



## ALLOCATIONS POLICY

GŴyr CLTs is committed to ensuring affordable housing is available for those locally in need of affordable housing, both on first occupation and for subsequent occupiers. Property prices in Gower & Gower Fringe SHPZ are beyond the means of most local people unless they have existing capital or household incomes well above the local average. In particular we want to support households currently living in the area, working in the area, and those caring for or receiving care from relatives in the area. This project is a community self-build scheme, and therefore initial self-building members have the additional requirement of having the ability to contribute to the construction process.

This Allocations Policy is based on the Local Planning Authority's (Swansea Council) own Eligibility criteria for local needs affordable housing on rural exception sites in the LDP 2010-2025 (Policy H6), which itself aligns with Planning Policy Wales and TAN 2.

### 1. Context

In the creation of this policy the following five principles were used:

**Fairness** - To ensure that allocation of units will be determined solely on the extent to which the criteria have been met and therefore will be free from discrimination.

**Transparency** - To ensure that the process is understood by everyone involved and evidence clearly recorded. Applicants will receive feedback on their application, and changes in occupancy will be reported to the local authority.

**Simplicity** - To ensure the process is manageable and easy to navigate.

**Legality** - Allocations made in accordance with relevant laws and policies including LA (local authority) planning policy, the Disability and Discriminations Act & the Race Equality Act. Process adheres to GDPR 2018. Financial transactions and services offered in accordance with FCA.

**Reflecting community-led values** - Making sure the resident members are engaged in the membership and development processes, and the values and aims of GŴyr CLT are maintained.

## 2. Allocations criteria

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

**2.1 Affordability** – Resident members must be unable to afford to buy a home on the open market, and be able to afford to buy or rent an affordable home at levels offered by Gŵyr CLT housing.

**2.2 Local Connection** – Resident members must demonstrate that they have a local connection, either living, working or caring for or receiving care from a relative in the area.

**2.3 Supportive of the values of Gŵyr CLT** - All occupiers must become members of the Residents Co-operative and Gŵyr CLT, and therefore must agree to support the values and aims of Gŵyr CLT, outlined in our membership policy and manifesto. This includes commitment to attending monthly meetings, respecting and maintaining common spaces, creating an inclusive, supportive living environment, and agreeing to ensure houses are affordable for future occupiers.

To meet the objectives of Gŵyr CLT, the criteria and process set out in points 3-7 in this document apply both at initial allocation and at every subsequent resale and re-let, with point 8 applying only to initial self-building residents.

## 3. Affordability

All houses provided by Gŵyr CLT whether shared ownership or rental are 'affordable housing' and therefore will only be occupied by a qualifying person who meets the criteria for being unable to afford market value housing suitable for their family size. To be considered, all applicants must meet criteria 3.1 & 3.2.

### 3.1 Unable to afford market value housing:

The criteria to define if an applicant is unable to afford market value housing applicants must prove they:

- have a combined household income of £60,000 or less each year
- do not have capital, either in cash savings or equity in property, over £100,000
- be a first time buyer or:
  - be a newly forming household; for example, starting again after a relationship break-up, or
  - be relocating for work or caring purposes, in line with local connection criteria, to an area where property prices do not allow them to buy a home suitable for their family size.
- do not currently own another home, unless this is unsuitable for their family size and the equity they hold in it is less than £100,000, or unless a court order forces someone to remain on the deeds of a property where their children live.

### **3.2 Able to afford 'affordable housing':**

Applicants must be financially able to purchase the leasehold equity available, and pay the rental amount on the unearned equity, which will be determined by a financial assessment based on:

- Combined household incomes
- Monthly outgoings
- Previous history of rental or mortgage payments

Applicants will be expected to provide proof of their income. This could include P60, P45, benefit statement or self-employed account information, as well as declare equity in property or cash savings.

### **3.3 Additional affordability checks for shared ownership homes**

A credit check will need to be provided to establish whether there are factors which would limit the purchaser's ability to access finance, as well as proof that they are able to borrow the required finance and deposit to purchase the equity available.

Evidence of income and debts would need to be provided including bank statements, payslips, credit agreements and benefit letters, as well as a completed budget planner.

Mortgage payments plus additional costs should be no more than 4.5 times annual household income

## **4. Local connection**

All houses provided by Gŵyr CLT are identified as "local needs housing" and therefore will only be occupied by a qualifying household who meet one of the following criteria:

- Applicants who are resident within the area who have been resident for a continuous period of at least 5 years immediately before making an application;
- Applicants who have been resident within the area for any period of (or periods totalling) greater than 5 but less than 10 years within the previous 10 years immediately before making an application,
- Applicants who were previously resident in the area and who have an immediate family member(s) currently resident in the area and where the immediate family member(s) have been resident within the area for a continuous period of at least 10 years immediately before the housing application was made and intend to remain. 'Immediate family' means a parent or parents, a child or children, or a sibling or siblings;
- Applicants who need to move to the area to enable them to either give or receive support to or from an immediate family member. 'Immediate family' means a parent or parents, a child or children, or a sibling or siblings or other relationships where a genuine need to give or receive support is demonstrated to the satisfaction of the City and County of Swansea;
- Applicants who currently live in the area needing separate accommodation, for example married couple and people living in tied accommodation on retirement;

- Applicants who work either full time or part time within the area. Part time employment in this case is defined as being a minimum of 10 hours each week;
- Applicants who need to move into the area to take up full or part time work.

