

**Report of Chief Officer, Housing**

**Report to Director of Resources and Housing**

**Date: 17<sup>th</sup> February 2020**

**Subject: Policy for Letting New Homes Delivered Via the Council Housing Growth Programme**

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s): All of Leeds City Council ward areas.		
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**

**1. Main issues**

- 1.1. When the Council began its Council Housing Growth Programme it was keen to achieve stable and balanced communities, and to offer the opportunity to current tenants with excellent tenancy records to aspire to live in a new build home. To support this aim it was agreed that local lettings policies would be developed for each scheme.
- 1.2. The key elements of each policy were to give applicants greater priority where they have a good tenancy record, have a local connection and are Council tenants. The policies also offered different proportions of lettings based on priority status to length of time on the Leeds Homes Register, aiming to support applicants who have been waiting on the Register the longest, subject to eligibility checks. It was also possible for additional criteria to be added to each policy depending on the local supply and demand priorities of the local area.

- 1.3. The local lettings policies have been hugely successful in delivering against these original policy aims. However, where additional criteria have been added to policies these have had a lesser impact on lettings outcomes.
- 1.4. Since the relaxation of Housing Revenue Account borrowing rules, the Council now aims to deliver 1500 new council homes over the next 5 years via the Council Housing Growth Programme. As the programme grows it becomes more important that an efficient and effective lettings approach is in place, which balances the original lettings aspirations of creating stable communities and rewarding Leeds City Council tenants with a good tenancy record with the need for a simple and standardised approach.
- 1.5. This report sets out the framework for the implementation of a standardised Policy for the Lettings of New Homes Delivered via the Council Housing Growth Programme which focuses on giving priority on the criteria which have the greatest impact. This will offer a more efficient and effective approach, meaning that individual local lettings policies are no longer required for each new build / acquisition scheme, and simplifying the shortlisting process to reduce the number of checks required of applicants.
- 1.6. However, it remains a priority for the Council to ensure that there is some local flexibility within these lettings policies, to meet the needs of particular demand and supply priorities within local areas. Instead of these local requirements being developed as part of local lettings policies, they will instead be incorporated into the Community Lettings Policies for each ward in the city.
- 1.7. To date all new local lettings policies have remained in place for subsequent lets. As some new build developments have now been in place for 5 years or more the report also proposes to introduce a time limit to the policy, by which after 5 years homes will be let in accordance with the citywide Lettings Policy. For all current new build LLPs which are already in place, the policy will therefore end after 5 years.

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## **2. Best Council Plan**

- 2.1. The Council's ambitions are to effectively meet housing need across the city and to make Leeds the best place to live in the UK.
- 2.2. The Council House Growth Programme aims to deliver 1,500 new homes to rent across the city over the next 5 years. A Policy for letting new homes delivered via the Council Housing Growth Programme will have a positive impact in creating sustainable communities which will reward existing council tenants within the regeneration areas.

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## **3. Resource Implications**

- 3.1. A standardised policy for the letting of new homes delivered via the Council Housing Growth Programme will remove the requirement to develop bespoke local lettings policies for each scheme delivered via the programme, and enable the

service to standardise its approach to the allocation and lettings of new homes as much as possible.

- 3.2. The new standardised approach would also mitigate any risk posed to delays in re-let times for both existing and new build housing stock.

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**4. Recommendations** That the Director of Resources and Housing approves the new Lettings Policy: New Homes Delivered via the Council Housing Growth Programme.

- 4.2. That the Director of Resources and Housing approves that any local enhancements / variations to the policy to meet local demand and supply priorities are incorporated into Community Lettings Policies.
- 4.3. That the Director of Resources and Housing approves that the new Lettings Policy: New Homes Delivered via the Council Housing Growth Programme, and any current local lettings policies for new build will apply for five years from handover.

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## **5. Purpose of this report**

- 5.1. This report seeks approval for a Lettings Policy for all the new homes delivered via the Council Housing Growth Programme.
- 5.2. In addition, the report seeks approval for any local enhancements / variations to the policy to meet local demand and supply priorities to be incorporated into Community Lettings Policies.
- 5.3. This report details how the proposed criteria for the new lettings policy for the homes delivered via the Council Housing Growth Programme and the duration for which the policy will be applied.

