>Band A %</b>	15%	21%	20%
<b>Total on housing register</b>	23,603	26,239	26,331

7. Whilst most council allocations are made through the Leeds Homes choice-based lettings scheme there are also currently over 900 customers on the direct let list, who qualify for a direct offer of accommodation. This number is also increasing, particularly in relation to customers impacted by clearance where the council is having to rehome current tenants due to demolition of existing stock.
8. Additional pressures include customers who are unable to move on from temporary accommodation or supported housing, asylum resolution cases and an increase in no-fault evictions from the private rented sector.
9. The Housing Options service are national leaders in terms of prevention of homelessness and temporary accommodation levels when compared to other core cities. Temporary accommodation levels at December 2022 were 166 in Leeds compared to 4213 in Birmingham and 3194 in Manchester. However, Housing Options now see multiple approaches from the same customer in the time it would have previously taken for a Band A applicant to be rehoused. An example of this would be the challenge regarding applicants who are living with friends and family. The timescale for rehousing is now such that relationships with those providing an applicant's current accommodation are more likely to break down, or the applicant and/or their friend or relative believes that homelessness approach has become the only way to resolve their situation. This has led to an increase in temporary accommodation placements from people previously settled with friends and family. A further example adding to pressures is an increase in cases requiring LHO services to find more than one temporary tenancy to bridge the gap between original homeless approach and rehousing into council accommodation.
10. Additional pressures arise due to government initiatives in the recent past including the rough sleeper 'everyone in' scheme, Homes for Ukraine and the current Sudan amendments which offer direct access to homeless approaches rather than staged accommodation such as the asylum process.
11. LCC's housing stock has decreased from 56,154 in March 2018 to 53,424 in March 2023. In 2022-23 the council let 115 new homes through the housing growth programme, but 673 homes were lost through right to buy, which is indicative of the average stock lost through Right to Buy year on year.

12. In 2022-23 LCC let 3,099 properties, an increase from 2,259 the previous year but well below 3,657 in 2017/18.

13. Our partner registered providers also support the pressures within the city through their nominations from the Leeds Homes Register. In 2022/23, 928 customers rehoused through nominations compared to 857 in 2016/17.

14. The average waiting time for customers to be rehoused in different time periods in weeks was:

<b>Band</b>	<b>2017-18</b>	<b>2022-23</b>	<b>2023-24 Q1</b>
A	55	123	126

15. This means on average, the current 5236 households in Band A with an urgent need for housing will on average have to wait over 2 years for an offer of LCC accommodation.

16. Whilst we have unprecedented demand for rehousing from customers with an urgent need to move there are still challenges in allocating some stock where there is lack of customer demand for certain property types or within certain areas. This includes some bedsit accommodation and some Retirement Life properties.

## **17. Details of proposed changes for consultation**

### **a) Allocating the majority of properties to applicants in housing need on a permanent basis**

In April 2021 the Date of Registration (DOR) and Tenant Transfer (TT) quotas were temporarily suspended meaning all LCC properties are advertised based on the housing needs of the customer (except new build homes which are subject to a separate new build lettings policy approved for all LCC new build homes). The suspension was in response to the impact of the pandemic on the lettings and voids service when lettings were suspended during the period of national restrictions resulting in customers being unable to move on from supported accommodation and increased waiting times for customers in housing need. The decision aimed to increase numbers moving on from the highest priority groups, including those living in temporary and supported accommodation.

Since the quotas were suspended, around 90% of general needs allocations have been made to customers in Band A. This has supported a greater proportion of customers with an urgent housing need secure council housing.

The review of the lettings policy gives an opportunity to remove the date of registration (DOR) and tenant transfer (TT) quotas permanently.

The proposal for consultation will be to remove these quotas and move to a system of 100% allocations being based on housing need. Executive Board approval is sought to extend the current suspension of the DOR and TT quotas until the new lettings policy is approved.

Housing more customers in the highest level of priority will inevitably mean that more vulnerable people are moving into Council housing which could put at risk the sustainability of some communities where there are high concentrations of vulnerable customers. There are existing provisions within the current Lettings Policy to manage this situation as well as opportunities at the sign up meeting and new tenancy check in to arrange for support for vulnerable tenants.

