Title: Shared Ownership Policy and Procedures

Report of: TGHC Head of Corporate Services

Purpose of Report

1. To provide the Board with a report on the Shared Ownership policy and procedures which have been developed in conjunction with leaseholders (i.e. shared owners).

Background

2. Shared ownership is part of a government funded part buy/part rent scheme to help first-time buyers become home owners.

3. The Leasehold Services Team provides leasehold management services for 13 Shared Ownership properties at Kibblesworth.

4. The Homes and Communities Agency (HCA) recommend that all shared ownership providers have a clear and concise policy detailing how the shared ownership product will be delivered.

5. Following an internal audit of leasehold services it was recommended that a shared ownership policy should be developed to ensure both the leasehold team and leaseholders (i.e. shared owners) fully understand their respective roles and responsibilities.

6. The policy and procedures take into account best practice published by the HCA, National Housing Federation (NHF) and Council of Mortgage Lenders (CML).

Shared Ownership Policy and Procedures

7. Attached at the Appendix to this report is the Shared Ownership Policy and procedures which were discussed and agreed by leaseholders at the Leasehold Service Improvement Group (SIG) on 8 September 2014. All the Appendices attached to the Policy have been posted on the TGHC website.

8. The policy and procedures have been developed to ensure that shared ownership properties are allocated to customers in a fair and consistent manner, in accordance with best practice and the Keelman Homes lettings policy, which mirrors the Council’s lettings policy.
9. The majority of shared ownership schemes are funded by HCA and, as such, the policy and procedures ensure that the management of these homes conforms to the conditions of funding, as detailed in the Capital Funding Guide, in addition to acting in a legally compliant customer focused and transparent manner.

10. The policy and procedures cover all aspects of shared ownership including marketing, applications, allocation, rent collection, staircasing (purchase of additional shares) and sales.

11. The HCA recommend that all shared ownership providers develop and publish a flexible tenure policy. Flexible tenure is designed to enable a shared owner to remain in their home through either selling some shares back to the landlord (downcasing) or by selling all of their shares and becoming a tenant at an Affordable Rent. Any repurchase of the property will be considered as a last resort.

Impact on tenants

12. There is no impact on tenants directly. The impact on leaseholders (i.e. shared owners) is that services will be applied consistently across the shared ownership stock.

Risk Management Implications

13. The introduction of a shared ownership policy and procedures will ensure that the following risks are effectively managed:

- Properties left unsold will require security to prevent squatting.
- Income may be reduced if accounts are not created and managed in line with the lease terms
- Poor customer satisfaction levels with the cost and standard of charges and the way they are administered
- Leaseholders will refer the reasonableness of charges to the First-Tier Tribunal (Property Chamber)
- Rent and charges could be applied inconsistently across the Keelman Homes Shared Ownership stock.

Financial Implications

14. There are no financial implications arising directly from this report.

Equality and Diversity Implications

15. The policy will ensure that services are applied fairly to all leaseholders (i.e. shared owners).

Value for Money Implications

16. The development of the shared ownership policy will enable staff to implement procedures to maximise income recovery from leaseholders.
Consultation carried out

17. Consultation was carried out with leaseholders via the Leasehold Service Improvement Group (SIG).

Recommendation

18. The Board is requested to approve the shared ownership policy and procedures, as detailed in the Appendix to this report.
Appendix

Shared Ownership Policy

1. Introduction

1.1 Keelman Homes Limited is a charitable company limited by guarantee, which was created in 2009 to develop and build a range of good quality affordable homes.

1.2 Keelman Homes Limited is governed by seven trustees who are the members of the company. These are made up of two Council representatives, one TGHC representative and four independent trustees.

1.3 The way the company carries out its business is governed largely by the provisions of the Companies Act 2005 and its Memorandum and Articles of Association.

1.4 Keelman Homes Limited supports the development of shared ownership as one element of promoting mixed and sustainable communities through New Build Homebuy.

1.5 The Gateshead Housing Company (TGHC) has agreed to provide certain housing management services in respect of the properties owned by Keelman Homes Limited under a Management Agreement.

1.6 The term of the Management Agreement is for the period 21 January 2010 until 31 December 2015.

2. Definitions

2.1 Affordability: The HCA considers a 45% household debt to net income ratio as maximising shared owners contribution towards home ownership. Keelman Homes have agreed a 40% maximum affordability criteria will be applied against all applications.

2.2 Flexible Tenure: Is the voluntary repurchase by the Landlord of some or all of a shared owners interest in their home.

2.3 Market Value: The purchase of further shares will be at the open market value of the property at the time of purchase.
2.4 New Build HomeBuy: This is a Government initiative which allows the buyer to purchase a proportionate share of a new property, built with public sector subsidy. The minimum share purchased will be determined on a scheme by scheme basis.

2.5 Protected Area: The Kibblesworth Scheme has been designated as a Protected Area under The Housing (Right to Enfranchise)(Designated Protected Areas)(England) Order 2009. Shared owners can therefore acquire 100% of the shares in the property but they do not have the right to give notice to acquire the freehold of the property.

2.6 Rental Element: The HCA encourage all registered providers to set rents that average no more than 2.75% of the value of the unsold equity at the point of initial sale.

2.7 Section 106 Agreement: Local planning obligation for affordable housing

2.8 Shared Ownership: This is used in this policy as a generic term for Low Cost Home Ownership Schemes.

2.9 Staircasing: Purchasers may buy additional shares in their home as and when they can afford to do so. The minimum additional share is 10% of the remaining unsold value of the property.

3 Aim of Policy

3.1 TGHC will provide applicants for shared ownership with full information on estimated costs, rights, responsibilities and the obligations of being a shared owner. All applicants will be advised to seek independent financial advice regarding their financial circumstances.

3.2 TGHC aims to ensure that shared ownership properties are allocated to customers in a fair and consistent manner, in accordance with best practice, and the Keelman Homes lettings policy, which mirrors the Council’s lettings policy.

3.3 The majority of Shared Ownership schemes are funded by the Homes and Communities Agency (HCA) and as such TGHC will ensure that the management of these homes conforms to the conditions of funding, as detailed in the Capital Funding Guide, in addition to acting in a legally compliant, customer focused and transparent manner.

3.4 The local HomeBuy Agent, will carry out headline assessments of all applications. ISOS, under an SLA, will carry out Eligibility and Financial Assessments on behalf of TGHC, based on HCA specified criteria.

3.5 TGHC will calculate and collect all shared ownership rents and manage the leasehold agreement including the purchase of additional shares.

3.6 This policy has been developed in partnership with leaseholders.

3.7 Our Commitments to Leaseholders (i.e., shared owners)
TGHC has agreed with Leaseholders (i.e., shared owners) that we will:
• Meet the responsibilities to Leaseholders (i.e., shared owners) under the terms of their lease.
• Ensure that value for money is achieved in the provision of buildings insurance and the management fee.
• Provide a Welcome Pack to all new Leaseholders (i.e., shared owners) summarising their rights, responsibilities and the services available to them.
• Endeavour to keep blocks and estates in the standard agreed with residents.
• Collect from Leaseholders (i.e., shared owners) all monies due from them under the terms of their leases and offer support, advice and information to anyone having difficulty in making payment.
• Repay, in a timely manner, all monies and refunds due to Leaseholders (i.e., shared owners).
• Ensure all Leaseholders (i.e., shared owners) are able to access our services and the needs of all our customers are addressed.
• Make details of the management fee available to Leaseholders (i.e., shared owners) and their representatives.
• Ensure that Leaseholders (i.e., shared owners) uphold the covenants in their leases, particularly with regard to harassment, neighbour nuisance and other actions taken by them that are likely to affect other residents.
• Ensure that Leaseholders (i.e., shared owners) have access to a range of tenancy management services that are, as far as possible, aligned to those services available to tenants.

4. Policy

4.1 What is a ‘Shared Ownership’ leaseholder?
A Leaseholder (i.e., shared owner) is someone who is able to buy a share of the property and pay rent on the remaining share for a fixed number of years. Although the term is fixed at the start, it decreases every year until it expires and the ownership of the property returns to Keelman Homes (‘the landlord’).

4.1.2 A shared ownership leaseholder can buy further shares in the property at the market value of those shares at the time of purchase. Buying further shares is referred to as ‘staircasing’. Normally, when the Leaseholder owns 100%, he or she can acquire the freehold in the property for no charge, but that does not apply at the Kibblesworth scheme, as the properties are in a protected area. The leaseholder will usually have a 99 year lease on the property.

4.1.3 Purchasers must have insufficient income or available resources to be able to afford the outright purchase of satisfactory housing at current market prices, but must have sufficient savings or income to meet the associated cost of purchasing the initial share in the property and to pay the rental element without financial hardship.

4.2 What is the lease?
4.2.1 The lease is the contract between the landlord and the shared ownership leaseholder. It sets out the respective rights and responsibilities of each party. The lease is a legally binding contract and enforceable by law. Current legislation may override parts of the lease.
Plain English guidance notes are provided along with the lease to help explain the key provision of the Shared Ownership Lease.

4.3. **Leaseholders’ Rights (i.e., shared owners)**

4.3.1 TGHC is bound by the terms of the lease issued by Keelman Homes (‘the landlord’). All leases will include information about:
- The parties to the lease
- The market value of the whole property, the amount the shared owner is paying and the percentage bought
- The rent to be paid, how it is determined, when payment is due and how it will be reviewed
- The arrangements for collecting contributions towards additional costs.
- The procedures to purchase additional shares in the property (‘staircasing’)
- The process to assign or transfer the lease.
- The restrictions on ‘sub-letting’ the property.
- The grounds for the landlord ending the lease by forfeiture or re-entry.
- The responsibilities of the leaseholder (i.e., shared owner) in respect of repair, decoration, servicing and alterations to the property.
- Details of the responsibilities of both the Leaseholder and Keelman Homes (‘the landlord’).

4.4 **Market Value**

4.4.1 Property sale prices will be based on independent valuations of market value at the initial sales stage and on any subsequent ‘staircasing’. Where a property remains unsold, the valuer will review the valuation every three months to ensure that the property is still marketed at the correct price. Properties cannot be offered for sale below their open market valuation, without Homes and Communities Agency (HCA) approval.

4.4.2 All valuations must be carried out by a member of the Royal Institution of Chartered Surveyors (RICS).

4.5 **Marketing**

4.5.1 TGHC recognises the need for early marketing of the schemes. This will be carried out by TGHC through the company website, newspaper, brochures and Tyne & Wear Homes. The Homebuy Agent for the area will also market on their website and where applicable a qualified local estate agent will be appointed.

4.5.2 The local estate agent will be expected to prepare sales brochures and market the properties in all forms of media including newspapers, on-line and within local estate agents windows. In some cases artists’ impressions will be used if a photograph is not appropriate. The instructions to the agent will be to ‘sell off-plan’ where appropriate.

4.5.3 TGHC will carry out all viewings with prospective buyers as the Company will have an on-going relationship with any prospective buyer.

4.5.4 Keelman Homes (‘the landlord’) may install fixtures and fittings that exceed the normal lettable standard or the HCA’s Design and Quality Standards in shared ownership properties to help marketability. This could include carpets or white goods.
4.6 Applications
4.6.1 All initial applications for schemes must be made through, the Homebuy Agent for the area.

4.6.2 The Homebuy Agent will undertake an initial affordability assessment at application stage to ascertain the maximum share that an applicant could afford and sustain based on HCA guidance.

4.6.3 TGHC through a service level agreement with ISOS Housing, must ensure a further rigorous affordability check is carried out. This takes into account savings and outgoings, to assess the sustainability of the purchase, and the share sold should reflect both of these two affordability assessments.

4.6.4 Applicants are eligible for shared ownership if they meet four tests of suitability. The tests are:
  - Household income is below £60,000 but;
  - Able to afford a shared ownership property without hardship
  - First time buyer or in priority need of housing if already a homeowner
  - Unable to afford satisfactory housing at current market prices

4.6.5 Where Keelman Homes (‘the landlord’) is providing affordable housing under a Section 106 Agreement, this may override or increase the significance of one or more of a number of factors considered by TGHC when making an offer of home ownership. Under no circumstances can Section 106 priorities be allowed to override the affordability criteria.

4.6.6 The local HomeBuy agent will provide TGHC details of all approved (and declined) applications to enable the allocation of properties through Keelman Homes allocation policy.

4.7 Allocations Policy
4.7.1 Allocation of shared ownership properties will be made in line with the Keelman Homes Policy (see Appendix 1)

4.7.2 If there are only enough interested applicants or there is less interest than there are properties then no requirement to attach any further criteria will be necessary. If, however, there is more demand than supply then the Keelman Homes Policy will be applied in order to rank those applicants.

4.7.3 The Keelman Homes policy has an associated Local Lettings Plan.

4.7.4 Shortlisting of all applicants (if there is demand of more than one family per property) will be completed by the TGHC Lettings Team, and then passed back to the local Homebuy Agent, showing full details of the criteria behind the ranking.

4.8 Sales
4.8.1 Purchasers must purchase the maximum share they can afford to sustain. The initial share must be a minimum of 25% and a maximum of 75% purchased at the market value of the property.
4.8.2 A minimum deposit of 5% of the value of the share purchased is required plus a holding fee which is deducted from the initial sale price when the property completes. If a prospective buyer does not complete the sale the holding fee will not be refunded.

4.8.3 The minimum share, rent payable and shared ownership arrangements will be determined on a scheme by scheme basis.

4.9 Handover/Defects package
4.9.1 TGHC will issue Leaseholders (i.e., shared owners) with a Welcome Pack, containing a Leaseholders Guide, Guarantees, maintenance information and all product information for their home (see Appendix 2)

4.9.2 TGHC will meet its initial contractual and statutory obligations towards shared ownership properties. Once the usual defect period has expired, the leaseholder (i.e., shared owner) has full repairing responsibility and becomes liable for all maintenance costs on the property, even if they only have the minimum 25% equity share.

4.10 Rental Element
4.10.1 Leaseholders (i.e., shared owners) will pay rent to Keelman Homes on the remaining share they do not own. TGHC will ensure that any rent payable will be calculated to be affordable in-line with the Homes and Communities Agency (HCA) rent setting guidance.

4.10.2 The rent will be reviewed every year. The reviewed rent will be increased in line with any proportionate increases in the retail prices index (RPI). The rent will be reviewed on an ‘upwards only basis’. This means that the level of the rent will not go down when it is reviewed. However, any increase in the rent will be capped at a figure representing the RPI plus 0.5%. This means that where the RPI is zero or negative the most the rent can increase by is 0.5%.

4.10.3 Leaseholders (i.e., shared owners) will be advised of the outcome of the rent review by written notice, as detailed in the lease.

4.11 Services
4.11.1 Where services are provided to shared ownership properties, these will be referenced in the lease and charges will be set and administered in accordance with current legislation, including the production of annual accounts.

4.12 Buildings Insurance
4.12.1 Leaseholders (i.e., shared owners) will be provided with copies of the relevant buildings insurance policy confirming the sum for which the property is insured, the name of the insurer, and the risks covered in the policy.

4.13 Accounts
4.13.1 Individual computerised accounts will be created for each leasehold (i.e., shared owners) property. Each account will be credited with the rental income and debited with rent, buildings insurance, service charges (if applicable) and management fee charges. A six monthly account statement will be produced for each account.
4.13.2 In line with legislation when a demand for payment is issued a notice explaining Leaseholders Rights & Obligations (Service Charges) will be served.

4.14 Rent Arrears
4.14.1 Any leaseholder (i.e. shared owner) who falls behind with payments will be contacted promptly by the Leasehold Services Team and appropriate action for arrears recovery will be taken in accordance with the Shared Ownership Income Recovery procedures, which mirrors the TGHC Leasehold Recovery procedure (see Appendix 3)

4.14.2 The procedure takes into account the best practice published by the HCA, National Federation (Nat Fed) and Council of Mortgage Lenders(CML).

4.14.3 TGHC will be responsible in their actions to make sure anyone experiencing difficulties in making rent or mortgage payments is made aware of sources of advice available including welfare benefits and debt counselling. We will offer prompt and practical advice at all times.

4.14.4 Where TGHC is satisfied that appropriate courses of recovery action have been taken by staff and rent and charges remain unpaid, legal proceedings will be considered. A number of legal measures would be considered for persistent failure to pay rent including forfeiture (possession) in accordance with the lease.

4.14.5 TGHC will act reasonably and will only take possession action where there is no other reasonable alternative and other avenues to maintain the shared owner in their home have been exhausted.

4.15 Disputed charges
4.15.1 TGHC will take a proactive approach to the resolution of disputes by ensuring that complaints are dealt with as quickly as possible, to minimise customer dissatisfaction.

4.15.2 To ensure we provide the same standards of customer care as we offer tenants and Right to Buy Leaseholders TGHC Corporate Complaints Policy and procedure will be followed (see Appendix 4)

4.15.3 In appropriate cases TGHC will refer the particulars of a case to the First–Tier Tribunal (Property Chamber) formally the Leasehold Valuation Tribunal, (LVT), for guidance and a ruling.

4.15.4 TGHC will review disputes with the Leasehold Service Improvement Group (SIG) to establish trends and identify service improvements.

4.16 Overpayments
4.16.1 All overpayments of rental charges by leaseholders (i.e., shared owners) will be automatically transferred to the next financial year. Any request for the repayment of overpaid charges will be considered on an individual basis.

4.16.2 If leaseholders (i.e., shared owners) sell their home during the year then a refund of the balance will be provided.
4.17 Flexible Tenure (Reverse staircasing)
4.17.1 Any leaseholder (i.e. shared owner) who falls behind with mortgage payments or rent payments and could potentially lose their home may be considered for Flexible Tenure.

4.17.2 Flexible Tenure is designed to enable a shared owner to remain in their home either by selling some of their shares back to their landlord in order to reduce their mortgage to a more affordable and sustainable level, or by selling all of their shares back to the landlord and becoming a tenant at an Affordable Rent.

4.17.3 Any repurchase will be considered as a last resort. The HCA permit the use of Recycled Capital Grant Fund (RCGF) only in cases where other options for avoiding repossession have been exhausted.

4.17.4 There is no 'right' to Flexible Tenure and any offer will be made purely at Keelman Homes discretion subject to HCA eligibility criteria. The flexible tenure policy and procedures will be referred to in all cases (see appendix 5).