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## **6. Background information**

- 6.1. When Leeds City Council began its Council Housing new build programme, the Council was keen to achieve the following through its lettings:
  - a) to ensure that long standing tenants with an excellent tenancy record may realistically aspire to living in a new Council home, and
  - b) to ensure that stable and balanced communities occupy high value properties in order to protect Council interests and assets.A decision was therefore made to develop local lettings policies for each new build scheme.
- 6.2. Ten local lettings policies have been developed and applied for the letting of 483 new build council homes which Leeds City Council have built to date. The ten policies have had some consistent criteria; giving priority to applicants with a good tenancy record, tenants with a local connection and adjusted proportions of the lettings quota to people in order of priority band and to date of registration order (DORQ). Whilst some new build schemes applied a 50% DORQ, 50% Priority

need split, others applied a 75% DORQ, 25% Priority need split. In addition to these standard criteria, some additional criteria were included, varying from scheme to scheme, depending on the local supply and demand circumstances of the area, taking into account the views of local ward members, tenants and applicants.

- 6.3. Details on the 10 local lettings policies and the preference groups can be found in Appendix 1 Table 1.
- 6.4. The average number of bids on new builds across the city was 278 bids per property type as opposed to 117 across all housing stock overall in 2018/19, (Appendix 1 Table 2). New builds clearly attract significantly more bids than older housing stock.
- 6.5. Whilst some of the local lettings criteria can be easily evidenced from the applicant's application and tenancy history, some criteria do require more detailed manual checks of application notes or by contacting the applicant. The complexity of the local lettings criteria influences the amount of time which is spent on each application checking whether the criteria have been met.
- 6.6. A combination of having a non standardised approach to the lettings policy for each new build scheme and the high volume of bids for new builds has had significant workload impacts on housing staff, both in terms of developing the policies and shortlisting applicants. For example, for one scheme over 900 bids were received, and manual checks were required of 314 applicants before all properties were allocated, estimated to have taken the equivalent of over 600 hours in officer time.

**Key Criteria of LLPs which have had the greatest impact**

6.7. The summary table below shows what impact each of the Local Lettings Policy criteria had on new build lets across the city. The percentage indicates the proportion of new lets to schemes for which the criteria applied:

<b>Local Letting Policy Criteria</b>	<b>Average</b>
Good tenancy record	100%
LCC tenants living in or with a local connection to the ward	67%
Applicants in priority need	55%
Employed applicants	41%
Overcrowding	37%
Studying or working in a Key Worker profession	34%
Non LCC tenants who had a LC to the ward	33%
Dependent children in flats	20%

Under occupying	10%
Disabled applicants	0.07%
Applicants living in adapted properties they no longer needed	0%
Armed Forces	0%

(A detailed breakdown can be seen in Appendix 1 Table 1)

- 6.8. The requirement for prospective tenants to be able to demonstrate an excellent tenancy record is by far the most relevant of all the Local Lettings Policy criteria - 100% of new build tenants fulfilled this condition. An applicant's rent account history, environmental conditions inside and outside their home, all tenancy breaches and antisocial behaviour are considered by using enhanced checks and a pre-offer home visit, or recent AHV, before an offer of a new build home is made. Excellent tenancy records has in turn helped to establish settled and balanced communities (See Appendix 1 Table 3).
- 6.9. The local connection criteria has been successful in giving priority to local people. 100% of new build lets have been made to residents with a local connection, the ratio of existing tenants to applicants getting new properties is approximately 2:1; 67% and 33% respectively. Research indicates that 100% of lets were to applicants with a local connection to the area by means of living in, working in or having close family members living in the area.
- 6.10. Another constant feature of the Local Lettings Policies has been to give priority to existing Council tenants. 67% of new build lets have been made to current tenants, which is significantly higher than the 24% of tenants who transfer to other Council homes through the standard lettings policy. The proportion of Council housing within close proximity of the scheme seemed to influence the proportion of tenant transfers, and consequently the areas where the greatest amount of Council housing stock was released for letting.
- 6.11. Some new build Local Lettings Policies have agreed higher proportions of DORQs which has resulted in a higher proportion of allocations to applicants with a lower priority status. Therefore 55% of new build lettings have been made to applicants in priority need compared to 79% of overall lettings in 2018/19.

#### Criteria which have had less impact

- 6.12. Most Local Lettings Policies gave additional priority to applicants who were under-occupying, and this resulted in 10% of lets being made to applicants meeting this criteria. The Plantation evidenced that this criteria is more effective when linked to age criteria where 56% of lets were made to applicants who were under-occupying. (The Plantation had an over 55 age lettings criteria).