Current tenants will continue to be able to move by way of mutual exchange, or if they are in assessed housing need such as overcrowding or needing a move for medical reasons.

## b) Reviewing the criteria for joining the housing register

Historically Leeds has operated an open waiting list or housing register and only excludes customers based on unacceptable behaviour, for example, rent arrears or antisocial behaviour.

By law the council must consider all applications made in accordance with its policy and accept applications from eligible and qualifying customers.

Eligibility rules are set by central government and relate to persons from abroad, but local authorities have the power to set their own qualification criteria, provided it does not disqualify certain groups (Armed Forces, people fleeing domestic abuse, witness protection cases, social housing tenants moving for work, Leeds care leavers and people likely to be in housing need) or on equality grounds.

Criteria used by other authorities includes:

- Customers in no assessed housing need, including tenants who have been rehoused or bought their home from the council
- People with sufficient financial resources to make their own arrangements in terms of assets, income, or savings and people who own another residential property
- Customers with no connection to the area (based on residence, close family or employment)

The table below summarises criteria which are being considered as a requirement for joining the register along with risks and issues:

Action	Impact	Issues
Remove applicants in no assessed housing need. This could potentially reduce the register by over 18000 applicants	This would reduce resources required to manage a larger register and gives a clear message to customers who are extremely unlikely to be made an offer of council accommodation	Requires resource to manage appeals and could potentially lead to band chasing and challenges around suitability of offers from customers who have their priority removed after refusing a property offer. Some properties would become more difficult to allocate eg Retirement Life properties where 36% lettings were to customers in Bands C and D in 2022/23, properties with age LLPs and may impact on partner housing associations.
Remove applicants with sufficient financial resources to meet their own needs (an income of over £60k), or assets such as owning a residential property or other property that could be sold	1680 applicants have indicated an income of over £35k - £60K 81 over £60K This would help ensure social housing is allocated to residents with lower incomes who are unable to access other options in the private sector	Resources would be required to carry out financial checks and consideration given to equality issues such as customers with a medical need, or customers fleeing violence. Consideration would need to be given to existing tenants who may not meet the criteria but wish to move for other reasons such as downsizing.
Remove applicants who have not lived in Leeds	In line with government guidance 'Providing social	Whilst these applicants do not currently reside in Leeds, they may

for a minimum of 2 years	housing for local people' (2013) which states: 'The Secretary of State believes that including a residency requirement is appropriate and strongly encourages all housing authorities to adopt such an approach. The Secretary of State believes that a reasonable period of residency would be at least 2 years'. In Leeds this could impact up to 2600 applicants	have a local connection for family or employment purposes. Again, resources would be required to manage verification and appeals, and consideration required for different equality groups.
Remove applicants with no local connection to Leeds.	Numbers of these customers are currently unknown but would be in Band C or Band D on the current register.	Would be in lowest bands now anyway and unlikely to get offers – would require further investigation to find out if they do have a local connection but not updated their application
Remove existing tenants who are not in housing need	Our current register has nearly 3600 Band C/D applicants who are existing LCC tenants and 1500 Band C/D applicants in RP accommodation Legally a different qualification criterion can be applied to existing tenants not in housing need. Tenants do have access to mutual exchange.	For instance, to only accept an application for downsizing purposes, to facilitate a tenancy management move (eg sole to joint LCC tenancy) or to retirement life properties.

Any of the above options would present a major shift in how we manage the housing register.

### **c) Restrict adult household members who can be included on an application as a household member to be rehoused**

The current policy states that normally, the council will only accept applications from customers and any person who normally resides with them as a member of their family, or any other person who might reasonably be expected to reside with them.

Leeds has a very limited number of larger houses that become available, and only 9 general needs flats larger than 3 bedrooms. Cases have arisen where multiple adults have sought to be included on a housing application or an applicant is awarded a priority to move, and subsequently adults are added to the application which increases the bedroom requirements that are difficult to be met through our existing stock.

The council is proposing to only accept applications from households with adult children over 18 where they usually live full time with the applicant. Applications made with other adult family members will only be accepted in exceptional circumstances. Permanent overnight carers would still qualify to have their own room.

