

**Report of Director, Environment and Neighbourhoods**

**Report to Executive Board**

**Date: 27 April 2013**

**Subject: Approval of new Council Lettings Policy 2013**

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): all	<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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**Summary of main issues**

1. The Council needs to update its Lettings Policy (allocation of council housing) to respond to changes set out in the 2011 Localism Act and revised government guidance on allocations. Updating the Lettings Policy provides an opportunity to respond to public and member concerns regarding the allocation of council housing and to mitigate the impact of welfare changes.
2. The Lettings Policy sets out how and to whom the Council will let the 4,500 – 5,000 council homes which become vacant each year. The Lettings Policy must be set within the wider context of housing management and customer choice; the policy can never be wholly prescriptive and requires a degree of interpretation to enable intelligent lettings to ensure sustainable tenancies, communities and best use of the housing available. Letting of a council home needs to be set within the context of a social contract where the tenant has rights and responsibilities which are governed by effective housing management.
3. The Choice Based Letting system is the mechanism for advertising what homes are available in the City and enables customer choice in identifying homes they would like to be considered for. The policy enables a degree of flexibility to ensure lettings are considered within the context of sustainable communities and neighbourhoods.
4. To ensure greater consistency of approach in relation to housing needs assessment and the implementation of the Lettings Policy, it is proposed that all housing needs assessments and Lettings Policy training are centralised and undertaken by the Housing Support Group within the Council's Statutory Housing Service. The

practicalities of the function transfer will be determined by Statutory Housing Services, the Leeds ALMOs and BITMO.

5. The Lettings Policy is governed by legislation and a Code of Guidance that establishes which groups of people the council must consider and give preference to; and includes the flexibility to meet local needs and priorities.
6. Following extensive public and member consultation, the following changes are proposed:
  - 6.1 To update the existing provisions for excluding housing applicants from the allocation of council housing on the grounds of 'poor behaviour'. Examples of such behaviour could include accumulation of rent arrears, anti-social behaviour, criminal activity and damage to property. A key consideration will be whether the applicant has made significant steps to modify their behaviour.
  - 6.2 To maintain the current percentage of council houses allocated through the 'Date of Registration Quota' at 25%. The remaining 75% of available council homes will be allocated to those with the highest level of housing need.
  - 6.3 Sheltered housing and bungalows will be excluded from the 'Date of Registration Quota' and allocated to applicants with the highest level of housing need.
  - 6.4 The Local Connection criteria for properties let through the Date of Registration Quota will be based on the Council Ward rather than local housing office area.
  - 6.5 Owner occupiers with a Band C award (those with no assessed housing need) will still be potentially eligible to apply for council housing; but a maximum of 6 month application registration time will be taken into account in the allocation process for all offers of accommodation.
  - 6.6 It is not proposed to apply a household income cap to the allocation of council housing at this time, given the small number of applicants/tenants that it would affect and the disproportionate impact on staffing resources required to assess each applicant's income.
  - 6.7 It is not proposed to specifically ring fence a percentage of available council houses to those tenants affected by welfare changes but rather to focus on a series of measures to assist such tenants; including stimulating mutual exchanges between tenants who are under-occupying and those that are over crowded and, through individual assessment of housing need, make priority awards for re-housing to tenants who are under-occupying.
  - 6.8 Tenants with no assessed housing need who damage their council homes, subject to individual assessment and safeguarding considerations, will potentially be excluded from transfer opportunities.
  - 6.9 The priority period will be extended from 120 to 180 days.

6.10 Applicants with a Band C award who refuse a 'reasonable' offer of council housing will have their date of registration reset to the date when the offer was made.

### **Recommendations**

1. Executive Board notes the contents of this report.
2. Executive Board consider the options outlined in section 6 and approve a revised lettings policy to be implemented from May 2013.
3. Executive Board approve a new approach to centralising the assessment of housing need and training programme for officers involved in lettings issues.

## **1. Purpose of this report**

- 1.1 To provide Executive Board with the detail of the review, the consultation carried out with the public and Members and the proposals to be included in the updated Lettings Policy.
- 1.2 To seek approval to implement the updated Lettings Policy from May 2013.
- 1.3 To seek approval for centralising to Statutory Housing Services the assessment of housing need and training programme for officers involved in lettings issues.