## 5. The area

The area is defined as the administrative ward of Bishopston and the neighbouring wards of: Mumbles, West Cross, Mayals, Fairwood & Pennard.

## 6. Supportive of the values of Gŵyr CLT

To support Gŵyr CLTs goals of using a community-led approach to creating sustainable, genuinely affordable, and mutually supportive living environments, applicants must also demonstrate that they are willing to align with the values of Gŵyr CLT. To become a resident, applicants must become members of the residents co-operative and Gŵyr CLT, and agree to abide by both the Membership Policy and Gŵyr CLT's Manifesto (See Membership Policy & Manifesto). This includes but is not limited to the following commitments:

- All members and provisional members must agree to take part in decision making and conflict resolution processes (developed using sociocracy principles).
- Where reasonably possible, attend monthly membership meetings
- Agree to abide by the seven universal co-operative principles (eg. one person one vote), listed in the Membership Policy.
- Commit to the purpose and values of the project, including ensuring that homes remain permanently affordable.
- Agree to restrictions on acquiring equity over 65% (detailed below).
- Agree not to acquire the property as a second home

## 7. Further eligibility criteria:

### 7.1 Restrictions of acquiring equity beyond genuinely affordable levels (staircasing)

It is recognised that for shared ownership homes, the 80% of Open Market Value (OMV) which is used to classify a home as 'affordable' in Wales, is simply not affordable for those on low to medium incomes in rural areas. Therefore, to ensure that homes remain genuinely affordable in perpetuity, residents are only able to acquire a percentage of the leasehold up to the value of 65% (see Affordability Policy for more details). To further clarify the point, Gŵyr CLT will retain a minimum of 35% of the leasehold value of all homes in perpetuity, which ensures the homes remain genuinely affordable.

## 7.2 Second Homes policy

- All homes must be the residents only and principal home
- An 'Only or Principal Home' is a dwelling house that is occupied continuously for a minimum period of six months in every twelve month period. For the avoidance of doubt, the dwelling shall not be occupied as a holiday home, second home or for short term let accommodation.

These agreements are a condition of membership, and contravening this would be in breach of the terms of the lease, and would lead to the termination of the lease agreement.

## 8. Pre-build and self-building members

In recognition of the positive impact of residents being involved in the design and construction of their own homes, in addition to the above criteria which apply to all residents, an assessment of the ability of applicants to commit time to the project development during both the pre-build and construction phase, is applied to the initial members, applying to be part of project before the completion of the homes.

To involve residents in the design and construction of their own homes, and to ensure there is enough capacity within the membership, it will therefore be necessary to allocate homes in the pre-build stage before completion of the homes, in line with the affordability, local-connection, and time-commitment criteria.

During the pre-build phase, this currently specifies that households must:

- contribute 6 hours per household per week
- attend monthly membership meetings
- One household member being a member of either the steering group or a working group
- Where reasonably possible take part in quarterly visioning days.

During the construction phase this currently specifies households must:

- Make a contribution of between 15 & 30 hours per household per week
- This is repaid through equity in a person's home on completion of the development, referred to as 'sweat equity' (outlined in our affordability policy)
- This contribution could be either physically building the homes, or in an administrative role.
- No prior skills are required but a willingness to learn and engage with the process is essential

### 8.1 Reassessment of current membership

All current resident members necessarily meet the criteria outlined in this policy and were assessed upon joining the organisation. To ensure fairness and to reflect the fact that circumstances may change, all members will be assessed upon signing of the section 106 agreement between the LA (Swansea Council) and Gŵyr CLT, to ensure they still meet the requirements of a qualifying household.

## **8.1 Change of circumstances after purchase of a property**

Providing secure lifetime homes for residents is a priority for Gŵyr CLT, therefore resident members will only be assessed before or upon purchase of a property. Once a resident has purchased a leasehold stake in a property, it is accepted that any change in circumstance would have no impact on a person's membership or leasehold agreement, unless this is in breach of the agreements in section 7.1 & 7.2 of this policy. This is in line with social housing and intermediate housing provided by both the LA, by RSLs or by private developers.

## **9. Evidence required**

To make a decision on an applicant's inability to afford market value housing and whether they satisfy the criteria for having a local connection, members are required to submit evidence.

Evidence needed for proof of income and savings for each adult member would include:

- P60, P45, benefit statement or self-employed account information
- A bank statement showing savings

Evidence needed to prove a local connection would include:

- Council Tax Bill Tenancy Agreement (for period of eligibility)
- Dated Bank Statements with Address of Applicant
- Driving Licence (for period of eligibility)
- Dated Letters from Doctor or local NHS practice with Address of Applicant
- Dated letter from employer with confirmation of the applicants period of employment
- An employment contract
- Letter of Offer of Employment with address of applicant for eligibility period

Upon sale or resale of each property, Swansea Council will be notified when a property becomes available and when a new resident is selected, along with how the criteria were met. Evidence will be held and available on request to the Local Authority (Swansea Council) within a period of 14 days.

