

Report of Chief Officer, Strategic Housing

Report to Scrutiny Board (Housing and Regeneration)

Date: Tuesday 25 March 2014

Subject: Local Lettings Policies

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

Summary of main issues

1. A significant proportion of the 5,000 council homes let each year are allocated under local lettings policies (LLPs) which give preference for lettings to certain customer groups.
2. The use of LLPs gives the council the flexibility to deliver a lettings service which is responsive to local needs. The use of LLPs can be positive but also bring challenges.
3. The current LLPs need to be reviewed to ensure they meet their stated objectives and remain fit for purpose.
4. The council operates a mutual exchange scheme which allows council and housing association tenants to 'swap' their homes.

Recommendations

5. Scrutiny Board note the contents of the report and the success of the council's mutual exchange strategy.
6. That the Chief Officer, Housing Management reviews the current local lettings policies by October 2014 to ensure they meet their stated objectives, following the process outlined in section 3.24.

1 Purpose of this report

- 1.1 The purpose of this report is to provide Scrutiny Board with an overview of the different types of local lettings policies (LLPs) in operation in Leeds and an evaluation of their effectiveness
- 1.2 It outlines the proposed framework and timetable for the council's review of LLPs in 2014.
- 1.3 The report provides information on the council's mutual exchange scheme which allows tenants to 'swap' homes with other council and housing association tenants.