## **2. Background information**

- 2.1. The Housing Act 1996 requires every local housing authority to have an allocation scheme for determining which customers are prioritised for housing, and the procedure to be followed in allocating housing. This covers lettings of council tenancies made by the Leeds Arms Length Management Organisations (ALMOs) and the Belle Isle Tenant Management Organisation (BITMO). The lettings policy would apply to any other organisation chosen to manage council housing following the review of housing management services in Leeds and to other tenant management organisations.
- 2.2. The current Leeds City Council lettings policy was approved by Executive Board in October 2010 and was implemented on 5<sup>th</sup> January 2011.
- 2.3. The lettings policy needs to be revised in order to comply with the Localism Act 2011 and the revised Department of Communities and Local Government (DCLG) Code of Guidance on Allocations of Accommodation 2012. The Code replaces the three previous Codes, and provides guidance to local authorities on implementing changes made by the Localism Act 2011. The government has also issued statutory regulations on re-housing members of the Armed Forces which the council must implement.
- 2.4. The policy also needs to be reviewed in light of the Welfare Reform Act, specifically the reductions in housing benefit paid to working age under occupying social housing tenants, introduced by the Department for Work and Pensions in April 2013.
- 2.5. The council must also comply with the Homes and Community Agency's Tenancy Standard in relation to allocations. The lettings policy also has regard to the council's Tenancy Strategy published in January 2013.
- 2.6. In December 2012, Executive Board recommended the council consult on proposals to review the lettings policy in light of these changes and to ensure the lettings policy responds to the challenges brought about by Welfare Reform.
- 2.7. The Council has consulted on the proposed lettings policy changes with the Leeds Arms Length Management Organisations (ALMOs) and the Belle Isle Tenant Management Organisation (BITMO), Registered Social Landlords which operate in Leeds, Supporting People providers, Leeds Tenants' Federation, Leeds Housing

Partnership members and customers on the Leeds Homes Register. An open session was held with elected members, and a cross party members' working group was held in March to feedback on the consultation responses.

### **3. Main Issues**

#### **3.1. Introduction**

- 3.1.1. The purpose of the Lettings Policy is to ensure that council housing is let according to set provisions, in an equitable, transparent and accountable way. The Lettings Policy contributes to the Council being able to fulfil its legal duties relating to meeting housing need.
- 3.1.2. The Lettings Policy sets out how and to whom the Council will let the 4,500 – 5,000 council homes which become vacant each year. The Lettings Policy must be set within the wider context of housing management and customer choice; the policy can never be wholly prescriptive and requires a degree of interpretation to enable intelligent lettings to ensure sustainable tenancies, communities and best use of the housing available. Letting of a council home needs to be set within the context of a social contract where the tenant has rights and responsibilities which are governed by effective housing management. The Lettings Policy is aligned to the tenancy agreement of Leeds City Council, housing management practice adopted by the ALMOs and BITMO and the work of other key services such as Leeds Anti-Social Behaviour Team (LASBT). Examples of the relationship between the lettings policy and tenancy agreement include the Qualification Criteria that allows the council to remove customers from the housing waiting list if they are guilty of perpetrating antisocial behaviour which would constitute a breach of the tenancy agreement; and the new proposal to introduce a pre-transfer approval process which will enable the council to refuse a transfer request where the tenant has not kept to their tenancy agreement.
- 3.1.3. The application of the Lettings Policy by officers to housing applicants is a key priority. One issue that consistently emerges from discussion with applicants and members is the belief that applicants have to bid three times per week or they will lose their priority status. This belief leads to applicants bidding for properties that they do not want with accepted tenancies breaking down or applicants refusing offers and potentially losing their priority status. A programme of training, led by officers from Statutory Housing Services, will be carried out to ensure the Lettings Policy is effectively and consistently applied. This will be achieved by specified officers undertaking assessments and making decisions on lettings within the flexibility allowed by the Lettings Policy to improve confidence and outcomes for individuals and communities. Only officers who have completed the relevant training will be able to undertake lettings related work.
- 3.1.4. Councils are legally obliged to give housing applicants 'a choice of housing accommodation' or 'the opportunity to express preferences about the housing accommodation to be allocated to them'. Leeds has therefore predominantly let available council housing through a Choice Based Letting system. This is the mechanism for advertising homes available in the City and enables customer choice in identifying homes they would like to be considered for. The policy

