

(For Democratic Services use)

Decision Number: 5 2016/17

Portfolio Holder Executive Decision Statement

The Local Authority (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012

Subject: Sevenoaks District Intermediate Housing Policy
Details of Decision taken: To adopt an updated Sevenoaks District Intermediate Housing Policy
Reason for Decision: The District Council has had an intermediate housing policy in place since January 2014 (Portfolio Holder decision 2013/14 No. 36). Following recent changes in central Government policy in relation to intermediate housing, revisions are needed to ensure the District Council's policy is compliant.
All Documents considered: Sevenoaks District Intermediate Housing Policy, April 2016
Details of any alternative options considered and rejected by the Member when making the Decision: None
Financial implications: None
Legal Implications and Risk Assessment Statement: None
Equality Impacts (Consideration of impacts under the Public Sector Equality Duty) The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.]

When completed a copy of this record must be sent to the Democratic Services Section by e-mail and a signed copy by internal mail

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Local Member (s), other Portfolio Holders and/or Directors/Heads of Service Consulted: None

Details of any conflicts of interest

a) declared by any executive member who is consulted by the Decision Taker: None

b) and any details of dispensations granted by the Chief Executive in respect of any declared conflict: None

Decision taken by:	Portfolio Holder for Housing & Health
Signed by Portfolio Holder	
Date of Decision	16/5/16
Record made by:	
Date of record:	18/5/16

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Sevenoaks District Intermediate Housing Policy

Introduction

This policy applies to the sale or rent of *intermediate housing* to applicants (Eligible Persons), which has been delivered by a Housing Association provider (which includes Private Registered Providers of Social Housing and Registered Social Landlords) or any other agreed provider, within the Sevenoaks District Council area.

Intermediate housing comprises ONLY those homes which are affordable to applicants with a household income of less than £80,000 per annum and comes in the following categories:

- Shared ownership - Depending on the terms of the scheme, the provider will make shares available for sale between 25% and 75% of the property's market value. The applicant pays a subsidised rent on the part of the property not owned.
- Shared equity – An applicant buys a 75% - 80% equity share in a property and there is no rent to pay on the part of the property not owned. NB. this does not include homes developed under the Government's Help to Buy equity loan scheme.
- Intermediate affordable rent - rent set at 80% of the open market value, inclusive of service charges, and let by the provider on an Assured Shorthold Tenancy, i.e. minimum 6 month tenancy.

Applicants for all forms of intermediate housing must be registered with the local Help to Buy Agent (bpha). Providers will, as a general rule, only allocate intermediate housing to those registered with the Help to Buy Agent. Please see the Help To Buy website for further details : www.helptobuyese.org.uk

Policy aims and objectives

- To establish a policy that is flexible, non-discriminatory and responsive to local needs, while contributing to inclusive and sustainable communities.
- To establish an efficient, transparent, fair and effectively controlled basis for the acceptance and processing of applications for intermediate housing.
- To provide a system of prioritising applicants ensuring that homes are allocated to people in housing need and to those whom these types of tenure are an appropriate solution.

Eligibility criteria – “Eligible Persons”

- Applicants must be at least 18 years of age.
- Applicants must have an annual household income of less than £80,000.

For shared ownership and shared equity only:

- Applicants must demonstrate they are unable to afford to purchase a home on the open market within the District which is of a size and location suitable for their needs.
- Applicants should be in the one of the following categories:
 - a first time buyer;
 - or someone who currently owns a home (“holds an interest in a property”) with a partner and the relationship has broken down requiring the applicant to move;
 - or has previously owned a home with a partner and the relationship has broken down which required the applicant to move;
 - or existing shared owners who have not staircased to 100% ownership but wish to move to another property;
 - or other exceptional circumstances agreed by the District Council and provider.

For applicants other than first time buyers or existing shared owners, the Help to Buy Agent will require the specific approval of the District Council (Housing Advice & Options Team) prior to accepting the applicant onto the Help To Buy register. Where applicants hold an interest, or have previously held an interest in a property, the provider must secure proof of sale, or a signed undertaking to dispose of the interest, prior to exchange of contracts in the new shared ownership home.

- Applicants must clearly demonstrate that they are able to sustain the affordability of home ownership (mortgage, rent, service charge, repairs, etc) over the long-term future.
- Applicants must satisfy the status requirements of a reputable mortgage lender (sub-prime mortgage lenders are not acceptable).

- Applicants must be able to afford the initial costs of purchase through savings or access to funds of approximately £4,000 or such other reasonable amount stipulated by the provider.
- Applicants must have a bank or building society account.
- In the case of affordable home ownership schemes for older people, applicants must be at least 55 years old.

For intermediate rented housing only:

- Applicants must demonstrate they are unable to afford to rent a home on the open market within the District which is of a size and location suitable for their needs.
- Applicants must be able to afford 80% of the local market rent without further assistance, e.g. applicants requiring Housing Benefit do not qualify.
- Applicants must be employed on a permanent contract of employment or be able to demonstrate a temporary contract, with at least six months remaining on the contract, with a reasonable prospect of being extended.