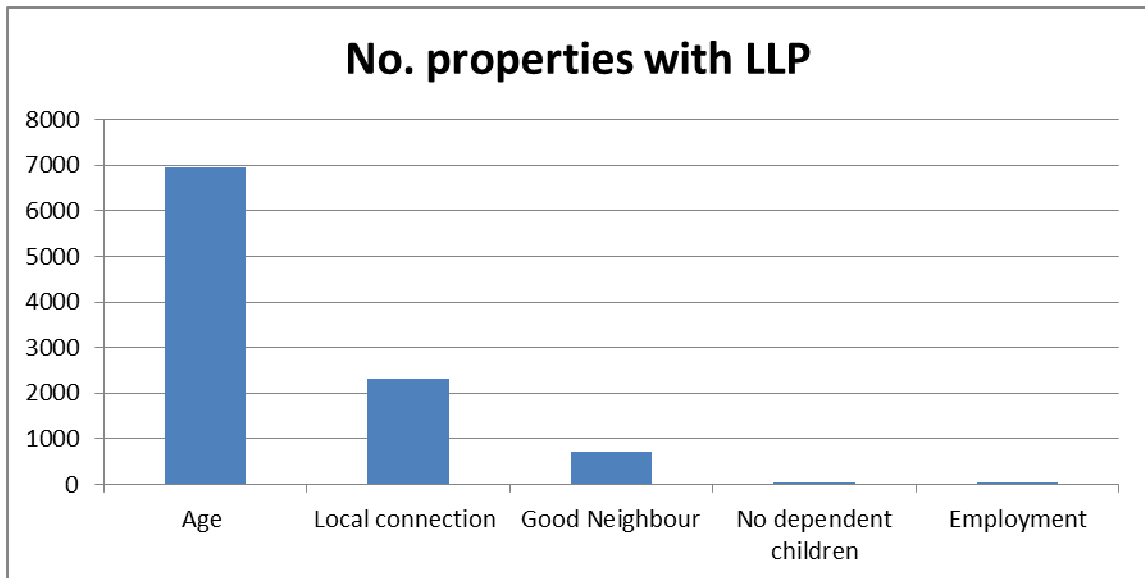
2 Background information

2.1 Local lettings policies (LLPs)

- 2.2 The council's lettings policy provides the overall framework for lettings of council properties. Approximately 5,000 of the council's 57,000 homes are let each year. The majority of properties are let based on the customer's housing need or waiting time. In 19% of lettings a LLP is applied.
- 2.3 The use of LLPs allows the council to respond to local needs and have a localised approach to the management of specific property types. LLPs 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.
- 2.4 The use of LLPs in Leeds was formalised in 2003. Prior to this LLPs were operated as 'custom and practice'. LLPs are not evenly distributed across the city because historically each of the former ALMOs adopted a localised approach. This has resulted in concentrations of LLPs in certain areas, which will be considered as part of the review process.
- 2.5 LLPs are reviewed regularly to ensure they meet their stated aims, and are approved through the delegated decision process.
- 2.6 The council manages 4,300 sheltered properties which are let primarily to customers aged 60 years old and over. Preference for the council's 1,300 non-sheltered bungalows is given to customers age 60 and over, and customers who require level access accommodation. The age preferences are applied by reference to the design and purpose of these types of accommodation; younger customers who require the services or facilities are eligible for them. These are not treated as local lettings policies and are outside the scope of this report.
- 2.7 Housing Leeds consider the needs of disabled customers who do not meet the requirements of an LLP on a case-by-case basis.
- 2.8 New customers may take over a tenancy without meeting the LLP criteria because LLPs only apply to lettings made through the housing waiting list, not to

mutual exchanges, successions or assignments. In addition, tenants' circumstances may change, for example, where an existing tenant living in a high rise flat has a baby.

- 2.9 There are 9,885 council properties with a LLP in place (some properties have two LLP criteria, for example, Wortley Heights has a Good Neighbour and 35+ LLP). A breakdown by LLP type is shown in the table below:



- 2.10 The council's lettings policy seeks to balance the needs of customers on the housing waiting list with a responsive localised housing management service. The majority of council homes are let to customers with an assessed housing need, including people with medical needs, living in overcrowded housing conditions or insecure housing. Housing Leeds delivers a more intensive management service designed to meet the needs of tenants with complex needs.

- 2.11 In January 2011 the council introduced a quota allowing up to 25% properties to be advertised based on waiting time on the housing register with a connection to the local Ward. This change in the policy was intended to promote sustainable communities by ensuring a proportion of lettings were made to customers who do not fall within the statutory definition of housing need but who still need to move to or remain in their locality.

- 2.12 The overall number of households on the Leeds housing waiting list has reduced over recent years from 28,559 at end March 2010 to 24,485 at the end of December 2013.

Younger customers on the waiting list are more likely to be in a priority band than other customers. 33% of 16/17 year olds are in priority, 21% of 18/25 year olds are in priority and out of the remainder of age groups there is a 15% priority.

- 2.13 **Mutual exchanges**

- 2.14 Mutual exchange offers council tenants the opportunity to exchange their homes with other secure tenants or assured tenants of housing associations. Only properties with a tenant in occupation can be exchanged. Empty properties are let in accordance with the council's lettings policy.
- 2.15 As a result of proactive publicity and an incentive the number of exchanges increased from 514 in 2012 to a projected 648 for 2013. Housing Leeds is actively promoting exchanges through publicity and tenant 'swap shops'. A move through an exchange can resolve under occupation or overcrowding quickly without the tenant being in a priority band on the housing waiting list. When an exchange takes place neither property goes into void, meaning there is no loss of rent or council tax liability. The costs of moves through mutual exchanges are significantly less than for properties let through the waiting list. The council is developing a citywide strategy to promote exchanges between council and Registered Provider tenants.