4.18 Repairs
4.18.1 The leaseholder (i.e., shared owner) is solely responsible for the maintenance of the property. This includes the maintenance of gardens, and any fences, walls or hedges.

4.18.2 In addition to repairs the leaseholder (i.e. shared owner) is also responsible for arranging for all gas installations within the property to be tested (serviced) annually and a copy of the gas service provided to TGHC. Failure to provide the certificate will result in TGHC obtaining entry to the property, carrying out the test and billing the leaseholder (i.e. shared owner) the cost of the service.

4.19 Alterations or Improvements
4.19.1 Leaseholders (i.e. shared owners) must not make any alterations or additions to the property without written approval from TGHC.

4.19.2 Any leaseholder (i.e. shared owner) wishing to carry out alterations or additions to their home must submit full details of the proposed works to TGHC.

4.19.3 Each request will be looked at on its own merits and will be formally responded to by TGHC following the Alterations and Improvements procedure (see Appendix 6).

4.19.4 TGHC cannot withhold consent for improvement by leaseholders (i.e., shared owners) unreasonably. Any refusal of the proposed alterations or improvements will be accompanied with a full written explanation.

4.19.5 There is no appeals process. The terms of the lease will be referred to on all occasions.

4.20 Purchase of Additional Shares (‘Staircasing’)
4.20.1 Leaseholders (i.e., shared owners) can purchase additional shares at any time following the initial purchase. When making further purchases of shares each additional share acquired must be not less than 10% and not more than 25% of
the market value of the property at the time the application to purchase additional shares is made.

4.20.2 As leaseholders (i.e., shared owners) buy further shares the rent will be reduced proportionately to reflect the fact that Keelman Homes interest in the property has reduced. The purchase of additional shares will follow the Keelman Homes ‘Staircasing’ procedures (see Appendix 7).

4.21 Sale of Share - Assignment or Transfer
4.21.1 A leaseholder (i.e., shared owner) can sell his/her share at any time and TGHC has a responsibility to assist them in doing this in addition to approving any eventual buyer.

4.21.2 Any buyer must meet the minimum criteria for shared ownership in respect to affordability and personal circumstances except they do not need to maximise the share value that they initially purchase, if they do not wish to do so.

4.21.3 TGHC will follow Keelman Homes procedure for ‘Sales and Resales’ (see Appendix 8)

4.22 Additional borrowing and change in lender
4.22.1 The lease does not prevent a leaseholder (i.e. shared owner) from obtaining additional borrowing however any further borrowing is subject to TGHC approval and the terms of the Mortgagee Protection Clause (MPC) which protects the mortgage company and is a fundamental clause in the shared ownership lease.

4.22.2 There is no specific procedure in the case of additional borrowing or change of lender only principals that should be adhered to as each case will be different.

4.22.3 TGHC will approve in writing, all requests to change a lender as long as the leaseholders (i.e., shared owner) legal representative confirms that the sum being borrowed has not increased from the sum owed to the previous lender (i.e. no additional lending ) and that the terms of the mortgage are, in the opinion of TGHC, reasonable given current market conditions and that the original shared owners are still named on the new mortgage.

4.22.4 Under the terms of the MPC only certain advances are protected so it is unlikely that a lender will loan a leaseholder (i.e. shared owner) additional funds for anything other than:
   - the premium lent to purchase the initial share;
   - further borrowing to enable the purchase of additional shares (staircasing)
   - further borrowing to comply with the leaseholders covenants in the shared ownership lease, such as essential repairs; and
   - further borrowing to allow one leaseholder to buy out another leaseholders interest (in the same property) providing that the premium (the initial share value) and any further borrowing does not exceed the market value of the leaseholder’s share in the property.

4.22.5 All additional borrowing should be for repairs to the home only e.g. replacement boiler or roof, not improvements like a conservatory.
4.22.6 TGHC will not approve additional borrowing for the consolidation of additional debt, the purchase of a car or holiday etc.

4.22.7 All requests for additional borrowing for replacement will be investigated thoroughly by TGHC, with a home visit and technical advice or reports sought where required.

4.23. **Subletting and lodging**

4.23.1 The shared ownership lease prohibits sub-letting. This stops the leaseholder (i.e. shared owner) from having the right to sub-let, but allows TGHC to agree to sub-letting or lodging arrangements if they choose to do so in exceptional circumstances.

4.23.2 This is to protect public funds from misuse and to ensure that applicants are not entering into shared ownership for financial gain (apart from the creation on equity).

4.23.3 In all cases sub-letting or lodgers must be approved by the Head of Corporate Services in writing. The principals laid down by the HCA and detailed in the Subletting and Lodging procedure will be referred to in all cases (see Appendix 9).

4.24 **Landlords Right to First Refusal**

4.24.1 With a view to ensuring that shared ownership properties at Kibbleworth remain in the ownership of people in need of shared ownership units, there are restrictions on the transfer assignment and subletting of the property after the Leaseholder staircases to more than 80% ownership.

4.24.2 If, at any time after the Leaseholder staircases to more than 80% ownership of the property, the Leaseholder gives TGHC notice that he or she wishes to sell the Lease, Keelman Homes (‘the Landlord’) can require the Leaseholder either to transfer the Lease back to Keelman Homes (‘the Landlord’) or to a person nominated by Keelman Homes (‘the Landlord’). In both cases the price will be no more than the market value of the Lease with vacant possession.

4.24.3 Keelman Homes (‘the Landlord’) right of first refusal does not apply if the Lease is transferred or assigned as a result of the divorce or death of the Leaseholder.

4.25 **Breaches of lease**

4.25.1 TGHC will take appropriate action whenever it becomes aware that a leaseholder (i.e., shared owner) is acting in breach of the terms of their lease, which may include:

- Non-payment of rental income
- Unapproved works to the home or building
- Improper use of the home or building
- Failure to maintain or damage to the premises
- Refusal of access to TGHC staff and/or their agents
- Anti-social behaviour including harassment or neighbour nuisance

4.25.2 In all such cases TGHC will work with the leaseholder to resolve the issue. However, if the breach continues legal action could be taken which may include seeking an injunction, or action for the forfeiture of their lease.
4.26 Leaseshore Involvement

4.26.1 TGHC has a vision 'of involving residents in everything we do' and 'being a listening and learning organisation'. To provide services that people want and to meet the needs of our diverse community, customers need to be at the heart of all that we do.

4.26.2 TGHC will provide leaseholders (i.e. shared owners) with opportunities for participation and involvement on a similar basis to those offered to tenants and Right to Buy Leaseholders including:

- Influencing decisions that affect the housing service
- Making the neighbourhood a better place to live
- Giving views on the services they receive
- Being part of an interest, improvement or review group
- Helping us better understand the needs of people from diverse groups
- Helping us to provide better quality, customer focused services
- Developing their own skills

4.26.3 TGHC will also work with leaseholders (i.e. shared owners) through the annual leasehold forum and neighbourhood drop-ins to provide all leaseholders the opportunity to share information and ideas, to influence services provided to them and to provide the opportunity to discuss issues that are important to leaseholders. This may include the level and quality of services provided and the way charges are set.

4.27 Equality and diversity

4.27.1 TGHC will collect, record, analyse and monitor customer profiling information of leaseholders (i.e., shared owners) and use it to inform service delivery and prioritise resources. We will ensure that this policy is applied fairly to all our customers. We will not directly or indirectly discriminate against any person or group of people because of their race, religion or belief, age gender, disability, pregnancy or maternity, marital status or civil partnership, sexual orientation and social or economic deprivation or other grounds set out in our Corporate Equality Plan.

4.27.2 Shared owners will be contacted annually to update their contact details. The most appropriate time of year for this is during the rent review in February.

4.28 Survey

4.28.1 Every year a service user satisfaction survey will be sent out. From the information received, TGHC will investigate to see if any improvements can be made to the service. The results will be collated and discussed with the Leasehold Service Improvement group. They will also be published to all leaseholders via the leasehold newsletter and internally within the organisation.

4.29 Performance monitoring and reporting

4.29.1 TGHC will regularly monitor service provision, associated costs and our performance in collecting shared ownership income and will report to Keelman Homes Board on a quarterly basis as part of the management accounts.

4.30 Feedback

4.30.1 Following the initial purchase the Leasehold Officer will call the leaseholder (i.e., shared owner) after one week and arrange for a home visit at 3 months to
ensure that the shared owner is settling into their home and to pick up any defects and to check on the property condition.

4.30.2 Any dissatisfaction or complaints received in any format will be responded to within ten working days. If the leaseholder (i.e., shared owner) is unhappy with any area of the service provided, the issue will be progressed through TGHC complaints procedure or First-Tier Tribunal (Property Chamber) formally the Leasehold Valuation Tribunal (LVT). Applications to the First-Tier Tribunal (Property Chamber) can be made at any time without reference to TGHC complaint procedure.

4.31 Service Delivery and Value for Money
4.31.1 TGHC will encourage leaseholders (i.e., shared owners) to become involved in assessing value for money through the annual leaseholders survey and service improvement groups. We will also develop monitoring and scrutiny procedures involving leaseholders.

4.31.2 TGHC will establish good practice through our involvement with the Housing Quality Networks, Leasehold Excellence Network and the North East Leaseholders Benchmarking Group.

4.31.3 TGHC will endeavour to set reasonable charges in advance and involve leaseholders in budget setting.

4.32 Auditing
4.32.1 Income and expenditure within the service charge designated account will be reconciled on a quarterly and annual basis.

4.32.2 Gateshead Council Internal Audit Service under a Service Level Agreement will audit Leasehold Services every two years. The audit will cover all procedures, risk assessments and accounting.

5. How the Policy will be delivered
5.1 The delivery of this policy and associated procedures is the responsibility of the Managing Director of TGHC through the Heads of Corporate Services, Customer Services and Neighbourhood Services, the Customer Services Manager and Leasehold Services Manager.

5.2 TGHC will develop procedures which will ensure effective implementation of this policy and provide training for staff to ensure they fully understand the wider issues surrounding shared ownership, and the surrounding legislative framework and procedures.

5.3 If staff become aware that there are problems with the effective operation of the policy or the associated procedures, they should report this to the policy owner. This feedback will be incorporated into the policy/procedural review process.

6. Risks
- Properties left unsold will require security to prevent squatting.
• Income may be reduced if accounts are not created and managed in line with the lease terms
• Poor customer satisfaction levels with the cost and standard of charges and the way they are administered.
• Leaseholders will refer the reasonableness of charges to the First-Tier Tribunal (Property Chamber).
• Rent and charges could be applied inconsistently across the Keelman Homes Shared Ownership stock

7. Related Procedures

The following procedures need to be followed to implement the policy:

• Allocations Policy
• Alterations and Improvements Procedure
• Staircasing Procedure
• Sales & Resales Procedure
• Flexible Tenure Policy
• Sub-letting/Lodgers Procedure
• Income Recovery Procedure
• Corporate Complaints Policy
• Corporate Equality Plan

8. Review

8.1 This policy will be monitored and reviewed, as appropriate, when strategic, procedural or legislative changes occur or any significant changes are made by the Homes and Communities Agency (HCA) to the HomeBuy scheme.

8.2 Stakeholder groups will be involved and consulted in any review of this policy.

8.3 We will use customer feedback to inform reviews and recommend changes to this policy and procedural documents.

8.4 Keelman Homes Board will approve the document and any substantial changes to it.
Keelman Homes

Lettings Policy

June 2010
Contents

Introduction

Section 1 - Help and Assistance 1

Section 2 – Registration

- Who can apply for Keelman Homes accommodation in Gateshead 2
- Immigration Control 2
- Verification Checks and References 2
- People who own their homes 2
- Keelman Homes, TGHC & Council Employees (and their relatives) 3
- Awaiting Information 3
- Annual Review 3

Section 3 - Lettings Criteria

- What are Lettings Criteria? 5
- Minimum age for any offer of a property 5
- What type/size of home do you qualify for? 5
- Size of Household 6
- Pets 7
- Access to Children 7
- People with Carers 7
- What size property you can get if your home is being demolished. 7
- Age requirements 7
- Supported Housing Schemes and Extra Care Housing Schemes 8

Section 4 - Exceptional Circumstance Protocol 9

Section 5 – Advertising

- How will you know which properties are available? 10
- Lettings Plans 10
- How will you know which properties you can express an interest in? 10
- How are applicants’ bids ranked? 10
- How will you know if your expression of interest has been successful? 11
- Offer Conditions 11

Section 6 - Lettings Information and Feedback 12
Section 7 - What will happen if you do not bid for any properties?

Section 8 – Exclusion and Demotion of registrations

- Applicants excluded from joining the Housing Register
- What does it mean if your application is excluded from the Housing Register?
- Why your application might be excluded
  - Exclusions due to arrears or tenancy related debt
  - Exclusions due to Criminal or Anti-Social Behaviour
- What does it mean if your application is demoted?
  - Demotion due to arrears or tenancy related debt
  - Demotion due to Criminal or Anti-Social Behaviour
- Notification and review and appeal procedure
  - Review Process
  - Exclusion Appeals Process

Section 9 - Cancelled and Invalid Applications

- When is your application no longer valid?

Section 10 - Review Procedure (Officer Reviews)

- Procedure
- Possible Outcomes of Review

Section 11 - Category of Needs

- Summary of Categories

Section 12 – Housing Need Criteria

- Medical
- Severe Harassment
- Safeguarding Children
- Applicants Threatened with Homelessness
- Statutorily Homeless
  - Homeless Appeals
- Domestic Violence/Abuse
- Overcrowding
- Demolition or change of use of property
- Leaving Forces
- People leaving Gateshead Council Tied Accommodation
- New Tenancy Upon Death of Householder
• Best use of Stock 28
  o Release of property for relet to alleviate urgent housing need
  o Under Occupation
• Single Gateway 29
• Children Leaving Care 30
• Children in Flats 30

Section 13 – Direct Lets

• Emergency 31
• Multi Agency Public Protection Arrangement 31
• Request for or release of adapted or adaptable property 31
• Threat of or Fear of Life 31
• Key Workers 32
• Domestic Violence/Abuse 32
• Social Care Preventative Lettings 32
• Homelessness 32
• Extenuating or Unusual Circumstances 32

Section 14 - Local Lettings Plans (LLPs)

• What are LLPs? 33
• How will the need for a LLP be identified? 33
• Possible Outcomes of LLPs. 33
• Impact of LLPs on the Lettings Policy 33
• Review of LLPs 33

Section 15 – Succession, New tenancy upon death of householder, Assignment or a Mutual Exchange

• Succession 35
• When can a person succeed a tenancy? 35
• How will a decision be made if more than one person wishes to succeed? 36
• What if you do not qualify for a succession by law? 36
  o Properties set aside for older people or people with mobility needs
• Assignment 37
• Joint Tenancies 38
  o Sole to joint tenancies

Section 16 – Mutual Exchanges 39

Section 17 – Sensitive Lets 41

Section 18 – Garage Lettings 42
Introduction

The lettings policy is a set of rules by which all Keelman Homes houses in Gateshead are let. Keelman Homes has developed these rules to address housing need by making better use of housing stock, and ensuring that those applicants with the greatest housing need are accommodated, whilst still recognising the desires of households who have been waiting longest. The policy strives to address housing need for households where failure to access housing within the borough would cause hardship to themselves or others.

A “Flexible Arrangement Statement” will be published alongside the lettings policy. This document will compliment the policy by advising of ongoing operational reviews, which are necessary in order to implement some sections of the policy that are affected by socio-economic trends and changes.

Section 1 - Help and Assistance

Help is available to all applicants who apply for housing. You can get help to complete your application form and/or get support to bid for properties. Information will be made available to you upon application from your local housing office.

All information relating to the lettings policy can be provided in a range of formats to suit your particular circumstances. These might include audiotape, large print, Braille, translation into other languages, interpreting services and sign language. If you have any other requirements please ask at your local housing office.
Section 2 - Registration

Who can apply for Keelman Homes, Council and Housing Association accommodation in Gateshead?

Gateshead Council’s Housing Register is available to all applicants including existing tenants.

If you are over 18 you can join our Housing Register. If you are under 18 see Section 3 for more details.

You can register alone, or you can register jointly with your partner or another adult who lives, or will be living with you.

If you live outside of the Borough you will be included on the Housing Register but you will only accrue “waiting time” in the General Needs Category. Any housing priority will not be recognised unless you are able to provide proof of your “need” to move into the area and demonstrate why this “need” cannot be satisfied within your current location.

The Council works in partnership with Housing Associations within Gateshead and, where appropriate, will supply them with your details (within the rules set out in this policy). However, Housing Association policies may differ from that of Keelman Homes, and they will make the final decision relating to whom they offer their properties to.

Immigration Control

If you are subject to immigration control within the meaning of the Asylum and Immigration Act 1996 you are not a qualifying person and therefore will not qualify for housing with Keelman Homes. The Secretary of State may prescribe other persons or classes of persons who are not qualifying persons.

Whilst every effort is made to ensure accurate assessments are undertaken, the responsibility to provide official documentation for the assessment remains with you. Failure to provide requested information will result in your application being cancelled.

Verification Checks and References

When you register an application a number of checks will be carried out on you and any adult member of your household who is moving with you to verify details before you are made an offer of a new home.

Checks carried out

- If you or any adult moving with you has had a tenancy in their own name or with a partner in the last five years you must supply a reference from that landlord to show how you have conducted your tenancy.

- We will ask to see documents that confirm your identity.
• We will carry out Police vetting checks under the Safer Estates Agreement regarding current and previous criminal convictions.

• We may visit you in your current home.

If you inform us that getting a landlord’s reference is likely to cause problems we may ask for other information for example your rent book or Council Tax details.

**People who own their own homes**

If you own your own home you will be asked to provide financial information to tell us how much equity you have in your property. If this amount is over the agreed “trigger” level, an individual assessment will be made to identify whether or not you are in a financial position to address your own housing need. If the assessment shows that you are able to do this, you will be placed in the General Needs Category.

Housing need will be determined by actual requirement and not preference.

The “trigger” level will be reviewed by senior officers, in conjunction with the Cabinet Portfolio team. Review details, and the trigger level will be reported within the “Flexible Arrangements Statement” which accompanies and supports this policy.