Where additional criteria apply within certain schemes, e.g. Section 106 restrictions and Rural Exceptions Sites, these will be applied over and above the conditions laid out in this Policy. Where these criteria exist, the provider must advise the Help to Buy Agent to ensure only eligible applicants from the Help to Buy Register are put forward to purchase/rent the home.

Prioritisation of applicants

The provider will rank eligible applicants as follows:

- 1) Priority will be given to applicants who are serving members of the British Armed Forces and those former members of the British Armed Forces who have been honourably discharged in the last two years.**

For guidance on the specific eligibility requirements for military personnel please see below.

Military personnel

Ministry of Defence personnel will be prioritised for shared ownership schemes where:

- They have completed their basic (phase 1) training and they are one of the following:

- Regular service personnel (including Navy, Army and Air Force)
- Clinical staff (with the exception of doctors and dentists)
- Ministry of Defence Police Officers
- Uniformed staff in the Defence Fire Service
- They are ex-regular service personnel who have served in the Armed Forces for a minimum of six years, and can produce a Discharge Certificate (or similar documentation) as proof, where they apply within **two** years (24 months) of the date of discharge from service or
- They are the surviving partners of regular service personnel who have died in service, where they apply within **two** years (24 months) of the date of being bereaved. For details of how surviving partners are defined, please contact the MoD Joint Service Housing Advice Office on 01722 436575.

There will be some service personnel such as the Gurkhas and those from Foreign and Commonwealth countries that qualify under the criteria but do not have indefinite leave to remain in the UK. A Gurkha is guaranteed indefinite leave to remain on completion of their term of service but no such guarantee applies to Foreign Commonwealth Office personnel. Immigration status should be taken into account by the provider in deciding whether an applicant can sustain the costs of home ownership. The Agency would encourage providers to highlight this in marketing material in order to manage the expectations of groups without indefinite leave to remain.

2) Subsequent priority will be given in line with The Allocation of Housing (Qualification Criteria for Armed Forces Personnel) (England) Regulations 2012, so that priority will be given to applicants who include:

- a. those who are serving in the regular forces or have done so in the **five** years preceding their application for an allocation of housing accommodation;
- b. bereaved spouses and civil partners of members of the Armed Forces who :
 - i. a. have to leave Service Family Accommodation following the death of their spouse or partner and;

- ii. b. The death was wholly or partly attributable to their service.
 - c. Serving or former members of the Reserve Forces who have a serious injury, illness or disability sustained (wholly or partly) as a result of their service.
 - d. Former members of the Armed Forces who have lived in the District during a posting or through previous residence in the District, for example: having lived here prior to a posting overseas.
- 3) **Thereafter, for a reasonable marketing period, providers will give priority to applicants with a local connection* to the Sevenoaks District** (see below).
- 4) **Any other eligible applicants.**

Within each category of eligibility, the provider will rank applicants in strict date order of their registration with the Help To Buy Agent (unless, on a scheme specific basis, a different mechanism for prioritising applicants is agreed by the District Council and the provider) and the earlier the date of registration, the higher the applicant's priority.

Local connection criteria*

Local connection to the District will be demonstrated in the same way as that set out in the Sevenoaks District Council Housing Register Allocation Policy, to ensure consistency of approach for all tenures of affordable housing. To demonstrate a local connection, an applicant must:

- Have been living in this area for either six months during the last year or for three years out of the last five years from date of application, or
- Currently have permanent employment in the District or need to move here to take up an offer of permanent employment, or
- Have close family currently living in the District and they have done so for the last 5 years. *The definition of a close family member covers: parents, adult children or siblings. It may also include, step parents, grandparents, grandchildren, aunts or uncles depending on the close links the applicant has with them in the form of frequent contact, commitment and dependency. However, a local connection is not limited to the relationships listed here; it can include extended family such as cousins, based upon the character and nature of the relationship. All decisions relating to close family local connection will be made by the Help To Buy Agent, or*

- Have an evidenced, special reason for needing to live in the District, for example, needing to either give or receive care or support, or
- Make a community contribution which promotes the wellbeing of their neighbourhood, making it stable and healthy, will also be considered to have a local connection. *A community contribution is made by participating in regular significant volunteering or community activities. To qualify you must undertake your volunteering or community activity for an average of approximately 20 hours per month and have been engaged in it for a minimum period of 1 year. A reference is required to confirm the circumstances of your volunteering/community activity and to determine the future longevity of your contribution, or*
- Be an applicant to whom the Council has accepted a full homelessness duty under section 193 (2) because they do not have a local connection with any other area.

Size of Accommodation

Applicants are free to buy/rent a home of the size of their choice. However applicants will need to demonstrate to the satisfaction of the provider/mortgage lender, that they are able to afford their chosen home.