enables a degree of flexibility to ensure lettings are considered within the context of sustainable communities and neighbourhoods. Many applicants, are frustrated with the choice based lettings systems; their concerns are understood but it is evident that no lettings policy or system can resolve the disparity between demand and supply of council housing. The advantage of a choice based lettings system is the transparency that it generates in the lettings process for applicants. A high level of transparency in the lettings process will be even more important given the increased demand and pressures on council housing supply that will be generated by welfare change. The policy and system does enable sensitive lettings to be made to address local issues and concerns.

## **3.2. Consultation**

- 3.2.1 Extensive consultation was carried out with members of the public: a survey was posted on the Council's 'Talking Point' portal and included within the Leeds Homes paper flyer; face to face surveys were also conducted with customers at the Council's One Stop Centres and housing offices across the city.
- 3.2.2 1459 survey responses were received: 1288 online, 53 paper responses, 118 face to face and 5 from agencies.
- 3.2.3 The findings of the survey consultation are appended to this report and are referred to in this report.
- 3.2.4 Member views have shaped the proposals set out in the report. An open Members session was held in February 2013 followed by a cross party working group in March 2013 to discuss the findings of the consultation.

## **3.3. Qualification Criteria: behaviour**

- 3.3.1. The Localism Act gives the council greater powers to decide which other customer groups qualify to appear on the housing waiting list. Households can be excluded from the potential allocation of council housing on the grounds of their behaviour. This could relate to accumulation of rent arrears, anti-social behaviour, criminal activity or damage to property.
- 3.3.2. The consultation asked whether certain groups should be excluded from applying for council housing on the basis of their behaviour. The criteria would apply to all household members seeking to be re-housed with the main applicant, including partners and children.
- 3.3.3. The consultation highlighted a strong support for excluding people on the grounds of significant rent arrears and damage to property (both 74%): please see Consultation Appendix 1.
- 3.3.4. It is important to stress that each applicant would need to have an individual assessment of their circumstances to determine whether they should be excluded. This assessment would need to consider the seriousness of the behaviour,

whether there has been any modification in behaviour and whether there are any extenuating circumstances such as vulnerability or safeguarding considerations.

- 3.3.5. Households to be excluded from the allocation of council housing will be notified in writing of the decision, setting out the reasons for the exclusion, and their right to review (contest) this decision.

### **3.4. Qualification Criteria – Leeds’ residence**

- 3.4.1. The consultation asked whether households who are not ordinarily living in the Common Travel Area (UK, Channel Islands, Isle of Man and the Republic of Ireland) or those without a local connection to the Leeds area should be allowed to apply for council housing. 72% of respondents stated that those living outside the Common Travel Area should not be permitted to do so. 50% of respondents stated that households without a local connection should not be permitted to apply for council housing in Leeds.
- 3.4.2. There are currently 10 applicants who are currently living outside the Common Travel Area and approximately 2,000 applicants who are registered at an address without a Leeds’ postcode – this does not equate to not having a local connection.
- 3.4.3. On balance, it would not be appropriate to exclude households who are not resident in the Common Travel Area or without a local connection to Leeds. There is a potential conflict with the ambition to make Leeds a ‘welcoming city’.
- 3.4.4. Members of the Armed Forces can not be excluded from the allocation of council housing on the grounds of residence or local connection.

### **3.5. Qualification Criteria: Financial Resources**

- 3.5.1. The consultation asked whether customers with no housing need (in Band C of the Leeds Homes Register) who own their own home and customers with a joint yearly income of over £80,000 should be able to register on the waiting list.
- 3.5.2. 64% of respondents to the consultation agreed that owner occupiers with no housing need, and 66% agreed that customers with a joint income of £80,000 per annum should not be allowed to register on the waiting list.
- 3.5.3. Whilst there is strong support for such a proposal, officers believe that, given the small number of affected applicants, it would not be the best use of resources to make the requisite assessment.