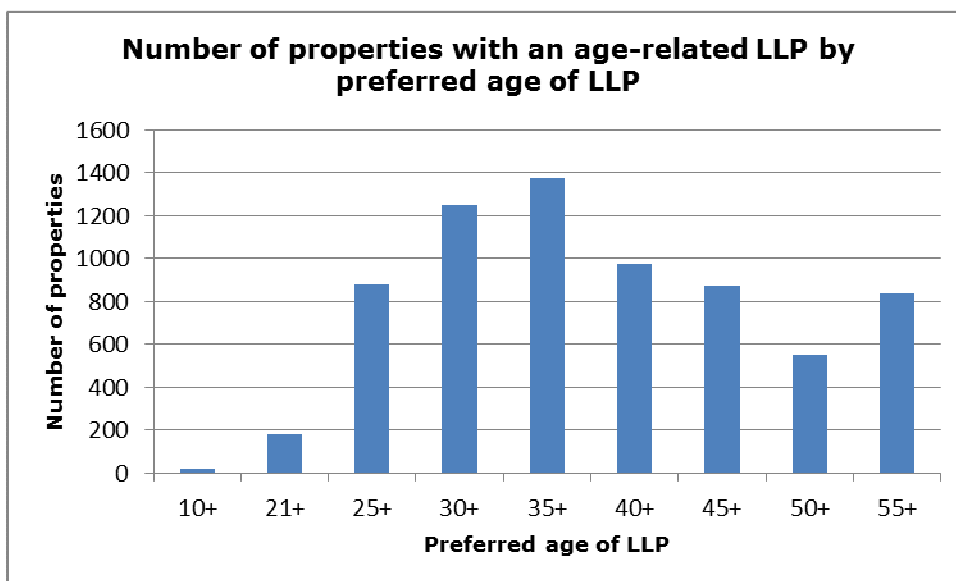
3 Main issues

3.1 The LLPs operating in Leeds are set out below.

3.2 Age-related LLPs

3.3 These give preference to customers above a certain age and apply mainly to 1 and 2 bedroom flats. The age ranges vary from 21+ to 55+. 6,947 properties have age-related LLPs, of which 1,406 have additional restrictions on rehousing customers with dependent children.

3.4 Age related LLPs aim to minimise lifestyle clashes between customers of different age groups in areas of high density housing such as high rise flats. Previous reviews have shown that age related LLPs are popular with existing tenants. They are easy to understand and can minimise the lifestyle clashes. It has to be noted that there are many well behaved younger tenants and incidents of anti-social behaviour carried out by older tenants.



(The LLPs with '10+' refer to restrictions on rehousing households with dependent children aged under 10 years old).

3.5 Age-related preference LLPs allow shortlisting to be based on the age outlined in the LLP, eg 45 years+, but if no suitable customer is found, preference is normally given over 5 year intervals, eg from 40 – 45 years old, 35 – 40 etc until the shortlist is completely exhausted.

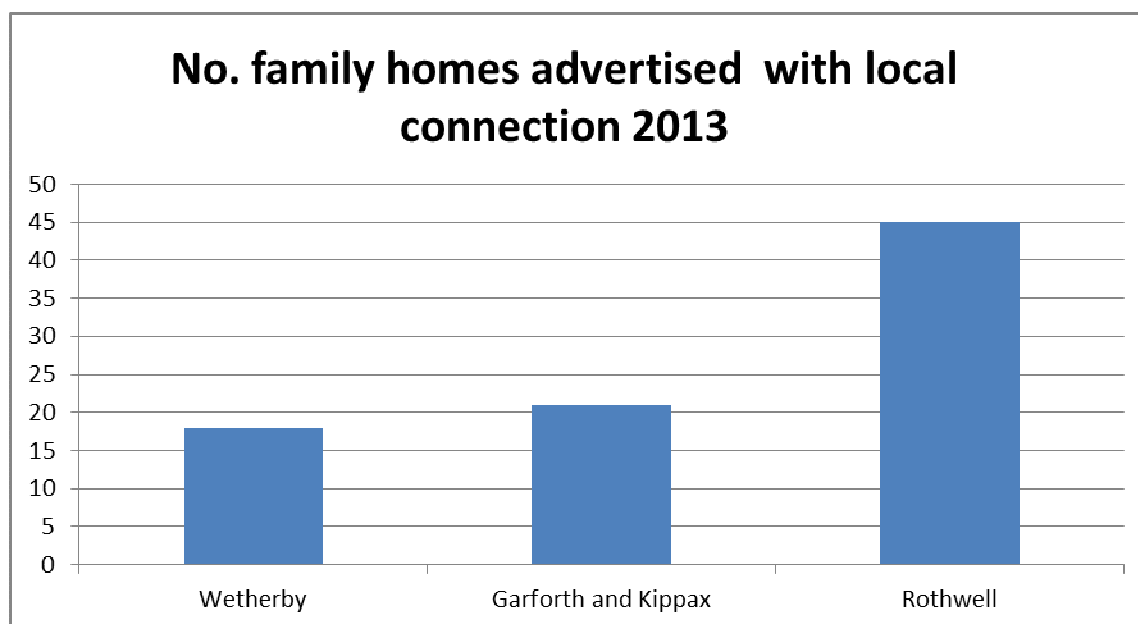
3.6 Local Connection LLPs

3.7 These give preference to customers with a local connection to the specific area of Leeds. The LLPs operate so that a customer with a local connection would receive an offer of accommodation ahead of another customer within the same priority band without a connection.

