

RURAL URBAN SYNTHESIS SOCIETY

**Church Grove Project, Lewisham**

# **Allocations Policy V4**

June 2018

## Contents

### Project objectives

<b>Allocations criteria</b>	<b>4</b>
1. Affordability	4
2. Local connection	5
3. Community commitment	6
<b>Social rented units</b>	<b>6</b>
<b>Further eligibility information</b>	<b>7</b>
1. Capital and savings	7
2. Second homes policy	7
3. Future income policy	8
4. Keyworker policy	8
5. Policy for statutory ‘priority groups’	8
6. Immigration status	8
7. Rental history	9
8. Cash incentives from local authorities	9
<b>Allocations process</b>	<b>10</b>
1. Advertisement of properties	10
2. Application procedure	10
3. Initial ballot	11
4. Tests for eligibility	12
5. Decision making	12
6. Waiting list	12
7. Pools and moving pools	13
8. Extenuating circumstances	13
9. Right of appeal	14
10. RUSS Equality & Diversity Policy	14
<b>Non-standard application types</b>	<b>15</b>
1. Cooperative applications – single household coops	15
2. Cooperative applications – multiple household coops	15
<b>Review of this Allocations Policy</b>	<b>16</b>
<b>Appendices</b>	
Appendix 1 – Income criteria for Church Grove homes	<b>17</b>
Appendix 2 – Social Rented Units Nomination Agreement	

## Our Objectives

RUSS always aims to create neighbourhoods of genuinely affordable, sustainable homes within a mixed and well-integrated community. RUSS homes are usually made available on various tenures to suit the needs of different income groups within each project's target area.

On its first major scheme - the Church Grove Project in Lewisham - RUSS is keen to introduce a fair and open selection process for its potential residents.

## Allocations Criteria

There are three key criteria used for determining the eligibility of applicants.

- **Affordability** – are you currently *unable* to afford to buy or rent a suitable home in Lewisham on the open market, and *able* to afford to buy/rent one of our homes?
- **Local Connection** – do you already live, work or study in Lewisham, or have another eligible connection to the borough?
- **Community Commitment** – have you demonstrated your support/involvement to help make the project happen?

To meet the objectives of the CLT the criteria and process set out in this document apply both at initial allocation and at every subsequent resale and re-let.

### Affordability

**For the shared ownership/shared equity properties**, RUSS will use a specialist financial adviser to assess whether an applicant's current household income means they are unable to afford a suitable local property on the open market. In tandem with this the financial advisor will check to see if the applicant can raise the finances to afford the RUSS home they have applied for. In all cases the maximum permissible household income is pegged to the GLA criteria for intermediate housing. This is currently £90,000 per annum.

**For the affordable rented homes**, applicants will be expected to provide proof of their income. For instance, this might be a P60, P45, or a benefits statement, or proof of self-employed income such as bank statements, company accounts and paid invoices.

This information must be made available for the period of time that the applicant has stated that they have fulfilled the Local Connection criteria set out below. So, for example, if an applicant claims to have lived and worked locally for the last three years, this information must be provided for this entire period.

Where this is not possible, RUSS will, at its discretion, accept a written reference from a former employer (for instance) regarding the applicant's income.

Appendix 1 details the specific lower and upper income limits for the different homes that are proposed as part of the Church Grove project.

**For the social rented homes** applicants will be assessed according to the Nominations Agreement with LB Lewisham, see later section.

**For all homes**, applicants will be required to undergo financial re-assessments at intervals throughout the development process. This is in order to determine up-to-date eligibility information. It is the applicant's responsibility to notify RUSS of any changes to their circumstances after the application details have been checked.