The offer of a house with Keelman Homes will be subject to the sale of your home within a reasonable timescale.

**Keelman Homes, TGHC and Council Employees (and their relatives)**

It is Keelman Homes policy to carry out procedural checks on applications of people who may be related to the above employees or influential partners of Keelman Homes. This is to ensure that everyone is treated fairly.

**Awaiting Information**

Your application will not be activated:

• If we are waiting for information relevant to your application, including landlords references and proof of identity.

• Pending vetting by the Police, as outlined within the Safer Estates Agreement.

Once all of the information required is available your application will be registered from the date it was originally received.

**Annual Review**

Every year you will be contacted to check if your circumstances have changed and that you still wish to remain on the Housing Register. If you do not respond within the required timescale your registration will be cancelled.
You must complete a change of circumstances form immediately to advise us of any changes within your household.

As part of tenant/service user involvement the experiences of customers whilst using the lettings process will be used to review current policy and identify service improvements.
Section 3 – Lettings Criteria

What are Lettings Criteria?

Lettings criteria are the rules we use to decide who is eligible to be considered for a vacant property to:

- Enable Keelman Homes to make the best use of the housing stock.
- Assist you in making informed choices about the properties available to bid for.

Minimum age for any offer of a property

An offer of property will not normally be made to you if you are under the age of 18 unless you:

- Have been awarded priority due to being accepted as statutorily homeless; or
- Have been given priority because the Council has a legal duty to accommodate you (this is usually if you are leaving care); or
- Are supported, and are fully engaging with a government or voluntary agency and Keelman Homes is satisfied with the level of support to be provided; or
- Are part of the Single Gateway Scheme

If you are assessed as requiring support, engagement with a support agency may be a condition of an offer of accommodation.

What type/size of home do you qualify for?

The table below aims to show you what type of property you could normally qualify for in Gateshead. Please note that households not included in the green category may still be able to access those property types. Where there has been no demand for a property from eligible applicants the lettings criteria can be relaxed; for example in terms of property size. Demotion criteria will not normally be relaxed.

**GREEN** - You have an automatic right to apply for any of the properties marked green.

**White** - You can be considered eligible for these properties only if there is no demand from “green” applicants.

Multi storey flats will not be offered to households with children below the age of 16. This does not apply to households with access arrangements.

Properties with a flight of stairs to the front door will not be offered to households with a child below the age of 3. This does not apply to households with access arrangements.

Adapted properties, 3 bedroom bungalows, 3 bedroom ground floor flats will be advertised to applicants who have been awarded Urgent Housing Need status on health grounds although other applicants can bid for them but will only be considered after applicants with a relevant medical issue. Those properties suitable for people with disabilities may also be advertised with preference to those with medical needs.
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<th>1 Bed Bungalow</th>
<th>1 Bed House</th>
<th>2 Bed Own Entrance Flat</th>
<th>2 Bed Shared Entrance Flat/Maisonette</th>
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* Children who are full time resident in the household rather than access arrangements.
Pets

Some pets are not allowed in properties that share a communal entrance. This generally applies to cats and dogs; consideration may be given to other animals.

Access to children

Access arrangements can only be applied to children under the age of 18 years. Where there is joint parental responsibility for children, usually the parent with primary care responsibility will be offered a family home. Access arrangements are not included in overcrowding assessments or when considering the shared entrance policy for flats.

People with Carers

Full-Time Carers

People with full-time, live in care provided by family or friends are required to include the carer on their application. The carer will be subject to registration checks and will be counted in terms of eligibility for property size and type. A carer will not be added to the application if the individual’s details are not provided.

Where a Social Services ‘Assessment of Need’ has identified a need for overnight care, which is to be provided by a support provider and does not include “sleepover” i.e. the carer is working and required to stay awake: the carer will be looked upon as conducting a nightshift. As they would not be expected to sleep during this time additional bedroom requirements would not be recognised.

Where a Social Services ‘Assessment of Need’ has identified a need for overnight care, which is to be provided by a support provider and includes “sleepover” duties. The eligibility for property size and type will be amended accordingly.

Part-time Carers

Carers who provide casual assistance when required will not be recognised as a household member and additional bedroom requirements will not generally be recognised.

What size property you can get if your home is being demolished

Normal eligibility criteria will apply however Keelman Homes reserve the right to introduce individual criteria where appropriate.

Age requirements

Some of our homes have age requirements; this will be clearly stated in the advert.

We may consider members who do not specifically meet this requirement in the following situations:

- To meet medical need (where there are no other suitable homes available).
Homes are adapted, adaptable or suitable to meet the needs of those with either a disability or specific need on medical grounds.

Records regarding these cases will be maintained to ensure fairness and consistency and to demonstrate that all other property types have been considered.

**Supported Housing Schemes and Extra Care Housing Schemes**

Some groups of properties come with a high level of support to enable people to remain in their own home. Keelman Homes will work with support providers to ensure that people requiring this support are prioritised to access this housing.
Section 4 – Exceptional Circumstance Protocol

Under exceptional circumstances Keelman Homes may deem it necessary to act outside of the lettings policy. This will be to address an unforeseen need or situation that cannot be resolved reasonably within policy criteria. The Exceptional Circumstance Protocol will be brought into effect to tackle such situations. Where this occurs, records will be kept of why the allocation took place.
Properties that are available to let will be openly advertised and anyone who is registered can express an interest in these properties by placing a bid.

A proportion of the properties will be advertised as giving preference to households with housing need. The remaining properties will be advertised with no preference given to households in need. The proportion may vary in order to enable the Council to meet its statutory duties. Adapted homes are not included in this proportion. Senior officers of Keelman Homes will determine this proportion in conjunction with the Cabinet Portfolio Team and details will be included in the "Flexible Arrangements Statement", which accompanies and supports this policy.

There will be instances when homes become available that are not advertised, this happens when there is a need to make a “direct let” (see Section 13). We will give consideration to property availability and demand before deciding which properties will be advertised.

Properties that are available to let will be openly advertised and anyone who is registered can express an interest in these properties by placing a bid.

Homes let by Keelman Homes Limited will be subject to an annual lettings plan.

**5.1 Basic principles of the Annual Lettings Plan**

- Gateshead Council will have 100% nomination arrangements to homes managed by Keelman Homes Limited at the first letting. All these lettings will be determined under the lettings policy of Keelman Homes Limited.

- Following the first letting of a scheme Gateshead Council will have 75% nomination arrangements to homes managed by Keelman Homes Limited with lettings determined using the lettings policy of Keelman Homes Limited.

- The majority of homes will be let using the HomeChoice service provided by The Gateshead Housing Company on behalf of Keelman Homes Limited.

- All homes will be advertised under Choice Based Lettings unless there are exceptional circumstances determined by Keelman Homes Limited that justify a direct let. These lettings will be determined using Keelman Homes Limited’s letting policy criteria for management moves.

- Feedback on all lettings made by Keelman Homes Limited will be made public.

**New Developments**

Each new Keelman Homes Limited development will be subject to a lettings plan that will take into account:

- Keelman Homes Limited’s charitable aims and objectives
- Supply and demand for social housing, making best use of stock
- Housing need in locality
Selection Criteria

The selection criteria for each home advertised will be clearly displayed in each Choice Based Lettings advert. The wording of this advert and any preference/priority to be recognised when letting will be determined in accordance with Keelman Home Limited’s letting’s policy and lettings plan.

Consultation

Consultation with stakeholders on lettings plans will ensure that each plan satisfies statutory requirements.

There will be instances when homes become available that are not advertised, this happens when there is a direct let.

How will you know which properties are available?

Properties will be advertised in a number of different ways. Upon registration you will be informed of how and where to find this information.

How will you know which properties you can express an interest in?

Adverts will explain:

- How to express an interest in a property.
- The closing date for expressions of interest.
- The details of each property including location, rent, number of bedrooms, adaptations or special features.
- If preference is to be made to households in housing need.
- The lettings criteria.

Applicants can express interest in up to three properties per week.

How are applicants’ bids ranked?

A proportion of the properties advertised, will be prioritised in accordance with housing need. This means that the people in the most need will be ranked highest. Applicants bidding, who meet the lettings criteria will be prioritised in accordance with their category of need (in order of Critical, Urgent, Substantial and General) and within each category, applicants will be ranked in order of the date that their specific housing need was identified. This means that the bid from the applicant within the highest category of need with the longest time within this category will be selected.

Within each of the categories, people who qualify for more than one qualifying type of need will be ranked higher than those with only one. The date that the second need was identified will be
used to identify the successful bidder i.e. the one with the longest time with both recognised needs will be ranked highest.

Homes advertised without preference to housing need will be offered to the eligible bidder with the earliest registration date.
Different rules apply when ranking excluded or demoted applications. See Section 8.

To ensure that best use is made of the housing stock, where an adapted property is advertised applicants will be ranked in order of the need for the adaptations, the need for the type and size of property and the category start date. If there are no appropriate bidders we will endeavour to identify other housing applicants who may benefit from the type and size of property as well as any adaptations installed before consideration is given to applicants with no recognised housing need.

**How will you know if your expression of interest has been successful?**

If your bid is successful, you will be contacted shortly after the closing date to arrange an accompanied viewing of the property.

We will not contact you if you are unsuccessful. However, our publications will give general feedback on all lettings to help you make more informed expressions of interest in the future.

**Offer Conditions**

If you are a current tenant, your current home must be left in a good condition (including gardens and external areas).

Only one property can be offered at a time - An applicant successfully bidding for more than one property in one week or across several weeks will be allowed to choose which property is to proceed to an offer. However that decision must be made at the point of being informed of the second or subsequent successful bid.
Section 6 – Lettings Information and Feedback

We will let you know how Keelman Homes properties are allocated by providing you with information. This information will include how we allocate to different groups of people with differing levels and kinds of housing need and waiting time. This information will not relate to individual properties but will instead give you an insight into how we deal with housing issues across the borough and communities.

To help you decide which type of property you are more likely to be successful for, we will publish regular feedback on past lettings. This will help you to understand how often particular properties are available to let in particular areas. We will tell you the number of people who expressed an interest in that property, and the category of the successful applicant and/or the waiting time.
If you are registered in Critical, Urgent or Substantial Need categories, we have recognised your need to move to another property. If you do not aim to eliminate that need, by bidding for advertised properties, your housing application may be re-designated to a lower category.

The majority of adapted homes will be advertised, and the adverts will clearly state that preference will be given to those who need to move on health grounds. Keelman Homes reserves the right to allocate such homes on the basis of need in relation to the specific adaptations and property type/size, rather than on the basis of waiting time.

**Section 7 – What will happen if you do not bid for any properties?**
Section 8 – Exclusion and Demotion of Applicants

Applicants excluded from joining the Housing Register

If the behaviour of a person applying for housing is deemed “unacceptable” in terms of perpetrating serious anti-social/criminal behaviour or damage to property, or in owing high levels of rent or other tenancy related debt, then they may be excluded from joining the Housing Register.

A decision to exclude will only be made where there is evidence that a person’s behaviour is such that (had they been a tenant) a judge would have been likely to evict them from their home.

Every case will be considered in relation to personal circumstances. Extenuating or unusual circumstances should be highlighted to officers to ensure that vulnerable people are not excluded or demoted due to issues beyond their control.

What does it mean if your application is excluded from the Housing Register?

If your application is excluded from the Housing Register your details would not be recorded on the register and you will not qualify for housing with Keelman Homes.

The length of time the exclusion will last will depend upon your individual circumstances, and any agreement reached in order to address the situation. (See notification and review procedure below).

Why your application might be excluded

Exclusions due to arrears or tenancy related debt

We would consider excluding your application if you (or any of your intended household) owe current or former rent arrears or other tenancy related debt. We will identify a level of debt (in line with current court proceedings), to establish cases, which may fit these criteria. If your debt is lower than this amount, your application may be demoted (see below).

Exclusions due to Criminal or Anti-Social Behaviour

Your application would be considered for exclusion if you or anyone from your intended household, have been a perpetrator of Criminal or Anti-Social behaviour. This includes deliberately or negligently causing serious damage to a previous or current property. If your behaviour is not deemed serious enough to warrant exclusion your application may still be demoted (see below).

What does it mean if your application is demoted?

If you have tenancy related debt or have committed Criminal or Anti-Social Behaviour but have not been excluded from the Housing Register, your application may be demoted.
If your application is demoted, you will still be allowed to appear on the Housing Register but your housing need will not be taken into account when applications are ranked in order of need. Also when properties are advertised that will be ranked in order of waiting time, your application will not be considered until the list of people who are not demoted have been considered first.

The length of time the demotion will last will depend upon your individual circumstances, and any agreement reached in order to address the situation. (See notification and review procedure below).

**Demotions due to arrears or tenancy related debt**

We would consider demoting your application if you (or any of your intended household) owe current or former rent arrears or other tenancy related debt. We will identify a level of debt that will result in assessment for demotion.

**Demotions due to Criminal or Anti-Social Behaviour**

Your application would be considered for demotion if you or anyone from your intended household, have been a perpetrator of low level Criminal or Anti-Social behaviour. This includes deliberately or negligently causing damage to a previous or current property, which is not considered serious enough to warrant exclusion.

**Notification and review and appeal procedure**

Within One week of a decision to exclude or demote your application to the Housing Register, you will be notified in writing. The letter will explain:

- Why you have been excluded or demoted and how the decision was reached. Where appropriate this will include how we used the “Unacceptable Behaviour Test”.

- What you need to do to have the exclusion or demotion removed.

- Where to gain independent advice.

- How to get support from agencies who will help you to make plans to enable you to access Keelman Homes (or alternative) housing in the future.

- How to request a review of the decision to exclude or demote your application (see Section 10).

- That whether or not you request a review against the decision now, you may also apply for your case to be reviewed every 6 months.

**Review Process**

If you are excluded or demoted you are entitled to request a review of the decision (see Section 10).
Exclusion Appeals Process

If you are excluded and have exhausted the review process you are entitled to request a Member’s appeal. Appeal forms must be returned complete within 21 days of the date that you received your notification. Your request for an appeal will be considered within 28 days by an independent appeals panel made up of three elected members.

Section 9 – Cancelled and Invalid Applications

When is your application no longer valid?

Your current application is no longer valid and will be cancelled if:

• You accept a Council, Gateshead Housing Company or Keelman Homes tenancy as a sole or joint tenant;
• You accept a Housing Association tenancy (allocated by Council). Applicants who move to another private property are not cancelled.
• You become a joint tenant with an existing tenant;
• You are assigned a tenancy;
• You buy a property in a build for sale or shared ownership scheme;
• You buy a Council or TGHC property under the Right to Buy scheme.
• You ask us to do so.
• You do not respond to a review letter or other correspondence relating to your application.
• You move and do not update your address.
• You leave the country and are subsequently prevented from being registered because of the restrictions within the Asylum and Immigration Act.
• We find that you have supplied false or incomplete information connected with your registration.
• You have mutually exchanged with another Council or housing association tenant.

Please note it is your responsibility to tell us of any changes to your circumstances, if you do not do this, your application may be cancelled.

Once cancelled your application will not be re-instated, if you would like to continue to look for housing you will need to register a new application. New applications will not benefit from waiting time accrued from previous applications.
If you are unhappy with a lettings decision you can request a review of the following issues:

- Date of registration
- Application placed in the incorrect category.
- Removal of priority
- Exclusion or demotion of your application

Specific policy applies if you wish to request a review relating to the exclusion of your application (See Section 8) or a Homeless decision or offer of property to address homelessness (See Section 12).

Individual circumstances of applicants will always be considered.

**Procedure**

A request for a review must be made in writing within 21 days from the day on which you were notified of the decision and the reasons for it. Should you wish you might instruct someone to request a review on your behalf. A review can be made by letter, fax or email.

A review request must include the reason for the review and also the extenuating circumstances. A review that effectively requests that the policy be over ridden can only be considered where the circumstances of the case are urgent and immediate.

The officer carrying out the review will carry out an investigation in accordance with Keelman Homes Lettings Policy and taking careful note of relevant legislative requirements, Statutory Instruments and the prevailing Code of Guidance.

If the reviewing officer finds that you have given additional information that had not been taken into account when the original decision was made, your case will be referred back to the officer that dealt with your case and they will be asked to reconsider their decision in view of the new information provided.

The reviewing officer will notify you of their decision within 28 days of the request for a review (although this time limit may be extended by agreement with yourself).

**Possible Outcomes of Review**

For all decisions we will write to you with the outcome. The three options are:

- **Original Decision Upheld**: the letter will give the reasons supporting the review decision.

- **Original Decision Rejected**: the letter will explain what action we will take as a result and the reasons for doing so.

- **Applicant Provides the Reviewing Officer with New Information**: (i.e. information not known to the officer who took the original decision) the review will end and the file will be returned to
the officer who took the original decision for new enquiries to be made and a fresh decision to be issued. In such cases you will be advised of your right to request a review of the new decision.

This process is in addition to your general right to complain about any Keelman Homes service. If you are dissatisfied with the outcome of the review you can still make a formal complaint.

Cases regarding exclusions from the Housing Register may also request a Members’ Appeal once the review process has been exhausted (Section 8).
### Summary of Categories

The table below illustrates the types of personal circumstances that make up the four housing need categories.

