

# **Allocations Policy for Intermediate Housing**

**December 2015  
(GLA criteria updated July 2016)**



THE ROYAL BOROUGH OF  
**KENSINGTON  
AND CHELSEA**

## **Allocations Policy for Intermediate Housing**

### **1. Introduction**

- 1.1 This policy sets out the way in which the Royal Borough will prioritise applicants for any intermediate properties to which it has nomination rights. This includes those intermediate properties leased to and managed by the Kensington and Chelsea Tenant Management Organisation (KCTMO).
- 1.2 This policy supersedes the previous policy relating to the allocation of intermediate housing.

### **2. Scope**

- 2.1 This policy does not cover affordable rent properties. These are covered in the Allocations Policy which can be found on the Council's website.

### **Affordable housing in the borough**

### **3. Definition of intermediate housing**

- 3.1 The definition of intermediate housing is set out in the National Planning Policy Framework, which states that intermediate housing is: 'Housing at prices and rents above those of social rent, but below market price or rents. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent but does not include affordable rented housing'.
- 3.2 Intermediate housing rents can be above target, social and affordable (discounted or capped) rents and up to 80 per cent of Market Rent. Intermediate rents are not limited by Local Housing Allowance (LHA) levels and can be set above this amount.
- 3.3 The Mayor of London has set up the First Steps scheme for working people currently living in London and looking to rent or buy a property at below market levels. 40 housing providers across the Capital are involved and each local authority is able to set their own priorities to ensure local need is met. Through this scheme, the following options are available to Royal Borough of Kensington and Chelsea residents:
  - **Shared ownership** is where an organisation owns the freehold or main lease of a property and sells a share to the person who lives in the property. Shares are initially made available between a minimum of 25 per cent and a maximum of 75 per cent. The occupier can staircase at any point in a minimum of 10 per cent tranches until they eventually buy the full share of the property. Rent is paid on the unsold equity.

- **Shared equity** involves the purchaser buying 100 per cent of the property but with the assistance of an equity loan.
- **Rent to save** or flexible tenure is where properties are provided at a discounted market rent and the tenant pays the difference into a savings plan to save for a deposit.
- **Intermediate rent** is where a property is let at up to 80 per cent of the market rent.
- **Discounted market sale** is where a property is sold at a discounted price. The purchaser buys the percentage of the property available after the discount and covenants to sell it at the same percentage. There is no rent payable as the purchaser owns 100 per cent of the property and the covenant ensures the property remains as an affordable unit.

3.4 Other intermediate products may become available and this policy will apply.

#### 4. Eligibility for intermediate housing

4.1 Our eligibility criteria fit within, but differ slightly from, the Greater London Authority (GLA)'s criteria for eligibility for intermediate housing. The Royal Borough's criteria are:

- Applicants must be aged 18 or over
- Eligible households must earn more than £18,100 per annum
- Applicant households seeking one and two bed properties must not earn more than £71,000 gross per year
- Applicant households seeking properties with three beds or more must not earn more than £85,000 gross per year
- Applicants must be British or EEA citizens who are exercising their treaty rights or have indefinite leave to remain
- Applicants must not own a home at the time of purchase or entering a tenancy agreement.

Additionally, our criteria will state that households with savings over £100,000 will not be eligible to apply for intermediate housing.

4.2 The income bands will be periodically reviewed to remain in line with any revisions made by the GLA, and/or local priorities.

- 4.3 Applicants will be required to provide evidence and information in order to verify their eligibility for intermediate housing, and to satisfy the criteria for prioritisation. The Council and its partners will undertake checks with regard to identity and other information provided such as employment, length of residency in the borough, the existence of rent or mortgage arrears, and the extent of any repeated involvement in antisocial behaviour. The Council and its partners may also take reasonable steps to verify information with other agencies and organisations which may hold information on the applicant and household members. This might include other Council departments, other local authorities, landlords, financial institutions and credit agencies.
- 4.4 It is the applicant's responsibility to keep their application up to date and inform the Council and its relevant partners of any changes in circumstances.

Applicants will be required to tell the truth on their application for intermediate housing. Any failure to include relevant information, to hide material facts or to attempt to obtain housing through false information will be treated as fraud. The Council treats housing fraud seriously and will take legal action against applicants found to have committed fraud.

- 4.5 Failure on the part of an applicant to provide requested information may render that application incomplete and, as a result, the Council will consider that application to be withdrawn.
- 4.6 If the Council has reasonable doubts about the validity of an application, it may be suspended until all necessary investigations have been completed.
- 4.7 Applications from people who fall into the following categories will be prohibited from applying for or being allocated (as an applicant or household member) intermediate housing in, or administered by, the Royal Borough of Kensington and Chelsea for **five years**. Should they seek to reapply, they will need to demonstrate a change in behaviour.
- a) Applicants who have supplied false or misleading information on their application for housing.
  - b) Any applicant who has paid money to obtain a tenancy with either the Council or a housing association operating within the borough.
  - c) Any applicant or member of their household who has been convicted of, or had legal action taken against them for: violence, racial harassment, threatening behaviour, any other antisocial behaviour, any physical or verbal abuse towards staff of the Council, its contractors, or housing associations within the last five years. Legal action here includes convictions, serving of injunctions, notice of intention to seek possession, court order, revocation of licence to occupy.

