

Report of Chief Officer, Housing Management

Report to Chief Officer, Housing Management

Date: 28 February 2019

Subject: Local Lettings Policy for new build homes at Neville Garth, Neville Close & Osmondthorpe Lane, Osmondthorpe, Leeds 9 and the extension to the Local Lettings Policies for the relets of new council homes.

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Temple Newsam Ward, Beeston & Holbeck Ward, City & Hunslet Ward, Gipton & Harehills Ward, Hyde Park & Woodhouse Ward, Burmantofts & Richmond Hill Ward, Cross Gates and Whinmoor Ward, Bramley Ward.		
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

This report sets out the framework for the development and implementation of a new local lettings policy for 32 new build council houses to rent on the Neville development in Osmondthorpe, LS9.

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 in Osmondthorpe detailed in section 3.25; and approves the extension of the local lettings policies for relets of the new build homes listed in sections 3.30-3.33 until 31st December 2019.

1 Purpose of this report

- 1.1 This report seeks approval for a local lettings policy for 32 new build houses on Neville Garth, Neville Close & Osmondthorpe Lane in the Osmondthorpe area to deliver sustainable lettings and support community cohesion; and approve the extension of the local lettings policies for relets of the new build homes listed in sections 3.30-3.33 until 31st December 2019.
- 1.2 This report details how the local lettings policy for the Neville 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 32 houses on the Neville development site at the following locations:

Plot number	Property size
13 and 14 Neville Close (2 properties)	1 bed semi-detached bungalow
1 and 10 Neville Garth (2 properties)	1 bed detached bungalow
11, 12, 15 & 16 Neville Close (4 properties)	2 bed semi-detached bungalow
2 to 6 Neville Garth (5 properties)	2 bed semi-detached house
7 to 9 Neville Garth 17 to 24 Neville Close 25 to 32 Osmondthorpe Lane (19 properties)	3 bed semi-detached house

- 2.3 The properties are built on relatively flat land and all properties are to have level access. All the properties will have a fully enclosed rear garden and off street parking. All properties will be suitable for people with restricted mobility.
- 2.4 The new build homes 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 Neville 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.
- 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 Temple Newsam ward closed on 6th February 2019. Responses (total 88) 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	76	1	11	86%
Disabled people that require adapted properties to meet their needs	73	7	8	83%
Applicants who are living in overcrowded conditions	66	13	9	75%
People with a local connection to the Temple Newsam Ward area – including living, working, or having close family living in the area	58	16	14	66%
Applicants who are members or former members of the armed forces	55	17	16	63%
Families with young children living at height in the ward	55	13	20	62%
Applicants who are living in a home too big for their need	49	26	13	56%
All applicants living in the ward	40	24	24	45%
LCC tenants living in the Temple Newsam ward area	37	36	15	42%
Housing Association tenants living in the Temple Newsam ward area	34	29	25	39%

- 3.15 Views of respondents have been taken into account when finalising the draft local lettings policy for approval.
- 3.16 Local Ward Members have been consulted on the proposals. All members agree that giving priority to local people and LCC tenants with an excellent tenancy record was a fair approach. A briefing on the proposal in section 3.25 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 was 367 customers on the housing register who indicated their preference to be rehoused in the Halton, Halton Moor or Osmondthorpe area. Of the 367 customers there was 79 (22%) are social housing tenants living in the

ward area who had a two bedroom or three bedroom need, of these 7% were not in any assessed housing need.

- 3.18 Of the 367 applicants requesting Halton, Halton Moor or Osmondthorpe as their first area of choice only 23 applicants (6%) lived in social housing and had a one or two bedroom entitlement. 7 applicants (2%) met Leeds City Council's lettings criteria for bungalows¹.
- 3.19 215 of the 367 applicants (59%) have been on the housing register for over 12 months, with 8 applicants 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 for a long time.
- 3.20 Following consultation with Ward Members' consideration has been given to local connection criteria and how this should be assessed/established specifically for the Osmondthorpe new build scheme to ensure that these lettings meet the needs and aspirations of the local community.
- 3.21 Leeds City Council's Lettings Policy refers to the statutory definition² 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.
- 3.22 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 Temple Newsam ward area. It does not include children in full time education in the ward area.
- 3.23 To establish a local connection through 'special circumstances' the council's Lettings Policy would usually allow consideration of children attending school in the ward area, however local lettings policies can exclude this criteria. For the Neville's new build scheme school attendance will be excluded from the local connection criteria. The exclusion of a pupil attending a school within the ward area will positively address the demand for housing in the local area. Giving preference to council tenants residing in the Temple Newsam ward area will increase the number of void properties released in the area due to local authority transfers. Leeds City Council aims to meet the needs and aspirations of local people and support the sustainability of those local communities.
- 3.24 In order to pay due regard to equality issues, the council will work to identify suitable matches for disabled customers whose medical housing needs would be met by a move into one of the properties (up to a maximum of 4 properties). In order to ensure properties are let as soon as possible the council will seek to

¹ Lettings Policy 19 Feb 19; Section 5.6.3: Non-Retirement LIFE bungalows will normally be offered to customers' age 60 years old and over, and to disabled customers with an appropriate housing recommendation.

² Leeds City Council's Lettings Policy (5.1.12) takes this definition of local connection from s199 of the Housing Act 1996.

make a direct offer of accommodation to customers in this group. These allocations will be consistent with the order of preference criteria outlined at 3.25.