## Local Connection

Applicants need to demonstrate that they have a genuine 'Local Connection' to the London Borough of Lewisham. This can be determined by any of the following:-

- **Residence** – a local connection exists if an applicant has lived in the borough of Lewisham for a period of two or more years in the last five years, prior to the initial deadline date for expressions of interest (March 2016). For avoidance of doubt people cannot claim residency through being in a local hospital, armed forces accommodation, holiday lets or prison. In some circumstances significant residency in the Borough that falls outside the 'two in the last five years' window may be deemed sufficient. For example, someone that was born and grew up in Lewisham, but hasn't lived in the Borough in the last five years. As a guideline significant residency should normally have been for at least ten years. Any decisions made on this basis should be referred to the Board for ratification.
- **Employment** – applicants also qualify if they are in full or part-time employment within the borough of Lewisham. Retired applicants must have worked in the Borough for a minimum of two years immediately prior to retirement. Those who can demonstrate that they are self-employed must currently operate from a base in the London Borough of Lewisham. In some circumstances significant employment in the Borough that falls outside the 'two in the last five years' window may be deemed sufficient. For example, someone that taught in a Lewisham school for their working life. As a guideline employment should have been for at least 10 years, the last of which should not be more than five years from the date of receipt of application. Any decision made on this basis should be referred to the board for ratification
- **Studying** – existing full or part-time students on a course from a recognised educational institution located in the borough of Lewisham also qualify. For the avoidance of doubt, those taking short term courses, evening classes or ad hoc studying will not be considered to be full or part-time students.
- **Family Connection** – applicants who have close relatives (parents, children, siblings, grandparents or grandchildren) who have lived in the Borough two or more of the last five years; in exceptional circumstances other relatives may qualify - for instance "closest / only living relative". Applicants will need to provide evidence of this and all decisions made on this basis should be referred to the Board for ratification
- **Other** – people who can demonstrate other special circumstances that create a link to the London Borough of Lewisham can also apply. For example, people who have strong community group membership or have provided a significant volunteering commitment.

For the avoidance of doubt a future intention to work, reside or volunteer in the Borough is not sufficient to create a special connection to Lewisham.

The date of receipt of an Expression of Interest should be used as the datum against which duration should be measured.

These criteria apply to all applicants **except where detailed in the Further Eligibility Information** below.

**Where a unit remains vacant (no household assigned to it) for a period of three months** the geographical criteria for Local Connection will extend from the geographical area of the London Borough of Lewisham to that of the Greater London Authority (GLA).

### **Community Commitment**

RUSS expects every applicant to become a member of the Rural Urban Synthesis Society (RUSS) and to demonstrate their commitment and/or wish to work with RUSS to further its objectives, maintain its ethos and support the aims of the Community Land Trust (CLT).

Applicants can become members of RUSS through a simple form on the organisation's website ([theruss.org](http://theruss.org)). The cost of membership is £1.

Applicants admitted to the residents group are required to sign up to RUSS's Residents Involvement Policy for Church Grove, which sets expected standards of involvement from residents and commitments from RUSS to the group.

### **Social Rented Units**

Allocations to the social rented units in the Church Grove project are governed by the Social Rented Units Nomination Agreement between RUSS and the London Borough of Lewisham. The agreement is appended to the Conditional Development Agreement for Church Grove and additionally provided at Appendix 2 to this document.

## Further Eligibility Information

Applicants should check through the following sections, which may need to be taken into account when applying for one of the homes at Church Grove.

### Capital and savings

Capital, access to that capital and any income generated by it will be taken into account when assessing applicants' eligibility. Capital includes savings, bonds, shares and any other financial investments.

### Second Homes Policy

Because RUSS homes are for people who cannot afford a home on the open market it has developed a specific policy to clarify the issue of second homes, which says:-

*Applicants are not permitted to own 'second homes' in addition to their RUSS home. At the point an applicant signs the contract for purchase of their RUSS home they cannot own a second home. This still applies even where the applicant does not live in the second home, and the home is an asset from which the applicant derives an income. However, where the home is owned by a company and the applicant owns shares in that company, this is permissible, and the income derived shall be assessed through the standard income and affordability criteria.*

*Applicants are permitted to own a home in part or outright at the point of application to a RUSS project, providing they sell the home(s) before purchasing a RUSS home.*

*Applicants to one of RUSS's rented properties cannot own a home.*

*RUSS residents cannot acquire a second home after they have purchased their RUSS home.*

### Future Income Policy

With the Church Grove Project each applicants' financial situation will initially be assessed long before the homes are built. Sometimes it may be appropriate to allow an applicant's potential future income to be taken into account when assessing their financial capacity.