- 4.8 The Council has the power to determine whether in its opinion applicants or members of their household have been guilty of unacceptable behaviour serious enough to make them unsuitable to be Council tenants so that they should be disqualified.
- 4.9 Applicants who have been subject to legal action by Kensington and Chelsea Tenant Management Organisation or other Registered Provider (including temporary accommodation providers) for breach of tenancy may be excluded at the discretion of the Council.
- 4.10 If the applicant or household member owns a property, or a share in a property, or if they have a tenancy elsewhere, they will be required to terminate their interest in that property or properties before they can sign for an allocated property.

## 5. Priority groups

- 5.1 There will always be greater demand for intermediate housing in the Royal Borough than available supply. In order to create greater flexibility and widen opportunity to local residents working in the borough, others working in the Royal Borough and contributing to its economy, the following groups are prioritised in the following order:
- 5.2 For intermediate housing properties that have received grant funding from the GLA, priority will be given to Armed Forces personnel (serving military personnel and former members of the British Armed Forces discharged in the last two years).
- 5.3 Local Priority will apply where:
- Intermediate housing products are supplied with no GLA grant funding
  - Properties for intermediate rent are supplied by local Registered Providers with no GLA grant funding
  - Properties for intermediate rent are supplied within the housing stock owned by the Royal Borough.

### 5.4 Local Priorities as set by the Royal Borough are:

*Applicants are expected to apply for the correct bedroom size property. In some circumstances an applicant may be allocated a property up to one bedroom size larger than they currently require.*

- **First preference** will be given to any applicant with a social tenancy within the Royal Borough. Length of tenancy will be used to differentiate between applicants.

- **Second preference** will be given to any applicant who is homeless and in priority need and has been placed by the Royal Borough in temporary accommodation and a duty to re-house has been accepted by the Royal Borough. Date of homeless application will be used to differentiate between applicants.
- **Third preference** will be given to applicants whose principal home is in the Royal Borough and who work in the Royal Borough. In the event of two or more applicants meeting the criteria, the property will be awarded to the individual who has lived in the Royal Borough the longest.
- **Fourth preference** will be given to applicants whose principal home is in the Royal Borough but do not work in the Royal Borough. Length of residency will be used to differentiate between applicants.
- **Fifth preference** will be given to applicants who work in the Royal Borough and live elsewhere. Greatest length of confirmed employment within the Royal Borough will be used to differentiate between households.
- **Sixth preference** will be given to applicants who live in the GLA area and who are working. Length of residency will be used to differentiate between applicants.

*In the event of circumstances which not covered in the preference points above, a decision as regards priority will be made at the discretion of the allocations panel.*

- 5.5 For the purposes of the third preference above, self-employed applicants who wish to be considered as 'working in the Royal Borough' will have to demonstrate that their address is registered in Kensington and Chelsea. For the purposes of the third and fifth preference above, applicants who are self-employed, work from home, or who act as consultants or similar may have to demonstrate that their work benefits the Royal Borough's economy and community in order to qualify as 'working in the borough'.
- 5.6 In the event of circumstances not covered in the preference points above, a decision as regards priority will be made at the discretion of the senior officers within the Housing Department. In the event that a preference point is in doubt (for example 'working in the Royal Borough') the Director of Housing or a delegated officer will have the final determination.

## **6. The allocation of wheelchair adapted properties**

- 6.1 Where properties are adapted for wheelchair use all reasonable steps will be taken to identify an applicant in need of this type of property.
- 6.2 For properties that have received GLA grant funding, first priority will be given to applicants in the Greater London area who can demonstrate the need for a wheelchair adapted property. Where no suitable applicant is identified, the property will be allocated in the same way as other properties made available with GLA grant funding.
- 6.3 For properties that have not received GLA grant funding, first priority will be given to applicants in the Royal Borough who can demonstrate the need for a wheelchair adapted property. Where no suitable applicant is identified, the property will be allocated in line with the Local Priority criteria.

## **7. Eligible property sizes**

- 7.1 We assess the size of property each household requires. This is set out below:
- one bedroom for the applicant and their partner if applicable
  - one bedroom for every two children of the same sex, aged up to and including 20
  - one bedroom for a child of the opposite sex, aged over ten
  - one bedroom for any other adult aged 21 or over.
- 7.2 Bedrooms are permitted only for people entitled to be on the intermediate housing application. An extra bedroom will not be recommended due to pregnancy.
- 7.3 In exceptional circumstances, an extra bedroom may be allowed where there is a proven need for one; for example for medical or healthcare reasons. See also paragraph 7.4 below. The allowance of an extra bedroom will be subject to assessment and agreement by the Director of Housing or a senior delegated officer within the Housing Department.

