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# INTERMEDIATE RENTAL POLICY

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## **2. PURPOSE**

- 2.1. This policy details Cartrefi Cymunedol Gwynedd's (CCG) policy for the management and allocation of all its intermediate rental properties
- 2.2. CCG aims to provide good quality, affordable homes at intermediate rents to meet the particular needs of applicants for affordable accommodation registered on the relevant Affordable Homes Register. For north Wales, this would be Tai Teg.
- 2.3. By providing properties at intermediate rent CCG offers flexibility with regard to tenure and more housing options
- 2.4. Intermediate Rental schemes aim to assist people who are able to afford more than social housing rents but who cannot afford to access affordable home ownership options in the short term. The rent charged in Intermediate Rental properties is normally no greater than 80% of private market rent for a similar home in the same area and within relevant Local Housing Allowance.
- 2.5. Intermediate Rental schemes give tenants an opportunity to save for a deposit for purchasing their own home in the future

## **3. SCOPE**

- 3.1. This policy will apply to an identified proportion of new build/refurbished properties developed or purchased by CCG as part of its development programme
- 3.2. This policy applies to all applicants for affordable properties registered on the relevant Affordable Home Register

## **4. RESPONSIBILITIES**

- 4.1. It is the responsibility of the Director of Customer and Communities to ensure that this policy is applied effectively and that staff are trained appropriately in the procedures associated with this policy

## **5. POLICY DETAIL**

- 5.1. CCG is committed to providing affordable homes for people in housing need and will offer an assured shorthold tenancy of these properties in accordance with this policy
- 5.2. When allocating its intermediate rental properties CCG will ensure that the allocations are made to eligible persons
- 5.3. Affordable Homes Register**
  - 5.3.1. CCG will work with the administrators of the relevant Affordable Homes Register for the area in which the intermediate rental property is located
  - 5.3.2. In North Wales, Grŵp Cynefin's Affordable Homes Team is responsible for the registration and assessment process on behalf of CCG as part of the Tai Teg Affordable Homes Register partnership

## **5.4. Application / Allocation Process**

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- 5.4.1. Applications and shortlists for CCG Intermediate Rental properties will be administered through the relevant Affordable Homes Register
- 5.4.2. Applicants are normally:
- unlikely to be offered social housing
  - unable to meet the cost of open market rents due to limited income
  - unable to purchase property through various schemes e.g due to not having sufficient deposit
- 5.4.3. Applicants will be advised that an Intermediate Rental Policy applies when relevant and that applicants will be required to satisfy the criteria specified below to be considered for an allocation
- 5.4.4. CCG will allocate its Intermediate Rental properties to applicants meeting the following **eligibility criteria**:
- a) Applicants who are registered on the Affordable Housing Register
  - b) and must:
    - **Age** – be at least 18 years old
    - be in **housing need** due to *one or more of the following*:
      - ✓ current accommodation being unaffordable
      - ✓ no security of tenure
      - ✓ accommodation not suitable for the household's needs
      - ✓ need to be closer to family or employment
    - have a **gross household income** between the range specified by the Affordable Homes Register Scheme and unable to afford to purchase or rent a property suitable for their needs. Applicants must complete an Income and Expenditure affordability assessment to demonstrate that they are financially able to maintain a tenancy to the specified rent level
    - be in employment and not fully dependent on benefits (will only consider tax credit. Will not consider benefits as income)  
(Exception: Service Personnel – can register even if on Zero income – subject to initial assessment, however need to have local connection, family connection or local base whilst in the forces)
  - c) and have
    - a **local connection** to the community area the property is situated – either residing or working in the community area for the previous 12 months or have a close family connection with having a family member residing in that community for at least 5 years

- if no applicant meets the above criteria, applicants from the neighbouring communities within the Local Authority area will be considered

5.4.5. If the property has a Section 106 in place, the Local Connection criteria relating to the development must be adhered to

5.4.6. Priority will be given to eligible applicants by date order of receiving the applications. In some circumstances, priority may be given to eligible applicants in social housing who need to move to more suitable accommodation

## **5.5. Family size in relation to property**

5.5.1. CCG will aim to ensure that properties are not under occupied and will match the property to the correct family composition and occupancy rate

5.5.2. Where it is not possible to match the property to the correct group of applicants' consideration may be given to the next applicant group who will under occupy by 1 bedroom.

