

# **Housing Lettings Pressures**

## **Scrutiny Inquiry Interim Report**

# Introduction and Scope



## Introduction

1. As local councillors, Housing related issues continue to represent a large proportion of our casework and, irrespective of political allegiances, we are all committed to working towards improving the availability of and access to quality Housing across the City. However, we must also recognise some of the significant difficulties and challenges facing the City Council and its partners in this regard.
2. Therefore, as members of the Environment and Neighbourhoods Scrutiny Board, we have been, and continue to be extremely keen to ensure that Housing remains a priority area for the Scrutiny Board and in June 2007, as part of the Board's initial work planning discussion, we identified a number of potential issues to be considered in detail throughout the year.
3. Following a further discussion with the Executive Board Member for Neighbourhoods and Housing, it was suggested to us that we could usefully undertake an inquiry which examined the Council's current Housing Lettings Policy, including the Choice Based Lettings scheme.
4. We were aware that a number of issues were currently having an impact upon the Council's Lettings Policy in general and we were eager to understand these in more detail.
5. In agreeing to the suggestion of the Executive Board Member, we wanted to know more about the overall factors that affect the supply and demand for Council Housing in Leeds, while maintaining an emphasis around Local Lettings Policies in addition to the Choice Based Lettings scheme.

## Scope

6. On 24 October 2008, we agreed the terms of reference for this inquiry and appointed a Working Group, consisting of:
  - o Councillor Barry Anderson;
  - o Councillor Ann Blackburn;
  - o Councillor Angela Gabriel;
  - o Councillor David Hollingsworth;
  - o Councillor Richard Lewis.
7. While formally appointing a Working Group, in practice all Members of the Board were invited to attend and participate in each of the sessions held.
8. We agreed that the purpose of the inquiry was to make an assessment and, where appropriate, develop recommendations on the following areas:
  - The legal requirements for provision of accommodation, including legally identified priorities and the Council's policy, including terminology used, such as that used for housing needs bands: 'priority extra' and 'priority'.
  - The impact of ward based demographic demands

# Introduction and Scope

- Information supplied to Ward Councillors to assist in their advisory capacity and training issues
  - The Choice Based Lettings System and how this is audited and inspected
  - External criteria that put pressure on the Lettings policy and the Choice Based Lettings system; the causes and consequences
  - The direction of travel for the Lettings policy and the Choice Based Lettings scheme
  - Links with the private sector and Registered Social Landlords
  - The impact of ward based demographic demands
  - The role of housing advice and the presentation of housing options to customers
9. We intended to carry out this inquiry over three sessions and identified the following stakeholders as potential witnesses:
- Head of the Strategic Landlord Group
  - Housing Policy and Monitoring Manager
  - Area Panels representative
  - Arms Length Management Organisation (ALMO) Board tenant representatives
  - Government ministers for Housing and Yorkshire and Humber
10. We believed that a fundamental element of this inquiry was to seek and receive evidence from a range of different sources – both within and outside the City Council. As such, one of the sessions we held was devoted to hearing the views and thoughts from each of the three Arms Length Management Organisations (ALMOs) and the Belle Isle Tenant Management Organisation (BITMO) – as these organisations are responsible for interpreting, implementing and administering the Council's Lettings Policy.
11. In addition, in December 2007, we wrote to Yvette Cooper MP, the then Government Minister for Housing, inviting her to meet with us and discuss the national context for Housing, how this impacted locally and any areas for future development.
12. Unfortunately, primarily due to a ministerial reshuffle, we were unable to secure a convenient date for such a discussion. However, in March 2008, the Chair of the Board, Councillor Barry Anderson, was able to secure a meeting with a Civil Servant from Communities and Local Government to discuss some emerging themes from the inquiry to date.
13. The Chair of the Board also met with the Council's Deputy Chief Environmental Health Officer to discuss some additional matters raised during the third session, namely Empty Dwelling Management Orders (EDMOs) and Selective Licensing. While the information

# Introduction and Scope

obtained regarding these issues was disseminated, we had not discussed this in any detail and, therefore, these remain areas of particular interest that we may wish to revisit sometime during the new municipal year in 2008/09.

14. We believe this report provides an excellent example of how scrutiny can work in conjunction with the Executive and add real value in examining specific policy areas in more detail.
15. We sincerely hope that this report and the recommendations it contains goes some way to improving the outcomes for the residents of Leeds in relation to meeting housing need.

# Conclusions & Recommendations



1. At our initial meeting, we were provided with a report that presented the issues currently having an impact on the Council's lettings policy. The report covered:

- The legislative background to the letting of council properties;
- The lettings policy and process in Leeds; and,
- How the policy is monitored.