Mindful of this RUSS has developed a Future Incomes Policy that says:-

*If a participant feels that their future income should be taken into account when assessing any given financial criteria at any point in the project, they should make this known to the decision-maker, whether that is the Board or a delegated responsible person or persons, such as a volunteer team or consultant.*

*Such claims should be supported by evidence, such as:*

- a note from an employer outlining expected career progression over a defined period of time;
- a researched and referenced note from the applicant setting out the basis for their expectations around future income.

*The applicant should propose checkpoints that would be reasonable to make sure that they were on track to meet their expectations.*

*If circumstances are found to be insufficient at any agreed checkpoint, the applicant will be asked to leave the project.*

*As part of the agreement, the applicant and decision-maker should agree who is responsible for enforcing the check at the checkpoint.*

## **Key worker Policy**

Regardless of the duration of their employment, key workers should be deemed to have a special connection to the London Borough of Lewisham, because of the vital contribution they make to the community as a whole. To qualify as a key worker at least one member of the household applying to participate in the scheme must be employed within a specified key worker group. There is no discretion to vary the terms of the allocation in this respect.

The following key worker groups are eligible for assistance:

- nurses and other NHS staff
- teachers in schools and in further education or sixth form colleges
- police officer, community support officers and some civilian staff
- prison service and probation service staff
- social workers, educational psychologists, planners and occupational therapists employed by local authorities, and
- whole time junior fire officers and retained fire fighters in some fire and rescue services.

## **Priority Groups Policy**

The specific eligibility criteria for applicants falling within statutory Priority Groups are the same as those applying to keyworkers, as provided in the Keyworker Policy above. At the time of writing the only statutory Priority Group is people currently serving or who have recently served in the Armed Forces.

## **Immigration Status**

Applicants are expected to be able to demonstrate that they can sustain their housing costs. This is generally achieved through the financial assessment process. Additionally, all applicants will be asked to confirm their immigration status. Applicants' ability to sustain their housing costs will take account of their ability to remain in the UK.



## **Rental History**

Applicants are expected to be able to demonstrate that they can sustain their housing costs. As part of this assessment all applicants who currently or have recently inhabited rental accommodation will be asked to confirm that they have a sound rental history, including no history of rental arrears and that they are not currently in breach of a tenancy agreement.

## **Cash Incentives from Local Authorities**

Applicants must declare any cash incentives received from local authorities at the point of application, as this may class as double subsidy with public funding received by RUSS. These will be considered by RUSS and circulated as appropriate to the London Borough of Lewisham for the purposes of a value for money test.

# Allocations Process

## Current allocations status

The initial application process for the homes at Church Grove began in 2016 and the homes (apart from the social rented properties, where Lewisham Council will nominate suitable applicants) are allocated. In case of allocated residents dropping out, a waiting list has been established for each pool and applications remain open to join the pool waiting lists.

## Advertisement of properties

As soon as a vacancy is known, RUSS will:

**Advertise within RUSS's membership** for applications from existing members.

**Advertise publicly** through local media (e.g. – 'Lewisham Live' newsletter, the Newshopper newspaper etc.), via the RUSS website and social media channels.

**Advertise on the GLA's portal** all shared ownership and shared equity dwellings: [london.gov.uk/homes](http://london.gov.uk/homes) or any successor portal.

**Liaise with the LB Lewisham** to allow the council to fill social rented vacancies through the nominations process, and to advertise other vacancies as appropriate.