3.8 A customer can establish a local connection through residence, employment or family association.

3.9 They apply to 2,317 family homes with 2 or more bedrooms in outlying areas of Leeds, and cover all family accommodation in Wetherby, Garforth and Kippax and 50% family homes in Rothwell.

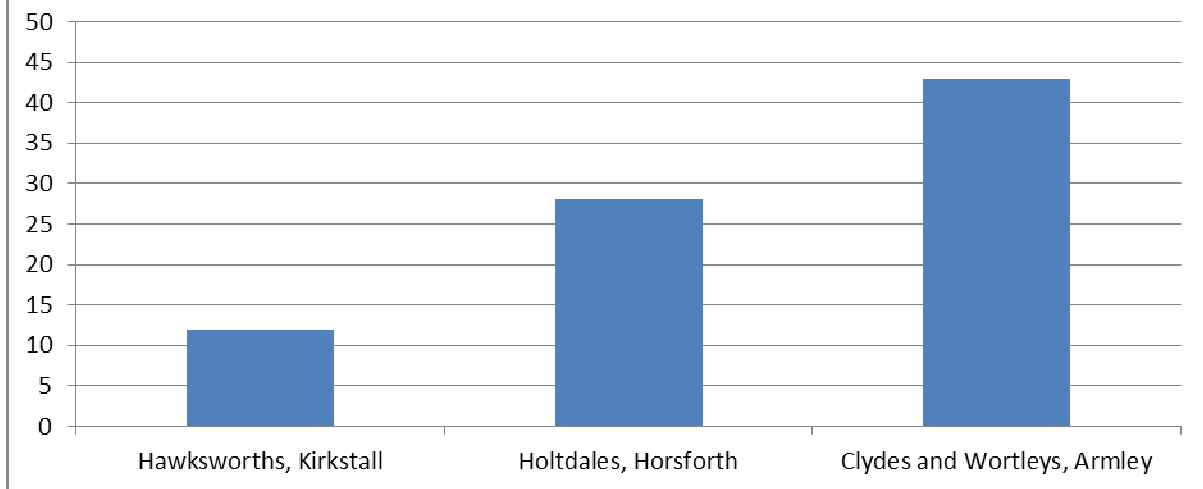
3.10 These are areas of high demand where the council has a very limited number of family houses with a low turnover, and where affordability is an issue. The following table shows the number of family properties advertised in 2013 under a local connection LLP, illustrating how low turnover of these property types is.



3.11 Good neighbour LLPs

- 3.12 These LLPs give preference to customers without a record of housing-related antisocial or criminal behaviour. These apply in four areas of the city where there have been on-going issues relating to ASB and cover 1 and 2 bedroom flats.
- 3.13 The Good Neighbour LLPs have been piloted in conjunction with Leeds Anti Social Behaviour Team (LASBT) and local policing teams. There are 719 properties with a Good Neighbour LLP in the city. One block with a Good Neighbour LLP also has an age preference of 35+.
- 3.14 These LLPs operate in areas where the council and neighbourhood policing teams are working closely together to address ASB, including formal data sharing protocols. These stipulate the timescales to deal with requests for information on prospective tenants. The areas are identified as having high reports of ASB, higher than average tenancy turnover and low demand.
- 3.15 The first Good Neighbour LLPs were introduced in North West Leeds in 2012. Initial monitoring has shown that while there has been no overall reduction in the total number of enquiries to LASBT since the LLP was introduced, there have been shifts in the types of enquiry, with a reduction in nuisance and rowdy behaviour and race hate crime.
- 3.16 The majority of ASB cases in the North West relate to established residents rather than new, including grown up children who live in the parental home. The perception of locally based housing officers is that the reduction in cases of nuisance / rowdy behaviour has been very positive in relation to perceptions of the area.
- 3.17 The LLP operates as part of an overall package in tackling ASB, and the fact that the overall number of enquiries has remained stable may reflect greater confidence in the joint working approach with the police, housing and community safety with people feeling their reports will be taken seriously and acted on.

No. properties advertised with Good Neighbour LLP 2013



3.18 Restrictions on dependent children

3.19 In the absence of an approved LLP, lettings are made in accordance with the council's lettings policy, which contains no restrictions on rehousing customers with dependent children in 2 or 3 bedroom high rise properties.