## Legislative Background

2. We were advised that the Housing Act 1996 Part 6, as amended by the Homelessness Act 2007, sets out the legal requirements for local authorities' lettings policies. In summary this states that:

- the lettings policy must cover the lettings of all authority stock within the Council district;
- lettings must only be made in accordance with the published policy;
- the policy must give preference for accommodation to particular groups based on housing need, namely those who are homeless, who have medical housing needs, who are living in insanitary accommodation, and those with other social or welfare housing needs;
- the lettings policy must contain a 'statement on choice', namely whether the Council has adopted a choice based lettings scheme or not;
- the Council must publish its lettings policy, and must make it

available to persons wishing to obtain a copy. In addition, a summary of the policy should be made available free of charge;

- the Council cannot operate blanket exclusions – applicants can only be removed from the housing register if they are considered to be 'unsuitable' to be a council tenant due to serious unacceptable behaviour – for example, significant rent arrears, anti social behaviour and perpetrators of domestic violence;
- existing tenants seeking a transfer of accommodation must be considered on the same basis as new applicants, and
- the lettings policy must not discriminate unjustifiably against any customer group either directly or indirectly.

3. As such the Council's lettings policy covers lettings of council-owned stock managed by the Leeds Arms Length Management Organisations (ALMOs) and Belle Isle Tenant Management Organisation (BITMO), as well as nominations to Registered Social Landlords (RSLs).

4. We were further advised that the lettings policy is reviewed on an annual basis to take account of changes in secondary legislation, and in response to ongoing consultation and feedback from customers and partner agencies.

# Conclusions & Recommendations



## Recommendation 1

That the Strategic Landlord considers how best to involve the Scrutiny Board (Environment and Neighbourhoods), or its successor body, as part of the annual review of the Council's Lettings Policy, prior to final approval.

## Supply and demand for Council Housing in Leeds

5. It was made clear to us that it is the lettings policy that governs who is eligible for council housing and which groups are given preference for offers of accommodation, and that this should not be confused with the Leeds Homes Choice Based Lettings Scheme (CBL), which relates to how available properties are advertised and aims to simplify and increase the transparency of the lettings process.

6. Supported by independent research published earlier in the year, we were also provided with information on factors affecting the supply and demand for Council Housing in Leeds. The main findings of the research were:

- Customers on the Leeds Homes Register are increasingly becoming younger, more vulnerable and in greater housing need.
- New tenants are generally satisfied with the quality of their accommodation, but dissatisfied with the neighbourhoods they

live in, mainly due to perceptions of anti social behaviour.

- A number of factors have contributed to a reduction in the availability of stock, including loss of stock through Right to Buy and regeneration programmes.
- Right to Buy has had a particular impact on the availability of family-sized accommodation available for letting. However, the number of properties being lost through Right to Buy has reduced following restrictions introduced in 2006.
- It is estimated that stock will reduce to about 52,000 units by 2016.
- The reduction of available stock means that the Council will struggle to meet its statutory obligations to customers in housing need in the future.
- In 2005/06 18,440 new customers registered on the Leeds Homes Register, but only 5,166 lettings were made.
- The majority of lettings are made to customers in the Priority Extra or Priority bands of the Leeds Homes Register. They currently make up 90% of lettings.
- The proportion of customers on the Leeds Homes Register making expressions of interest in properties advertised through the Choice Based Lettings Scheme has increased from 31% in Quarter 4 of 2003/04 to 39% in Quarter 2 of 2007/08, a 26%

# Conclusions & Recommendations



increase, and customers are waiting longer to be re-housed.

- The increase in number of expressions of interest made in advertised properties over the same time period has been even more marked, increasing from 52,031 in Quarter 2 of 2004/05 to 114,749 in Quarter 2 of 2007/08, a 55% increase.
  - Approximately, there are 30,000 customers registered on the Leeds Homes Register, of which 1300 have Priority Extra housing needs, 1700 have Priority housing needs and 27,000 have General housing needs.
7. However, we were of the view that there was a perception among many key stakeholders that some of the difficulties associated with accessing council housing, could be attributed to and were a direct result of the Leeds Homes Choice Based Lettings Scheme (CBL).
  8. It was suggested to us that, as a result of the imbalance between the supply and demand for council housing, one of the implicit functions of the Council's current Lettings Policy was to 'ration' the available housing stock.
  9. As such, we felt it was very important to manage the expectations of key stakeholders, including new applicants, existing tenants and local councillors.
  10. Given the relatively unrestrictive nature of who can apply to be

included on the Housing Register, we questioned whether this approach helped to manage expectations or whether this in itself created additional pressure within the lettings process.

11. We also cited several occasions where Housing Officers had referred new applicants/ potential tenants to their local councillor regarding housing register/ waiting time issues. Whilst we accept that decisions on the direction of policy are the responsibility of Members, it is clear that officers are responsible for the implementation of policy.
12. However, we feel that local ward councillors are not routinely provided with sufficiently accurate performance information regarding housing related issues locally. This in itself can create difficulties and tensions when dealing with individual constituents and housing office staff. The lack of such information does not help local councillors manage customers' expectations and can clearly damage both the reputation of local ward members and the Council as a whole.