### **3.6. Date of Registration Quota**

- 3.6.1. Since January 2011, up to 25% of available council homes should be let, not to the applicant with the highest priority award for re-housing, but to the applicant who has had a housing application registered for the longest period of time.
- 3.6.2. The date of registration quota was introduced in January 2011 following member and customer concern that the lettings policy based solely on housing need and therefore failed to assist long standing applicants with a need to remain in or move to a particular area.
- 3.6.3. The original proposal to introduce the date of registration quota was strongly supported by 86% of respondents to the 2011 consultation.
- 3.6.4. The quota aims to enhance community cohesion by giving customers with a long-standing housing application greater opportunity to secure rehousing in an area they have a strong connection to.
- 3.6.5. One in every four properties are selected to be advertised through the date of registration in the order they become available to let. This ensures a representative sample of property types and sizes across the city are let this way. Customers still have to meet the general criteria for the property.
- 3.6.6. Before making an offer through the date of registration quota, it is confirmed that the customer can establish a connection to the area, for example, through residence, employment, close family members living in the area or other reason. This is in line with the statutory definition of local connection.
- 3.6.7. The current consultation considered four changes to the date of registration quota: reviewing the proportion of properties let through the quota, the types of property let through the quota, the definition of the local area and making offers to owner occupiers who are in no housing need.
- 3.6.8. 62% of respondents said the proportion of properties let through date of registration should remain unchanged at 25%.
- 3.6.9. 65% of respondents said that sheltered housing and bungalows should be omitted from the date of registration quota.
- 3.6.10. 52% of respondents stated that the local connection criteria relating to date of registration lets should relate to Ward rather than local housing office area. Officers acknowledge that there is no definitive option for determining local connection but feel that Ward boundaries are better understood by the public than housing office catchment area. Examples of this include the Chapeltown area being covered by Meanwood housing office and Harehills being covered by three housing offices.
- 3.6.11. 59% of respondents stated that home owners, with no housing need, should not be able to accrue more than six months waiting time through date of registration. This means that owner occupiers will still be able to apply for council housing



but there are limitations placed on their capacity to secure the scarce council housing resource.

### **3.7. Helping tenants affected by welfare change**

- 3.7.1. The programme of welfare changes has been comprehensively detailed in previous reports to Executive Board. This report gives consideration to how the Lettings Policy should be amended to mitigate the effects of welfare change.
- 3.7.2. Officers do not believe that a specific quota of properties should be ring fenced for tenants affected by welfare changes such as housing benefit under occupancy rules. The Council has to find a balance between addressing all forms of housing need including homelessness and urgent medical needs. There is also the issue that releasing a property occupied by a tenant affected by welfare reform could result in a letting to another applicant who would be equally affected.
- 3.7.3. Officers are proposing to stimulate interest in mutual exchanges between tenants who are under occupying and those who are overcrowded. Priority awards for re-housing can also be made if it is considered that the accommodation is no longer 'reasonable' for the occupant to live in. Each case will be considered on its individual merits under the current policy, which allows a priority to be awarded where the move would achieve best use of stock and the property released by the move can be relet at full occupancy.

### **3.8. Re-housing council tenants in Band C**

- 3.8.1. 80% of consultation respondents stated that council tenants, with no assessed housing need, should only be re-housed if they have adhered to their tenancy agreements.
- 3.8.2. There is significant merit in this proposal, there were some concerns regarding vulnerable tenants but it is assumed generally that they will be assessed to have some level of housing need.
- 3.8.3. Each application for transfer would need to be assessed on its individual merits and tenants would need to be notified in writing, setting out the reasons for the decision, and their right to review (contest) this decision.
- 3.8.4. This proposal will be linked to Housing Management Services provided through the ALMO's and the BITMO undertaking the annual tenancy visits to identify and discuss any possible breaches of the tenancy agreement with the tenant.

### **3.9. Length of Priority Awards**

- 3.9.1. 75% of survey respondents stated that the priority period should be extended from 120 to 180 days. This is a positive proposal and should encourage applicants to bid only for properties that they want to live in without worrying that their priority period will expire.