<table>
<thead>
<tr>
<th>Critical Housing Need (Applicants who qualify on more than one ground would be considered first)</th>
<th>Urgent Housing Need (Applicants who qualify on more than one ground would be considered first)</th>
<th>Substantial Housing Need (Applicants who qualify on more than one ground would be considered first)</th>
<th>General Housing Need</th>
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<tbody>
<tr>
<td>• Applicants with a critical medical need who must be rehoused in order to be discharged from hospital or a care home</td>
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<td>• Applicants who are experiencing severe harassment, and have been assessed as being at risk unless rehoused</td>
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<td>• Applicants who must be rehoused to prevent a child being taken into care or to ensure the safety of children under the terms of current legislation</td>
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<tr>
<td>• Urgent homeless cases, where Gateshead Council needs to discharge its statutory duty as a matter of urgency.</td>
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<td>• Statutorily homeless</td>
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<td>• Applicants threatened with becoming homeless</td>
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<td>• Applicants with a severe medical need who are at risk in their current home</td>
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<td>• Cases of severe overcrowding</td>
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<tr>
<td>• Proposed demolition of home / change of use agreed by Gateshead Council, Keelman Homes or TGHC</td>
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<tr>
<td>• Single Gateway - Gateshead’s supported tenancy scheme</td>
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<td>• Leaving Care – where Gateshead Council has parental responsibility to minors</td>
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<td>• Leaving a Gateshead Council Tied Tenancy (imminently)</td>
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<td>• Leaving Armed Forces (imminently)</td>
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<tr>
<td>• Applicants who are entitled to alternative accommodation – instead of succeeding to a tenancy</td>
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<td>• Best use of housing stock – to release a property in high demand, and move to one in lower demand</td>
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<td>• Domestic Violence</td>
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<td>• Non-priority homeless (but not intentionally homeless)</td>
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<tr>
<td>• Applicants with a medical need that may be worsened by living in current home</td>
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<tr>
<td>• Overcrowded (but not severely)</td>
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<td>• Leaving a Gateshead Council Tied Tenancy (but not imminently)</td>
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<td>• Leaving Armed Forces (but not imminently)</td>
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<tr>
<td>• Children in multi storey flats</td>
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<tr>
<td>• Intentionally homeless in a priority need group. You are homeless but as a result of your own actions (only considered after other applicants within this category)</td>
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<tr>
<td>• Out of Borough cases</td>
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<tr>
<td>• All other applicants</td>
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You will be placed into one of 4 Categories to reflect your housing requirements and level of need.

Some types of housing need (e.g. medical need) may fit into more than one category. The criteria to establish which category an applicant will be placed in are described in Section 12.

If you are placed within a housing need category and then refuse a property, which would have alleviated your housing need, your application may be redesignated to an alternative lower category.

Where you qualify for more than one element of need within any category you will be ranked above those with only one element.

**Critical Housing Need** applicants are households whose housing needs present a risk to the household, the community or Keelman Homes if not addressed imminently.

**Urgent Housing Need** applicants have a recognised urgent housing need but circumstances do not present an immediate threat to the household, community or Keelman Homes.

Urgent Need status is awarded to address a serious need for re-housing and not because of preference. Priority will only be given to you for an initial three-month period and you will be expected to apply for suitable accommodation within that timescale (separate rules apply to homeless applicants see Section 12). After this three-month period the priority level will be reviewed. If the priority is withdrawn, you have the right to request a review.

We will contact you four weeks after your priority was awarded to see what help or advice you will need to enable you to actively participate in choosing a home for the remaining two months of your priority. If you have not expressed interest in any vacancies and are homeless the Council may make you a formal offer. If you feel that this offer is unreasonable you have the right of appeal.

Where Urgent Need status is used to make inappropriate bids for properties that would not alleviate the housing need, they will be disregarded e.g. an applicant who is awarded Urgent Need status because they are unable to climb stairs could not use their Urgent Need status to secure a home with stairs (unless suitable adaptations were in place).

A direct let rather than award Urgent Need priority can be made where it is deemed to be in the best interests or more appropriate to the circumstances of an individual.

**Substantial Housing Need** applicants have reasonable housing needs. This means that their current housing does not ideally meet their needs but does not require urgent intervention.

**General Housing Need** applicants who would like to move for a variety of reasons, which have not been classified as critical, urgent or substantial.
Medical

The Council will make an assessment of housing need in conjunction with health professionals and may include a home visit. The assessment will be based upon Critical, Urgent and Substantial medical criteria. Reference will be made to the “Fair Access to Care eligibility criteria”. Cases will be regularly reviewed.

In order to qualify for rehousing on medical grounds, you must be asking for a home that will eliminate or substantially minimise the risks associated with your present home.

Your assessment for priority will be made upon a long-term basis and not in response to a temporary condition.

An applicant, who is a main carer, who needs to move to be nearer to the person with a critical or substantial condition, (as defined above), may also be included, following an assessment by the Council.

If you are applying to move from outside the borough with “Urgent Need status” you will need to provide proof of your “need” to move into the area and demonstrate why this “need” cannot be satisfied by your current housing.

Medical Category Criteria

Critical Housing Need

You would qualify for Critical Housing Need Category, if you are currently in hospital and the hospital's Occupational Therapy service consider you unable to return to your present home, as your life would be at risk.

This also includes where you may have been moved from a hospital bed to respite care, intermediate care or other short-term solution as a temporary measure. It also covers where “step up” arrangements have been made to provide additional support in order to prevent admission.

This level of priority is only intended to address situations where you have been assessed, as having a critical risk to your life were you to move back into your existing home.

Urgent Housing Need

This category applies where you have a degenerative illness or have an impairment, which may be physical, mental, learning or sensory which has progressed to a stage where you are no longer able to cope in your present home. You are unable to gain access to basic facilities within your home. A health professional has recommended that an urgent move is necessary and re-housing would resolve the difficulties experienced.

There is an urgent need for support, which cannot be provided in their current area or home and can be provided by a move to a different area.
**Substantial Housing Need**

You would qualify for Substantial Housing Need if have a degenerative illness or have an impairment, either physical, mental, learning or sensory which could be eased or improved by re-housing but the severity is not enough to merit Urgent Need status. It would apply where you have some difficulty gaining access to basic facilities within your home.

There is minimal support in your current area and a move to an alternative area or home would provide significant additional support from others that could not otherwise be provided.

**People living in adapted properties, wishing to move to another**

If you are already living in a property that has been adapted by Keelman Homes and request to move to an alternative property that is not adapted to meet your needs, Keelman Homes may refuse to fund additional adaptations.

You must give due consideration to your needs and how you will manage in your new home if it is not adapted. Upon applying for re-housing you must declare the fact that you are in an adapted property to ensure that your ongoing needs are considered and that you receive advice regarding your rights and responsibilities regarding provisions within your new home.

**Severe Harassment**

This category applies where you or a member of your household is a victim of serious anti-social behaviour that the Council, Gateshead Housing Company or its partners cannot resolve.

This includes harassment as result of “Hate Crime”, which is crime motivated by prejudice.

Harassment will include actual violence, serious threats of violence or intimidation significant enough to be deemed unreasonable for you to remain in your current home.

Evidence will be investigated and corroborated by The Gateshead housing Company and Council using intelligence gathered from its partners and the local Police authority at a senior level.

This level of priority will only be awarded to enable you to be removed from the locality of the harassment and housing should be to an area where you would be sufficiently distant to avoid a re-occurrence of the problem.

**Safeguarding Children**

Applicants who meet this criterion must be rehoused to prevent a child being taken into care or to ensure the safety of children under the terms of current legislation.

Assessments become appropriate when a placement or a child’s welfare is at risk and is not covered by the lettings policy. An example of such a situation may be where a child cannot be discharged from Local Authority care due to the fact that their guardian/parent does not have a home for them to go to. In this case, their specific housing needs would not be covered within the general lettings policy, therefore Critical Need status would be granted under the “Safeguarding Children” category.
In all cases there will be a recommendation from the appropriate body within the Council.

The above is intended to give priority for housing where children are at risk for reasons such as family breakdown, child abuse etc. It is anticipated that these cases will be within the remit of the Child Protection Criteria.

**Applicants Threatened with becoming homeless**

Applicants who are at risk of homelessness within 90 days may be awarded Urgent Housing Need status providing an assessment concludes that there would be a statutory homeless duty as defined by law, should a homeless application be taken at a later stage.

**Statutory Homeless**

*(As defined by the Housing Act 1996 - as amended by the Homelessness Act 2002)*

**Homelessness Category Criteria**

Homelessness appears in more than one category. The following circumstances will be taken into account when assessing which category should be applied.

**Critical Housing Need**

Applicants will be placed in this category if the Council has an immediate need to fulfil its legislative duty toward you and/or failure to do so is likely to result in harm to yourself and/or a failure by the Council to meet its homelessness obligations.

**Urgent Housing Need**

You will be placed in this category if you meet all of the following criteria:

- You are Homeless or Threatened with Homelessness within 28 days
- You are eligible for housing assistance
- You are not Intentionally Homeless
- You are in priority need
- You have a Local Connection with the Borough

*(Homelessness criteria, is defined by law and therefore not laid out in this policy. Additional information relating to criteria will be provided to you if you apply as a homeless person/household or upon request).*

You will be expected to bid widely and actively, as after 4 weeks your case will be reviewed. If you have not placed bids your Urgent Need status may be cancelled.

In cases where Urgent Need has been granted because you fulfil the criteria, the following will apply:

**If you are awarded homelessness priority and your application would not normally be excluded**
You will be awarded Urgent Need status and can bid in the normal way. Whilst you are bidding we may try to identify a property suitable to your needs through a direct let. You would be expected to accept whichever offer comes first. If you do not, you will lose your homeless priority status.

If you are awarded homelessness priority but your application would normally be excluded (See Section 8)

You will only be made one suitable offer (by way of a direct let) to discharge the Council’s statutory duty to you as homeless.

If the property you are offered is not ready for habitation

Where you have successfully bid for a property that is not ready for habitation the Council reserve the right to discharge their duty by making an alternative offer of a readily available property.

Substantial Housing Need

Intentionally Homeless

If following enquiries you are found to be homeless because of your own deliberate act or omission the Council will have limited duties towards you. You will be entitled to advice and assistance and if you are in Priority Need you will be entitled to temporary accommodation for a maximum period of 28 days to allow you some time to find alternative accommodation.

If you are intentionally homeless but fulfil priority need criteria and your application is not excluded from the Housing Register, you will be placed in the Substantial Need Category. Within this category people who qualify under different criteria (e.g. medical or overcrowding) will be given priority over applicants who are “intentionally homeless”.

Non-Priority Homeless who are not intentionally homeless

If you are homeless through no fault of your own, but are not in priority need you will be awarded Substantial Need status.

Homeless Appeals

As a homeless applicant you have the right of appeal against the decision made regarding your homelessness case.

Within 33 working days of making an application you will receive a letter (called a Section 184 notification), which will advise you of the decision reached. In order to request an appeal you must complete a proforma by stating why you are unhappy with the decision.

If you are accepted as homeless and are then offered a property that you feel is unsuitable, you can appeal against the “reasonableness” of the offer. You can do this even if you accept the property and move into it.

Appeal forms must be returned complete within 21 days of the date that you received your Section 184 notification. Your request for an appeal will be considered within 28 days by an independent appeals panel made up of three elected members.
**Domestic Violence/Abuse**

You may be awarded Urgent Housing Need status if you are suffering Domestic Violence and remaining in your current home is likely to result in ongoing or escalating abuse.

Applicants needing to move immediately by requiring the council to provide temporary emergency accommodation or a Refuge placement, will need to request homelessness assistance.

**Overcrowding**

Members of a household will be included in overcrowding assessments once they have been living there on a permanent basis for six months. The exceptions to this rule are babies born into the household and people leaving institutional settings. Other people may also be included and dealt with under the “Exceptional Circumstance Protocol”.

Unborn babies will be considered once the pregnancy has reached the 6-month stage and proof of pregnancy has been provided.

If a member of the household has given up suitable housing they will not be included when an assessment of overcrowding is made.

An assessment would be carried out taking into account how many bed spaces are available to you, compared to how many bed spaces you need.

For the purposes of calculating bed spaces available within a property the following will be used:

Bedrooms large enough to hold a standard double bed and wardrobe will be counted as 2 bed spaces (or a double bedroom). Rooms smaller than this, but large enough to hold a standard single bed and wardrobe would count as 1 bed space (or a single room).

Sexes and ages would impact upon needs recognised and will influence the number of bedrooms required.

- Children over 5 years of age that are of opposite sex would be recognised as requiring separate bedrooms.
- Where children under the age of 11yrs are sharing a bedroom with a same sex adult (16yrs +) who are not a parent or sibling, they will be recognised as requiring separate bedrooms.
- Best use of space would be taken into consideration; therefore where an adult can sleep in a single room to free up a double room for two children this would be an expectation of the household and would be taken into account.

**Urgent Housing Need**
Urgent Housing Need will be awarded where there is a deficit of 3 bed spaces or more (minimum of two bedrooms).

Due to the limited living space available to people living in bed sits and 1 bedroom flats Urgent Housing Need will be awarded where there is a deficit of 2 bed spaces or where children are sharing a bedroom with their parents.

**Substantial Housing Need**

Substantial Housing Need will be awarded where there is a minimum deficit of 1 bed space.

**Demolition or Change of Use of Property**

Each time properties are identified for demolition either as part of a clearance area or on an individual basis, Keelman Homes will consider by a separate process whether residents qualify for Urgent Housing Need.

In order to prioritise between bids from applicants within this category consideration will be given to the date that the category was awarded. In circumstances where more than one applicant with equal priority (the same category award date) bids for the same property, the applicant with the longest tenancy at their current home will be considered first. In the unlikely situation whereby the length of tenancy is equal, the length of registration on the Housing Register will be used as the deciding factor.

Where a property is being withdrawn from the general use of stock (i.e. will no longer be available to let by the current tenant), the outgoing tenant will be awarded access to the Urgent Housing Need category.

**Leaving Forces**

The date of your housing application will be recorded as the date you entered the forces (continued service). You will initially be placed in the Substantial Housing Need category. Personnel leaving the armed forces will be awarded Urgent Housing Need status one month before their discharge date. You will be responsible for advising us once this date has been established. This will not apply to people who are discharged due to poor behaviour and this level of priority will be subject to the applicant having a local connection to the area.

**People Leaving Gateshead Council Tied Accommodation**

This policy applies:

- Where the current employee is retiring, resigning or is redeployed from their current job
- Where the current employee has died and their partner or family member who resided with them as a permanent member of the household for at least 2 years needs to be re-housed.
- Because the property has been identified by the Council for redevelopment, demolition or sale.
(If the property is not required for a new employee, then the former employee can request to remain in their home if the property would form part of the general housing stock and they meet the letting criteria for the property)

Where an employee is wishing to register an application but is not due to leave their current employment they will be placed in the Substantial Housing Need category and their registration date will be the date that they commenced employment within their role.

Where an employee has been granted a tenancy as part of their working arrangements, to enable them to carry out their duties and this arrangement is due to cease:

A request for re-housing will be registered from the date that employment commenced. The applicant will be placed in the Substantial Housing Need Category. Whilst bidding for properties that are ranked in accordance with “date of registration”, the employment commencement date will be used. Whilst bidding for properties that are ranked according to need, the date of award of “Housing Need Category” will apply.

Employees should commence bidding no later than six months prior to termination of employment.

- Urgent Housing Need status will be applied one month before employment is due to terminate.
- A review will be carried out no longer than 3 months after the employment is terminated. At this point a direct let may be made to ensure that homelessness does not occur.
- Employees may start bidding for properties sooner but should seek advice prior to commencement of the new tenancy, as they may be responsible for rent payments for two tenancies.

Where an employee of the Council or one of its partners holding a service tenancy is dismissed from their employment, they will be made a reasonable offer of accommodation within four weeks of their dismissal date. If they refuse this offer, the Council may take legal action to repossess the service tenancy.

Service tenants will be charged for use and occupation equal to the weekly rent from the day after their job ends until they leave the service tenancy.

**New Tenancy Upon Death of Householder**

Where someone would normally have been allowed to succeed a tenancy but is required to give the property up due to the fact that they are not eligible for the property type (see Section 12) they would be awarded Urgent Housing Need categorisation to enable them to access alternative accommodation.

**Best Use of Stock**

There are circumstances where Urgent Housing Need category will be awarded to ensure best use of Keelman Homes, The Gateshead Housing Company and Gateshead Council housing stock.
Although people qualifying for this may not be in housing need, they are recognised within this category due to the fact that they will be releasing a property to be allocated to someone else with greater need.
Release of property for relet to address urgent housing need

There are instances where in order to resolve an urgent housing situation we will approach an existing tenant (living in a property that they may not need) and request that they consider a move to another home in order to free up their current home for someone else who needs it. This may include people living in supported accommodation where they no longer require the support.

Under Occupation

If you are an existing Keelman Homes tenant and are currently under-occupying your home, you may be considered for access to the Urgent Housing Need category. The following criteria will be used to assess your suitability, but may be disregarded (in part) if your home is needed urgently for another household.

- Your rent account is clear and there are no outstanding debts to Keelman Homes
- You have no breaches of tenancy, including investigations for anti-social behaviour
- Your property is in a reasonable condition
- Your current home is not scheduled for sale or demolition
- You currently live in a house with at least one more bedroom than you require, and you will be moving to a smaller home.
- You are requesting a move to a property type that is frequently available and there is more demand for the home that you are leaving than the one that you are requesting.

Being given Urgent Housing Need categorisation may not enable you to access your preferred property type if your choice of home is required to meet housing need by other higher need groups.

Keelman Homes tenants may be offered incentives to free up larger properties when they no longer need them.

Single Gateway

Single Gateway applicants will generally be categorised as Urgent Housing Need. There will be instances where a direct let is made to the applicant to ensure they secure an environment that is appropriate to their circumstances and needs as well as those of the community.

To be part of the Single Gateway Scheme you will have been excluded (or are likely to be excluded) from the Housing Register but can demonstrate a need to be re-housed in the Gateshead area and a willingness to accept a full support package.

You will have been working for three months with a designated support provider who is specifically linked to the Single Gateway Scheme and be in a position to maintain a tenancy.
You cannot be an existing Keelman Homes, Council, private rented or housing association tenant) and must not be involved in anti social behaviour or offending. If there is a specific issue i.e. substance misuse, you will be receiving treatment or specialist support for this.

You can be re-housed from supported housing provision but you should have lived there without any issues for at least 3 months and have your application endorsed by your key worker.

You must be prepared to provide full information about yourself, your current circumstances and agree to a Police vetting check.

You will not be able to bid for property but will have a designated officer working with you who will identify a property in consultation with you, your support worker and the estate officer from The Gateshead Housing Company.

You must be seeing your support worker at least once a week to qualify for re-housing under this scheme and continue to do so when you are re-housed for a minimum period of three months.

**Children leaving care (age 16-21 extended to 24 years if in further education)**

Where you are a child in the care of Gateshead Council, you will be placed in the Urgent Need Category. This will also apply to children outside of Gateshead who have been accepted by the Leaving Care Team as being the responsibility of Gateshead.