Where the council receives an application which includes other adult household members, the council will give advice to them on making a separate application.

Consultation will be undertaken on whether the register should be restricted to multiple adult household members.

The council assesses the number of bedrooms a household requires based on the number of people to be rehoused, their ages and gender of any children. Currently a separate bedroom ought to be available for each adult aged 16 or over, unless they are living as partners.

The council is proposing to raise this to 18 years or over, in order to reduce demand for larger properties and the number of households assessed as being overcrowded in cases where the 16 or 17 year old is likely to move out and leave the household under occupying accommodation.

#### **d) Increase the length of time priority is awarded for**

Priority is currently awarded for 180 days. As the average timescale for rehousing has increased to over 2 years this could be extended to reflect more realistic timeframes for rehousing and free up resources managing the priority extension process. This would reduce customer contacts but would also reduce the number of opportunities to review a housing application and give the relevant advice and support.

An increase in the length of time priority is awarded for also increases the risk of applicants bidding inappropriately or not bidding without any feedback. Any increase to the length of time priority is awarded for will increase the overall number of people in the priority bands A and B, as a proportion of cases reviewed do not respond to confirm their continued need and so their application is subsequently cancelled.

Consultation will be undertaken on whether the period that a priority is awarded should be extended to 365 days.

#### **e) A new Direct Let category for roofless customers**

Consideration is being given to creating a new direct let category for customers in temporary accommodation or bed and breakfast – this may be considered as a regular quota of all allocations or used flexibly to respond to extraordinary pressures. This would allow offers to be made out of strict date order to free up space in temporary accommodation. The direct let would be for a single offer of accommodation ideally in the customer's preferred area but could be an alternative area depending on the availability of properties.

The award might incentivise approaches and take up of temporary accommodation instead of maintaining other arrangements such as staying with friends or family, and in turn could inadvertently increase pressure on temporary and supported accommodation.

The risk of this is the impact on other customers in acute housing need, for example, 'homeless at home', applicants experiencing domestic abuse, living in inappropriate housing that is unsuitable for their medical needs or extreme overcrowding.

Consultation will be undertaken on whether a new direct let category should be created for roofless customers.

#### **f) A review of Local Lettings Policies**

Local lettings policies (LLPs) apply to 10,000 LCC properties and give preference based on age (e.g., over 40s), local connection, households without children, employment etc. The framework for the review of LLPs was agreed at the last Lettings Policy review but has not commenced and policies have not been reviewed to meet any changes in need. It is proposed that the framework for undertaking local lettings policies is reviewed as part of this Lettings Policy review.

Given the shortage of council accommodation, and particularly family sized houses, the proposal is that the council will make offers of high rise accommodation to households with dependent children and will not award priority to move out of high rise unless there are extenuating circumstances to support a move, or if there was a local lettings policy on blocks deemed unsuitable for children to live.

Under the lettings policy, preference for offers of family houses will continue to be given to households with dependent children.

Allocations to new build Council housing is in accordance with the New Build Lettings Policy with 50% of properties advertised giving preference based on priority need and 50% based on date of registration. It is proposed as part of the Lettings Policy review that the new build lettings policy is also reviewed so that 100% of allocations are made giving preference based on priority need, to ensure that it is aligned to the wider policy on priority need.

Consultation will be undertaken on the proposed approach for local lettings policies, children at height and the new build policy.

#### • **Other Considerations as part of the Lettings Policy Review**

It is important that for each of the changes being consulted upon that consideration is given to the administrative burden or saving of each of the changes compared to the potential positive impact of the change in supporting the Council's ability to meet housing need more effectively. This includes consideration of additional verification that may be required and staff time to administer this, system changes and how we could streamline the approach as much as possible.

Further detailed research and analysis of the housing register will be undertaken and the approach of other local authorities have been considered to understand how they have applied similar changes, best practice learning and consider the potential positive impacts and any unintended consequences of the proposed changes.

It is important as part of the Lettings Policy review that consideration is given to how we ensure that the support needs of a higher number of vulnerable new tenants are met to ensure that these tenants are supported to achieve sustainable tenancies in sustainable communities. This will include robust introductory tenancy management and support, a strengthened partnership approach with commissioned support providers to ensure that support needs are met and analysis of new tenancy trends and outcomes to monitor if the approach is working / if any changes are required.