- 6.13. Most Local Lettings Policies gave additional priority to applicants who were overcrowded, and as a result of this 37% of lets with this policy in place were made to applicants meeting this criteria.
- 6.14. Some Local Lettings Policy criteria had mixed impacts, with impact on some schemes and not on others. This included the use of employment criteria and dependent children living in flats.
- 6.15. Other local lettings policy criteria had very limited impact, e.g. 0.07% of lets being made based on the disabled criteria and 0% made based on the armed forces criteria. Adapted new build homes have been let outside this policy, via a Direct Let for best use of stock.
- 6.16. The number of voids created by each new build scheme as a result of tenant transfers varied from scheme to scheme – ranging from 40% of new build lets on the Garnets to 89% of new build lets at The Plantation. A full breakdown of properties released is shown in Appendix 2.
- 6.17. In summary, the Local Lettings Policy criteria which had the greatest impact on lettings, both accomplishing the overall aim of achieving sustainable communities, and attracting particular customer groups were as follows:
- Good tenancy record
  - Local connection
  - Priority to tenants
  - Higher proportion of DORQs

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**7. Main issues** Leeds City Council proposes to build 300 new council homes every year for the next 5 years. Consideration is therefore needed to simplify the lettings policy as much as possible to ensure that lettings criteria used will have the greatest impact on achieving sustainable communities and rewarding existing Council tenants who have a good tenancy record, whilst also allowing the opportunity for local criteria to be developed where there is an evidenced need for a more specific policy.

- 7.2. Applying the current approach to Local Lettings Policies would require a substantial increase in staffing resource to develop Local Lettings Policies, and Lettings Team resources in making allocations, with a risk that this will impact negatively on relet times, both to existing council homes and new build.
- 7.3. A standardised New Build Lettings Policy which will be applied to all general needs new build homes and new build acquisitions is being proposed. This policy will focus on the four main principles which influenced the development of the new build local lettings policies and have had the greatest impact on influencing lettings, as follows:

<b>50% DORQ</b> <b>Shortlisting will be in Date of Registration order:</b>	<b>50% Priority Quota</b> <b>Shortlisting will be in Priority need order:</b>
<b>Preference</b> of offers will be given to applicants in the following order:	Preference of offers will be given to applicants in the following order:

<p>1. Leeds City Council tenants living in the ward,  2. Local Connection to the ward area by means of living in, working in or having close family living in the ward.  3. All applicants</p>	<p>1. Leeds City Council tenants living in the ward,  2. Local Connection to the ward area by means of living in, working in or having close family living in the ward.  3. All applicants</p>
<p><b>All applicants will need to demonstrate an excellent tenancy record. We will consider an applicant’s rent payment history, issues of anti-social behaviour and overall tenancy record. References will be requested from Housing Associations or private Landlords. (5 years history will be taken into account).</b></p>	

- 7.4. It should be noted that this policy will not apply to extra care housing schemes or other supported housing schemes where a separate lettings criteria will be developed. Also bespoke adapted properties will be let via a direct let for best use of stock. The policy will also not apply to individual non new build properties which are bought, e.g. buying back of former right to buys; for these homes the standards lettings policy will apply unless these are for direct let as best use of stock.
- 7.5. It is acknowledged that for some new build schemes there may need to be some additional criteria which need to be put in place because of particular demand or supply issues within a local area. Any enhanced criteria, i.e. for site specific policies, would have to be evidenced and would only apply to the first lettings of homes and developments of over 10 units. For subsequent lets the standard New Build Policy would apply. The application of enhanced criteria would be approved by the Director of Resources and Housing.
- 7.6. Community Lettings Policies will be developed for all wards during 2020, and will consider the need for local lettings policies on both existing properties and new build properties in development. Consideration of any enhancement to the standard new build lettings policy will therefore be considered as part of the ward’s Community Lettings Policy. Wards where there are new build schemes in development will be prioritised in the Community Lettings Policy review.
- 7.7. Where Local Lettings Policies have already been agreed for a new build development, these Local Letting Policies will remain in place for the first letting. Any subsequent lettings will be made in accordance with the New Build Lettings Policy, except where the scheme provides a specific housing type, e.g. for older people . Unique Local Letting Policies for schemes will therefore end at the point that the Community Lettings Policy for each ward is approved.( For new build schemes planned see Appendix 1 Table 4 )
- 7.8. For all new build schemes built since 2014 the Local Lettings Policy has remained in place for subsequent relets. It is proposed that the New Build Lettings Policy applies to all relets for a five year period from the handover. At the end of the five year period, new build homes will be let in accordance with the overall lettings policy date to ensure that communities remain stable and balanced.