Where the initial tenancy is of a supported nature or is a non-secure tenancy, your status will apply up until you have been given a secure or assured tenancy. If you move on from a secure tenancy, you will not be given Urgent Need Status unless you qualify under an alternative qualifying criteria as covered under other headings within this section.

**Children in Flats**

Households living in multi storey flats with children under the age of 16 (in permanent full time residence) will be recognised as having Substantial Housing Need.

Any household with a child under the age of 3 years who must access their own front door by way of a flight of stairs (upstairs flat with communal downstairs entrance or upper maisonette) will also be recognised as having Substantial Housing Need.
Section 13 – Direct Lets

If you have an urgent or immediate need for re-housing due to circumstances, which are not covered by the lettings policy. A direct let may be considered necessary.

This course of action will only be approved if re-housing cannot be resolved or resolved quickly enough through the Housing Register to avoid serious detriment to either Keelman Homes, TGH, the Council, the community or yourself. A move granted under this category will generally be approved under the most serious circumstances. An offer will therefore be made that meets needs and whilst preference will be taken into account, the availability of accommodation will be the deciding factor.

Where a reasonable offer that would have met the identified need is refused, your housing application will revert to the appropriate category on the Housing Register.

Emergency

Where emergency, interim or temporary accommodation is required for an existing Keelman Homes, Gateshead housing Company or Gateshead Council tenant. This criterion is likely to be used in the case of fire, flood or circumstances that render such a tenancy uninhabitable.

In such cases the tenant’s initial tenancy will continue and the tenant will return to their home once the work is complete. Exceptions may be made whereby return to the initial tenancy is likely to cause harm to the household e.g. if the household are of ill health and cannot cope with the upheaval of a second move.

These criteria may also be applied to owner-occupiers and tenants of other landlords as part of the Council’s Emergency Plan following a local disaster.

Multi-agency Public Protection Arrangement (MAPPA)

Where housing requirements have been identified as part of MAPPA arrangements. Exclusion criteria will not apply to these cases.

Request for or Release of Adapted or Adaptable property

Where an adaptable property is identified which would meet an urgent need, which cannot be met by existing adapted housing stock.

Threat of or Fear for Life

Where a household has been referred to Keelman Homes by the Police Authority as needing urgent relocation.

A direct let will not be granted where safe accommodation has already been provided. This may comprise of temporary accommodation provided by partner agencies, (including the Police Authority), in this instance Critical Need status will be awarded within the “Severe Harassment” Category.
Key Workers

Key workers are defined as those people who provide essential services necessary for continued economic growth or to sustain the quality of life within Gateshead.

Direct lets will be deployed for this group of people when there is a recognised difficulty in recruiting and retaining key workers.

A senior officer of Keelman Homes or the Gateshead Housing Company will approve direct lets for key individuals required to fulfil a specific role within Gateshead.

Where there is a skill shortage involving groups of people a strategic decision will be made at director level.

Domestic Violence/Abuse

Where there is a need to remove a perpetrator of domestic violence (usually a joint tenant) from a family home, into alternative accommodation to enable a victim to remain.

Social Care Preventative Lettings

This category will apply where following a social care assessment it is deemed that failure to provide suitable accommodation would result in the requirement of a social care package or could lead to a permanent admission to institutional care. This would also apply to applicants returning from supportive living schemes where failure to provide suitable accommodation would determine a need to return to a care setting and loss of independence for the individual.

Homelessness

Direct Lets may be given to homeless applicants to enable the Council to discharge its legal duty.

Extenuating or Unusual Circumstances

You have an urgent or immediate need for re-housing due to extenuating or unusual circumstances, which are not covered by the lettings policy. A move will only be approved if re-housing cannot be resolved or resolved quickly enough through the Housing Register to avoid serious detriment to either Keelman Homes, the Gateshead Housing company, Gateshead council or yourself. A move granted under this category will generally be approved under the most serious circumstances.
What are Local Lettings Plans?

Local Lettings Plans (LLP) are additional policies that complement Keelman Homes Lettings Policy by addressing barriers to accessing housing and delivering better outcomes to improve life chances for current tenants and future residents in particular localities.

How will the need for a LLP be identified?

In identifying the need for a LLP, a stock and demand profile of the area could be developed. Demographic studies carried out and neighbourhood issues considered such as sustainability, social trends and equality and diversity implications.

If clear grounds are identified, consultation of partner landlords and local tenant and resident groups will be carried out to involve them in further development of plans.

Possible outcomes of LLPs

The following criteria are examples that may be included in a LLP but is not exhaustive:

- Maximum or minimum age limits for properties.
- Preference to tenants/applicants with a local connection or who already live or work in that area.
- Preference to people who are employed.
- Preference to household types who would not normally be eligible under Keelman Homes Lettings Policy - this could be to attract smaller households to areas where a high density of large families is causing disharmony within the neighbourhood due to noise nuisance.
- Preference to people from BME and religious cultures.
- Providing furnishing to encourage the inclusion of specified groups/types of household.

Impact of Local Lettings Plans on the Lettings Policy

Once a report with recommendations has been agreed, the eligibility criteria established, will be implemented within the designated area and will override the Lettings Policy eligibility criteria except where:

An age restriction is imposed, which prevents a household awarded medical priority, from accessing a certain type that would meet their needs or where a property is required to meet the statutory duty of the Council including MAPPA arrangements.
Review of Local Lettings Plans

The introduction of LLPs will be publicised. The plans will be monitored periodically and reviewed with timescales set by Keelman Homes. Tenants and residents will be consulted as part of the review.
The table below shows the smallest household size allowed to remain in the property following a succession, a new tenancy upon death of the householder, assignment or a mutual exchange.

<table>
<thead>
<tr>
<th>Property type</th>
<th>Smallest household size allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bedsit</td>
<td>Single person</td>
</tr>
<tr>
<td>One bedroom house, flat or maisonette</td>
<td>Single person</td>
</tr>
<tr>
<td>Two bedroom house, flat or maisonette</td>
<td>Single person</td>
</tr>
<tr>
<td>Three bedroom house, flat or maisonette</td>
<td>Household of two people</td>
</tr>
<tr>
<td></td>
<td>Single person subject to criteria <em>(see below)</em></td>
</tr>
<tr>
<td>Four bedroom house or maisonette</td>
<td>Family with three children or household of five people</td>
</tr>
<tr>
<td>Five bedroom house or maisonette</td>
<td>Family with five children or household of seven people</td>
</tr>
</tbody>
</table>

*Single Persons eligibility for a three-bedroom property:

- A single person would not normally be permitted to exchange into a 3 bedroom property (see section 16)
- A single person with a right to succession on the death of the tenant would be permitted to occupy a 3 bedroom property (see below)
- A single person without the right to succession but meeting one of the criteria in section ‘What if you do not qualify for a succession by law’ may be granted a new tenancy of a three-bedroom property in which they had been living. However this would not apply to a three-bedroom ‘parlour’ type house, when alternative accommodation would be offered instead.

**Succession**

Succession is where you take over a tenancy when the tenant dies. The rules around succession are written in law and clearly state when you are entitled to "succeed" a tenancy. Where reference is made to "partners", this includes same sex partnerships.

**When can a person succeed a tenancy?**

A succession will only be allowed once, i.e. the tenancy has not previously been succeeded to. The successor must be the tenant's husband, wife, partner or civil partner or another member of the tenant's family. If the person wishing to succeed is not the husband, wife, partner or civil
partner, they must have lived with the tenant continuously the twelve months before their death. This will be 24 months for those in assured tenancies.

Joint tenancies will not be granted on succession.

If you have the right to succeed the tenancy of a property, which is larger than you need or was built or adapted for a person with medical needs, or there is an age criteria and you do not qualify; we may require you to move to another suitable home by awarding you a "direct let". If you are asked to move to a more suitable property, you will be given notice no sooner than six months, but no later than 12 months after the death of the tenant.

If you succeed to the tenancy of a larger property than you need, and would prefer to move to a property with fewer bedrooms you may be given a “direct let” under “Best use of Stock”.

**How will a decision be made if more than one person wishes to succeed?**

The tenant’s husband, wife, partner or civil partner will be given priority over any other member of the family.

In the absence of a husband, wife, partner or civil partner the member of the family who has continuously lived in the home the longest (in excess of 12 months) will succeed to the tenancy.

If the household decide that a different member of the family (who has lived continuously within the home for at least 12 months) should succeed the tenancy, this will be allowed.

**What if you do not qualify for a succession by law?**

The law states that there is only one legal right to succeed to a tenancy. Therefore if someone has already succeeded to the tenancy a further succession would not be granted. However, Keelman Homes may grant you a new tenancy under certain circumstances as follows:

- You are a partner or relative who has lived in the property for at least the last two years of the tenant’s life.

- You have accepted responsibility for the tenant’s dependants.

- You have lived with the tenant for at least the last ten years of the tenant’s life and were not paying money to the tenant as rent.

In circumstances where you qualify for a new tenancy (as outlined above) but the property is too large for you and you would prefer to move to a smaller home we will offer you an alternative suitable property.

*Properties set-aside for older people or people with mobility needs, four bedroom homes and 3 bed parlour type homes.*

If the property is larger than you need or was built or adapted for a person with medical needs or has an age criteria, and you do not qualify for this property type you may be made a reasonable offer by way of a ‘direct let’ to enable you to move into another more suitable
property. If you refuse re-housing a final offer will be made to you before legal action is taken to repossess the property.

**Assignment**

There are legal requirements relating to when you have the right to assign or sub-let your home.

Assignment in general is prohibited however if you are a secure tenant and have not succeeded to that tenancy you may apply to assign the tenancy to a member of your household. The person you wish to assign to must have lived with you for a continuous period of twelve months prior to assigning the tenancy.

Assignment may be allowed in the following circumstances:

- Where the assignee could have succeeded to the tenancy if the tenant had died immediately before the assignment.
- Where the assignment is required in order to ensure that children are safeguarded under the Matrimonial and Family Proceedings Act. This is where the family home (or tenancy) has been awarded by the court to the parent taking sole responsibility for children.
- The current tenant is transferring for medical or disability reasons and the new home is not large enough for the potential assignee to live there with them;
- The tenant is transferring to somewhere to be cared for, such as a residential home and the potential assignee is not permitted to go;
- The tenant is going to live with a new partner and the partner’s home is not large enough for the potential assignee to live there; or
- The tenant is moving to a different part of the country and the potential assignee has strong links with Gateshead, for example they work or study here.

If the assignee would not qualify for the property because it is larger than they need or was built or adapted for a person with medical needs or has an age criteria which is not met for this property type they will be made one reasonable offer by way of a “direct let” to enable them to move into another more suitable property.

The current tenant and the potential assignee must meet the requirements on debt, anti-social behaviour and condition of the home as set out at Section 8.

**Joint tenancies**

Joint tenancies will be granted if:

- You are married.
- You are living together as a couple (cohabiting). (Including same sex couples).
- Two or more people have originally joined the Housing Register together.
Sole to joint tenancies

As a sole tenant you can ask for a new joint tenancy to be granted if both parties are eligible to be on the Housing Register, are not subject to exclusion (see Section 8) and the other person:

- Is your husband or wife or civil partner; or
- Has lived with you as a partner (cohabited) for the last 12 months; or
- Would be offered that property on their application.
Section 16 – Mutual Exchanges

If you hold an assured tenancy with Keelman Homes, you can apply for permission to mutually exchange your home with another Keelman Homes, Gateshead Housing Company or Council tenant, a housing association tenant, or a tenant from another Council.

As a Keelman Homes tenant you can exchange like for like (that is, the same size of property or the same number of people living there). A mutual exchange must not result in you worsening your circumstances relating to overcrowding, e.g. an overcrowded household requiring a four bed house may move from a 2 bed property into a 3 bed property where overcrowding will still exist but to a lesser degree.

Your application may be refused if:

- You, or the person you wish to exchange with has to give up the tenancy under a court order.
- You or the person you wish to exchange with has been served with a Notice of Seeking Possession.
- An injunction, an Anti-social Behaviour Order or a possession order granted on the grounds of nuisance is in force. Or if court action to obtain such an order or a demotion order is pending against the tenant, the proposed assignee or a person who resides with either of them.
- Your home is larger than the needs of the household you wish to exchange with unless like for like.
- Your home has been let to you as a “tied tenancy” and was allocated to enable you to carry out your job.
- Your home has been adapted for a person with a physical disability and if the exchange were to go ahead, a disabled person requiring the adaptations would no longer live in the property. (This excludes minor adaptations such as grab rails).
- Your home would normally be let to people over 60 and if the exchange were to go ahead, such a person would no longer live in the property.
- Your home is one of a group of properties let to people with support needs or a special facility and if your exchange was to go ahead someone needing those services or facilities would no longer be living in the property. This includes sheltered housing, and properties normally offered to people with mobility needs.
- Your property is the subject of a management agreement with a RSL and at least half the tenants of the properties within the agreement are members and the assignee is not willing to become a member.
- Your home is too small for the needs of the household you wish to exchange with and would result in overcrowding or would break the normal letting criteria.
Your landlord has not granted written permission.

You will be notified in writing of the decision within 42 days of your application.

Conditional consent may be granted where you are breaking the tenancy conditions and will be able to proceed once the matter is addressed.

Your home must be in a lettable condition before the exchange will be allowed.

If you are a Keelman Homes tenant and you mutually exchange your housing application will be cancelled.
Section 17 – Sensitive Lets

Sensitive lets are for those homes that have been directly affected by the anti-social behaviour of the previous household. This behaviour would have been serious and ongoing and would have resulted in a possession order made by the court or legal restrictions having been in force immediately prior to termination of tenancy.

It is recognised that to properly address disputes around ASB the legal process can be very lengthy and this can adversely affect neighbour lives. To try and ensure that similar problems do not arise with the new letting a sensitive let will be made.

To agree the criteria for this an analysis will be made based on the grounds for possession used and that same criteria will be used to assess the applicants who bid for the vacancy to ensure that anyone who had a history of a similar behaviour is not considered.

Homes can be let in this way either through the advertising process, or as a direct let, but successful applicants will be subject to a more robust vetting.

The criteria for each individual sensitive let will be recorded and any reason for bypassing an applicant during the ranking process will be recorded.
Section 18 – Garage Lettings

Anyone applying for either a garage or parking bay will be placed in Critical Need or Urgent Need depending on their circumstances.

Critical Need - Tenants of Keelman Homes, The Gateshead Housing Company or Gateshead Council
Urgent Need - Other residents of Gateshead

All applicants wishing to rent a Keelman Homes garage must complete a garage application form. There will be periodic reviews of the garage waiting list when applicants wishing to remain on the waiting list will be required to re-state their interest.

The garages will be let to the applicant with the oldest application date from Critical Need. If no one from Critical Need applies it will be let to the person with the oldest application date from Urgent Need.

You can only apply for a vacant garage or parking bay if you have a clear rent account (Keelman Homes tenants) and owe no debt to Keelman Homes, The Gateshead Housing Company or Gateshead Council (all applicants).

Applications received from tenants (including joint tenants) who already rent a Keelman Homes garage will be placed in Critical Need by date of application. Where a tenant or applicant wishes to apply for more than one garage they must register separate applications.

Due to availability, a customer may sometimes need to accept a garage tenancy in an area, which is some distance away from their home. In these circumstances the customer will be given the option of continuing their original garage application to enable the possibility of a transfer to a nearer garage at a later date. The tenancy of the first garage must be given up.

Council tenants in Critical Need who buy their home through the Right to Buy scheme, or who cease to become Council tenants for whatever reason will revert to Urgent Need but will keep their original date of application.

Where an applicant rents a garage which is to be demolished they can reapply and will be given the same date of application as the date of their original garage tenancy. People who own their own homes will be placed in Urgent Need and no additional priority will be given for second garages.
### Housing Requirements of Airey Tenants within Kibblesworth (by phase)

**Phase 1 – September 2010**

<table>
<thead>
<tr>
<th>Type</th>
<th>1</th>
<th>Allocated to Airey Occupants</th>
<th>Remain for Non Airey Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2</td>
<td>5</td>
<td>5</td>
<td>0</td>
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<tr>
<td>H2</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>H3</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>H4</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>H5</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>Total</td>
<td>5</td>
<td>5</td>
<td>0</td>
</tr>
</tbody>
</table>

There will be no properties remaining for Non Airey occupants.

**Phase 2A – January 2011**

<table>
<thead>
<tr>
<th>Type</th>
<th>2A</th>
<th>Allocated to Airey Occupants</th>
<th>Remain for Non Airey Tenants</th>
</tr>
</thead>
<tbody>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>H2</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>H3</td>
<td>10</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>H4</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>H5</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>15</td>
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</tbody>
</table>

There will be no properties remaining for Non Airey occupants.

**Phase 2B – June 2011**

<table>
<thead>
<tr>
<th>Type</th>
<th>2B</th>
<th>Allocated to Airey Occupants</th>
<th>Remain for Non Airey Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2</td>
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<td>10</td>
<td>1</td>
</tr>
<tr>
<td>H2</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>H3</td>
<td>7</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>H4</td>
<td>2</td>
<td>2</td>
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<td>H5</td>
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<tr>
<td>Total</td>
<td>20</td>
<td>19</td>
<td>1</td>
</tr>
</tbody>
</table>

Currently there is one property available for Non Airey occupants.

**Phase 3A – February 2012**

<table>
<thead>
<tr>
<th>Type</th>
<th>3A</th>
<th>Allocated to Airey Occupants</th>
<th>Remain for Non Airey Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>H2</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>H3</td>
<td>13</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>H4</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>H5</td>
<td>0</td>
<td>0</td>
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</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>9</td>
<td>6</td>
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</tbody>
</table>

Currently there are 6 properties available for Non Airey occupants.
### Phase 3B – March 2012

<table>
<thead>
<tr>
<th>Type</th>
<th>3B Allocated to Airey Occupants</th>
<th>Remain for Non Airey Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2</td>
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<td>0</td>
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<tr>
<td>H2</td>
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<td>0</td>
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<tr>
<td>H3</td>
<td>6</td>
<td>4</td>
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<tr>
<td>H4</td>
<td>2</td>
<td>2</td>
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<tr>
<td>H5</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>9</td>
<td>7</td>
</tr>
</tbody>
</table>

Currently there are two properties available for Non Airey occupants.