3.25 For the Neville scheme the council proposes to operate a local lettings policy which will give preference for offers of accommodation on the following basis:

75% of properties (24 properties) will be shortlisted by **date of application** on the housing register. This will apply to the following number/type of properties: 14 x 3 bed houses, 4 x 2 bed houses, 3 x 2 bed bungalows, 3 x 1 bed bungalows

Preference will be given in the following order:

1. Leeds City Council tenants living in the ward area.
2. Social housing applicants living in the ward area
3. Applicants living in the ward area
4. Applicants with a local connection based on employment or family association in the ward area
5. All other applicants.

Additional allocation criteria for bungalows:

Preference will be given to applicants over 60 years of age or disabled customers with an appropriate housing recommendation.

All applicants need to demonstrate an excellent tenancy record.

25% of properties (8 properties) will be shortlisted in order of **priority band** on the housing register. This will apply to the following number/type of properties: 5 x 3 bed houses, 1 x 2 bed house, 1 x 2 bed bungalow, 1 x 1 bed bungalow

Preference will be given in the following order:

1. Leeds City Council tenants living in the ward area
2. Social Housing applicants living in the ward area
3. Applicants living in the ward area
4. Applicants with a local connection based on employment or family association in the ward area
5. All other applicants

All applicants must be in one of the following preference groups:

- a. Applicants with a disability who need an adapted property
- b. Applicants with dependent children living in flats
- c. Applicants in social housing who need to downsize
- d. Applicants living in overcrowded conditions
- e. Applicants who are members/former members of HM Armed Forces

Additional allocation criteria for bungalows:

Preference will be given to applicants over 60 years of age or disabled customers with an appropriate housing recommendation.

All applicants need to demonstrate an excellent tenancy record.

Direct offers of accommodation will be considered up to a **maximum of 4 properties**; where a suitable property match can be made to meet the medical housing needs of disabled customers. These allocations will be made in line with the order of preference as above.

- 3.26 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.
- 3.27 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.
- 3.28 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.
- 3.29 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.
- 3.30 In June 2018 the existing local lettings policies for the relets of new build council homes that were developed through the Beeston Hill and Holbeck and Little London PFI scheme and Council House Growth Programme were extended for relets until 31st March 2019. The schemes affected are as follows:

Addresses	Ward area	Date LLP approved
Folly Lane, Coupland Place, Malvern Road, Coupland Road, St Luke's Green	Beeston and Holbeck / City and Hunslet	30/06/14
Beech Avenue, Beech Grove	Gipton & Harehills	25/09/14
Carlton Gate	Hyde Park and Woodhouse	28/11/14
Holbeck Moor Road, Temple Garth, Murray Crescent, Jenkinson Close, Jenkinson Lawn	Beeston and Holbeck / City and Hunslet	10/03/15
Railway Close	Burmantofts and Richmond Hill	27/07/15
The Plantation	Cross Gates and Whinmoor	25/02/16
Bismarck Street, Bismarck Way, Bismarck Drive, Cemetery Road, Fairfax Crescent	Beeston and Holbeck / City and Hunslet	03/02/16
Cardigan Green	Bramley	14/06/16

- 3.31 The Council Housing Growth Programme completed further new build schemes in 2018 at the Garnets, LS11, the Broadleas, LS12 and Swarcliffe, LS14. The approved local lettings policies for each scheme applies to all initial lets and subsequent relets made until the end of 2019.

- 3.32 The proposed local lettings policies for the next phase of the new build programme due to complete in 2020 are due to be approved by June 19; at the Neville's, LS9, Beeches, LS9, Meynell's, LS11 and Heights Lane, LS12. The local lettings policies for these schemes will apply to all initial lets and subsequent relets made to the end of 2020.
- 3.33 It is proposed that the review date of the local lettings policies detailed in 3.30 and 3.31 are extended until the 31st December 2019; this will allow for a concurrent review of local lettings policies across all new build schemes that have been completed up to the end of that period. This will provide greater opportunity to evaluate the overall effectiveness of the existing approach to local lettings policies and will inform the future direction of allocations as the Council Housing Growth Programme continues, aiming to deliver 1,500 new homes to rent across the city over the next 5 years.
- 3.34 Once approval has been received for the Neville's local lettings policy, 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.
- 3.35 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.
- 3.36 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.
- 3.37 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.
- 3.38 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 Temple Newsam 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 271 customers on

the Leeds housing waiting list who had expressed an interest in rehousing in the Halton, Halton Moor & Osmondthorpe 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 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.
- 4.1.5 Giving preference to existing tenants will also assist in reducing overcrowding, under occupying and other related issues in Council properties. Analysis of letting for the new build 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**

- 4.6.1 The demand for the properties is likely to be high. There is a strong demand for 3 bed houses. However the demand from Council tenants may be lower because the rents are likely to be higher than other council stock.
- 4.6.2 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.
- 4.6.3 The average rent for an existing 3 bedroomed council house on Neville Road is £75.53 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.
- 4.6.4 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.
- 4.6.5 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.
- 4.6.6 The Neville new build scheme is of a medium size; there are currently two other new build schemes (Beeches, Harehills & Gipton ward and Meynell's, Beeston & Holbeck ward) that may coincide with the Neville 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 Neville scheme it is anticipated that no more than 6 properties per day are to be handed over.

- 4.6.7 Leeds City Council's Lettings Policy makes provision under 'special circumstances' for a local connection to be established where an applicant's children are in full time education in the ward area. However, exceptions to this can be applied under a local lettings policy. The exclusion of a pupil attending a school within the ward area will positively address the demand for housing in the local area.
- 4.6.8 Giving preference to council tenants residing in the Temple Newsam 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 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 Neville'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 in Osmondthorpe detailed in section 3.25; and approves the extension of the local lettings policies for relets of the new build homes listed in sections 3.30-3.33 until 31st December 2019.

7 Background documents³

None.

³ 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.