## Recommendation 2

- (i) That, through the ALMOs, the Strategic Landlord ensures that all local ward members are provided with quarterly performance information relating to local housing issues, in particular waiting times and lettings.

# Conclusions & Recommendations



## Recommendation 2 (continued)

- (ii) That, in conjunction with the Head of Scrutiny and Member Development, the Strategic Landlord, as and when appropriate, delivers a series of Member briefing/ information sessions on housing related matters, particularly following any significant changes to policy.
- (iii) That, to supplement the Member briefing sessions (referred to above), the Strategic Landlord produces and maintains a Members' handbook on the Council's Lettings Policies.

## Local Lettings Policies (LLPs)

13. In addition to the Council's overall Housing Lettings Policy, we were advised that Local Lettings Policies (LLPs) can be developed to allow lettings (in specified areas) to be made outside the general order for making offers. Overall, lettings must still be made to customers in housing need and LLPs must be based upon evidence that has resulted in improved housing management of the area. In addition LLPs must not operate in a way that discriminates, either directly or indirectly, unjustifiably.

14. Currently, there are two general types of LLPs operating in Leeds, namely:

- *age preference* – to reduce the possibility of lifestyle clashes between young and old residents in certain property types, particularly flats where there is often poor sound insulation; and,

- *local connection preference* – to ensure that local people can remain living in areas where there is both high demand and low stock, and where there are limited affordable alternatives.

15. We were further advised that other types of LLPs could include, giving preference to key workers or people in employment to maintain sustainability and mixed communities. LLPs are reviewed annually by each ALMO and alterations to existing policies may be proposed, where appropriate. LLPs must be approved by the relevant ALMO Board and by the Council under delegated decision-making powers.

## Recommendation 3

That, to enhance the openness and transparency in the development of Local Lettings Policies (LLPs), the Strategic Landlord ensures that, through the ALMOs, all local ward members are formally consulted in a timely and appropriate manner.

16. In our second session, we posed the following questions and invited each of the ALMOs and the BITMO to respond and discuss these in more detail:

- (i) Why are local lettings policies needed?
- (ii) How and when are local lettings policies reviewed and amended?
- (iii) How are local lettings policies and their implications communicated to key stakeholders?

# Conclusions & Recommendations



We were also interested to understand the supporting evidence base regarding existing local letting policies.

17. The general feedback we received was that existing tenants often see LLPs as some form of 'protection' or 'safety net' and, as such, they often provide a form of reassurance. It was also stated that often there was pressure from local tenants and elected members to introduce LLPs.
18. It was clear to us that, through a variety of mechanisms, each of the ALMOs and BITMO attempted to communicate LLPs operating within the areas under their responsibility, however there did not appear to be a wholly consistent approach. We felt that, based on current practice elsewhere in the City, each of the organisations could legitimately improve communication in this area.
19. We also felt that, taking an holistic view across the City, every tenant and potential tenant should be able to easily access information on LLPs irrespective of the specific area they related to, or the area in which they currently resided.

## **Recommendation 4**

That, working with each of the Arms Length Management Organisations (ALMOs) and the Belle Isle Tenant Management Organisation (BITMO), the Strategic Landlord seeks to develop a set of principles to ensure that information on all Local Lettings Policies in operation across the City is easily accessible by all members of the public, and are presented in a clear and consistent manner, by December 2008.

## **Suitability Assessments**

20. We were provided with an outline of Housing allocations, including the Choice Based Lettings process, and had some specific concerns regarding the adequacy of checks undertaken (at the application stage) to determine the suitability of potential tenants.
21. In order to safeguard the Council and other applicants, we felt it was important for all new applicants, applying to be included on the Housing Register, to provide a 5-year history of residency and for this to be verified as part of the application process.
22. We were advised that the Housing application form provided limited information regarding suitability and that some applicants would actively avoid providing information where it was felt that this would hinder their application.

# Conclusions & Recommendations



23. We queried what action was taken against tenants where it subsequently became apparent that details had been withheld and/or any false or misleading information had been provided at the application stage. We queried whether eviction proceedings could be instigated where this proved to be the case.
24. We were advised that, in cases where this became apparent prior to entering into a tenancy agreement, the circumstances were reviewed and appropriate action taken, for example, recommencing the application process. However, we were also advised that once a property had been let and a tenancy agreement signed, there had not been any cases where eviction proceedings had been instigated as a direct result of the provision of false and/or non-disclosure of information during the application process.
25. Given the current pressures around council housing, we felt that a strong message needed to be given to any potential applicant considering providing misleading or withholding information during the application process. We also felt that every organisation involved in letting properties via the Housing Register had a duty to take appropriate action against any such applicants, including, in some cases, eviction.
26. We agreed that any approach involving eviction proceedings would need to be in the context of there being a clear understanding among all parties involved that such proceedings would be instigated where such information would have had a material affect on an applicant's status on the Housing Register and/or influenced the decision whether or not to enter into a tenancy agreement.
27. We agreed that such an approach should be consistently applied across all areas of the City, made clear to all applicants as part of any initial discussions and highlighted on the application form. We also agreed that this should be reiterated throughout the application process.
- Recommendation 5**  
That as a matter of urgency, the Strategic Landlord reviews all relevant policies and procedures to ensure that each ALMO adopts a consistent approach and takes appropriate legal action when the Council becomes aware that any false and/or misleading information has been provided at any stage during the application process.
28. We were also particularly interested in the timing for requesting 'proof of identity'. We were advised that current practice is to seek 'proof of identity' immediately prior to letting a property. We viewed this as a fairly basic test and questioned whether this should be carried out