Procedure for applications

1. Applicants are required to complete a Help to Buy application form and provide all specified information. Application forms are available at www.helptobuyese.org.uk
2. The Help to Buy Agent (bpha) will carry out an initial assessment of an applicant's eligibility.
3. Applicants that are eligible will be registered on the Help to Buy Agent's database.
4. Following database registration, applicants will be advised to search for available properties at www.helptobuyese.org.uk
5. When intermediate homes become available for sale/rent (first sale/rent and re-sale/re-letting), the provider will request from the Help to Buy Agent, a list of all eligible applicants held on the Help to Buy register.
6. The provider will make their own arrangements to:

- a. Confirm that the information provided within the Help to Buy application form is accurate and that eligibility criteria has been met
 - b. Assess and confirm financial suitability and ability to afford the chosen home
 - c. Outline the initial and ongoing costs involved
 - d. Explain the features of the particular intermediate housing product, including mortgage (where relevant), rent, management charges, service charges and repairs obligations
7. The provider will inform applicants, in writing, whether or not they have been allocated the property. Reasons will be provided for applicants who are not selected to proceed.
 8. The provider will keep the Help to Buy Agent informed so that the Help to Buy register may be updated accordingly to ensure housing needs data is accurately maintained at all times.

Applicants' records and data

Information on applicants and their household kept through the Help to Buy register, is subject to the Data Protection Act 1998. The Help to Buy Agent will take every care to keep the information secure and confidential and held only for as long as is necessary for the purpose it is intended for. The data can only be disclosed to relevant third parties provided it is in accordance with the statement included within the Help to Buy application form.

It should be noted for any intermediate housing product provided on a Rural Exceptions Site, certain applicant data will be shared with the relevant Parish Council(s) for the purpose of verifying local connection to the Parish in question.

Electronic data will be cleansed regularly and data retained by the Help to Buy Agent for the following periods:

- Electronic data relating to pre-application enquiries: three months from date of enquiry (unless an application form is submitted)
- Electronic data relating to applicants who have been accepted as eligible: one year from receipt of application. Applicants who are registered for one year or longer will be deleted. The Help to Buy agent will reinstate any applications at this time at the request of the applicant

- Electronic data relating to completed sales/rents: the application will be deleted at such time as the provider advises the Help to Buy Agent, and this should be no later than 10 working days following completion.
- Electronic data relating to applicants who are not considered eligible: three months from date of letter informing them of this decision

Hard copies of application forms will be kept for the same periods as the above, after which time they will be destroyed.

Equalities and diversity

Properties will be allocated on a fair and non-discriminatory basis in accordance with the District Council's, the Help to Buy Agent's and the provider's equal opportunities policies, together with the criteria set out in this policy.

The Help to Buy Agent will conduct confidential diversity monitoring as part of the application process to ensure fair access.

The Help to Buy website (www.helptobuyese.org.uk) provides translation facilities and large font settings.

Monitoring

All sales and lettings will be recorded in the Continuous Recording of lettings system (CORE) by the provider. This will highlight the extent to which diverse needs are being met and indicate areas/gaps where a revised or different approach may be required. Providers should bring any such gaps in provision to the attention of the District Council.

Providers will advise the Council at the completion of each sale/letting, providing details of:

- The eligibility category of the applicant;
- For shared ownership and shared equity, the open market value of the home, the % share purchased, the cost of this share, the cost of any monthly rent, the cost of any monthly service charge, the amount of deposit put down and, if known, how the deposit was funded (i.e. parental help, savings, etc).
- For rented homes, the cost of the monthly rent, the length of tenancy granted.

Sale of letting of homes to staff, Board/Council elected members, and/or their relatives

When carrying out the initial assessment of an applicant's eligibility, the Help to Buy Agent will specifically query whether the applicant is a member of staff or a Board member of the Help to Buy Agent, or a member of staff or an elected member of the District Council, or whether the applicant has any family link to staff, Board members/elected Council members of the District Council or the Help to Buy Agent.

When an intermediate home become available and the provider has obtained list of applicants from the Help to Buy agent, they will carry out their own checks on applicants. The provider will specifically query whether the applicant has any link (personally or through family links) to their organisation.

In all such cases, the following will be adhered to:

- Before an applicant may be registered as eligible to join the Help to Buy register, the application must be approved by the District Council (Chief Officer – Communities & Business) and the Help to Buy Agent (bpha).
- Before an allocation is made, an applicant must be approved by the District Council (Chief Officer - Communities & Business) and a senior officer from the provider's organisation.
- Applications from within these groups will not be treated with any preferential treatment. The Help to Buy Agent and the provider will scrutinise their applications to ensure accountability, fairness and justification for their case to proceed.
- Staff members of the Help to Buy agent, the District Council and the provider involved in this process must have no personal relationship to the applicant. The staff/Board/Council elected member involved must have no influence in the allocation of homes or funding for the particular scheme.
- If authority to proceed is approved and the sale/letting completes, the provider should keep a record of the approval on their property case file.

Appeals

Appeals against registration will be considered under the Help to Buy Agent's complaints procedure. Appeals against allocation (sale/letting) decisions will be considered under the provider's own

complaints procedure. All registration and allocation decisions should be made with due care such that they can be justified within an appeal.

Copies of this document will be made available upon request to anyone who requests a copy.

Updated April 2016