#### 7.4 Bedroom eligibility:

	One adult or a couple plus							
	one person or a couple	Two adults not living at a couple	One child or other adult	Two children of the same sex aged 20 or under	Two children of opposite sexes aged under 10	Two children of opposite sexes, one or both aged over 10	Three children	Four or more children
One bed	X							
Two Bed		X	X	X	X			
Three Bed						X	X	X
Four bed								X

### 8. Definition of the eligible household

- 8.1 Households eligible for be considered for intermediate housing will only include the applicant, their partner, their immediate family, and anyone else with an exceptional need to live with them.
- 8.2 Partner means someone who lives with the applicant as a partner, or who would live with them if they were able to. This includes mixed-gender and same-sex couples, whether or not they are married or in a civil partnership.
- 8.3 Immediate family means the applicant’s children or their partner’s children who live with the applicant all the time, or for four or more nights every week. Children of shared custody can only be included on one application with the parent who is the main care provider (residing with them for four nights or more). Evidence supporting the inclusion of children will be required.
- 8.4 Immediate family **does not include** the applicant’s (or their partner’s) parents, grandparents, brothers, sisters, aunts, uncles, grandchildren, nieces, nephews, cousins, friends or lodgers – unless they have an exceptional need to live as part of the household. (See below).
- 8.5 People who have an exceptional need to live with the applicant means people who are not included in the definition of ‘immediate family’, but who have a real need to live as part of the household in order to give or to receive care or support. This may include:
- a ‘wider’ household member who cannot live independently because of a disability or care need

- a carer, if someone in the household needs full-time care and no one in their immediate family (as defined in this document) is able to provide this.
- 8.6 If people not meeting the definition of immediate family are included on the housing application, evidence in support of their inclusion will be required such as: a court order, a social services or an occupational therapy assessment. If the person in question is moving from abroad, evidence of their recourse to public funds or of a sufficient sponsorship undertaking will be required.
- 8.7 Members of the immediate family can be included on the application even if they do not currently live with the applicant. If members of immediate family live abroad, they can be included on the application, but the Council will not recognise them with regard to bedroom entitlement until they have the right to reside in the UK. If members of the immediate family live elsewhere in the UK, they can be included on the application, but applicants should consider applying to be rehoused where the other family member lives, especially if the demand for housing is lower there.
- 8.8 An applicant who is a parent with visiting children (ie the parent is not the main carer) may be entitled to one extra bedroom in order to accommodate them.
- 8.9 In the event that the membership of an applicant household is in doubt (for example doubt about the existence of a couple and the need to consider joint incomes) the Director of Housing or a delegated officer will have the final determination.

## **9. Processes – Eligibility and prioritisation**

- 9.1 The Royal Borough is likely to use the Mayor of London’s First Steps portal to market intermediate properties. However, alternative marketing schemes may be used on a development by development basis. Prospective applicants will need to register their details on the Share To Buy website ([www.sharetobuy.com](http://www.sharetobuy.com)) which incorporates the First Steps portal.
- 9.2 Where intermediate properties are supplied by Registered Providers, the relevant affordability and residency tests will be carried out by the providers or their appointed agents. Providers may then decide not to shortlist an applicant for a property. This may occur if a household is deemed not to be able to afford either the purchase or rent payments for the property or if the verification process discovers that they do not satisfy the requirements in terms of residency or employment.
- 9.3 Once a Registered Provider has compiled a shortlist of applicants who have passed the verification process, this will be forwarded to the Royal Borough for households to be prioritised and an allocation made to the available unit/s. Further verification checks may be carried out at the Royal Borough’s discretion.
- 9.4 Where intermediate properties are supplied by the Royal Borough, the relevant affordability and residency tests will be carried out by Council employees.

Applicants must be able to demonstrate that they are able to afford to purchase or rent a property before an offer will be made.

- 9.5 Where an applicant is unable to afford a particular property, the applicant can be invited to apply for less expensive properties which may become available.

## **10. Equality and diversity**

- 10.1 The borough is home to people from a wide range of backgrounds. We are committed to equal opportunities in housing. This means that we seek to ensure that priority for housing is based on housing need and that housing policies are fair to all sections of the community regardless of age, disability, gender, marriage and civil partnership, pregnancy and maternity, race, religion or belief, or sexual orientation.

- 10.2 We want our services to be accessible to everyone who lives or works in the borough. If an applicant needs extra help to be able to use our services, such as translation and interpretation services, large print or signing, these will be made available.

- 10.3 All applicants for housing or rehousing may be asked to provide details of age, gender, ethnic origin, religion and sexual orientation. This is to allow us to assess the application properly as well as to monitor who is allocated housing, and to ensure that properties are being offered and allocated fairly.

## **11. Disputes concerning the allocation of intermediate properties and complaints regarding service**

- 11.1 The allocation of intermediate properties will be completed in accordance with this policy.
- 11.2 There is no statutory right to review a decision not to assess or shortlist an applicant, or allocate to an applicant an intermediate housing property. However, where appropriate and when requested, the Council will inform an applicant why they have not been assessed, shortlisted, or allocated a property.

## **12. Who to contact for further advice**

- 12.1 For advice about housing options, contact a Housing Options and Allocations Advisor on 020 7361 3008, or visit [www.rbkc.gov.uk/housing](http://www.rbkc.gov.uk/housing).