# Conclusions & Recommendations



much earlier in the process, i.e. at the application stage.

29. We also suggested the potential use of low-level credit checks to help provide an overall picture of an applicants suitability.
30. Officers advised us that, given the number of applications received compared with the number of lettings processed, the current approach made best use of available resources.
31. Nonetheless, we felt that by not requesting proof of identity at the application stage, this may artificially inflate the number of people on the Housing Register, with an increased risk of multiple and/or bogus applications being made. We agreed that this may inevitably lead to an inappropriate use of resources elsewhere in the process.

## Recommendation 6

That, by December 2008, the Strategic Landlord review the application registration procedures to ensure that appropriate checks on customers' identities are undertaken at an earlier stage of the lettings process, for example, as part of the housing need assessment process.

32. As this inquiry has progressed, it has become increasingly obvious to us that no single solution is capable of addressing the current difficulties within the social housing sector in Leeds and we agreed that a range of

approaches are needed, including:

- Ensuring an effective and consistent approach to tenancy management.
  - Building the right type of housing to create good quality, sustainable stock.
  - Addressing under-occupancy.
  - Stimulating and further developing the social housing sector.
  - Identifying and developing innovative policy areas.
33. As such, we received an outline of some potential approaches aimed at responding to the current housing pressures. The report covered the following areas:
    - Making best use of existing stock in the social and private sectors;
    - Ensuring that an effective and consistent approach to tenancy management is taken in council properties across the city;
    - Expanding the Leeds Homes Choice Based Lettings Scheme to include affordable housing options in council, Registered Social Landlords (RSLs) and private rented accommodation as well as affordable shared ownership schemes;
    - Promoting the council's mutual exchange scheme to tenants;
    - Improving outcomes for customers by developing a 'Housing Solutions' approach<sup>1</sup>;

<sup>1</sup> Please see paragraphs 59 onwards.

# Conclusions & Recommendations



- Amending the lettings policy to support the Housing Solutions approach.

## **Empty Dwelling Management Orders (EDMOs)**

34. We received information regarding the Council's approach to making best use of housing stock in the private sector by way of Empty Dwelling Management Orders (EDMOs).
35. In summary, we were advised that:
- EDMOs are time-limited, with a maximum period of 7 years;
  - EDMOs and the supporting legislation are not the panacea that is suggested in some quarters and are not suitable for all properties;
  - EDMOs are potentially a useful addition to the Council's Empty Homes Strategy;
  - EDMOs should be seen as an alternative solution to enforcement action such as Compulsory Purchase, particularly in areas where there is high demand and insufficient housing supply;
  - The Council, like most other local authorities, has experienced difficulties in setting up EDMOs, primarily due to a lack of interest from potential managing agents;
  - Financial constraints are believed to be the primary reasons for the lack of interest;
36. As a result, the Chair of the Board met with the Council's Deputy Chief Environmental Health Officer to discuss Empty Dwelling Management Orders in more detail. We were subsequently provided with some further information, along with some details in relation to Selective Licensing. However, we have not discussed this additional information in any detail and, as such, these, along with other aspects of the Council's Empty Homes Strategy, remain areas of particular interest that we may wish to revisit in the new municipal year in 2008/09.

## **Tenancy Management**

37. We heard that the reduction in available council housing stock means that council tenancies are rightly viewed as a valuable resource.
38. As a result, the Council has adopted the use of introductory tenancy agreements. Such agreements provide a trial period (usually for 12 months) that, in the absence of any breaches of the tenancy agreement, then allows the tenant to progress to a secure tenancy.
39. We were advised that in the event of any breaches of the tenancy agreement, the ALMO/ BITMO may consider seeking possession of the property or an extension of the introductory tenancy for a further six months.

# Conclusions & Recommendations



40. We were also advised that if a secure tenant breaches their tenancy by committing acts of anti social behaviour, the ALMO will deal take necessary preventative action to prevent further occurrences. Such preventative measures include cautions, the use of Acceptable Behaviour Contracts (ABCs) and requests (through the courts) for a demotion of tenancy for 12 months. A demoted tenancy reduces the rights of a secure tenant to broadly similar rights of an introductory tenant. Ultimately, persistent anti social behaviour may result in the re-possession of a property.