3.20 The Council would not insist a family with children move to a high rise flat, but recognises that this may be a choice preferable to living in overcrowded and unsatisfactory living conditions while they wait for a house to become available. However, the age related LLPs restrict choice of younger adults which may result in higher concentrations of younger and potentially more transient groups in areas of the City without age LLPs.

3.21 The council does generally offer 2 bedroom flats to customers with part time access to children under 16. There are 21 properties in Leeds with only a restriction on children LLP, in addition to the properties which also have age restrictions.

3.22 Employment LLPs

3.23 These give preference to customers in employment. There are 12 of these in the Belle Isle area which apply to 1 bedroom low rise flats.

3.24 This LLP was introduced in a block previously used for young person's supported housing to assist low paid workers find affordable accommodation in the Belle Isle area. Only 1 of the properties became available to let in 2013.

3.25 Review of LLPs

3.26 LLPs are intended to address specific issues and are reviewed regularly to ensure they meet their stated aims. As part of the review the council will consider a range of indicators and will consult with tenants to obtain feedback.

3.27 Housing Management review the LLPs to ensure their objectives are met, including reference to:

- evidence for the continuation of the LLP, including details of any antisocial behaviour complaints, tenancy turnover rates etc
- the justification and proportionality of the LLP,
- consultation undertaken with customers and other stakeholders
- performance information on lettings of LLP properties, including demand
- any measures to mitigate potential adverse effects of the LLP
- equality impacts

3.28 In preparation for the 2014 review the council has identified the following issues:

Strengths	Weaknesses
<ul style="list-style-type: none"> • LLPs popular with current tenants and members, improve confidence and sustainability in area • LLPs promote choice of tenants to live in similar age groups and reduce lifestyle clashes • LLPs which link to Best Council objectives eg employment • Good neighbour LLP is risk-based • LLPs operate in conjunction with other initiatives, eg Tenant 'meet and greet' schemes, local policing programmes, estate clean ups etc and promote community confidence in the area 	<ul style="list-style-type: none"> • Age LLPs may not take account of an individual customer's behaviour • Potential knock on effects in non-LLP areas eg higher concentration of younger people displaced from areas with LLP • Good neighbour LLPs may increase void time due to checks being undertaken • Poor utilisation of housing stock to assist customers in housing need • Restrictions reduce customer choice eg children at height
Opportunities	Threats
<ul style="list-style-type: none"> • Marketing properties to new customer groups • Reward to good tenants for offers of council accommodation including new builds • Links to investment in high rise properties 	<ul style="list-style-type: none"> • Reduced demand for certain property types due to Housing Benefit changes • May lead to longer void times and loss of rental income • Potential for challenge under Equality Act of LLPs which stereotype customer's behaviour and lifestyle based on age

3.29 In order to respond effectively to the challenges outlined above, the review will consider alternative options based on good practice in other areas, including:

- Rationalisation of age bands to reduce the variation across the city, by introducing set age bands, ie 20+ or 40+

- Introducing pre-tenancy training for customers age 16 and 17 years old
- Expanding the use of evidence based Good Neighbour LLPs to address ASB
- Introducing risk based lettings for certain property types, based on previous behaviour
- Review the use of Introductory Tenancy extensions and Secure Tenancy demotions.

3.30 The 2014 review will commence in April 2014. Performance information will be provided to Housing Leeds who will then undertake the review in line with the timetable below:

Dates	Tasks	Lead
April 2014	Data cleansing and performance information	Housing Policy Team
April - June	Member briefings - to lead member and political groups Consultation with tenants, residents, customers, ward members and housing associations etc Talking Point consultation	HPT / Housing Leeds / BITMO
July	Consultation responses collated and final LLPs drafted for approval	HPT / Housing Leeds / BITMO
August / Sept	HAB / BITMO Board approval (dates to be confirmed)	Director, E&H
September	E&H approval through Delegated Decision (date to be confirmed)	Director, E&H
September / October	Publicity and implementation	HPT / Housing Leeds / BITMO

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Tenants are consulted prior to the introduction of a LLP, as well as customers on the housing waiting list, partners including Registered Providers, Supported Housing providers and local Ward members.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 The council undertakes an equality impact assessment prior to the introduction of a LLP and during the review process. The main positive impacts are for older people who are given preference for lettings under age related LLPs, and for families who need to move to or remain in an area they have a connection with where a local connection LLP operates.
- 4.2.2 The main negative impact of LLPs is on younger tenants who do not meet the age criteria whose choice over rehousing is restricted.

