

Report of Chief Officer, Housing Management

Report to Chief Officer, Housing Management

Date: 14 March 2019

Subject: Local Lettings Policy for new build homes off Meynell Approach, Holbeck LS11.

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Beeston & Holbeck ward	<input checked="" type="checkbox"/> Yes	<input 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

This report sets out the framework for the development and implementation of a new local lettings policy for 28 new build council properties available to rent on the Meynell development in Holbeck, LS11.

The Council House Growth Programme aims to deliver 1,500 new homes to rent across the city over the next 5 years. 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.

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

That the Chief Officer, Housing Management, approves the new local lettings policy for the new build homes off Meynell Approach, Holbeck, LS11 as detailed in section 3.22.

1 Purpose of this report

- 1.1 This report seeks approval for a local lettings policy for 28 new build properties off Meynell Approach in the Holbeck area to deliver sustainable lettings and support community cohesion.
- 1.2 This report details how the local lettings policy for the Meynell development will support the Vision for Leeds, Council Business Plan and City Priority Plan.

2 Background information

- 2.1 The Council Home Growth Programme aims to deliver 1,500 new council homes across the city in the next five years.
- 2.2 The local lettings policy outlined in this report will cover the 28 properties on the Meynell development site at the following locations:

Plot Number	Property Type
Plots 1 – 2 & Plots 5 – 12 (10 properties)	2 bed semi-detached house
Plots 3 – 4 & Plots 13 – 14 (4 properties)	3 bed semi-detached house
Plots 15 to 22 (4 storey block)	8 x 1 bed apartment
Plots 23 to 28 (3 storey block)	6 x 1 bed apartment

- 2.3 All the houses will have a fully enclosed rear garden and off street parking. All properties will be suitable for people with restricted mobility and are required to achieve level access.
- 2.4 The Meynell scheme will provide a range of much needed quality housing that is well designed, provide good room sizes and storage space, include high levels of safety and security measures and achieve a very good balance of delivering high performance levels whilst meeting the needs of existing and future generations. All of the new homes provide exceptionally high levels of insulation and low levels of airtightness resulting in reduced heat loss and cold drafts which equals lower fuel bills. Windows are located and sized to maximize natural light, the new homes also incorporate a number of water saving devices and include smart meters.
- 2.5 The Council Housing Growth Team are currently reviewing rental charges for the Meynell new build properties. Rents for new build properties have previously been set at an Affordable Rent standard (80% of the market rental value as opposed to social rents that are 50% of market rental value). The rents will be between 50-80% of market rent. The rental charge will be available at the point of advertising the properties allowing applicants to make an informed decision regarding affordability before placing a bid.
- 2.6 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.

- 2.7 The council wishes to let the new build properties through specific local lettings policies tailored to meet local needs and aspirations. Local lettings policies are evidence based and apply to allocations in defined geographical areas following consultation, the aim is to enhance sustainability of defined communities.
- 2.8 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 lettings of the new build homes to existing Leeds City Council tenants who have a connection to the local area and can demonstrate an excellent tenancy record. All successful applicants will have to demonstrate an excellent tenancy record for themselves and other household members.
- 2.9 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.
- 2.10 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

- 3.11 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.
- 3.12 The council posted a survey questionnaire with a free post return envelope to tenants and residents who indicated they would like to be rehoused in the area.
- 3.13 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.
- 3.14 The consultation in the Beeston & Holbeck ward closed on 28th February 2019. Responses (total 93) 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	% in favour
Applicants who have a good tenancy record	89	2	1	96%
Applicants with a local connection to the Beeston & Holbeck ward area - including living, working or having close family in the area	86	3	3	93%
Applicants in priority need on the housing register	68	17	6	74%
Applicants in employment	63	15	14	68%
Leeds City Council tenants living in the Beeston & Holbeck ward area	62	20	8	67%
Applicants that need to downsize	58	16	16	63%