41. Given that council tenancies are viewed as a valuable resource, it is important to ensure that customers who are allocated a council property do not sub-let it. To help tenancy management staff accurately identify tenants, we heard that some ALMOs routinely photograph all main and joint tenants at the time of signing their tenancy agreements. We viewed this as good practice that should be replicated across the City.

## **Recommendation 7**

That, within each ALMO/ BITMO, the Strategic Landlord actively promotes the photographing of all main and joint tenants at the time of signing their tenancy agreements.

42. While recognising the benefits of photographing of all main and joint

tenants at the time of signing their tenancy agreements, we also felt it was necessary to explore and examine other strategies aimed at tackling sub-letting. For example, by creating an environment where:

- Sub-letting is recognised as a serious issue by all key stakeholders;
- Customers are able to easily report suspected instances of sub-letting;
- Customers have confidence that any information they provide will be treated confidentially and acted on swiftly;
- Instances of suspected sub-letting will be dealt with swiftly and, where proven, tackled in a robust manner.

## **Recommendation 8**

- (i) That, by December 2008 and in conjunction with each ALMO and the BITMO, the Strategic Landlord seeks to develop and implement suitable strategies to tackle sub-letting of council properties.
- (ii) That a review of such strategies is undertaken 12 months after implementation, with a view to ensuring such strategies are and remain fit for purpose.

## **Managing Under-Occupation**

43. The Government has a clear definition of under-occupation, which is linked to the composition of the household and the minimum number of bedrooms required. On a practical level,

# Conclusions & Recommendations



while it is necessary to take account of the property type, under-occupation can be considered as a situation where one or more bedrooms are not in regular use as such.

44. Since 2006, the Council's lettings policy has allowed tenants under-occupying<sup>2</sup> social housing in Leeds to be awarded Priority Extra and be considered for a direct let, provided the move will achieve best use of council stock (i.e. where there is sufficient demand for that property type).
45. We heard that currently, approximately 25% of council house tenants transfers occur as a result of under-occupation.
46. We also heard that in some circumstances the Council can legally offer incentives to tenants where under-occupation is occurring. We heard that some authorities, primarily in London, offer a range of incentives to help release under-occupied properties. Such incentives include cash payments based on the number of bedrooms released.
47. We were advised that under-occupation can arise for a number of reasons and that it is important to understand those reasons to ensure appropriate incentives, advice and support are available

<sup>2</sup> An under-occupying customer is defined as a customer who, if they were to move, would release a larger property than the one they would be offered

to help release and redistribute larger properties.

48. However, currently there would only appear to be an indicative understanding of under-occupancy across the City and further research is required to provide a complete picture of the prevailing situation. Such research is a key element to help ensure the appropriate allocation of resources to address this particular issue.

## **Recommendation 9**

That by April 2009, the Strategic Landlord, through the ALMOs:

- (i) Ascertains the level of under-occupancy across all council housing stock.
- (ii) Undertakes further research to establish the most appropriate interventions for reducing under-occupancy across council housing stock locally.
- (iii) Formulate proposals, including the allocation of dedicated resources, aimed at proactively addressing under-occupancy, in the longer-term, across council housing stock locally.

## **Marketing affordable housing**

49. We heard that the Leeds Choice Based Lettings (CBL) scheme advertises a wide range of housing options and, on average, one hundred properties are advertised each week.

# Conclusions & Recommendations



50. Work has been undertaken through the Council's Accredited Private Landlord Scheme to allow its members the opportunity to advertise properties through the CBL scheme.
51. We heard that, since the launch of this scheme in November 2006, 29 individual landlords had used the CBL scheme to advertise properties. However, we were also advised that a review of the scheme, undertaken in autumn 2007, had revealed that greater flexibility was needed to better meet the needs of private landlords. The scheme was due to be relaunched in March 2008, with greater emphasis on providing value for money for advertising landlords, more effective targeting of housing register customers and wider promotion of the scheme. We wholeheartedly support this approach.
52. We also heard that the CBL scheme included advertisements for affordable housing to buy and it was planned that affordable housing solutions would be linked more closely to the Leeds Homes Register and CBL by identifying appropriate customers and signposting them to relevant schemes in the City. Again, we wholeheartedly support this approach.

## Recommendation 10

That the Strategic Landlord:

- (i) Continues to monitor the use of Leeds Choice Based Lettings (CBL) scheme, and actively promotes and encourages its use as a mechanism to advertise a range of housing options and opportunities, including private landlord accommodation and affordable housing.
- (ii) Ensures that affordable housing solutions are more closely linked to the Leeds Homes Register and CBL scheme by actively identifying appropriate customers and signposting them to relevant schemes in the City.

## Mutual Exchange

53. Mutual exchange offers customers an alternative way of finding a new home which does not depend on their housing needs, whereby two council or housing association tenants, effectively 'swap' homes.
54. We were advised that details of mutual exchanges are advertised in the Leeds Homes property flyer, on the Leeds Homes website, ALMO websites and in local housing offices.
55. We were also advised that landlords must approve such exchanges in advance, and can refuse permission in certain circumstances (as provided for in the Schedule 3 of the Housing Act 1985), for example, if the proposed exchange would result in unacceptable overcrowding or under-occupation.