### Phase 3C – March 2012

<table>
<thead>
<tr>
<th>Type</th>
<th>3C Allocated to Airey Occupants</th>
<th>Remain for Non Airey Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>H2</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>H3</td>
<td>4</td>
<td>4</td>
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<tr>
<td>H4</td>
<td>1</td>
<td>1</td>
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<tr>
<td>H5</td>
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</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>5</td>
</tr>
</tbody>
</table>

Currently there are three properties available for Non Airey occupants.

### Phase 4 – February 2013

<table>
<thead>
<tr>
<th>Type</th>
<th>Intermediate Rents</th>
<th>Remain for Non Airey Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>H2</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td>H3</td>
<td>5</td>
<td>0</td>
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<tr>
<td>H4</td>
<td>1</td>
<td>0</td>
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<tr>
<td>H5</td>
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<tr>
<td>Total</td>
<td>22</td>
<td>5</td>
</tr>
</tbody>
</table>

Currently there are five properties available for Non Airey occupants.

### Summary of new build properties (minus the 13 intermediate tenancies)

<table>
<thead>
<tr>
<th>Type</th>
<th>Totals</th>
<th>Allocated to Airey Occupants</th>
<th>Remain for Non Airey Tenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2</td>
<td>18</td>
<td>15</td>
<td>3</td>
</tr>
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<td>H2</td>
<td>19</td>
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<td>8</td>
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<tr>
<td>H5</td>
<td>2</td>
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</tr>
<tr>
<td>Totals</td>
<td>94</td>
<td>64</td>
<td>17</td>
</tr>
</tbody>
</table>
Census/Trends 1991 to 2007 Population information for Kibblesworth

- Population in 1991 - 1373 residents
- Estimated population 2007 - 1254 residents
- There has been a 59% reduction in children aged 0 - 4 years over the period falling from 94 children in 1991 to 56 children in 2007.
- Children aged 5-9 were almost unchanged between 1991 and 2001 but dropped dramatically from 2001 to 2007 by 27 (70%) with an overall reduction over the period of 67%
- People aged 80-84 have steadily increased from 32 in 1991 to 48 in 2007 total increase over the period 66%
- People aged 85+ have steadily increased from 21 in 1991 to 56 in 2007 total increase over the period 37.5%

1991 Census data – 1373 residents in the village

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Census 1991 (ED’s best fit to neighbourhoods)</td>
<td>1,373</td>
<td>94</td>
<td>95</td>
<td>84</td>
<td>82</td>
<td>78</td>
<td>109</td>
<td>92</td>
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<td>96</td>
<td>74</td>
<td>47</td>
<td>32</td>
<td>21</td>
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</table>
### 2001 Census data – 1318 residents in the village

<table>
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<tr>
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<td>54</td>
<td>56</td>
<td>71</td>
<td>44</td>
<td>36</td>
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<tr>
<td><strong>(OA's apportioned to neighbourhoods)</strong></td>
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</table>
2007 Population Estimates – 1254 residents in the village

|------------|----------|-----|-----|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|     |
| Experimental Mid Year Population Estimates 2007 for Neighbourhood | 1,254 | 56  | 64  | 71    | 72    | 68    | 73    | 73    | 76    | 99    | 84    | 81    | 84    | 62    | 90    | 46    | 51    | 48    | 56  |
Lettings Plan

Allocation of homes in Kibblesworth, following first let to an Airey tenant, or on first let where there is no Airey tenant, will use the following criteria:

**Bungalows**

The four (two bedroom) disabled adapted bungalow properties are advertised with preference to those applicants identified by the council’s special needs team. In practice this will mean that the applicants who most need the disabled adapted property will benefit.

For the 14 (two bedroom) lifetime home bungalows we give a balance of priority to applicants with housing need, applicants connected to Kibblesworth and applicants who will allow the best use of Council stock as well as recognising waiting time. Local connection is detailed earlier in this report. In practice this will mean that each time there is a vacancy, lettings will take place from the following categories as follows:

- **1st vacancy** - Advertise property with preference to applicant in housing need
- **2nd vacancy** – Advertise property with preference to applicants in housing need connected to Kibblesworth. If there were no such applicants then preference would be given to applicants in housing need.
- **3rd vacancy** - Advertise property with preference to applicant in housing need
- **4th vacancy** - Advertise property to applicant living in Kibblesworth to make best use of Council stock. If there were no such applicants then preference would be given to applicants who would make best use of housing stock
- **5th vacancy** – waiting time (first advert with preference to waiting time and the second time we advertise on waiting time criteria we do so with preference to an applicant connected to Kibblesworth)

**Two bedroom houses**

Seven out of every ten would be advertised with preference to housing need. Of these, two out of the seven would be advertised with preference to people in housing need connected to Kibblesworth. Three out of ten would be advertised to waiting time applicants, one of which would be advertised to a waiting time applicant connected to Kibblesworth.

**Three bedroom houses**

Three out of every four vacancies would be advertised with preference to housing need and one of these would be advertised with preference to an applicant connected with Kibblesworth. Of the one in four vacancies advertised with preference to waiting time every third advert would be advertised with preference to waiting time applicants connected with Kibblesworth.

**Four bedroom houses**

- **1st vacancy** – Advertise with priority to an eligible urgent need applicant with 3 or more children.
• 2nd vacancy – Advertise with priority to an eligible urgent need applicant with 3 or more children connected to Kibblesworth
• 3rd vacancy – Advertise with priority to an eligible urgent need applicant with 3 or more children

Five bedroom houses

For the five bedroom houses the first let would be to an existing eligible Airey tenant, after which normal eligibility in terms of household size and need would apply.

For all lettings normal eligibility in terms of household size will apply.

Adverts with preference to need and those with preference to waiting time for each property type and size will be in line with the current council ratios.

Local connection

For those properties advertised with preference to applicants with a local connection the following criteria will be applied:

• Living in Kibblesworth – those who have relocated over a year ago and live within the village
• Working in Kibblesworth,
• A need to move into Kibblesworth to give or receive support.
Keelman Homes

Shared Ownership Schemes

Leaseholder Guide

November 2014
Shared Ownership
As a shared owner you have purchased a part share in your home. This can vary from 25% to 75%. This share has been sold to you on a leasehold basis for a period of 99 years. The remaining share is rented from us. At a later date you can buy further shares and become the outright owner. If the property is purchased outright the freehold interest will be transferred.

For properties purchased in a Protected Area (for examples the Kibblesworth Scheme) you can buy further shares and become the outright owner, but the freehold interest will not be transferred.

Our Rights and Responsibilities
We have the right to charge you rent for the share of the property you do not own, buildings insurance and any other charges relating to the performance of our duties as landlord.

We have the right to make an appointment with you to inspect the property. If repairs are needed, we will give you written notice to carry out the work. If you do not carry out the repairs, we will arrange to do the work but will recharge you the full cost.

We have the right, in some circumstances, to enter your property without notice to carry out repairs if there is a serious risk of damage to the property, or it could otherwise be a danger to other residents.

Rent
You will need to pay rent on the remaining share of your home that you do not own. We will tell you the initial rent for the share that you have not bought before you complete the purchase. Your lease will set out the basis on which we assess the rent and the method by which we will calculate any future increases.

Rent must be paid by equal monthly payments in advance on the first day of each month. Non payment will incur interest at 3% above the base rate of Barclays Bank PLC. We will inform you in writing of any proposed changes to your rent before the change comes into effect.

We want to make it as easy as possible for you to pay your rent to avoid you getting into debt and, if you get into arrears, to get the help you need to pay
them off as soon as possible. Non payment of rent and lease obligations may result in the termination of the lease. It is therefore important that you talk to us if you are having difficulties in paying your rent.

It is a legal duty for us to inform your mortgage company if you fall behind on your rent payments. In some circumstances they may pay your arrears on your behalf.

If they do not do this, then you will be served with a Notice of Seeking Possession. This then gives you 4 weeks to get your account in order before we apply to the Court for a Court Order for you to pay your rent and arrears. If you do not pay your Court Order then we can apply to evict you from the property.

As further shares are purchased the rent will be reduced subject to the rent being reviewed every year, to reflect the current market rent rate.

**Other property charges**
Even though you may not own 100% of your home, you are responsible for paying all outgoings relating to the property for example, Council Tax, Contents Insurance, Heating, Lighting, Water and Sewerage charges.

**Administration Charge**
An administration charge will be included in your rent payments.

**Property Insurance (Building)**
Keelman Homes will insure your property. You must pay a monthly premium which will be included within your Rent. You will become responsible for arranging the insurance of your property when you purchase 100%.

The excess on the policy is £1,000 for subsidence and £100 in respect of all other insured perils.

**Property Insurance (Contents)**
Keelman Homes does not provide contents insurance. You will need to arrange this with an independent insurance provider.

**Repairs and Maintenance**
You are responsible for all repairs and maintenance to your property. This also includes gardens to the front and rear and all fences, walls and hedges marked with a ‘T’ on your lease plan.

**Gas Safety**
Under your lease, you are responsible for keeping any appliances in your home in a safe condition. This is so that they do not cause danger to the
property or any of the people who live in it, or any other surrounding properties.

You must arrange for all gas installations to be tested (serviced) annually and a copy of the gas service certificate provided to The Gateshead Housing Company (TGHC).

TGHC can provide a gas service of your appliances at a competitive rate so you can be safe in the knowledge that it has been done by a qualified tradesman. For more information, contact the leasehold services team on 0191 4335395.

Failure to provide the certificate will result in TGHC obtaining entry to the property, carrying out the test and billing you for the cost of the service.

**Alterations/Additions and Adaptations**

You must get our written permission before carrying out any alterations, additions or adaptations to the building. You may also need planning permission and building regulations approval. Generally, we will not give permission for any external or internal alterations/additions to the structure, walls, timbers, elevations (faces and sides of the building) or the removal of any main walls, timbers, floors or ceilings.

You will be solely responsible for all costs incurred in relation to alterations, additions or adaptations to your home.

If you apply for a grant from the local authority to adapt your home, you will be responsible for full repayment of the grant. Keelman Homes will not be responsible for any costs associated with home adaptations.

If you damage the structure of the building, Keelman Homes has the right to make it good and charge you for doing so.

**Right of Entry and Repair**

We have the right to enter your property to carry out an inspection if we have reason to believe that the property is in a state of disrepair or if surrounding properties have been damaged, possibly as a result of problems within your property.

However, we must give you reasonable notice that we intend to do this.

If we find any defects or disrepair we will inform you by letter of the repairs needed and give you notice to fix the disrepair within three months of the date you receive the notification letter. If you don’t meet the terms set out in the notice we will carry out the repairs ourselves and reclaim the costs from you.
Sub-letting your home
Under the terms of your lease, only you can live in your home. If it is found that you rent your property out then we can take you to court to take your home back, or force you to sell.

Buying a further share in your home
Buying a share in your home or buying it outright is known as ‘staircasing’.

The cost to purchase a further share(s) is based on the current market value of the property at the time you propose to purchase that additional share, as determined by an independent qualified valuer, agreed between both parties. When making further purchases of shares, each additional share you acquire must be not less than 10%.

House prices can go up and down. This means that sometimes you might pay more for buying additional shares or have to sell at a price that is less than what you originally paid for your share, if the market value has dropped.

For further information please refer to the ‘Staircasing Guide’ included in your welcome pack or contact Janice Adams at The Gateshead Housing Company on 0191 4335396.

On completion of the purchase of a further share, all arrears of rent and other sums due must be paid in full.

Selling your Home
TGHC must be notified in writing if you wish to sell your share. An independent valuation must be obtained by TGHC, at your expense, to assess the full market value of the property. You cannot sell your share for more than the appropriate share of the full market value.

If you own more than 80% of your home and you wish to sell your property you must give Keelman Homes the Right to First Refusal. This is because Keelman Homes needs to ensure that the property remains in the ownership of people in need of shared ownership units.

Keelman Homes can ask you to either sell the lease back to Keelman Homes or to a person nominated by Keelman Homes. In both cases the price will be no more than the market value of the property if it were being sold as a vacant property. This does not apply if you transfer the property as a result of a divorce or death of the leaseholder.

If you wish to sell your home please contact TGHC for a copy of the full procedure.
Keelman Homes

Shared Ownership Schemes

Income Management Procedures

November 2014
Delivering Excellence

Contents

<table>
<thead>
<tr>
<th>Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>3</td>
</tr>
<tr>
<td>Legal Constraints</td>
<td>4</td>
</tr>
<tr>
<td>Billing Process</td>
<td>5</td>
</tr>
<tr>
<td>Payment Plans</td>
<td>6</td>
</tr>
<tr>
<td>Payment Methods – Rent and Administration Charges</td>
<td>6</td>
</tr>
<tr>
<td>Collection Call &amp; Visit Structure</td>
<td>7</td>
</tr>
<tr>
<td>Guidance on Vulnerability</td>
<td>9</td>
</tr>
<tr>
<td>Referral and Signposting</td>
<td>11</td>
</tr>
<tr>
<td>Bankruptcy</td>
<td>11</td>
</tr>
<tr>
<td>Mortgagee Protection Clause</td>
<td>12</td>
</tr>
<tr>
<td>Escalation Process</td>
<td>12</td>
</tr>
<tr>
<td>Disputes</td>
<td>15</td>
</tr>
<tr>
<td>Prevention of Homelessness – Flexible Tenure</td>
<td>17</td>
</tr>
<tr>
<td>Legal Action</td>
<td>18</td>
</tr>
<tr>
<td>Notice of Seeking possession (forfeiture)</td>
<td>21</td>
</tr>
<tr>
<td>Possession Action by Lender</td>
<td>23</td>
</tr>
</tbody>
</table>

The purpose of this guide is to provide clear procedures to ensure there is a consistent approach to preventing debt, collecting income and implementing best practice to ensure all shared owners have equal access to our service. The guide compliments the Guide to your Role which focuses on the Gateshead Housing Company’s ("the Company") ethos rather than policies and procedures.

This guide provides procedures for all Leasehold Management staff. Please ensure you read all the guidance so you are clear about your responsibilities and those of your colleagues.
Introduction

This procedure refers specifically to:-

a) Shared Owners

The Shared Ownership product is aimed at getting people in housing need into the property market when they are unable to purchase a property on the open market, however it should not allow customers to live in a home without paying for it.

Shared Owners pay rent, for the proportion of the unsold equity, buildings insurance and administrative charges, calculated and issued by Leasehold Services. Individual invoices, detailing the different charges are raised within the Company service charge module Northgate.

The Company acting on behalf of Keelman Homes ('the landlord’) has a range of tools and remedies available to prevent and reduce arrears, but the ultimate sanction is repossession (similar to forfeiture of lease).

The Company aim is to ensure all rent and charges are paid on time and arrears are prevented where possible; to support shared owners in financial difficulties whilst sustaining their position as a shared owner and to deliver an excellent customer service.

We aim to prevent arrears from accruing by offering advice and assistance to shared owners who can’t pay their charges and take firm action against those who won’t pay their charges.

Our aim is to prevent arrears accruing by developing a ‘payment culture’ by:

✓ Ensuring shared owners understand their responsibility to pay their rent and administration charges before they purchase their property through a pre-sale interview.

✓ Make contact with shared owners early to ensure payments are complete and regular.

✓ Making prompt contact with shared owners as soon as they default on their payment agreements.

✓ Promoting different payment methods to shared owners.

The best arrears control is:

Prevention

Where rent and administration charge arrears occur we will:

✓ Work through the escalation process.
Initiate early action and vary the methods used to contact shared owners (telephone/home visit/letter/email) and the times we contact them (alternate morning or afternoon visits/out of hours contact where appropriate).

Ensure repayment agreements are affordable by asking for details about shared owners income and essential expenditure.

Maximise shared owners’ income where possible by referral to the Welfare Benefits Service.

Refer shared owners with multiple and/or high level debts to the Community Legal Advice Centre (CLAC) – formerly known as the Citizens’ Advice Bureau (CAB) and the Welfare Benefits Service.

Where a shared owner is vulnerable liaise with support agencies.

Communicate with a shared owners’ mortgage lender when action is being taken to recover a debt.

Make use of all available remedies with repossession (forfeiture) as the last resort.

Legal Constraints

Compliance both with statutory requirements and contractual arrangements under the lease must be observed throughout the income recovery procedure.

(i) Relevant Legislation

Please refer to Homes and Communities Agency Capital Funding Guide for all matters relating to rent and rent reviews.

Government legislation has an impact on how the Company can implement its Income Recovery procedures. Listed below are the key Acts that have been acknowledged Landlord and Tenant Act 1985, Housing Act 1985, 1988 and 1996, and Commonhold & Leasehold Reform Act 2002.

Prior to any recovery action the most relevant and important points from the legislation to check are:

- what a service charge is and who has to pay this
- reasonableness of charges and standard of works or services
- challenging charges at the First Tier Tribunal formerly Leasehold Valuation Tribunal
- timing of issuing of rent and service charge bills
- specification of landlord details on demands
✓ forfeiture and possession

✓ rights to further information

✓ prescribed form of rent and service charge demands

✓ issue of summary of service charges

Any shared owner that is persistently in arrears despite the Company following this procedure, should be referred to the Company’s Legal Services at the earliest possible stage, so that issues are identified and advice sought before they become problems.

(ii) Lease

Keelman Homes lease replicates the HCA approved shared ownership lease which contains eight core clauses.

✓ restrictions on Sales and Prohibition on Subletting

✓ rent review clause

✓ service charge clause

✓ mortgage protection clause

✓ purchasing additional shares (‘staircasing’ clause)

✓ right of first refusal

✓ clawback for Key Worker Shared Ownership Clauses

✓ stamp duty clause

**Billing Process**

**Rent, Services and Administration**

Shared owners pay rent to Keelman Homes on the remaining share they do not own, plus buildings insurance and management charges. The bill is sent in February each year and shows the charge for each element, the total amount payable and the payment schedule.

The rent is reviewed every year. The reviewed rent is increased in line with any proportionate increases in the retail price index (RPI). The rent is reviewed on an ‘upwards only basis’. This means that the level of the rent will not go down when it is reviewed. However any increase in the rent will be capped at a figure
representing the RPI plus 0.5%. This means that where the RPI is zero or negative the most the rent can increase by is 0.5%.

Shared owners will be advised of the outcome of the rent review by written notice, as detailed in the lease.