4.3 Council policies and City Priorities

4.3.1 The review of LLPs links to the best council outcomes of:

- Improving the quality of life for residents, particularly those who are vulnerable or in poverty. LLPs are generally perceived by existing tenants as positive in establishing stable communities, but also restrict the choice of rehousing for other customer groups.
- Achieving the savings and efficiencies required to continue to deliver frontline services. LLPs such as the Good Neighbour LLP may assist in reducing tenancy turnover, which would reduce void costs and rent loss.

4.3.2 LLPs relate to the following best council objectives for 2013 – 17:

- Building a child friendly city – the council's main lettings policy does not prevent households with children moving into high rise properties, but instead gives preference for lettings of houses to households with dependent children. However, the council does not have sufficient stock of houses to offer all households with dependent children, meaning customers with younger children may bid on high rise properties where there are no restrictions. The council would not insist a family with children move to a high rise flat, but recognises that this may be a choice preferable to living in overcrowded and unsatisfactory living conditions while they wait for a house to become available. However, the age related LLPs restrict choice of younger adults which may result in higher concentrations of younger and potentially more transient groups in areas of the city without age LLPs.
- Promoting sustainable and inclusive economic growth – An adequate supply of affordable housing is vital for Leeds' objective of promoting sustainable and inclusive economic growth. LLPs based on local connection and employment give preference to customers who need to move for employment which assists people move closer to work or to take up employment and training opportunities.
- Becoming an efficient and enterprising council – the use of LLPs may hinder the council's ability to mitigate the adverse impact of benefit changes, both on individuals affected and on the council as a social landlord in terms of rent loss due to under occupation. This is due to LLPs potentially restricting tenants from downsizing to a smaller property if they do not meet the age criteria. The challenges posed by LLPs in relation to reduced demand offers

an opportunity for the council to consider marketing properties to new customers groups.

4.4 Resources and value for money

- 4.4.1 If the council was successfully challenged on the grounds of unlawful discrimination based on age, it could be liable to pay damages to the customer.
- 4.4.2 The council and BITMO have identified potential for increased management costs if antisocial behaviour and lifestyle clashes increase as a result of removing age LLPs.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Under the Equality Act 2010 age discrimination is unlawful unless it can be shown to be a proportionate means of achieving a legitimate aim. A legal challenge could be made to an age LLP on the basis of discrimination. If the policy is found to be unlawful discrimination, the claimant could be entitled to damages.
- 4.5.2 In addition, the council's housing offer to younger customers (ie 40 and under) is restricted by the use of age LLPs. Customers age 16 and 17 are more likely to be in housing need than other customers on the housing waiting list, and those age 25 and under who are in receipt of benefit face further difficulties securing affordable housing.

4.6 Risk Management

- 4.7 The main risk of a challenge under the Equality Act relates to the use of age LLPs. Discriminate based on age is lawful under the Act if it is deemed to be a justifiable and a proportionate means of achieving a legitimate aim. The LLPs currently in operation have been approved in light of these provisions.
- 5.8 There are other risks associated with how the council can make best use of its limited stock, particularly for younger customers moving into their first homes and to customers affected by welfare changes, specifically the extension of the single room Local Housing Allowance rate in the private sector to under 35 year olds (2012) and the DWP Housing Benefit size criteria for under occupying tenants of working age (2013) – both of which have resulted in increased in demand for smaller properties from customers below the age of the LLP.

5 Conclusions

- 5.1 The ability to develop local lettings policies offers the council the flexibility to deliver a lettings service which is responsive to local needs.
- 5.2 The current LLPs in operation need to be reviewed to ensure they meet their stated objectives.
- 5.3 LLPs must be evidence based if they are to support the council's ambition to become the best city in the UK.

6 Recommendations

- 6.1 Scrutiny Board are asked to note the contents of the report and the success of the council's mutual exchange strategy.
- 6.2 That the Chief Officer, Housing Management reviews the current local lettings policies by October 2014 to ensure they meet their stated objectives, following the proposed review process outlined in section 3.24.

7 Background documents¹

- 7.1 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.