The outcome of these considerations alongside the feedback from the consultation exercise will help to determine value for money of each of the proposed changes, particularly in relation to reviewing the criteria for being on the register and inform the eventual changes to the Lettings Policy.

#### **How does this proposal impact the three pillars of the Best City Ambition?**

Health and Wellbeing

Inclusive Growth

Zero Carbon

- Secure housing is strongly linked to positive health, wellbeing and social inclusion, and the Lettings Policy determines which groups of customers are likely to be made offers of a council home.
- Promotes a preventative and supportive approach to homelessness and rough sleeping.
- Promotes strong and sustainable neighbourhoods.

## What consultation and engagement has taken place?

Wards affected: All

Have ward members been consulted?

Yes

No

18. Briefing sessions have been held with members in September and November 2023.
19. The report seeks approval to launch wider public consultation to commence in January 2024 and will run for approximately 12 weeks. This will include a series of consultation events with partner organisations such as registered providers and strategic tenant groups. Details of the proposed changes will be included on the Leeds Homes website, promoted on social media and through tenant communications to ensure customers are aware of the proposals and have an opportunity to comment through an online survey hosted on Your Voice Leeds. The number of respondents to the survey will be monitored to ensure effective take up and further promoted throughout the consultation period. Consultation will also take place with the city's Equality Hubs, to consider the equality perspective of the proposed changes.
20. In conjunction with the consultation Housing Leeds will launch a communications campaign to highlight existing pressures on social housing. This will aim to:
- Inform respondents of the pressures facing council housing
  - Highlight alternative options to access secure housing or stay put with support or prevention measures
  - Provide factual information about how the applications, priority award and the allocations scheme works
21. The campaign will be aimed groups and organisations who work with or support customers and will be a two way conversation to better understand each other's pressures. This will include housing organisations, Partner Registered providers, LCC Commissioned Services and voluntary sector organisations.

## What are the resource implications?

21. The Council's lettings policy impacts on the following areas:
- The efficient management of the housing register – currently 26,000 applicants, 7,000 in a housing need but only 3,000 lettings per year. Most applicants, including a number in Band A, currently have little or no prospect of being rehoused by the council.
  - Making best use of the limited properties that become available to let each year – ensuring that lettings are made to applicants in the highest housing need.
  - Reducing the number of households accommodated in temporary accommodation placements which is increasing month on month, and which creates a significant budget pressure.
  - Management of void properties, and minimising the length of time properties remain empty by introducing a more robust lettings process which seeks to give customers realistic information about the options available with the reducing availability of council homes.
  - We need to consider the additional resources required to manage any changes to the housing register, for example, staff time to verify household income and assets, officer time to review decisions, legal officer time to manage any increase in challenges

## **What are the key risks and how are they being managed?**

22. The key risks relate to managing demand for council housing, which outstrips supply. The council must meet its duties under homelessness legislation and give reasonable preference to certain customer groups under the Housing Act 1996. The proposed changes will mean the council still complies with these duties while setting out a more robust way of managing customer expectations given the mismatch between demand and supply.
23. Consultation will be undertaken on each of the proposed changes. Any changes to the lettings policy will need to be implemented effectively and communicated to affected customers and stakeholders, especially if customers are removed from the register as a result of the review.
24. Final proposals will be brought back to Executive Board and will be subject to an Equality and Diversity Impact Assessment before final approval is sought.

## **What are the legal implications?**

25. The Housing Act 1996 requires every local housing authority to have an allocation scheme for determining which customers are prioritised for re-housing, and the procedure to be followed in allocating housing. This covers lettings of Council tenancies made by Housing Leeds and the Belle Isle Tenant Management Organisation (BITMO), and nominations to Registered Social Landlords.
26. The Localism Act and more recent government guidance supports local authorities taking account of local flexibilities, which Leeds has done in the past.
27. The review will also make general housekeeping updates to the policy, including updating references and the introduction of any day advertising which has been approved in separate delegated decision.
28. There is a risk of increased legal challenges as a result of some of the proposed changes.
29. In developing the final version of the lettings policy consideration will be taken of the consultation responses and the outcome of the full EIA to ensure customers are assessed on an individual basis, and any exceptional circumstances are taken into account.
30. Since the council's choice based lettings scheme, Leeds Homes, was implemented in 2003 the council has advertised available properties on a weekly cycle, with new properties being added to the website every Wednesday. This allows properties to be added as they go on notice and will help reduce relet times.
31. From mid-November 2023 we introduced Any Day Advertising, where properties are added daily from Monday to Friday. The Lettings Policy will be updated to reflect these changes, which were approved by delegated decision.