- 7.9. Under the current city-wide letting policy properties are allocated according to housing need, for example, a 3 bed house would not be let to an applicant with a 1/2 bed housing need.

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## **8. Corporate Considerations**

### **8.1. Consultation and Engagement**

- 8.1.1. Evaluations of the lettings of each new build scheme are undertaken to identify any lessons learnt from the lettings and scheme handover. These evaluations include close engagement with area housing teams, particularly lettings teams. Tenant evaluations were undertaken twelve months after they move into their new homes. These evaluation outcomes have been used to inform the new approach to the lettings of new homes delivered via the Council Housing Growth Programme.
- 8.1.2. Consultation has taken place with the Executive Member for Communities. Whilst supportive of the approach the Executive Member has asked that there is the opportunity to enhance / vary from the standardised policy for some schemes where there is a local demand and supply priority. The opportunity to enhance / vary from the standardised policy will be available via the development of Community Lettings Policies.
- 8.1.3. Consultation also took place in February with the Killingbeck and Seacroft ward members in relation to the lettings policy for a new acquisition scheme planned in their ward. Members were supportive of adopting the standardised policy for new homes delivered via the Council Housing Growth Programme without the need for additional local criteria.

### **8.2. Equality and Diversity / Cohesion and Integration**

- 8.2.1. The council has undertaken an equality and diversity impact assessment of the policy for letting new homes delivered via the Council Housing Growth Programme, 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.
- 8.2.2. The council has taken into account recent allocation cases in other areas of the country to ensure any learning is incorporated into the equality impact assessment.
- 8.2.3. In developing the criteria for the generic new build 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.
- 8.2.4. Leeds's 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 introduction of a standardised lettings policy for new developments will support the council's desired outcomes of

improving quality of life for our residents, particularly for those who are vulnerable or in poverty.

- 8.2.5. Property 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, including Climate Emergency and associated priorities.

### **8.3. Resources, procurement and value for money**

- 8.3.1. The introduction of a standardised policy for letting new homes delivered via the Council Housing Growth Programme will reduce the need for local lettings policies to be developed for each new build scheme, whilst still allowing any evidenced local demand and supply priorities to be included within the Community Lettings Policy.
- 8.3.2. By introducing a standardised new build lettings policy it will help to reduce the possibility of creating a local lettings policy which is hard for both applicants and colleagues to understand, complicated to apply and resource intensive for officers to operate.
- 8.3.3. In having a standardised policy this will reduce any risk of delay to lettings where a local lettings policy is not agreed in time, allowing property advertisements and shortlisting to take place promptly to ensure the properties are let as soon as they are available to reduce potential void costs to the Council.
- 8.3.4. The Council must abide by the Housing Act 1996, as amended, in developing its allocations scheme, including local lettings policies for new build homes. 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, and through the review of Community Lettings Policies.

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## **9. Risk Management**

- 9.1. Leeds City Council proposes to build 300 new council homes every year for the next 5 years. Continuing with the current approach to Local Lettings Policies would require significant Lettings Team resource, with a risk that this will impact negatively on relet times, on both older council properties and new build. Unnecessary delays will also impact on prospective tenants moving into their new homes.
- 9.2. The new policy for the letting of new homes delivered via the Council Housing Growth Programme will deliver a standardised approach where possible which

will reduce the risk to the Council of delays in lettings new homes and wider relet times.

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## **10. Conclusions**

- 10.1. The Council Housing Growth Programme aims to deliver 1500 new council homes over the next 5 years. As the Council Housing Growth Programme grows it becomes more important that an efficient and effective lettings approach is in place, which balances the original lettings aspirations of creating stable communities and rewarding Leeds City Council tenants with a good tenancy record with the need for a simple and standardised approach,
- 10.2. This standardised Policy for Letting New Properties via the Council Housing Growth Programme will help to address housing need and community aspirations, which support the Council's ambitions. However, the policy will help to manage expectations, and ensure that priority focuses on criteria which have the greatest impact.
- 10.3. The policy will still allow local flexibility where this is needed, and local enhancements / variations will be incorporated into Community Lettings Policies.

## **Recommendations**

That the Director of Resources and Housing approves the new Lettings Policy: New Homes Delivered via the Council Housing Growth Programme.

That the Director of Resources and Housing approves that any local enhancements / variations to the policy to meet local demand and supply priorities are incorporated into Community Lettings Policies.

That the Director of Resources and Housing approves that the new Lettings Policy: New Homes Delivered via the Council Housing Growth Programme, and any current local lettings policies for new build will apply for five years from handover.

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## **11. Background Documents.**

None.