Payment Plans

Under the terms of the lease the rent must be paid by equal monthly payments in advance on the first day of each month,

A copy of the rent review letter and invoice is kept on file.

Payment methods – Service Charges

A wide range of payment options are offered to ensure all shared owners can pay their charges via the method convenient for them. They can choose from:

- Direct Debit
- 24-hour touchtone phone
- 24-hour internet
- Our offices (at the cash desk and by debit/credit card on the telephone)
- The Post Office
- Post (cheque only)
- PayPoint
- Salary Deduction

Direct Debit
Is our preferred payment method because:

- It offers value for money compared with other collection charges
- Rent Charges are paid on time and in full freeing resources to focus on prevention

We promote Direct Debits to all shared owners where it is appropriate e.g. those who have bank accounts and a regular income and who can manage a bank account
Collection Call and Visit Structure

All leasehold staff will speak to customers who have arrears and with whom it is necessary to make contact to arrange re-payment of arrears. The overriding principles of being firm but fair need to be applied. It is not realistic to issue staff with a script to follow, as part of the skill required in effective recovery work is to be sympathetic to an individual’s circumstances and to be adaptive to the situation you are presented with. No two arrears calls are likely to be the same.

Whilst the outcome of the call will always be determined by the shared owners means and ability to pay, nothing should be assumed. The ideal outcome from every arrears call or visit should be a sincere and realistic payment promise to pay the arrears in the shortest possible time and a commitment to pay on time in the future.

It is essential that all officers approach arrears collection in a consistent manner and that across the service there is a shared understanding of the general approach to be taken. Collecting debt and providing excellent customer service is a skill. Your challenge is to collect income and provide excellent customer service. A quality contact with shared owners – be that on the telephone or face-to-face – will enable you to collect the income in a professional way. Each contact has to be of high quality.

A quality contact includes:

- Implementing our Call and Visit Structure
- Extending a courteous service
- Providing accurate information
- Demonstrating excellent service and product knowledge
Inbound Calls

Call Opening:
- Greeting
- Obtain reference
- Confirm shared owner
- Request payment

Outbound Calls/Visits

Preparation:
- Gather information
- Assess defaulter type
  Can’t Pay / Won’t Pay / Pays when Prompted

Preparation:
- Gather Information
- Assess defaulter type
  Can’t Pay / Won’t Pay / Pays when Prompted

Opening:
- Greeting
- Identify yourself
- Confirm shared owner
- Request payment

Affirm Defaulter Type:
- State facts
- Question
- Listen

Encourage Payment:
- Demonstrate understanding
- Explain consequences
- Explain effects

Negotiate Payment Promise:
- Secure best possible outcome in view of personal circumstances and severity of action

Summary & Close:
- Gain commitment
- Re-affirm Terms of the Agreement
Guidance on Vulnerability

Vulnerable shared owners are particularly liable to accumulate rent arrears. We need to prevent arrears accruing and recover debt, but we do not want to escalate the matter to the Company’s Legal Services if a shared owner has genuine difficulty until we have exhausted all the preventative options.

Below is a list of shared owners who may be vulnerable. This list is not exhaustive and you should be vigilant when interviewing all shared owners to identify all the problems they may have and update the customer profile.

General guidance:

✓ Carefully record all contact with vulnerable shared owners and their support agencies on Northgate notepad and the file – this information may be crucial to justifying any action in court.

✓ Record on the Northgate notepad if external services have been used in an interview e.g. interpreters for community languages.

✓ Where ever possible serve any notices on the vulnerable shared owner with their support worker present. If there are safeguarding issues, try to serve the notice in the office rather than at the shared owner’s property. When there are safeguarding concerns and the vulnerable shared owner will not attend the office, it is appropriate to serve the notice at the property but ensure you are accompanied by a colleague.

<table>
<thead>
<tr>
<th>Vulnerable Group</th>
<th>Reasons why they are considered Vulnerable</th>
<th>Approach / Action to be taken</th>
</tr>
</thead>
</table>
| Shared Owners with Physical Disabilities  | Issues around accessing offices  
|                                            | Ability to read standard letters  
|                                            | Hearing or visually impaired                                                                                           | • Hearing Loop  
|                                            |                                                                                                                     | • Home Visits  
|                                            |                                                                                                                     | • Telephone contacts  
|                                            |                                                                                                                     | • Large Font Letters  
|                                            |                                                                                                                     | • British Sign Language interpreters |
| Shared Owners with Mental Health Problems | Understanding of escalation policy and potential implications of not paying service charges  
|                                            | Difficulty in managing finances                                                                                           | • Engage with and / or referral to Mental Health Support services, Community Practice Nurse (CPN) etc. This includes referral to In house CPN for assessment and referral to appropriate |


| **Shared Owners with Drug and or Alcohol Dependency** | Struggle to sustain home ownership and less likely to engage with support services Issues in managing their money | • Engage with and / or referral to specialist support agencies.  
• Referral to Welfare Benefits Team  
• Referral to CLAC |
| **Shared Owners Fleeing Domestic Violence** | Often may be in severe financial hardship having recently fled domestic abuse, i.e. little or no furniture, clothing etc. | • Referral to Welfare Benefits team and or CLAC for debt and welfare benefits advice – income maximisation, crisis loans etc. |
| **Households with ongoing support from Social Services** | If already allocated a social worker then they have been identified as vulnerable. Likely to be issues that make it difficult for them to sustain ownership of their property. | • Engage with support worker / agency.  
• Agree consent to work with 3rd party (Social Worker) on client’s behalf if arrears begin to develop |
| **Black Minority Ethnic Shared Owners** | Obvious issues around English possibly not being first language | • Use of language line  
• Letters in different languages  
• Increased understanding and awareness of diversity, faith and cultural Issues – Use of Diversity resource |
Referral & Signposting

As a service we need to actively refer shared owners as opposed to signposting them to sources of help.

What’s the difference?

**Signposting is:**
To direct somebody to a service or make them aware of a service that is available – e.g. give a leaflet with opening times and services covered.

**Referring is:**
Referring is the process of transferring somebody to another service for advice and assistance in agreement with the third party e.g. sending information about a client to a third party (with their consent) and agreeing an appointment and what action will be taken.

When a referral occurs there is an increased chance the shared owner will engage with the third party. Signposting should not be dismissed as a means of providing information to shared owners, but for particularly vulnerable shared owners, it is expected you will actively refer the shared owner.

Referring to Community Legal Advice Centre (CLAC)

The referral template at Appendix 1 should be used when making referrals to the CLAC or to the Welfare Benefits Team. In addition CLAC provides access to appointment slots in their outreach sessions, which can and should be used to refer shared owners.

For other services, staff should be led by the protocol of the accepting agency and complete paperwork as necessary to facilitate the referral.

When taking escalated action with the Company’s Legal Services (which may include repossession), it is vital that support services are notified so they can help and support vulnerable shared owners and their families.

Bankruptcy

If a shared owner is declared bankrupt be aware that the debt they have accrued in terms of rents and services will, from the date of bankruptcy, vest in the Official Receiver for them to try to satisfy from the realisation of the bankrupt’s estate. A proof of debt should be filed with the Official Receiver
and advice should be sought from the Company’s Legal Services as necessary.

**Mortgagee Protection Clause**

Following best practice it is important that communications with a shared owners’ mortgage lender is maintained when a shared owner is in arrears and especially when action is being taken to recover a debt.

The standard lease has a mortgagee protection clause that covers some aspects of arrears by the customer for both rent and mortgage and this should be considered when action to take possession of the property is proposed or acted upon. The escalation process therefore includes a number of instances where the lender should be notified of a customer’s arrears. This is not a request for payment but simply a notification so the lender is aware of an issue with non payment.

**Escalation Process**

The escalation process provides a structure that prompts action to enable staff to take timely action to prevent arrears, collect income and manage caseload.

This section will guide you through the key stages of the escalation process. If you are unclear please speak to the Leasehold Services Manager.

The escalation process has been designed to ensure that a consistent approach is being taken by all staff.

Arrears recovery action is semi-automatic. Every month a report is produced which shows all actions generated on the accounts. Before the actions are authorised every individual account and relevant office file must be checked. Actions will not be authorised where:

- A payment or agreement has been recently made
- A query/dispute on the account has not been resolved
- A payment from another source is expected (this will usually be a mortgage lender)
- Relevant legislation or the lease has not been adhered to
- Probate is ongoing

It is therefore imperative that accurate and complete records are kept. Copies of all bills, letters, e-mails, faxes, leases, consultation notices, notices, agreements, arrangements, certificates, reminders, repair statements and mandates must be kept on the office file or on the computer. Notes of any relevant discussions or interviews with shared owners, outside agencies, solicitors, banks, building societies or work colleagues should also be kept and made readily available.

Shared owners are given the opportunity to arrange affordable repayment plans, take debt management advice, obtain information in relation to benefits and loans
available and should be informed that their mortgage lender could be approached to pay the rent arrears.

However, where legal action is required the Company's Legal Services will advise which form of legal action is most appropriate. The Leasehold Services Manager will authorise the required course of action only after this advice has been taken and appears on file.

✔ First Demand – Rent and Services

The rent and services invoice is sent out in February each year with a direct debit mandate showing a first payment date of 1st April. A Summary of Service Charges and Ground Rent Demand will also be included. A payment should be made by the end of April.

✔ First Reminder (REM1)

The system will assume 12 monthly payments unless the leaseholder requests a different payment method. Where the first or full payment has not been made within one week of the end of April the first reminder (REM1) should be issued. Appendix 2

For shared owners that do not start paying or make suitable arrangement after a further two weeks an outbound telephone call is made or e-mail sent (where details are available) to establish the reason for non payment.

Confidentiality-. Arrears should only be discussed with the shared owners who is named on the lease and therefore liable for all rent payments. When leaving messages we should only ask the shared owner to contact us to ‘discuss the rent account’ and not to ‘discuss arrears’.

✔ Second Reminder (REM2)

If no contact is made with the shared owner or a payback agreement made the second reminder (REM2) is issued the first week of June. Appendix 3

In addition to a letter to the shared owner the lender must also be advised that arrears are outstanding. This is not a request for payment but simply a notification so the lender is aware of an issue with non payment.

In the second reminder (REM2) the shared owner will be requested to attend an interview. If contact is not made by the shared owner within two weeks the officer will attempt to arrange an interview by telephoning the leaseholder. After two weeks no further attempts to interview will be made and the arrears process will continue. All dates and attempts must be recorded on the service charge module.

Interview
Before arranging the interview the officer must check the shared owner's profile information for any special needs. Any arrangements can then take into consideration disabilities, language, access, special needs, working hours, history and background of the shared owner.

If an interview is arranged the officer must:

✓ obtain the shared owner’s income and essential expenditure details
✓ give appropriate debt management information and refer to Welfare Benefits Section if necessary
✓ take up any referrals to outside agencies where necessary, ie debt counselling or Benefits Officer
✓ try to make an agreement with the shared owner for repayment where the outstanding amount is to be paid by the end of March
✓ advise the shared owner that this does not waive the Company’s right to pursue repossession (forfeiture).
✓ explain that if the outstanding amount is not paid by using one or more of the methods agreed above or by any other means, the shared owner’s mortgage lender could be approached for settlement of the debt
✓ obtain written agreement to the amount of rent and charges and explain that this is required so that the shared owner’s mortgage lender can be approached unless the rent and charges has been previously determined by a Court, an Arbitrator or the First Tier Tribunal
✓ obtain details of the shared owner’s mortgage lender (name and address), account number and written permission to approach the mortgage lender
✓ explain that the shared owner’s mortgage lender could be approached for repayment without their consent
✓ warn the shared owner that they are likely to receive a letter from their mortgage lender

A written record of the interview must be produced and held on file. A note of the date of the interview must also be recorded on the service charge module. Any agreements made and advice given must be confirmed in writing to the leaseholder.

✓ Third Reminder (REM3)

For shared owners who still do not start paying or make suitable arrangement after a further four weeks the third reminder (REM3) Appendix 4 is issued which advises the shared owner that an approach will be made to the mortgage lender to pay the outstanding charges.

Approach Mortgage Lender

The shared ownership lease has a mortgagee protection clause that covers some aspects of arrears by the customer for both rent and mortgage. Throughout the escalation policy the lender should be kept informed of the arrears position, so that an approach to them for payment, does not come as a surprise.

Where applicable, a mortgage lender will have a legal charge over the shared ownership property as a result of providing capital to purchase it. As non-payment of rent can result in forfeiture of the lease it is therefore in the mortgage lenders’ best interests to avoid this. Through the mortgage protection clause they may
agree to pay any outstanding amounts and add this to the shared owners mortgage/loan.

The shared owner is informed that their mortgage lender will be contacted to repay the outstanding rent in the third reminder. Before action is taken the officer must check the relevant office file for the interview records in relation to agreement or determination of the charges, mortgage lender details and consent to approach the mortgage lender.

The officer will then write to the lender requesting payment of service charge arrears. The officer has a legal right to obtain details of the mortgage lender from Land Registry if needed and to contact them without the consent of the shared owner. Where there is no mortgage lender the service charge arrears process will continue.

Vulnerable shared owners must be informed that their mortgage lender may contact them regarding the debt if this has not been done previously.

The office file will be updated with the process followed, actual steps taken and copies of relevant letters in relation to approaching the mortgage lender. Key actions and dates will also be noted on the service charge module.

✓ Final Demand (REM4) Appendix 5

If the shared owner ignores the interview request or fails to make suitable payments then legal action may be considered. If the officer is satisfied that all the necessary checks have been made and that the correct amount is being sought, then a letter is sent to the shared owner, giving seven days in which to prove payment or to contact the Leasehold Services Section. If no action is taken, the case will be passed to the Company’s Legal Services to commence legal action.

Disputes

The Company is committed to working with all shared owners to solve problems and disputes quickly, if and when they arise.

It is important to note that a dispute is not a standard enquiry or general complaint.

Examples of disputes could be

✓ Is the charge levied within the boundary of the house, flat or block

✓ The final outcome is below an acceptable standard and does not give value for money for the job or work done

✓ Does the service provided constitute a chargeable service within the terms of the lease
Has Keelman Homes legitimately incurred the charge and is it ‘reasonable’

Rent and service charge disputes can be costly, both in terms of the time which is required to unravel and solve the problem and in terms of professional fees which may be incurred. If a dispute arises, it is important to manage it actively, positively and at the right level for early and effective settlement.

If a compromise cannot be achieved litigation can result.

Where rent and service charge disputes occur we will aim to:

- Register ‘dispute’ on Northgate, within 1 day of receipt
- Advise shared owner(s) investigations will be undertaken, by whom, and confirm date of full response (within 10 working days)
- Suspend income recovery procedures during dispute investigation.
- Initiate early resolution by co-ordinating investigations between Senior Management, housing estate management and contractors.
- Arrange meetings, where appropriate, with shared owners(s) and other interested parties
- Leasehold Manager will ensure early and effective settlement by escalating outcomes of investigations to Corporate Management team for overall resolution.
- Respond to shared owners(s) within 10 working days of receipt of the dispute. If extensive investigations are required, a response within 10 working days may not be possible. If this is the case, a holding response letter must be sent to advise shared owners of the action taken and provide an estimate of when a full response will be available. The shared owner should be contacted again after 4 weeks if an investigation into a dispute is still ongoing.
- All disputes should be resolved within the financial year that the costs have been accrued.
- Once a dispute has been satisfactorily resolved, shared owner(s) arrears collection should escalate in line with recovery procedures to enable prompt collection of rent and service charges.

If an in-house resolution is not achieved, shared owners have the right to take their dispute to a First Tier Tribunal.

The FTT is an independent, impartial and semi-formal tribunal for landlords and tenants. Hearings are open to the public.

Neither party is required to be represented, evidence is not given on oath and many of the usual court rules do not apply. The tribunal hears both sides of the argument and then determines the issue on the basis of the evidence provided and the judgment and experience of the tribunal members. Their determination is issued in writing as soon as possible after the hearing.

A landlord or a tenant may apply to the FTT in respect of maintenance, repair or services provided and in respect of administration charges, (e.g. for providing consent for alterations or information). ‘Improvements’ undertaken or proposed by the landlord can also be the subject of an application.
The FTT has jurisdiction to determine the reasonableness of a service charge. The FTT can determine whether a service charge is payable, by whom, to whom, the amount, the date and the manner payable and whether or not a service charge would be payable if costs were incurred.

The FTT can also settle disputes about the landlord’s choice of insurer, administration charges, the right to manage, the appointment of managers, the variation of leases and estate charges.

Charges levied under an Estate Management Scheme (i.e. a scheme approved under the Leasehold Reform Act 1967 or the Leasehold Reform, Housing & Urban Development Act 1993) must be reasonable and a determination of reasonableness may also be sought from the LVT.

**Prevention of Homelessness – Flexible tenure**

It is inevitable that some shared owners will become subject to legal action for non-payment of rent and service charges and in a small percentage of cases this will result in repossession (forfeiture). Whilst repossession action is on occasion necessary, it should always be the last resort and should only be pursued once all other efforts to secure payment of service charge arrears have failed.

Flexible tenure is one of the tools that Keelman Homes has to prevent the loss of a customer’s home and is the last resort before possession action is taken. It should be considered carefully and impartially by the Head of Corporate Services and the Leasehold Services Manager when a referral is made. Flexible tenure is not an easy fix for a customer’s financial problems as in many cases there is no way back to affordable home ownership once the property is purchased by the landlord outright.

Flexible tenure is designed to enable a shared owner to remain in their home either by selling some of their shares back to their landlord in order to reduce their mortgage to a more affordable and sustainable level, or by selling all of their shares back to the landlord and becoming a tenant at an Affordable Rent.

Any repurchases will be considered as a last resort. The HCA permit the use of Recycled Capital Grant Fund (RCGF) only in cases where other options for avoiding repossession have been exhausted.

There is no ‘right’ to Flexible Tenure and any offer must be made purely at Keelman Homes discretions subject to HCA eligibility criteria.