# Conclusions & Recommendations



56. Since 2004/05, there had been over 1000 mutual exchanges and over 500 Council or Registered Social Landlord (RSL) tenants are currently registered with Leeds Homes for a mutual exchange.
57. We recognised the significant number of mutual exchanges, but felt that more could be done to market and promote the scheme as an alternative option. In doing so, we felt this could alleviate some of the pressure on the current waiting lists and offer existing tenants a real alternative for meeting their changing needs.
58. We felt that a more proactive approach was needed, whereby housing staff offer customers realistic advice and help facilitate exchanges where such an approach was appropriate.

## **Recommendation 11**

That, by December 2008, the Strategic Landlord:

- (i) Explores and implements ways in which 'mutual exchanges' are better promoted and marketed as part of the available housing options.
- (ii) Considers ways in which a more proactive approach by staff could help provide customers with realistic advice and help facilitate mutual exchanges where such an approach offers an appropriate solution.

## **Housing Solutions**

59. Approximately 20,000 people per annum actively bid for council homes in Leeds. From this, it is clear that, with around 5,000 lettings per year, the majority of customers on the Leeds Housing Register will not be successful in securing a council property within a reasonable time period.
60. The impact of this imbalance between demand and supply is wide ranging. It leads to increased levels of customer dissatisfaction with the lettings service and a high degree of frustration with the CBL scheme from unsuccessful bidders. As a direct consequence of both these aspects, it was reported to us that more officer time was being devoted to explaining to customers why they have not been successful bidding through CBL, dealing with complaints and Ombudsman enquiries.
61. While discussing what was meant by a 'Housing Solutions' approach, we were advised that this focuses less on assisting customers through an allocation of council accommodation and more on resolving housing need issues. This would include giving customers realistic advice on their re-housing options and providing accurate information on likely waiting times for council properties.

# Conclusions & Recommendations



62. We were advised that this would need to be complemented by providing information about alternative solutions and tailored support to enable customers to access the various options. We were further advised that for some customers this could be achieved through signposting via a website, with more intensive support being provided to vulnerable customers.

63. We also heard that, in response to the government's vision for how housing advice and homeless services should be reconfigured<sup>3</sup> to respond to housing need, the Council had responded by reorganising its Homelessness Advice and Prevention Service and investing in a two-year Transformational Change Programme that will include investment in ICT and Customer Service training. As part of this the Homelessness Advice and Prevention Service is already adopting a housing solutions approach by providing a range of advice on housing solutions when undertaking prevention work with potentially homeless customers.

64. We feel that a 'housing solutions' approach could be expanded to encompass other customers beyond just those approaching the Homelessness Advice and Prevention Service. We believe

that by providing a range of information, customers will be able to consider all their available housing options, including suitable alternatives to council accommodation.

## **Future Policy Developments**

65. It was also suggested to us that further amendments to the lettings policy were required to respond to the changing housing market in Leeds and to support the Housing Solutions approach, including:

- Placing a greater emphasis on assisting customers to remain in their current property and ensuring all other options are exhausted before a priority is awarded on the Leeds Homes Register;
- Taking financial resources into account when awarding priority;
- Taking customers' behaviour into account when awarding priority, where the behaviour is not so serious as to warrant being removed from the housing register; and,
- Encouraging ALMOs to place bids on customers' behalf with a view to making offers of suitable properties.

<sup>3</sup> *Community and Local Government's National Homelessness Strategy, Sustainable Communities: Settled Homes; Changing Lives (Office of the Deputy Prime Minister, March 2005)*

# Conclusions & Recommendations



## ***Staying Put***

66. Placing an emphasis on maintaining customers' current tenancies, staff would seek to work to help customers remain in their current home where it is safe and reasonable to do so, helping to maintain the stability and sustainability of communities.
67. Prior to awarding any degree of priority on the Leeds Homes Register, staff would discuss a customer's reasons for wanting to move, and what actions could be taken to resolve their housing needs through alternative means. This could include working with a range of partners to provide a series of potential interventions. Examples of possible interventions are shown in Appendix 1.
68. We are generally supportive of this type of approach, subject to the reasons for customers wanting to move being adequately assessed and appropriate interventions being available and sufficiently resourced.

## ***Financial resources***

69. Under the Council's current lettings policy there are no restrictions on customers who have sufficient financial resources to meet their own housing costs being awarded priority on the Leeds Homes Register or being offered council accommodation.