## **Options, timescales and measuring success**

### **What other options were considered?**

32. Retain the current Lettings Policy. This has been ruled out because a temporary change to the policy has already been in place for nearly 2 years in response to the pandemic. This involves the temporary suspension of the Date of Registration quota, which gave preference for a proportion of lettings based on waiting time on the housing register.
33. Other measures which will be adopted alongside the Lettings Policy review include a communications plan to give a stronger message to customers and partners about pressures on the social rented sector, so they have realistic expectations of prospects of being offered a

council home and availability of alternatives including Housing Associations, private rented and staying put with support (where it is safe to).

34. Housing Options continues to take a more preventative approach to homelessness than the majority of core cities with routinely between 60/70% of cases being opened before becoming homeless allowing us to provide specific interventions. We need to ensure partner agencies are fully aware of our service and how to access to improve and retain the early intervention advantage.

35. Alongside this review we are also planning a review of our nominations agreements with Housing Associations, to ensure that we are maximising the number of Housing Association allocations made from those in the greatest need on the register. These revised nominations agreements will take place from 2024/25.

### **How will success be measured?**

36. Success will be measured by the level of engagement in the consultation from partner organisations and customers.

### **What is the timetable and who will be responsible for implementation?**

The consultation will seek stakeholder opinions on the following proposals:

Removing the following groups from the housing register:

- social housing tenants who are not in housing need
- applicants who are not in housing need (Band C and Band D customers)
- applicants without a local connection to Leeds
- applicants who haven't lived in Leeds for 2 years
- applicants who have income / savings / assets over £60k
- restricting which groups of adult household members can be added to be rehoused on an application

Increasing the age at which a household member is assessed as needing their own room from 16 to 18 years

Whether the length of time priority is awarded for should be increased from 180 days to 365 days

Whether to permanently remove the Date of Registration and Tenant Transfer Quotas and let all properties based on housing need

Whether to introduce a new direct offer category for roofless customers which will enable them to be rehoused ahead of other customers

Whether to change the approach to rehousing households with dependent children, so that an offer of high rise will be considered a reasonable offer to discharge homeless duties

The consultation will:

- Inform respondents of the pressures facing council housing
- Propose changes that would limit access to the housing register for some groups
- Seek feedback on proposals to create efficiencies or prioritise some groups

The main identified stakeholders are:

- Applicants

- Tenants
- Elected members
- BITMO
- Partner Registered Providers
- Housing Staff
- Commissioned Services and voluntary sector organisations
- Equality Hubs
- Adult Social Care
- Children’s Services

Consultation will take place through:

- Online engagement offered to applicants via Your Voice Leeds
- Focused customer engagement forum(s)
- Stakeholder Forums including Registered Providers Forum
- Members’ briefings
- Staff meetings

It will be promoted through the Leeds Homes website, social media, tenant newsletter and staff network groups. We will ask for anonymised equality data to help analyse the results.

37. The proposed timetable is shown in the table below:

<b>Action</b>	<b>Timescales</b>
Executive Board approval to commence consultation	December 2023
Public consultation with stakeholders on proposed changes to lettings policy, including tenants / customers	January – March 2024
Collation of responses	April – May 2024
Develop final proposals, equality impact assessment, legal opinion	May – June 2024
Draft Executive Board report on final proposals	June – July 2024
Executive Board report seeking approval to implement new policy	September 2024
Implementation including any IT changes, develop reporting framework, training and communications plan	September - October 2024
Go live (possibly phased)	November 2024

## **Appendices**

- Appendix 1: Equality, Diversity, Cohesion and Integration (EDCI) screening

## **Background papers**

- None