### **3.10. Refusal of offers by applicants in Band C**

- 3.10.1 If an applicant in a priority band refuses an offer of suitable accommodation, the council can remove their priority. At present there is no comparable provision for customers in Band C who refuse a reasonable offer of a suitable property.
- 3.10.2 62% of survey respondents agreed that applicants in Band C who refuse a reasonable offer should have their date of application reset to the date of the offer being made.

### **3.11. British Armed and Reserve Forces personnel**

- 3.11.1 In November 2012, the government issued regulations about giving additional preference to Armed and Reserve Forces personnel in urgent housing need. The council will amend the wording of the lettings policy to reflect the final regulations. Housing Services and the ALMOs are working with agencies across the city as part the Leeds Armed Forces Community Covenant group to improve access to services for former Armed Forces personnel.

## **4.1 Direct Let categories**

- 4.1.1 The Council is developing an Accessible Housing Register which will enable better matching of adapted properties and improve the rehousing service for disabled people. In addition to using the choice based lettings scheme to secure re-housing, the council will be able to make direct offers of accommodation to disabled customers who require the specific adaptations. To facilitate this, the council will expand the current direct let category for disabled people to all customers assessed by the council's Health and Housing Service or Occupational Therapy Teams.
- 4.1.2 The direct lets for National Asylum Support Service and Supporting People providers is no longer required. Tenancies are no longer offered to support providers, but to individual customers. Customers living in Supporting People accommodation will be continue to be supported to find permanent housing options through awarding priority.

## **4.2 Sensitive / Intelligent lettings**

- 4.2.1 Selection of a prospective tenant depends on the lettings criteria for the particular property, for example, there may be a local lettings policy which gives preference to particular groups of customers. The first stage of short listing for a property is completed when the computer system filters out applications from customers who require a different size of property, then ranks customers either in order of their application date or priority.
- 4.2.2 Within the policy there is flexibility for Housing Managers to take a range of circumstances into account, including issues relating to the property and to the customer. For example, if the previous tenant left the property due to anti-social behaviour and the successful customer to bid was awarded their priority to move due to fleeing harassment, the Housing manager can determine if the offer

would not be suitable to meet the customer's assessed housing need, and make alternative arrangements to rehouse the customer.

- 4.2.3 All decisions to bypass a customer who has bid for a property must be supported by evidence to justify the decision, and the bypass must fall into one of the reasons set out in the lettings policy to ensure transparency in the lettings process. Examples include where the applicant has committed anti-social behaviour previously in that locality, or where a customer with a medical housing need bids for an adapted property, the offer must be checked by an Occupational Therapist to ensure the property will be suitable for the customer's assessed medical needs.
- 4.2.4 The training will include effective use of the bypass provisions and ensure sustainability through intelligent lettings.

### **4.3 Housing applications from customers age 16 and 17 years old**

- 4.3.1 There are approximately 300 16 and 17 year olds registered on the housing waiting list, with around 100 in a priority band.
- 4.3.2 In order to improve the offer made to this customer group, the Council will ensure the needs of young people are assessed under the protocol in place between Children's Services and Leeds Housing Options Service. This will ensure adequate support is in place, over and above the requirement to have a responsible adult act as a tenancy trustee.
- 4.3.3 In order to ensure consistency in applying the protocol, the Council will assess all housing applications made by young people at the Leeds Housing Options. This includes referrals for housing for young care leavers made by Children's Services under the housing protocol.
- 4.3.4 The Council will assess each case individually, but an independent council tenancy will not generally be the preferred option for young people. The Council will support young people to remain at home and make a planned move where appropriate, for example by referring to the Youth Mediation Scheme and other support agencies. Other options for young people include referral to a supported housing provider prior to more independent living.

### **4.4 Housing Needs Assessment**

- 4.4.1 Currently, the housing needs assessment function, which determines legal duties relating to re-housing and the appropriate priority awards to be made, is split between Statutory Housing Services (Housing Support section), the ALMOs and BITMO. The Housing Support section carries out all homeless assessments, medical re-housing assessments and additional needs assessments relating to overcrowding, poor housing conditions, child welfare, domestic violence, access to support networks and hospital discharge. The ALMOs and BITMO carry out other additional needs assessments.