70. However, we were reminded that the Housing Act 1996 allows local authorities to take into account the financial resources available to a customer to meet their housing costs when deciding what degree of priority to award. We were advised that the financial resources that can be taken into account include property equity, income, savings and investments.
71. It was suggested to us that amending the current policy to incorporate some form of means testing would result in customers with sufficient financial resources, remaining registered on the General Needs band of the Leeds Homes Register rather than being awarded a priority.
72. It was also suggested to us that potential benefits of adopting such a policy would include being able to prioritise those customers who are not able to afford to make their own arrangements over those who can, and may also help reduce the number of customers in a particular priority band.
73. However, we were also advised that such a policy was likely to lead to an increase in workload, higher administrative costs and an increase in the time taken to register applications and award any priority status.
74. In addition, the level of resources deemed to be sufficient, remained a key and unanswered question.

# Conclusions & Recommendations



75. While not dismissing such proposals out of hand, on balance, and based on the evidence presented to us to date, we believe implementing such a policy would prove problematic. We also feel there would be implications around maintaining sustainable mixed communities across the City, and such issues need to be carefully considered in more detail.

76. As such, we feel further research and examination of all the potential implications is needed, and Members need to be provided with all the available evidence to help inform any future decision on policy changes in this regard.

## ***Customers previous behaviour***

77. Currently, the Council may decide to remove a customer's application from the Leeds Housing Register, where such behaviour makes them unsuitable to be a council tenant. We were reminded that such behaviour had to be serious enough to fall within one of the categories defined as 'unacceptable' in the Housing Act and, as such, had to be considered on a case-by-case basis.

78. We were also advised that the Housing Act also allows less serious behaviour to be taken into account when determining the level of priority awarded. Currently, this does not form part of the Council's Lettings Policy

and would only impact on those customers likely to be awarded Priority or Priority Extra status.

79. We were further advised that adopting such a policy would help to ensure that issues such as lower levels of rent arrears or antisocial behaviour, are addressed at an earlier stage and give the customer an opportunity to amend their behaviour accordingly.

80. We were generally in favour of extending the current lettings policy to allow a customer's behaviour, or that of any member of the customer's household, to be taken into account when awarding any priority status.

## ***Making offers of accommodation***

81. It was suggested to us that more emphasis could be placed on making a suitable offer to customers in housing need, by allowing ALMO staff to make expressions of interest regarding suitable properties on behalf of customers once the initial priority period had expired.

82. This would include bids being placed on properties which meet customers' requirements in terms of property type and size, but would not necessarily be made in their preferred area of choice, where this is a high demand area with long waiting times.

83. The intention of this proposal would be to assist customers in

# Conclusions & Recommendations



housing need who are not making expressions of interest as well as those who are bidding unrealistically in areas of extremely high demand where there is little prospect of them being re-housed.

84. In practice, where a customer tops the shortlist and the property and area is deemed suitable for their needs, they would be offered the property as a final offer. If the customer refuses an offer unreasonably, their priority would be removed and their application placed in the General Needs band.
85. While we were assured that such a scheme would include an appeals process, whereby a customer would have the right to request a review of the decision, we had a number of concerns regarding the operation and monitoring of such a system.
86. We also felt that, while an appeals process would need to be a fundamental element in such a scheme, the impact of an appeals process on staff resources could in itself have a detrimental effect.
87. As such, we feel that this proposal needs further research, including the analysis of any available data from authorities where such a scheme is in operation. The outcome of such research should also be presented to Members for detailed consideration.

## Recommendation 12

- (i) That the Strategic Landlord continues to develop and promote a 'Housing Solutions' approach in order to respond to the changing nature of customers housing needs in the City, including appropriate changes to the Council Lettings Policy.
- (ii) That in considering any proposed changes to the Council Lettings Policy, the Strategic Landlord seeks to undertake a further and more detailed examination of the likely implications of such, and provides this to the Scrutiny Board (Environment and Neighbourhoods), or its successor body, for consideration.
- (iii) That, in developing a 'Housing Solutions' approach, the Strategic Landlord develops and implements a robust performance framework, in order to provide meaningful, accurate and timely performance information for all key stakeholders.
- (iv) That the Strategic Landlord provide a 6-monthly report to the Scrutiny Board (Environment and Neighbourhoods), or its successor body, regarding progress in developing a 'Housing Solutions' approach and any available performance data.

# Conclusions & Recommendations



## Conclusion

88. To date, we have received and considered a range of information that has helped us formulate and present a number of recommendations.
89. We recognise that implementing these recommendations will not resolve all of the current difficulties overnight. However, we do hope that they make some difference, both in the short and longer-term.
90. Nonetheless, from all the information we have considered, it is clear to us that the Housing Market in Leeds is influenced by a wide range of socio-economic factors, which gives rise to a very complex and diverse mixture of housing needs and provision. Within this, we believe that the fundamental question about the role of council housing within the overall housing jigsaw remains unanswered.
91. As such, we believe that, as a City, and within the context of a range of competing priorities, we need to decide what we want and expect from our council housing stock. To help determine this, we need an open and transparent dialogue between all key stakeholders.