## Application procedure

RUSS accepts applications for the non-social rented properties by post, email and online via its website. Social rented allocations are processed by LB Lewisham in accordance with the Nominations Agreement.

Applications can be made by individuals who meet the Eligibility Criteria set out in this document. This named individual then acts as the 'lead' applicant for that property. This can be any adult over the age of 16.

At the point of application, not all potential or actual members of the household need to be identified.

**The initial allocations process for Church Grove followed the following steps:**

*Applicants ensure that they meet the Eligibility Criteria and formally apply for a home. RUSS undertakes some initial checks to ensure they are likely to be eligible*



*Applicants are divided into one of the nine ‘pools’ (for the nine different types/sizes of homes at Church Grove) and a random ballot is used to identify the successful applicants (and a waiting list)*



*Applicants are asked to:*

- *Provide further detailed information, documents or additional financial evidence*
- *Attend an interview by independent panel*



*Successful applicants will be required to enter into a contractual arrangement with RUSS at the pre-construction stage.*

## **Initial ballot**

Because the Church Grove homes are of different sizes and tenures, each ‘type’ of home has been allocated to one of nine designated ‘pools’.

Applicants identified which ‘pool’ (or type/size of home) they wanted when they applied.

RUSS then organised a random ballot to select the applicants for the homes in each ‘pool’. This resulted in a list of successful applicants for each of the homes, and (where there were more eligible applicants than properties available) it also generated an ordered waiting list.

### ***For example:***

*Pool X has three properties;*

*There are five eligible applicants for the ballot;*

*The ballot randomly selects three successful applicants;*

*The remaining two applicants go on the pool waiting list.*

The waiting list is ordered so that, if a successful applicant drops out, the first name on the waiting list will be contacted to fill the place, and so on until the waiting list is exhausted.

The waiting lists remain open for applications indefinitely.

## Tests for eligibility

Applicants initially self-certify their eligibility against the Church Grove Allocations Policy.

To prove an applicant's 'Local Connection' status RUSS will inspect information, which is verifiable by a third party, such as (but not limited to) the following:

- Council Tax Bill (for period of eligibility)
- Tenancy Agreement (for period of eligibility)
- Mortgage Agreement (for period of eligibility)
- Dated Bank Statements with Address of Applicant in Borough
- Driving Licence (for period of eligibility)
- Dated Letters from Doctor or local NHS practice with Address of Applicant
- Dated Letter from School or education provider with Address of Applicant
- Letter of Offer of Employment with address of applicant for eligibility period and duration of employment contract
- Letter from higher or further education establishment indicating enrolment on a full or part-time course, with date and address of applicant

To ensure applicants meet the 'Affordability' criteria RUSS will also organise the financial checks that are set out on page 4.

Lewisham Council provide the process assessing the eligibility of applicants for the social rented homes

## Decision making

Decisions on applications are formally made on behalf of RUSS by its Board of Trustees. Applicants can appeal a decision (see later section). For the avoidance of doubt, applicants cannot appeal the results of the random ballot alone.

## Waiting lists

After the ballot a series of lists were drawn up as follows for each pool:

- **Residents Group** - those successful in the ballot
- **Standby Group** - the first two households on each waiting list, those first to take up vacancies arising in the Residents Group
- **Waiting List** - all other households that applied before initial ballot deadline date, ordered according to the outcome of the random ballot
- **Reserve List** – eligible applications received after the ballot date, added to waiting lists in order in which applications received.

In the event that a waiting list is exhausted, applicants on other pool waiting lists will be given the opportunity of first refusal to enter a ballot to fill the resident list.

The list will then be completed with the late list applicants.

## Pools and moving pools

If waiting list applicants choose to move pools within a project they can do so, but they will go to the end of the waiting list (excluding the reserve list) of the new pool they want to move to.

The RUSS Board and Church Grove Project Board reserve the right to accept or decline requests to move pools.

Any decision will be based on the spirit of the allocations policy and should fulfil the defined charitable aims of RUSS. These aims can be summarised as providing affordable housing for local people and providing amenities to those most in need.

