

ALLOCATIONS POLICY for COMMUNITY-LED HOUSING

November 2020

Introduction

Community-led housing aims to increase the range of affordable housing opportunities in communities to meet their needs. Increasing the supply of suitable, affordable housing can prevent people being potentially forced to leave the community where they wish to live or provide secure homes for people living in unsatisfactory accommodation.

Affordable housing in communities is in high demand due to various factors, housing supply, market forces inflating prices and higher numbers of properties becoming holiday lets.

Changes in legislation and the introduction of the Private Housing (Tenancies) (Scotland) Act 2016, offers greater long-term security for tenants and limited grounds for tenancies to be ended by landlords. A model tenancy agreement has been created by the Scottish Government:

<https://www.gov.scot/publications/scottish-government-model-private-residential-tenancy-agreement/>

Housing Options

Communities can provide the following affordable housing options:

- Discounted serviced building plots
- Houses for discounted sale
- Houses for rent and then sale, under the rent to buy model
- Houses for rent
- Woodland Crofts, with potential for building a home

By providing plots and properties for rent and sale, communities can make good quality homes available to households, who are otherwise unable to secure affordable housing in the area that they wish to live.

Target audience

- **Properties for rent**

Offer affordable, secure accommodation to local people who are finding it increasingly difficult to find a home in a community in which they need to live and work.

- **Properties and plots for sale**

Plots or houses for sale offer the opportunity for local people to build/own their property where the housing market is out with their financial means. A financial appraisal is carried out during the application process.

Rural Housing Burden

With any sale, the title of the property has a Rural Housing Burden attached. This retains a legal right of pre-emption and locks in discounts in the sale price, through a resale price covenant. By way of the pre-emption right a Rural Housing Body can provide affordable rural homes to successive generations of households who have a need to live in the local community.

Agreeing Local Priorities

- The community will seek to agree local allocation priorities to ensure that affordable housing opportunities provided by them have maximum impact on local community needs. The policy must reflect good practice and be inclusive to all members of society.
- The community will adopt a marketing strategy which provides all the relevant information about the property or plot. Websites and appropriate social medium forums will be updated, along with the materials shared with members of community groups, schools, businesses and employers to ensure that advertising materials reach the target groups.

Allocations

Deciding upon relative priority is not an exact science and should not be a prescriptive exercise. However, the policy is designed to assist in agreeing how affordable housing opportunities should be prioritised at a community level.

Where required, local allocation schemes will be created for each project, in conjunction with the community, the council and other local and strategic partners, where appropriate.

Allocations will seek to balance the relative needs of applicants' household circumstances with the priorities of the local community. On a wider level, allocations will also consider the Council's strategic housing objectives in seeking outcomes that meet household needs while supporting the sustainability of fragile rural communities.

An assessment will be made on each application taking account of the following:

- Household size (in relation to property size)
- Household current living circumstances
- Household income and savings
- Need to reside/return to live in the community
- Ability to secure finance to purchase property and/ or plot (where applicable)

Eligibility

Applicants must be able to demonstrate:

- Demonstrable difficulties in securing housing opportunities that meet the accommodation needs of their household within their local community.
- An offer of employment or currently working as a key worker in the Community Council area.
- A clearly established permanent connection (*residential, family or employment*) with the Community or Council area in which the plot or property is located.
- Capacity to meet the costs of the affordable home/plot ownership opportunities offered.
- A clear understanding of the nature and limitations of the affordable housing on offer.

Housing Need Criteria

The main individual household need factors considered are set out in the table below:

HOUSEHOLD PRIORITY NEEDS FACTORS
Homeless or threatened with homelessness
Living in insecure accommodation (e.g. no tenancy agreement, short term let)
Living in a caravan or chalet
Living in tied housing
Living in Local Authority or Registered Social Landlord / Housing Association rented accommodation
Living in overcrowded accommodation
Require separate housing due to changes in family circumstances
Need suitably designed or located housing to meet household member's medical and/or care needs
Living in Below Tolerable Standard housing
Need to relocate for employment or family support purposes.
Has other identifiable household needs

Applicants who wish to purchase a house or plot are required to evidence the following:

- They do not own a current property (or it is being actively marketed for sale)
- They are in a position financially to purchase the property/plot – evidence of a mortgage Decisions in Principle required (up to 3)
- They cannot afford to purchase a similar property/plot on the open market

Community Sustainability Criteria

In seeking to maximise the social and economic impact, priority will be given to applicants likely to make a significant contribution to the prosperity, balance and sustainability of the community. The table below sets out the range of factors that may be considered when assessing applicants.