## **Recommendation 13**

That, within 12 months, the Chief Housing Services Officer establishes and commences a process, involving all key stakeholders, to determine the future customer profile of Council Housing within Leeds.

92. On a final note, we would like to thank all those individuals for their time, effort and input into this inquiry, without which we would not have been able to generate this report and set of recommendations.

# Evidence



## Monitoring arrangements

Standard arrangements for monitoring the outcome of the Board's recommendations will apply.

The decision-makers to whom the recommendations are addressed will be asked to submit a formal response to the recommendations, including an action plan and timetable, normally within two months.

Following this the Scrutiny Board will determine any further detailed monitoring, over and above the standard quarterly monitoring of all scrutiny recommendations.

## Reports and Publications Submitted

- 1) Report of the Strategic Landlord Group: Inquiry into Housing Lettings Pressures – 19 December 2007
- 2) Leeds Homes – annual Lettings information (2006)
- 3) Report to Executive Board – Deputation to Council: Allocations and Lettings (Queenswood Heights) – 19 December 2007
- 4) Report of the Strategic Landlord Group: Local Lettings Policies Annual Review – 24 December 2007
- 5) Report of the Head of Scrutiny and Member Development – 30 January 2008
  - a. Aire Valley Leeds Homes – written submission
  - b. Belle Isle Tenant Management Organisation – written submission
  - c. East North East Homes Leeds – written submission
  - d. West North West Homes Leeds – written submission
- 6) The Right Honourable Caroline Flint MP (Minister for Housing) – Address to the Fabian Society – 5 February 2008
- 7) Report of the Strategic Landlord Group: Inquiry into Housing Lettings Pressures (2) – 27 February 2008

*NB Copies of the above reports are available upon request. Please contact the Scrutiny Support Unit at [scrutiny.unit@leeds.gov.uk](mailto:scrutiny.unit@leeds.gov.uk) or telephone (0113) 247 4707*

# Evidence



## Witnesses Heard

- John Statham – Strategic Landlord Manager, Leeds City Council
- Simeon Perry – Housing Policy and Monitoring Manager, Leeds City Council
- Kath Bramall – Leeds Homes Policy Manager, Leeds City Council
- Mike Camponi- Choice Based Lettings Implementation Manager, Leeds City Council
- Merran McRae – Chief Executive, Aire Valley Homes Leeds
- Simon Costigan – Head of Housing Management, Aire Valley Homes Leeds
- Dr. Linda Helen – Estate Director, Belle Isle Tenant Management Organisation
- Simon Hale – Neighbourhood Housing Manager, Belle Isle Tenant Management Organisation
- Steve Hunt – Chief Executive, East North East Homes Leeds
- Jill Wildman – Director of Housing Services, East North East Homes Leeds
- Claire Warren – Chief Executive, West North West Homes Leeds
- Steve Evans – Head of Customer Services, West North West Homes Leeds
- Andy Beattie – Deputy Chief Environmental Health Officer, Leeds City Council<sup>1</sup>
- Stuart Chapman – Head of Division, Housing Strategy and Legislation, Communities and Local Government<sup>1</sup>

<sup>1</sup> Due to time constraints, these witnesses only met with the Chair of the Scrutiny Board

## Dates of Scrutiny (to date)

- 19 December 2007 – Culture & Leisure Scrutiny Board
- 30 January 2008 – working group meeting
- 27 February 2008 – working group meeting
- 4 March 2008 – Chair's meeting: Head of Division, Housing Strategy and Legislation, Communities and Local Government
- 6 March 2008 – Chair's meeting: Deputy Chief Environmental Health Officer, Leeds City Council

**Possible interventions under a Housing Solutions approach**

<b>Issue</b>	<b>Possible intervention</b>	<b>Agencies</b>
Noise nuisance	Enforcement action Mediation	ALMO / LCC / Voluntary sector
ASB / harassment	Enforcement action Mediation Target hardening - extra security measures, increase mobile patrols / caretakers panic alarms, support agencies	ALMO / LCC – ASB Unit/ Police / Voluntary sector
Relationship breakdown	Mediation	Voluntary sector – Relate, Archway etc
Domestic violence	Legal advice Sanctuary Scheme	HALT / ALMOs / Voluntary sector
Property conditions	Enforcement action Legal advice Home Maintenance Service, Handyperson Service	Environmental Health / Tenancy Relations Team / Care and Repair
Support needed – physical health / disability	Alarm service Gardening service Adaptations to current property	Care Ring / Care and Repair / Adaptations Agency
Support required	Temporary / supported accommodation Floating support	Supporting People agencies
Eviction / possession due to rent arrears	Prevention through money advice, benefit maximisation, discretionary housing payments, support in tenancy / floating support	CAB / ALMO Debt recovery / teams / LBS / Voluntary sector
Eviction – asked to leave	Mediation: family & friends	Voluntary sector, eg Archway scheme
Overcrowding	Extensions, conversions, living arrangements, eg bunk beds Mutual exchange	ALMOs / RSLs / Leeds Homes