The numbers of applicants on each list will not be made public after the ballot as this gives an advantage to late applicants. However, those considering moving pools can request this information from the RUSS Secretary ([carol@theruss.org](mailto:carol@theruss.org)). Waiting list applicants who decide to move pools should email the Secretary, formally withdrawing from their current pool, and then submit a new application, correctly completed and eligible, for the pool they wish to join.

The Secretary will acknowledge receipt of both requests by email, and confirm the new waiting list position to the applicant. Pool changes will be treated on a 'first come first served' basis, according to date of email posting.

## Extenuating circumstances

RUSS occasionally sets deadlines that participants must meet in order to retain their status as participants. Occasionally, people cannot meet those deadlines so RUSS has developed a Policy to ensure that those in a decision-making position are able to decide what to do in a fair and consistent way.

This says:

*If a participant feels that they cannot meet a given deadline they are permitted to make representations in writing to the Board, or the Board's nominated delegated decision-makers (e.g. – responsible volunteer-led Team, Project Team or responsible Consultant) Representations should clearly set out the reason that the participant cannot meet the deadline.*

*Acceptable grounds for a claim of Extenuating Circumstances are:*

- *death of a family member, friend or significant other*
- *court proceedings, such as divorce, that prevent the provision of information required*
- *significant illness or injury that results in incapacity*
- *other circumstances considered by the applicant to warrant 'extenuating circumstances', accepted at the discretion of the decision-maker*

*Representations should be received before the deadline to which they relate.*

*The delegated decision-maker is able to grant, at their discretion, an extension period of two weeks beyond the deadline.*

*Successive claims for Extenuating Circumstances may be made but each successive claim is subject to the decision-maker's discretion.*

## **Right of appeal**

If an applicant feels that the decision made about their application is unfair, they may submit an appeal, in writing, to RUSS at its registered address. A Panel of at least two RUSS Members plus one additional independent person will then hear the appeal within 15 working days. Members of the Appeals Panel will not have been involved in the earlier decision-making process. The decision of the Appeals Panel will be binding on all parties.

## **RUSS Equality & Diversity Policy**

In line with the RUSS Equality and Diversity Policy no person or group of persons applying for accommodation will be treated less favourably than any other person because of their race, colour, ethnic or national origin, gender, religion, sexual orientation, physical disability or marital status or any other factor that is strictly prohibited by law.

RUSS is seeking to address local housing need and will endeavour to advertise its properties in such a way that a significant cross-section of the local population will have an opportunity to express an interest.

## **Non-standard application types**

While, for the purposes of this Policy, a cooperative does not have a legal definition RUSS is assuming that applications as housing cooperatives are coming from a group of individuals bound by a common purpose of living together in one or more households.

RUSS requires cooperative applications to be legally constituted (as a Community Interest Company, Not For Profit, Club, Society or Community Organisation for example) prior to application. Applicants should be able to provide documentary evidence that the aims and objectives of their cooperative are in line with those of RUSS.

RUSS's policy on cooperatives is as follows:

### **Cooperative applications – single household coops**

RUSS welcomes applications from single-household cooperatives. A 'lead' applicant will be expected to pass the same eligibility criteria as any other individual applying for a RUSS home. However, in order to ensure that the eligibility criteria are met in the future, as well as at the point of application, RUSS will require any successful housing cooperative to enshrine the eligibility criteria in its constitution or similar relevant document.

### **Cooperative applications – multiple household coops**

RUSS will not be soliciting applications from those cooperatives that wish to occupy more than one property. Individuals from larger cooperatives are welcome to apply either as individuals or form single-household cooperatives, as above.

## **Review of this Allocations Policy**

This policy will be reviewed by RUSS from time to time to ensure that it continues to uphold the aims and objectives of the organisation and meet the needs of its beneficiaries and in a fair and transparent way.