## **10. Disposal cascade**

Residents of any home will not be permitted to dispose of any property to a person who does not meet the criteria of a qualifying person (inability to afford market value housing, and demonstrating a local connection), unless the following process has been followed.

- If after a period of eight weeks of an available property being advertised, the owner, the Residents Co-operative and Gŵyr CLT have failed to find a qualifying person within the wards of Bishopston, Mumbles, West Cross, Mayals, Fairwood and Pennard, they may dispose of the dwelling to someone who meets the affordability criteria and demonstrates a local connection to the neighbouring wards of: Gower, Sketty, Dunvant, Killay, Gowerton or Pen-clawdd.
- If after a further period of eight weeks and a total of 16 weeks, the owner, the Residents Co-operative and Gŵyr CLT have failed to find a qualifying person within any of the said wards, they may dispose of the dwelling to a non-qualifying person, in line with the LA exception site policy.
- Any subsequent re-sale of the local needs dwelling will be subject to the local needs occupancy restriction in order to ensure that the property will continue to provide a potential opportunity to address any future local need in the Locality.

## 11. Occupation rights for close relatives and beneficiaries

- Occupation rights and therefore ownership can be passed onto a close relative defined as a child, adopted child, partner, or beneficiary designated in the residents will, regardless of their eligibility.
- If not already a resident of Gŵyr CLT housing, close family members becoming residents must agree to become members of Gŵyr CLT and the Residents Co-operative.

## 12. Decision making process

To be eligible to apply, all applicants must meet the three qualifying criteria (affordability, local connection & agreement to support the values of Gŵyr CLT and the Residents Co-operative). Applicants will then be assessed by a panel made up of at least four Residents Co-operative members based on evidence submitted and an in-person interview, reviewed against the following weighted criteria:

### 1. **Housing Need** (20%)

*To what level is the applicant's current housing situation unsuitable for theirs and their families needs?*

- **Summary:** Questions determine need based on current situation inc. overcrowding, lack of privacy, quality of housing, distance from community, impact on disability, security and other.
- **Example Question:** How does the size of your current home impact your life?

## 2. **Finances** (20%)

*To what level is the applicant unable to afford to buy or rent a suitable home in the area, based on their household income.*

- **Summary:** Questions determine the applicants financial circumstances, including their disposable income, assets, savings and that measure against average income levels in the area, and how much this limits their access to alternative accommodation.
- **Example Question:** Do you work in an essential but low paid job in the area and does this mean you cannot afford market value housing?

## 3. **Community connection** (20%)

*To what level is the applicant connected with the local community beyond the initial qualifying criteria?*

- **Summary:** Questions determine connection based on whether they are a resident, cumulative time lived in area, connection to area through family, work, community group etc to the area .
- **Example Question:** State the length of your residency in the area.

## 4. **Community contribution** (20%)

*To what level is the applicant involved and engaged in local activities and life\*.*

- **Summary:** Question determines applicant's past, present and future involvement in the community in the area, defined in (section??).
- **Example Question:** Describe how you contribute to the local community

## 5. **Supportive of the aims of Gŵyr CLT** (20%)

*To what level does the applicant understand and align with the values of Gŵyr CLT outlined in our manifesto and membership policy.*

- **Summary:** Questions determine if the applicant's values align with Gŵyr CLT, and whether they are passionate about living in a mutually supportive and sustainable cohousing community, and continuing the aims of providing community-led genuinely affordable housing.
- **Example Question:** What are the things that you believe bring together a strong community of people?

*\*Gŵyr CLT acknowledges that individuals may have a disability, illness or other legitimate factors which limit their participation in community life. This will be factored in when assessing applicants.*



## 13. Advertising properties

Properties will be advertised for a minimum of 4 weeks before shortlisting takes place. Advertisements will be:

- Hosted on Gŵyr CLT's website and social media platforms
- Sent out to Gŵyr CLTs mailing list and membership
- Put out in local media including parish newsletter and local community social media pages
- Via the community council mailing list and social media, relevant to the area defined for a qualifying person

Notification will be given to:

- Gŵyr CLT members
- Community council representatives in the relevant areas
- Local councillors
- Swansea Council

## 14. Appeals process

If an applicant feels that the decision made about their application is unfair, they may submit an appeal, in writing, to Gŵyr CLT. This appeal must be made within 5 working days of the decision, providing reasons.

A panel of at least four Gŵyr CLT Board Members will then hear the appeal within 15 working days. This will be board members who were not involved in the original decision. Notification of the panel's decision will be provided within 5 working days of the appeal being heard. Applicants have the right to take their appeal as a final stage to the Housing Ombudsman.

## 15. Review

This policy will be reviewed annually by Gŵyr CLT and the Residents Cooperative, and updated where necessary to ensure that it continues to meet the needs of those in housing need in a fair, transparent and simple way, abides by relevant laws and policy, and which enhances and promotes the values of Gŵyr CLT.