- 4.4.2 It is proposed that in future all housing need assessments will be carried out by the Housing Support Group. This is to ensure greater consistency in approach, reflects the point that housing need assessment is part of the Housing Support section's core business and that the Council holds the legal duties, such as temporary accommodation placement, which stem from housing need assessment. The proposal will better enable the ALMOs/BITMO to focus on the housing management functions of letting, collecting rent and carrying out repairs.
- 4.4.3 Officers believe that this proposal will lead to swifter and more holistic decision making that should prevent housing need being exacerbated, with accompanying pressures on temporary accommodation placements.
- 4.4.4 Officers from Statutory Housing Services will, if the proposal is agreed, work with the ALMOs and BITMO to implement the transfer of the housing needs function, including applicable staff transfer to Statutory Housing Services.

## **4.5 Lettings Policy Training**

- 4.5.1 Members have consistently expressed concerns regarding the application of the Lettings Policy. This issue has been set out in paragraph 3.1.3. Officers have committed to carrying out a rolling programme of training on the application of the lettings policy focusing on issues such as the requirement for applicants to bid only for properties where they want to live. This training will be carried out by officers from the Housing Support Group. Such officers will be available to give on going advice to ALMO/BITMO staff as required.

## **5 Corporate Considerations**

### **5.1 Consultation and Engagement**

- 5.1.1 Extensive consultation was carried out with members of the public, this is detailed in Paragraph 3.2

### **5.2 Equality and Diversity / Cohesion and Integration**

- 5.2.1 Officers have undertaken an Equality Diversity Cohesion and Integration Assessment of the proposed Lettings Policy changes.
- 5.2.2 The updated Lettings Policy needs to be framed so that the Council can fulfil its legal duties and can best respond to all forms of housing need. It also needs to ensure that the allocation of council housing is equitable, transparent and that ALMO/BITMO/Council officers are accountable for decision making relating to lettings.
- 5.2.3 The updated Lettings Policy also needs to reflect and respond to the challenges associated with welfare change.
- 5.2.4 The full findings of Equality Diversity Cohesion and Integration Assessment are appended to this report in Appendix 2.

### **5.3 Council policies and City Priorities**

5.3.1 The Lettings Policy contributes to a number of strategic priorities including contributing to Leeds being 'fair, open and welcoming' and 'All Leeds' communities will be successful'. It will contribute to Leeds being the 'Best City... to live' in terms of helping to deliver houses to rent that meet the needs of people at different stages of their lives. The Lettings Policy will also contribute to the 'Best City... for health and wellbeing' in terms of promoting the capacity of people to live independently and 'Best City...for children' as access to good housing is a cornerstone of being a 'child-friendly city'.

### **5.4 Resources and value for money**

5.4.1 An effective Lettings Policy is an integral element of the Council's response to addressing housing need in the city. It can help to reduce associated costs such as temporary accommodation for homeless households and social care placements for vulnerable adults and children.

5.4.2 A lettings process, working to optimum capacity, will reduce costs associated with properties being empty such as rent loss. The Lettings Policy will also help to mitigate the cost challenges associated with welfare change such as reduced rental income.

### **5.5 Legal Implications, Access to Information and Call In**

5.5.1 The Council has a legal duty to develop a 'scheme' (Lettings Policy) for determining priority groups for re-housing and procedures to be followed in allocating council housing. The Council must have regard for relevant government guidance in respect of developing its Lettings Policy.

5.5.2 The Lettings Policy must be developed with regard to the Council's Homelessness Strategy and Tenancy Strategy.

5.5.3 The Council is obliged to consult with locally operating housing associations and others who are likely to be affected by policy changes. This consultation is set out in more detail in Appendix 1.

5.5.4 The Council must develop its lettings policy in line with the Housing Act 1996, Part 6, as amended. The council must, overall, give preference for allocations to customers in the statutory 'reasonable preference' groups set out in s.166A(3). This includes homeless customers, people with a medical housing need, people living in poor housing conditions or who need to move for other welfare reasons.

5.5.5 However, the legislative framework does allow the council to take local priorities into account in its lettings policy alongside the statutory reasonable preference categories. This is set out in the revised Code of Guidance on Allocations issued in July 2012. Furthermore, the House of Lords have stated that giving customers reasonable preference 'does not require that they should be given absolute priority over everyone else'.

