

# Affordable Rent (Not Transferred to a Registered Provider)

(Part of the Affordable Housing Scheme)

Housing Policy Document - 01

DRAFT

## **1. INTRODUCTION**

- 1.1 Affordable Rent properties that have not been transferred to a Registered Provider form part of the Affordable Housing Scheme (AHS).
- 1.2 This document should be read together with the Affordable Housing Scheme document.
- 1.3 Affordable Rent properties that form part of the AHS must be rented to eligible households for a rent lower than the open market rent.
- 1.4 The provision of Affordable Rent properties, restrictions on their lettings and the duty of the Council to certify tenants is secured through a Section 106 planning obligation.
- 1.5 Cumbria Observatory provides annual Median income figures, which are used to assess eligibility.
- 1.6 The Council will calculate rental values and assess eligibility. Tenants of Affordable Rent properties that have not been transferred to a Registered Provider may have to sign a tenancy agreement issued by their landlord.

## **2. SCOPE**

- 2.1 This document will provide the Council with a framework in which to assess applications for Affordable Rent properties within the Borough of Allerdale where a Section 106 planning obligation grants the Council the duty to certify tenants.
- 2.2 In areas covered by the Lake District National Park Planning Authority, a Section 106 will take precedence.
- 2.3 In areas covered by a Local Lettings Policy, the criteria in the Local Lettings Policy will take precedence.
- 2.4 The information in this document applies to the first letting of a property and all subsequent lettings.

## **3. PURPOSE**

- 3.1 The purpose of this document is to provide guidance on how Allerdale Borough Council evaluates applications for certification to rent Affordable Rent properties that have not been transferred to a Registered Provider, and provide information about the scheme.

## **4. SETTING RENTS**

- 4.1 Affordable Properties that have not been transferred to a Registered Provider must be let for no more than 80% of their open market rental value.
- 4.2 Open market rental value will be evidenced by a valuation from an accredited estate agent.

4.3 In cases where the rental value calculation is specified in a Section 106 planning obligation, that calculation will be used to determine the amount of rent payable.

## 5. ELIGIBILITY CRITERIA

### 5.1 Affordable Need

Annual household gross income is less than 60% of median income for the parish in which the properties are situated<sup>1</sup>.

Income = earnings + benefits + savings

In cases where household income exceeds 60% of the median income, the Council may consider that a household cannot afford to rent a property on the open rental market, subject to sufficient evidence being provided by the applicant.

### 5.2 Local Connection<sup>2</sup>

A local connection to a parish can take four forms:

- Resident in the locality for at least five years, or
- Previously resident in the locality for at least three of the last five years, or
- Family association with an existing resident of at least five years residence in the locality. Family association is defined as spouse, civil partner, parent, a child over 18 years and siblings. We will also allow family associations through marriage e.g. step parents, step child over 18 years of age and siblings, or
- Permanent employment in the locality or acceptance of the offer of employment

The Council will use Council Tax records to confirm residency, previous residency and family association. Other forms of evidence may be considered and additional evidence may be requested.

Employment will be proven by production of a wage slip or P60 showing the employers address. We will also accept a letter from the employer confirming the business address. In all cases, we will require confirmation from the employer that the employment is permanent.

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<sup>1</sup> Definition of household poverty in [gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2020/households-below-average-income-an-analysis-of-the-income-distribution-fye-1995-to-fye-2020](https://www.gov.uk/government/statistics/households-below-average-income-for-financial-years-ending-1995-to-2020/households-below-average-income-an-analysis-of-the-income-distribution-fye-1995-to-fye-2020)

<sup>2</sup> In the event that the Section 106 Planning Obligation contains different criteria, the criteria in the Planning Obligation will be applied, in instances where this guidance broadens the application criteria an applicant will be entitled to request their circumstances are considered in line with this guidance.

5.2.1 Locality is defined in the Section 106 Planning Obligation as the parish where the development or property is situated. Over time the definition expands to include adjoining parishes and, eventually, the borough of Allerdale.

5.2.2 Under the Allocation of Housing (Qualification Criteria for Armed Forces) (England) Regulations 2012, the following would not be required to show they have a local connection:

- persons who are serving in the regular forces or have done so in the five years preceding their application for an allocation of housing accommodation;
- bereaved spouses or civil partners of those serving in the regular forces where their spouse or partner's death is attributable (wholly or partly) to their service and the bereaved spouse or civil partner's entitlement to reside in Ministry of Defence accommodation then ceases;
- seriously injured, ill or disabled reservists (or former reservists) whose injury, illness or disability is attributable wholly or partly to their service.