## Appendix 1

### Affordability Criteria for the different homes in the Church Grove project

The current (June 2018) affordability criteria are as follows:

Pool	Lower Income Limit	Upper Income Limit
<b>1 – 1-bed shared equity</b>	Determined by Parity Trust <sup>1</sup> view on whether household can afford to raise a mortgage on the property they have applied for.	Pegged to GLA income caps for 'Intermediate Housing' <sup>2</sup> (which inc. shared ownership) <sup>2</sup> for any property, regardless of dwelling size. Currently set at a gross household income of £90,000/annum.
<b>2 – 2-bed shared equity</b>	Determined by Parity Trust <sup>1</sup> view on whether household can afford to raise a mortgage on the property they have applied for.	Pegged to GLA income caps for 'Intermediate Housing' (which inc. shared ownership) for any property, regardless of dwelling size. Currently set at a gross household income of £90,000/annum.
<b>3 – 1-bed shared ownership</b>	Determined by Parity Trust <sup>1</sup> view on whether household can afford to raise a mortgage on the property they have applied for.	Pegged to GLA income caps for 'Intermediate Housing' (which inc. shared ownership) for any property, regardless of dwelling size. Currently set at a gross household income of £90,000/annum. '.
<b>4 – 2-bed shared ownership</b>	Determined by Parity Trust <sup>1</sup> view on whether household can afford to raise a mortgage on the property they have applied for.	Pegged to GLA income caps for 'Intermediate Housing' (which inc. shared ownership) for any property, regardless of dwelling size. Currently set at a gross household income of £90,000/annum.
<b>5 – 3-bed shared ownership</b>	Determined by Parity Trust <sup>1</sup> view on whether household can afford to raise a mortgage on the property they have applied for.	Pegged to GLA income caps for 'Intermediate Housing' (which inc. shared ownership) for any property, regardless of dwelling size. Currently set at a gross household income of £90,000/annum.
<b>6 – 4-bed shared ownership</b>	Determined by Parity Trust <sup>1</sup> view on whether household can afford to raise a mortgage on the property they have applied for.	Pegged to GLA income caps for 'Intermediate Housing' (which inc. shared ownership) for any property, regardless of dwelling size. Currently set at a gross household income of £90,000/annum.
<b>7 – 1-bed social rent</b>	Determined by London Borough of Lewisham eligibility criteria and nomination process <sup>3</sup> .	Determined by London Borough of Lewisham eligibility criteria and nomination process <sup>3</sup> .
<b>8 – 4-bed social rent</b>	Determined by London Borough of Lewisham eligibility criteria and nomination process <sup>3</sup> .	Determined by London Borough of Lewisham eligibility criteria and nomination process <sup>3</sup> .
<b>9 – affordable rent</b>	Set by RUSS at 50% of the applicant's gross household income. This is therefore to be determined on a household-by-household basis prior to interview.	Set at the median household income for residents of the London Borough of Lewisham <sup>4</sup> . Currently £27,601/annum (gross income per earner).

<sup>1</sup> Parity Trust has been commissioned by RUSS to assess the likelihood of each household being able to raise a mortgage for the property they have applied for..

<sup>2</sup> The GLA set out income caps for applicants accessing intermediate homes (which it considers 'shared ownership' to be) in paragraph 3.62 of the 2015 London Plan and states that these will be updated on an annual basis in the London Plan Annual Monitoring Reports (AMR) – see <https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/monitoring-london-plan> .

<sup>3</sup> As part of the Development Agreement relating to the Church Grove site, RUSS entered into a Nominations Agreement with the **London Borough of Lewisham**, granting it the right to select and nominate applicants for 5 'social rented' dwellings to be built at Church Grove. The Council's selection process therefore determines the lower and upper income caps for Pools 7 and 8.

<sup>4</sup> Median incomes are recorded in the Annual Survey of Hours and Earnings (ASHE), published annually by the Office for National Statistics (ONS) and available at: <http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/previousReleases>