5.5.3. Applicants who apply for intermediate rental properties will be asked to complete an Income and Expenditure assessment and provide a landlords' reference as part of the application assessment process. This is to ensure that they are financially able to maintain a tenancy at the specified rent level

5.5.4. Applicants will be subjected to a credit check by CCG as part of assessing applicants' suitability

5.5.5. Taking into account applicants income and expenditure, the applicant should have sufficient income to pay the monthly rent and service charge (if applicable). As a guide with regard to affordability the rent should usually equate to no more than 30% of gross income

## **5.6. Type of Tenancy**

5.6.1. All intermediate rental properties will be let on an Assured Shorthold Tenancy in accordance with the Housing Act 1988 (as inserted by the Housing Act 1996). The tenancy will initially be for a term of 6 months, however, provided the tenancy is conducted satisfactory it will continue on a periodic basis

5.6.2. The tenancy agreement will set out the obligations of both CCG and the tenant

5.6.3. CCG can end an Intermediate Rent tenancy under Section 21 of the Housing Act 1988 or by obtaining a court order for possession on one or more of the grounds listed in Schedule 2 of the Housing Act 1988.

5.6.4. Should the legislation regarding tenancy agreements change, CCG will update the tenancy agreements/contracts accordingly for any new letting after the implementation date of such legislation. Further, CCG shall provide current tenants with a copy of the new tenancy agreement/contract and will endeavour to do so within the time frame set out in Legislation.

## **5.7. Joint Tenancies**

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- 5.7.1. CCG will grant joint tenancies as best practice from the outset at commencement of a tenancy if requested by the prospective tenants, where there is a long-term commitment to the home, and subject to each tenant passing the referencing procedure and meeting the eligibility criteria
  - 5.7.2. Joint tenancies mean that more than one person is named (maximum of four persons) on the tenancy agreement
  - 5.7.3. CCG will ensure that joint tenants are aware of the implications of a joint tenancy before they sign the tenancy agreement
  - 5.7.4. Joint tenants are jointly and severally responsible for all aspects of the tenancy – i.e. rent payments and keeping to the tenancy agreement conditions. If only one tenant is in breach of the tenancy agreement then all the tenants on the tenancy are held responsible

## **5.8. Transfers**

- 5.8.1. CCG Intermediate Rental properties will not be subject to any request for a transfer or mutual exchange. This is to ensure that these properties are let to applicants who meet the criteria (as seen in 5.4.4.) and are eligible for an intermediate rental property
- 5.8.2. CCG reserves the right to transfer the tenant to another CCG property (within their own social housing stock) should they no longer meet the criteria set out in 5.4.4

## **5.9. Intermediate Rental Amount**

- 5.9.1. The rental amount will normally be set either at no greater than 80% of private market rent for a similar home in the same area and within relevant Local Housing Allowance.
- 5.9.2. CCG may increase or decrease the rent on the first Monday in April after the tenancy is granted by giving not less than one calendar months' notice in writing. The revised rent shall be the amount set out in a rent increase notice given to the tenant by CCG
- 5.9.3. When reviewing the rent any increase will be calculated by reference to Welsh Government StatsWales data for Private Sector Rents averaged across the North Wales region and a percentage applied to the existing rent based on any uplift in the private sector over the preceding 12 month period
- 5.9.4. When a property becomes vacant, the rent levels will be revisited. The current LHA and 80% of the current market rent levels for the locality will both be determined.
- 5.9.5. Rent levels will be reviewed every 12 months regardless of whether a property becomes vacant