### 5.3 Housing Need

Households renting an Affordable Rent property should be able to demonstrate they are in need of housing.

The definition of housing need has been taken from the Government Guidance on Housing and Economic Development Needs Assessment (Paragraph: 023 Reference ID: 2a-023-20140306, Revision date: 06 03 2014) and the Cumbria Choice Allocations Policy (Reasonable Preference).

Additional points have been included to cover other eventualities that Allerdale Borough Council considers to result housing need<sup>3</sup>:

- homeless households or insecure tenure (within the meaning of Part 7 of the Housing Act 1996)
- households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ
- households that lack basic facilities (e.g. a bathroom or kitchen) and those subject to major disrepair or that are unfit for habitation;
- households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move.
- people occupying unsanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions

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<sup>3</sup> In the event that the appropriate Section 106 Planning Obligation contains a different definition of housing need, the definition in the Planning Obligation will be applied, in instances where this guidance broadens the application criteria an applicant will be entitled to request their circumstances are considered in line with this guidance.

- people who need to move on medical or welfare grounds relating to a disability
- people who need to move to a particular locality within the local authority's district, where failure to meet that need would cause hardship to themselves or others
- people needing to be re-housed as a result of leaving tied accommodation
- persons leaving their current accommodation to become a separate household (as defined in section 113 of the Housing Act 1985)
- people who live in rented accommodation and want a more secure tenure.

## 6. ADDITIONAL CONSIDERATIONS

### 6.1 Occupancy Level

Households who will fully occupy the Affordable Rent property will be given priority during the application process. One extra bedroom will be allowed to take account of a variety of circumstances such as growing families or changing care needs.

Single person / couple	one or two bed home
Family +1 child	two or three bed home
Family +2 same sex children	two or three bed home
Family +2 opp. sex children	three or four bed home
Family +3 children	three or four bed home
Family +4 children	four or five bed home
Family +5 or more children	five or six bed home

Households which meet the Eligibility Criteria but which will not fully occupy the property will not be certified as eligible to rent the Affordable Rent property until the local connection cascade includes the borough of Allerdale.

6.2 Applicants and any member of their household who will be named on the tenancy agreement must not have an interest in any other property either through tenancy or ownership at any time during their tenancy. In exceptional circumstances, e.g. the need to leave a property due to domestic violence, disability or other extenuating circumstances, Allerdale Borough Council may approve a tenancy being granted to someone with an interest in another property.

6.3 Households that are renting an Affordable Rent property are not permitted to end a tenancy to move to another Affordable Rent property. An exception may be made if the household can demonstrate that their housing need will be better met by the second property. For example, a change in their occupancy

level as determined in 5.1 or a household aged 55 years or over wish to rent a bungalow.

- 6.4 An application to be certified must be made each time the named tenant changes, even if the household is remaining at the property.

## **7. CUMBRIA CHOICE**

- 7.1 Cumbria Choice is the housing register for households who want to access low cost housing in the county.
- 7.2 Households can find more information and register online at [cumbriachoice.org.uk](http://cumbriachoice.org.uk). Information and registration forms are also available from the Housing Options team (0303 123 1702 or via email at [Homelessness@Allerdale.gov.uk](mailto:Homelessness@Allerdale.gov.uk)).
- 7.3 Households must register on Cumbria Choice before applying for an Affordable Rent property.
- 7.4 Registering with Cumbria Choice does not guarantee the household will be certified as eligible to rent an Affordable Rent property.

## **8. APPLICATION TO BE CERTIFIED AS ELIGIBLE TO RENT**

- 8.1 Application forms are available from the Allerdale Borough Council website, or can be requested from [housing.developmentteam@allerdale.gov.uk](mailto:housing.developmentteam@allerdale.gov.uk).
- 8.2 Completed application forms can be submitted by email to [housing.developmentteam@allerdale.gov.uk](mailto:housing.developmentteam@allerdale.gov.uk) or by post to:

The Housing Team  
Allerdale Borough Council  
Allerdale House  
Workington CA14 3YJ

- 8.3 Applications will be assessed using the eligibility criteria specified in sections 5 and 6 of this document.
- 8.4 Applicants will receive their decision by email, unless they have requested postal communications. Decisions will be made within 10 working days of the application being received, subject to all required evidence being provided.
- 8.5 Information on how to appeal the decision is in the Low Cost Housing Scheme document.