COMMUNITY SUSTAINABILITY FACTORS
Would be an essential key worker.
Would help to create or sustain a local business/es..
Would generate significant economic benefits from their work for others locally.
Would have a positive impact on local school rolls
Would enable a household to provide care support for a family member
Would improve the demographic balance
Would allow young people to leave their parents' home and create a new household.
Would add value to life in the community.

Housing applications

Applications will be assessed to ensure that households meet at least one of the priority need criteria or community sustainability criteria listed above.

Applicants will be asked to complete an application form and provide the following supplementary personal and financial information.

- Proof of identity – photographic ID
- Proof of all household income - copies of last 3 months wage slips, copies of accounts (where self-employed), any tax credits award letters
- Proof of savings – copy of bank statements
- Details of any debt
- Proof of current housing tenure – copy of lease or letter from parents
- Bank statements – copy of last 3 months statements
- A reference – either landlord, community, employer, or family reference
- Where the applicant is purchasing a plot or house, evidence of a mortgage approval in principle/savings to purchase

Landlord reference: The application form will include a mandate for the tenants to sign confirming that a reference can be sought from previous and or current landlord.

Private landlords: Current landlord references should only be requested once an allocation has been made.

RSL/Local Authority landlords: Landlord reference can be requested prior to allocation

The landlord reference request will ask for the following information:

- Dates of tenancy
- Rent payable
- If rent is/was paid timeously
- If there were/are any arrears and if there is, if there is a repayment plan in place that is being kept to

Applications will not be unreasonably withheld based on a former/current rent arrear as long as the arrear was repaid, or a repayment plan is being adhered to. There also needs to be confidence that the tenant can afford to pay the rent along with the repayment.

Other references

The applicant should provide a letter from their employer, community representative or family member or associate who can confirm their need to live or continue to live in the community

Financial assessment

A financial assessment will be undertaken to ensure that they can secure a mortgage to purchase. Further details of the financial assessment protocol is detailed in the Rent Management Policy

Applicant summary

All information relating to the application is recorded on an "applicant summary" for distribution and discussion with relevant members of staff. Priority will be noted as first choice, second choice, etc. where appropriate. If an applicant does not meet the allocation criteria this should be noted on the summary that they have not been considered a suitable applicant, in the event of a re-allocation.

Allocations

Allocations will be made through a panel discussion with other relevant colleagues. Final decisions will be reached by mutual agreement on allocations.

Offers

An offer will be confirmed in writing and the tenant will be asked to confirm if they wish to accept the offer or not, in writing.

Where a re-allocation is required an offer will be made to the 2nd choice applicant where appropriate. All unsuccessful applicants are advised accordingly.

- Plots and houses will be allocated on a first come first served basis to eligible applicants unless there is a higher demand than there are plots or houses available.
- In the event of applications exceeding the number of plots or houses available for sale, the community reserves the right to exercise its discretion in allocating them.

Administration

All application information will be retained and disposed of as per GDPR policy.

All relevant application and offer letters to the successful applicant will be saved along with a paper file for tenancy agreements and legal documentation.

Equal Opportunities

The community will not intentionally treat any applicant unfairly for any reason, either because of their race, colour, ethnic background, religion, class, sex, age disability, mental health, sexuality or family circumstances.

Confidentiality

In accordance with GDPR, the information that our applicants provide on the completed application form will be used to process and assess their application.

We may check the information collected with third parties or with any other information that is already held by us. We may also use or pass the information to third parties or use it in other ways as permitted by law.

We will advise our applicants with a GDPR statement to this effect and that by signing their application form we will be assuming that they agree to the processing of their personal data and any sensitive personal data disclosed in accordance with the Information Commissioner's Office (ICO) guidelines.