- 5.5.6 The Guidance encourages authorities to consider how to use this flexibility to meet local needs and local priorities. Examples include awarding priority to under occupying tenants and to foster carers, both of which are already included in the Leeds scheme.
- 5.5.7 The House of Lords also made clear that, where an allocation scheme complies with the reasonable preference requirements and any other statutory requirements, the courts should be very slow to interfere on the ground of alleged irrationality.

## **5.6 Risk Management**

- 5.6.1 The council has a duty to publish a lettings policy. The council must also review its lettings policy to ensure compliance with new and statutory guidance. In addition to approving a new policy, this report recommends actions to ensure the policy is implemented consistently across the city.
- 5.6.2 The changes to housing benefit rules have the potential to result in increased rent arrears which could jeopardise the Council's ability to meet its stock investment plans. There is also a risk of increased repossessions, homelessness and use of temporary accommodation as well as an increase in transfers and associated void costs.
- 5.6.3 The lettings policy will be implemented on a phased basis from May 2013. A number of amendments will be required to the council housing IT system, staff will be briefed on the changes and information published to inform customers of the changes. Depending on the final Qualification Criteria approved by Executive Board, the Council will write to customers who are non-qualifying to advise them they can no longer be considered for re-housing with the council and of alternative options.

## **6 Conclusions**

- 6.1 The Council needs to update its Lettings Policy (allocation of council housing) to respond to changes set out in the 2011 Localism Act and revised government guidance on allocations. Updating the Lettings Policy also provides an opportunity to respond to public and Member concerns regarding the allocation of council housing and to mitigate the impact of welfare changes. Following extensive public and Member consultation, the following changes are proposed:
- 6.1.1 To update the existing provisions for excluding housing applicants from the allocation of council housing on the grounds of 'poor behaviour'. Examples of such behaviour could include accumulation of rent arrears, anti-social behaviour, criminal activity and damage to property. A key consideration will be whether the applicant has made significant steps to modify such behaviour.
- 6.1.2 To maintain the current percentage of council houses allocated through the 'Date of Registration Quota' at 25%. The remaining 75% of available council houses will be allocated to those with the highest level of housing need.

- 6.1.3 Sheltered housing and bungalows will be excluded from the 'Date of Registration Quota' and allocated to applicants with the highest level of housing need.
- 6.1.4 The Local Connection criteria for date of registration properties will be based on residence in Council Ward rather than local housing office area.
- 6.1.5 Owner occupiers with no assessed housing need will still be potentially eligible to apply for council housing but a maximum of 6 month application registration time will be taken into account in the allocation process for all offers of accommodation.
- 6.1.6 It is not proposed to apply a household income cap to the allocation of council housing given the small number of applicants/tenants that it would affect and the disproportionate impact on staffing resources required to assess each applicant's income.
- 6.1.7 It is not proposed to apply a residence or local connection test to any applicants such as having to reside within the Common Travel Area or have a local connection to Leeds.
- 6.1.8 It is not proposed to ring fence a percentage of available council houses to those tenants affected by welfare changes but rather to focus on a series of measures to assist such tenants, including stimulating mutual exchanges between tenants who are under-occupying and those that are over crowded and, through individual assessment of housing need, make priority awards for re-housing to tenants who are under-occupying.
- 6.1.9 Tenants in Band C who damage their council homes, subject to individual assessment and safeguarding considerations, will potentially be excluded from transfer opportunities.
- 6.1.10 The priority period will be extended from 120 to 180 days.
- 6.1.11 Applicants with a Band C award who refuse a 'reasonable' offer of council housing will have their date of registration reset to the date when the offer was made.

## **7 Recommendations**

- 7.1 Executive Board notes the contents of this report.
- 7.2 Executive Board consider the options outlined in section 6 and approves the revised lettings policy to be implemented from May 2013.
- 7.3 Executive Board approves the new approach to centralising the assessment of housing need and the training programme for officers involved in lettings issues.

## **8 Background documents<sup>1</sup>**

8.1 None

## **9 Appendices**

9.1 Summary of consultation responses to Lettings Policy Review, March 2013

9.2 Equality Impact Assessment, March 2013

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<sup>1</sup> 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.