- 3.15 Views of respondents have been taken into account when finalising the draft local lettings policy for approval.
- 3.16 Ward Members have been consulted on the proposals. Members agree that giving priority to LCC tenants and local people with an excellent tenancy record was a fair approach. A briefing on the proposal in section 3.22 of this report has been shared with the Ward Members.
- 3.17 In addition to the consultation, the Council analysed information from the housing register. There were 2064 customers on the housing register who had specified Beeston & Holbeck as their area of first choice. Of the 2064 customers 1007 (49%) live in the ward area, 290 (14%) live in social housing. Of those living in social housing 250 applicants required a 1, 2 or 3 bedroomed property. 68 (27%) were in priority need (Band B or Band A/A+).
- 3.18 Of the 250 applicants living in and requesting Beeston & Holbeck as their first choice area 37 applicants (15%) would be eligible to meet the criteria for a 1 bedroomed property due to under occupying.
- 3.19 Of the 250 applicant's living in and requesting Beeston & Holbeck as their first choice area, 183 applicants (73%) have been on the housing register for over 2 years, with 2 applicants being registered for more than 10 years. The new build properties present an opportunity to address the aspirations of tenants who have been on the housing register a long time.

- 3.20 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 customer's own choice; being employed there (including people serving in the Armed forces); family associations; or special circumstances.
- 3.21 Local connection is defined as; having residence over 6 months out of the last 12, 3 years out of the last 5, being employed locally, or having close family members living within the Beeston & Holbeck ward area.
- 3.22 For the Meynell's scheme the council proposes to operate a local lettings policy which will give preference for offers of accommodation on the following basis:

50% of properties (14 properties) will be shortlisted by **date of application** on the housing register.

For houses preference will be given in the following order:

1. Leeds City Council tenants living in the ward area.
2. Applicants with a local connection to the ward area
3. All other applicants.

For apartments preference will be given in the following order:

1. Leeds City Council tenants living in the ward area who are in employment.
2. Applicants with a local connection to the ward area who are in employment.
3. Applicants who are in employment in the ward area.
4. Applicants with a local connection to the ward.
5. All other applicants.

All applicants need to demonstrate an excellent tenancy record.

50% of properties (14 properties) will be shortlisted in order of **priority band** on the housing register.

For houses preference will be given in the following order:

1. Leeds City Council tenants living in the ward area.
2. Applicants with a local connection to the ward area
3. All other applicants.

For apartments preference will be given in the following order:

1. Leeds City Council tenants living in the ward area who need to downsize.
2. Applicants with a local connection to the ward area.
3. All other applicants.

All applicants need to demonstrate an excellent tenancy record.

- 3.23 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.

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

- 3.24 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.
- 3.25 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.
- 3.26 The local lettings policy will apply to all initial lets and subsequent relets made to the end of 2020. The council will then evaluate the effectiveness of the policy and decide whether to extend it.
- 3.27 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.
- 3.28 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.
- 3.29 The local lettings policy will split the allocation of properties equally between date of application (50%) and priority band (50%). For properties allocated under date of application, it is further intended that for the 1 bed apartments (7 properties) employment is considered within the order of preference outlined at 3.22. The remaining 1 bed apartments (7 properties) will be shortlisted by priority band; therefore the employment criteria is only applicable to a proportion of the properties available within the Meynell scheme (25%).
- 3.30 Under the Council's Lettings Policy approximately 75% of council properties will be advertised to give preference based on housing need band. The inclusion of employment criteria within the order of preference for the 1 bed apartments seeks to support single households that are working who want to live in the area but that are not in priority need and would therefore have limited opportunity to access new affordable housing in the Beeston & Holbeck ward area.
- 3.31 Furthermore, by giving preference to applicants who are in employment this would provide affordable homes for low income households, supporting the ambitions outlined in the Council's Inclusive Growth Strategy 2018-2023. This strategy recognises the key role of affordable housing provision in creating sustainable communities, providing infrastructure to tackle poverty and support growth. There is a lack of affordable housing around the city centre, particularly for applicants not in priority need. By supporting single applicants in employment to access affordable housing they would otherwise have limited access to, this will positively address demand using only a small proportion of housing stock in the Beeston & Holbeck ward area to achieve this.

- 3.32 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.
- 3.33 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.
- 3.34 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 Beeston & Holbeck ward 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 252 customers on the Leeds housing waiting list who expressed an interest in rehousing in the Beeston & Holbeck ward area.
- 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 In developing the Meynell's local lettings policy a public consultation was undertaken to seek the views of local tenants and residents. There were 93 responses; 68% supported giving preference to applicants in employment. Whilst the response rate may not be a representative sample of the ward area, this is indicative of positive support to giving preference to applicants in employment within the Meynell's local lettings policy.
- 4.1.5 Giving preference 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.
- 4.1.6 Giving preference to existing tenants also assist in reducing overcrowding, under occupying and other related issues in Council properties. Analysis of previous

lettings for the new build schemes demonstrated that a large proportion of transferring tenants were living in overcrowded conditions.