## **5.10. Intermediate Rental property – standard**

- 5.10.1. Properties will not be let with any appliances. Fittings for a cooker and a washing machine will be provided as part of the specification along with standard void space to allow tenants to provide their own appliances

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- 5.10.2. The properties will be fully decorated throughout
  - 5.10.3. Non-slip flooring will be fitted in the kitchen and bathroom areas
  - 5.10.4. A full inventory and property inspection (including photos) will be undertaken prior to tenancy commencement and at tenancy termination. Any rechargeable works not carried out by the tenant before they vacate the property will be undertaken by CCG and the cost of the works will be recharged to the former tenant
  - 5.10.5. All properties will be safe, secure and clean
  - 5.10.6. CCG's Void property standard will be met for all CCG properties becoming void before re-let

### **5.11. Tenancy Management**

- 5.11.1. These tenancies are more in keeping with the private sector and are managed differently from assured tenancies
- 5.11.2. Rent must be paid monthly in advance. Monthly payments by Direct debits or similar payment method as agreed by CCG will be set up with the tenant.
- 5.11.3. The equivalent of one months rent will also be taken as a deposit at the sign up. This is to safeguard against any tenant damage occurred as a result of the tenancy. The deposit may be retained at the end of the tenancy if the property is not handed back to CCG in an acceptable condition, or if the rent or other costs payable by the tenant under the tenancy agreement remains unpaid.
- 5.11.4. CCG will transfer the deposit for each property to the custodial scheme of the Deposit Service, no more than 30 days after receipt.
- 5.11.5. Should the tenants' financial circumstances change and they become unable to work or unemployed and become dependent on state benefits CCG will assist in applying for Welfare Benefit and provide additional advice and support where appropriate to assist in sustaining the tenancy
- 5.11.6. Periodic inspections will be carried out as part of the tenancy management
- 5.11.7. CCG will provide tailored advise and/or support to tenants who require additional relevant support.

### **5.12. Maintenance of the Property**

- 5.12.1. At handover the new tenant will be provided with a Home User Guide (HUG) for their home.
- 5.12.2. All intermediate rental properties repair and maintenance issues will be dealt with in accordance with CCGs responsive repairs service

### **5.13. Charitable Status**

- 5.13.1. CCG has charitable status and will operate this policy within its charitable objectives.

## **6. REVIEW OF DECISION**



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6.1. CCG recognises the right to request a review of any decision relating to this policy. Any such review will be dealt with under the CCpol01 – Complaints and Concerns Policy

6.2. CCG will ensure that any decisions relevant to this policy are reasonable and comply with relevant policy and legislation

## **7. EQUALITY AND DIVERSITY**

7.1. CCG Cyf. recognises the needs of a diverse population and always acts within the scope of its own Equality and Diversity Policy

7.2. CCG will ensure that the individual needs of applicants in accordance with this policy, regardless of age, gender, race, class, culture, sexuality or disability are considered when assessing applications for accommodation.

7.3. As part of its development, this document and its impact on equality has been screened for relevance and no detriment has been identified.

## **8. CONFIDENTIALITY**

8.1. Personal information contained in applications for intermediate rental properties will be kept confidential.

8.2. CCG will administer the allocation of Intermediate Rental properties within the legal framework of the Data Protection Act 1998 and in accordance with the Information Sharing Protocol of the Affordable Homes Register Partnership

## **9. REFERENCES**

9.1. The following publications and legislation have been referenced during the drafting of this policy:

- Welfare Reform Act 2012
- Housing Act 1988

## **10. RECORDS**

10.1. CCpol01 – Complaints and Concerns Policy.

10.2. RMpol05 - Rechargeable Repairs Policy

10.3. Assured Shorthold Tenancy – Intermediate Rental Property

10.4. LFpol03 – Tenants Improvements and Alterations Policy

10.5. Affordable Homes Register Service Agreement

## **11. REVIEW**

11.1. This policy will be reviewed every 3 years or sooner if changes to legislation, best practice or other relevant CCG policies make it necessary