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 local connection criteria.

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

- 4.5.1 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

- 4.6.2 The demand for the properties is likely to be high. There is a strong demand for all property types/sizes that the Meynell's site will offer, however the demand from Council tenants may be lower because the rents are likely to be higher than other council stock.
- 4.6.3 The rental charges will be available at the point of advertising the properties. Therefore the applicant can make an informed decision regarding affordability before placing a bid.
- 4.6.4 The average rent for an existing 3 bedroomed council house on Meynell Approach is £84.41 per week, the rental charge for the new build properties is going to be set between 50% and 80% of the market rent therefore the rent will be higher for these. Affordability assessments will be carried out to ensure all new tenants can afford the rental costs before a formal offer is made.
- 4.6.5 If an applicant is financially solely reliant on benefits then Housing Benefit or the housing element of Universal Credit will cover the full rental responsibilities when the property is let to full capacity with dependent children. The local lettings team will make certain every property is let to full capacity in accordance with Leeds City Council's Lettings Policy which will ensure all new tenants do not incur the under-occupancy charge.
- 4.6.6 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.
- 4.6.7 The Meynell new build scheme is of a medium size; there are currently two other new build schemes (Neville's, Temple Newsam ward and Beeches, Gipton & Harehills ward) that may coincide with the Meynell new build scheme being handed over. For this reason a phased handover for all schemes has been discussed and verbally agreed with the contractor, for the Beeches scheme it is anticipated that no more than 6 properties per day are to be handed over.
- 4.6.8 Giving preference to council tenants residing in the Beeston & Holbeck ward area 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 within the ward area.
- 4.6.9 For properties allocated under date of application (50% of properties), it is intended that for the 1 bed apartments (7 properties) employment is considered within the order of preference outlined at 3.22. Equality considerations have been taken into account around potential disadvantage to applicants not in employment (for instance, this may be on account of being in training, due to disability, being retired or being a carer) as outlined at 4.2.1, the details around positive and negative impacts is provided in Appendix 3.
- 4.6.10 It has been considered that giving preference to applicants in employment for a proportion of the 1 bed apartments (50% of the 1 bed apartments and only 25% of the properties within the Meynell scheme overall) would not disproportionately disadvantage applicants that are not in employment (retired, in training, disabled, carers etc.) as there is sufficient 1 bed stock in the Beeston & Holbeck ward area

to meet this demand; and the remaining 50% of the 1 bed apartments will be allocated based on housing need

- 4.6.11 The 1 bed apartments in the Meynell's scheme represent 4% of the overall 1 bed stock in the ward area; utilising 25% of the Meynell site (7 x 1 bed apartments) to preference employment would represent just 1% of the overall 1 bed stock in the Beeston & Holbeck ward area.
- 4.6.12 The local lettings policy gives preference to Leeds City Council tenants for both houses/apartments living in the ward area. The key benefit of this approach is that this will release additional stock in the ward area that would become available under the Council's Lettings Policy and would therefore not have any employment criteria/restrictions.
- 4.6.13 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 allow for this to be relaxed, for example, an offer could be made a customer with a recognised carer who is unable to meet the employment criteria.
- 4.6.14 Experience tells us that shortlisting is an extensive process when a local lettings policy is applied. The lettings team in Whinmoor took over 16 weeks to shortlist potential applicants for 22 properties this was because they had to filter through 946 bids. There was a clear interest in the properties but the applicants had to be assessed against the local lettings policy standard and many applicants didn't meet the criteria. We envisage the application of the Local Lettings Policy for the Meynell's to be a time consuming and labour intensive task, therefore we are seeking the approval of the Local Lettings Policy around a timeframe that will allow the local lettings team opportunity to complete the additional verification checks within current resources.

5 Conclusions

- 5.1 These new homes are part of a wider housing growth programme that aims to deliver 1500 new council homes over the next 5 years.
- 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 on the Meynell's site as detailed in section 3.22.

7 Background documents²

None.

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.