It is important to ensure we have taken all steps, that are reasonable in the individual circumstances, to sustain home ownership and prevent homelessness and be able to evidence we have taken all appropriate action in line with legislation and our procedures. (See flexible tenure procedures)

The Company’s Legal Services, when instructed to do so, will instigate forfeiture proceedings.
Legal Action

If the reminder letters have not resulted in full payment of the outstanding bills (i.e. all overdue rent and charges), it may be necessary to consider legal action. Before any action is taken against the shared owner, the officer must consider a number of issues which could apply and decide on appropriate action, in consultation with their line manager. Not all the following will always apply – each case must be considered separately and in the context of its specific circumstances.

Possible actions include:-

✓ Checking that the rent and service charge meets legal requirements i.e. the shared owner has been charged for the correct services

✓ Checking that notices have been properly served (particularly the rent review notice)

✓ Being satisfied that the tests of reasonableness appear to have been met for work standards and costs. This is an initial check to make sure that there are no obvious areas where the test of reasonableness might fail: the Company’s Legal Services will advise in more depth at this or at the referral stage, if necessary. In addition, the shared owner may raise queries regarding the charges as the case progresses.

✓ Referral to the lease to confirm that legal action would be appropriate. If necessary, advice must be sought from the Company’s Legal Services to interpret the lease. It is preferable to seek legal advice at this stage to avoid costly expenditure on wasted Court action or unnecessary argument with the shared owner.

✓ Checking that there are no other relevant unpaid property debts. It is the Leasehold Officer’s responsibility to discover any other debts that are unpaid on the property.

✓ Checking that the charge can be justified as far as it is possible to ascertain without knowing what queries the shared owner will raise during the course of the case and that accounts have been certified, if necessary

✓ Checking that the 18 month rule has been complied with, i.e. that the bill has been sent within 18 months of the charge being raised

✓ Checking account on Northgate

✓ Flexible Tenure has been considered
Referral to the Company’s Legal Services

There may already have been informal discussions before this stage with the Company’s Legal Services, with exchange of documents if necessary. Form (REF1) Appendix 6 must be completed when formally referring cases to the Company’s Legal Services. It is necessary to obtain the lease, any notice of assignment and ancillary documents in support of the referral. A copy of the form should be held on the office file.

A decision must be made when referring cases to the Company’s Legal Services as to whether to instruct that action be taken to recover the debt through the debt recovery procedure, or that forfeiture action should be taken. Keelman Homes’s objective is always to recover the debt, not to evict shared owners’ therefore instruction to forfeit leases should be a last resort.

The Company Managing Director must be consulted before this action is taken.

The Company’s Legal Services, when instructed to do so, will follow the debt recovery process as follows:

✔ Within 14 days of receipt of instructions, open a file and list the matter for action

✔ Consider the evidence in relation to the shared owners debt as provided in Form REF1 and enclosures as to whether there is sufficient evidence to pursue the Company’s claim against the shared owner.

✔ If there is sufficient evidence, send a letter before action in accordance with the Civil Procedure Rules, giving the shared owner 14 days to respond and provide full payment of the outstanding debt or proposals for payment (all proposals will be referred back to the Company’s instructing officer with legal advice as to whether or not to accept them).

✔ If no response is received to the letter before action, or the response is to deny liability for the outstanding amount, if appropriate, a claim will be issued at County Court within 21 days of the date of the letter before action.

✔ The shared owner will then have 14 days to admit or deny the claim

✔ Within 14 days from the end of the time the shared owner has to file their defence, if no defence is filed, a request for Judgment in default will be made (that is a County Court Judgment against the shared owner which will impact upon any future credit they attempt to secure and is enforceable, see below).

✔ If the shared owner files a defence within the allocated timeframe, a hearing at Court will be listed. The Company’s instructing officer will be informed as to the nature of the defence, whether alternative dispute resolution (such as mediation) is appropriate, the timetable set by the court, the need for their availability as a witness at the hearing etc. The Company will be notified of the result of a hearing within three days of the decision by the Court.
Enforcement of the County Court Judgment

Once a Judgment is obtained, it can be enforced by a number of methods. The particular method should be taken by the Company’s Legal Services on consultation with the Company’s instructing officer.

Methods of Enforcement:

✓ **Order to Attend Court for Questioning**
  The shared owner is required to attend the County Court and give details on oath about their income and expenditure.

✓ **Warrant of Execution**
  The County Court Bailiff or High Court Enforcement Officer (‘Sheriff’) can be instructed to seize goods to the value of the debt which can be sold to settle the debt.

✓ **Attachment of Earnings Order**
  The debtor’s employer is instructed by the County Court to make direct deduction from their salary to pay the debt.

✓ **Third Party Debt Order**
  A third party, usually a bank or building society who has funds owing to a debtor, can be instructed to make payment to another creditor. This only applies to money which will be held by the third party, for instance in a known account, on the day of the Order.

✓ **Charging Order/Order for Sale**
  Registering a charge against the shared owners interest in their property ensures that, if the property were to be sold, the shared owner would be required to pay the debt owed. Charging Orders can be enforced by way of an order for sale. This is an option worth considering if there is equity in the property. Other enforcement action can still be pursued if the debt is secured by the charge. If the property is sold and there is a surplus, the balance will be paid to the debtor. If however there is a shortfall after the sale, other enforcement action can still be taken to collect the rest of the debt.

✓ **Bankruptcy**
  If the debt exceeds £750.00, a statutory demand can be issued and bankruptcy of the shared owners can be petitioned for. This will be considered where there is no genuine dispute as to liability, so it may be used prior to obtaining a County Court Judgment. The Official Receiver will attempt to satisfy the debt from the bankrupt’s estate, which can sometimes be a lengthy process. Bankruptcy does not guarantee full payment of the debt, but it ensures that as much of the debt as possible is paid from the debtor's estate, and that this is done fairly along with all the debtor’s other debts.
**Notice of Seeking Possession**

*The Company’s Managing Director on behalf of Keelman Homes will make the decision to seek possession in all cases and will consult the Company’s Legal Services in the decision making process.*

The key rule when considering taking action over arrears is not to seek possession where there is a reasonable alternative. If this is not possible, The Company is legally entitled to use Ground 8, which is one of the mandatory grounds for possession of an assured tenancy listed in Housing Act 1988 Schedule 2.

However, the use of Ground 8 is an extreme step in the context of shared ownership housing, the effect of which is similar to forfeiture.

There is an important factor to remember when considering possession action:

> After proceedings have been issued, demanding or accepting any monies could invalidate the action.

Clearly payment to the Company cannot be stopped immediately it is received into an account, since the stop on acceptance cannot be applied until the payment is recognised by an officer dealing with outstanding arrears. The company will be responsible for returning any cheques received.

The first stage would be to serve a Notice of Seeking Possession, and to continue to try to negotiate full payment of the balance either in full or over time. The shared owner should be warned that if the Company obtains possession in this way, the lease will be terminated and the shared owner and lender will lose any interest in the property, even if the market value exceeds the balance owed in rent and mortgage outstanding.

**Preparing for Court**

Applications to Court should not be made until 4 full rent weeks have elapsed from the service of the Notice of Seeking Possession. The Company’s Legal Services will prepare all notices.

Legal Services will write to the shared owner confirming that the court proceedings have begun and that they will receive a Summons from the court.

It should be stressed that the shared owner can avoid eviction if they make a payment agreement prior to the court hearing and stick to it until the hearing and that the Company seeks to help the shared owners to avoid eviction. The tone of the letter should be firm and clear but approachable. The letter will repeat warning that eviction would lead to loss of any equity for the shared owner.
The shared owner should be urged to meet with the Leasehold Services Manager in order to make an agreement and every reasonable effort must be made to visit the customer at this stage. It should be stressed that advice can be given by other agencies about welfare benefits and budgeting, and that regularity of payment is the key to clearing arrears rather than making unaffordable agreements.

The shared owner should be urged to attend the court hearing in order that account can be taken of their circumstances and a postponed possession order requested if they have made an agreement to pay. The court hearing will only be withdrawn if the balance is paid in full. However the costs of the court application may be rechargeable to the defendant.

**Court Hearing**

When the date of possession hearing is confirmed, the Company’s Legal Services writes to the shared owner to advise them of the action Keelman Homes intends to take and make arrangements to visit them. In any case a rent statement must be sent to the customer at least 10 days in advance of the court hearing to comply with the Civic Procedure Rules pre-action protocol.

Generally, a suspended possession order should be requested as long as the shared owner is co-operating and has begun to pay in accordance with an agreement.

Immediate possession should be sought where no contact has been achieved with the customer despite reasonable attempts by letter, phone call, visits, or where the customer is making no payments at all and can offer no reasonable explanation.

Before leaving court, the Company and the shared owner should agree how they will maintain contact and liaise about the payments or payment difficulties.

**Post Court**

Where a suspended possession order has been granted by the Court, the Company’s Legal Services will confirm the Court’s decision in writing stressing the importance of maintaining the required payments.

The case will be monitored closely in line with when payments are due. If the customer fails to keep up with the agreement at any time they should be written to and visited urgently to stress that fixing a date for possession is the next step and that while the Company would prefer to avoid this, it must act in no progress has been made.

If the customer reduces their regular payments they will be in breach of the court order. Therefore any requests to reduce either the amount of payments or the frequency of payments should be discussed carefully. Any renegotiation of payments will be based on a change in circumstances such as benefits or earnings confirmed using a financial statement or by an independent money advisor. In these circumstances, the shared owner may apply to the Court for a variation to the order. Where the Leasehold Manager deems that a variation is appropriate they should advise the shared owner on how to make such an application and we shall not oppose such applications. If the variation is not
agreed by the court the shared owner should be warned that the Company is entitled to expect the customer to abide by the terms of the original order, and that enforcement action can be taken if they do not.

Breach of Court Order

If the Court Order is breached and all reasonable attempts to help the shared owner get back on course have been exhausted, the Company’s solicitors may need to apply for the shared owner to be evicted. Attempts to contact and/or work with the shared owner, to avoid the need for eviction, and to encourage them to seek legal advice, will continue through this process.

Possession Action by Lender

There may be cases where a shared owner is not paying their mortgage (whether or not they are paying their rent) and the lender initiates possession action. There is best practice guidance from CML and Nat Fed regarding this process and the procedures set out below draw from this and ensure that action is taken within the appropriate timescales for the benefit of all parties involved.

There is a general assumption that flexible tenure will always be considered if the shared owner qualifies and wishes to follow this route and it is financially viable. Other options would be to assist the shared owner to sell their share to another person from any waiting list or to obtain specialist independent debt/ money advice. The following actions should be followed by the Leasehold Services Manager:

- Lender informs Keelman Homes of their intention to take possession action. The Company should respond within 14 days in writing indicating whether Keelman Homes wishes to exercise the option to repurchase the property.
- The shared owner should be contacted on receipt of the lender's notification to ascertain if there is any assistance that can be given to maximise their income, find them a buyer from the current waiting list or explore flexible tenure. This contact should be by telephone, letter and in person. A referral should be made to Debt Advice, Welfare benefits or Head of Corporate Services for flexible tenure depending on the customer's preference. The shared owner should be asked to confirm that they are happy for information to be shared between lender and the Company to ensure a smooth process.
- The property should be valued within 14 days of the Company's initial response to the lender. The valuation is for two purposes –
  - Staircasing
  - Flexible tenure/sale
  The valuation should have two sets of differing assumptions which may result in two values if the customer has improved the property. Staircasing assumes that the property hasn’t been improved by the current owner whilst the assumption for sale or flexible tenure is that the property is in its current condition.
- The Leasehold Manager should follow the procedures for flexible tenure (see Flexible tenure procedures) if this is what the customer would like Keelman Homes to consider. The assessment process and decision to proceed should be completed within 1 week of receipt of
the valuation and the lender informed in writing within 3 days of the
decision being made to proceed with the flexible tenure route.

- If the customer wishes to sell the property the procedures for sale
  should be followed and the lender informed in writing.
- If the customer wishes to accept possession action by the lender or
  flexible tenure is not suitable in the circumstances then the lender
  should be informed within 3 days of this decision being made. The
  lender will then normally seek possession through the courts. The
  Company’s Legal Services should be instructed to provide the lender
  with a draft memorandum of staircasing.
- Assistance should be provided to the lender if requested during the
  possession process, attending the property on the day of possession if
  so required.
- The customer should also be signposted to Gateshead Council
  Homelessness Department if possession is to take place.
- If the property is repossessed and the lender makes a claim under the
  mortgage protection clause (MPC) then this should be responded to in
  writing with 14 days of receipt.

The independent valuation obtained should be referred to at all times
when agreeing a staircasing figure with a lender.
| Full Name |  |
| Address |  |
| Post Code |  |
| Telephone No | Mobile No |
| Tenure Type | Introductory/Secure/Leasehold | Tenure Start Date |
| Reference | Tenant: Current Weekly Rent (After HB) | Rent Balance |
| | Leaseholder: Current Monthly Service Charges | Service Charge Balance |
| Reason For Referral |  |
| Agency to which Referral is being made | CLAC | Housing Options | Social Services |
| | Other (Please Specify) |  |
| Referring Officer | Telephone No | E-Mail |
| Client Consent (To be obtained during face to face interviews only) | I hereby confirm that I give my consent to The Gateshead Housing Company Referring me to your agency in connection with the above matter. |
| | Signature: .................................................. |
| | Date: ................................................. |
| Receiving Agency | Please contact above named officer to confirm receipt. |
Dear

Rent and Service Charge Account Arrears

Our records show that on <<date>> the sum of <<£amount>> has not been paid.

Under the terms of your lease rent and service charges are due monthly in advance.

Please ensure that this arrear is paid within the next seven days. Your home is at risk if you do not pay your rent and service charges.

If you have paid the outstanding amount in the last few days please ignore this letter.

If you are experiencing financial difficulties you may wish to contact the Council's Debt Advice Team who offer free advice, support and representation to leaseholders in Gateshead experiencing debt problems. The Debt Advice Team can be contacted on telephone number 0191 4332642 or by e-mail at debtadvice@gateshead.gov.uk

Should you wish to discuss your service charge account further, or make an arrangement to pay, please contact me on 0191 433 5397, by email at leasehold@gatesheadhousing.co.uk, by fax on 0191 433 5354, by Minicom 0191 433 5349 or by text on 0762 480 4167 Keyword: LEASE

Yours sincerely

Janice Adams
Leasehold Manager
Dear Appendix 3

Rent and Service Charge Account

Our records show that on <<date>> the sum of <<£amount>> has not been paid. The last recorded payment we received from you was for £<<amount>> on <<date>>.

Under the terms of your lease rent and service charges are due monthly in advance and failure to pay is a breach of the lease. **Your home is at risk if you do not pay your rent and service charges.**

The Company expects to receive full settlement of this debt within seven days. Failure to clear the arrears or contact me to arrange an interview about your payments will result in one of the following actions being taken to recover the debt:-

- Your mortgage lender will be contacted to repay the outstanding rent and service charges
- The Strategic Director of Legal & Corporate Services will be contacted to commence recovery action.

If you are experiencing financial difficulties you may wish to contact the Council’s Debt Advice Team who offer free advice, support and representation to leaseholders in Gateshead experiencing debt problems. The Debt Advice Team can be contacted on telephone number 0191 4332642 or by e-mail at debtadvice@gateshead.gov.uk

Should you to wish to discuss your service charge account further, or make an arrangement to pay, please contact me on 0191 433 5395/5397, by email at leasehold@gatesheadhousing.co.uk, by fax on 0191 433 5354, by Minicom 0191 433 5349 or by text on 0762 480 4167 Keyword: LEASE.

Yours sincerely

Janice Adams
Leasehold Manager
Rent and Service Charge Arrears <<£amount>>.

Dear

Despite contacting you on several occasions regarding your rent and service charge arrears, it has not been possible to reach a satisfactory agreement with you.

<<contact action >> << and dates >>

Every effort has been made to help you repay these arrears.

We, therefore have no option but to refer this matter to your mortgage lender without further reference to you. If your lender or you do not make payment, in full, within two weeks legal action will be taken.

As advised earlier under the terms of your lease, your rent and service charges are due monthly in advance and failure to pay is a breach of your lease. If legal action is taken you will be liable for interest on the debt and any court costs incurred. Your home is at risk if you do not pay your service charges.

If you have any queries about the contents of this letter, please contact me on 0191 433 5395/5397, by email at leasehold@gatesheadhousing.co.uk, by fax on 0191 433 5354, by Minicom 0191 433 5349 or by text on 0762 480 4167 Keyword: LEASE.

If you are experiencing financial difficulties you may wish to contact the Council’s Debt Advice Team who offer free advice, support and representation to leaseholders in Gateshead experiencing debt problems. The Debt Advice Team can be contacted on telephone number 0191 4332642 or by e-mail at debtadvice@gateshead.gov.uk

Yours sincerely

Janice Adams
Leasehold Manager
Dear

You have been contacted about your Rent and Service Charge arrears a number of times but you have failed to pay these arrears.

<<actions>> <<and dates>>

Payment of <<£amount>> must be made within 7 days. Failure to make payment within this time will result in a request for the Strategic Director of Legal & Corporate Services to commence debt recovery action.

Should debt recovery action be taken you should be aware that a County Court Judgment could be obtained against you to recover the arrears, enforcement of which can include use of bailiffs and petition for your bankruptcy. If recovery by this method is not successful, forfeiture proceedings may be issued to forfeit your lease. This could mean that your home may be taken from you.

If you are experiencing financial difficulties you may wish to contact the Council’s Debt Advice Team who offer free advice, support and representation to leaseholders in Gateshead experiencing debt problems. The Debt Advice Team can be contacted on telephone number 0191 4332642 or by e-mail at debtadvice@gateshead.gov.uk

If you have any queries about the contents of this letter, please contact me on 0191 433 5397, by email at leasehold@gatesheadhousing.co.uk, by fax on 0191 433 5354, by Minicom 0191 433 5349 or by text on 0762 480 4167 Keyword: LEASE.

Yours sincerely

Janice Adams
Leasehold Manager
UNPAID GROUND RENT AND SERVICE CHARGES
FOR COUNCIL OWNED FLATS

CHECKLIST OF INFORMATION/DOCUMENTS REQUIRED
FOR CONSIDERATION OF COURT PROCEEDINGS

It is important to note that it will only be effective to commence proceedings to recover the debt upon receipt of the information requested below; this information is needed to support our claim against the sundry debtor, without it the Council’s chances of recovering the outstanding amount are significantly reduced.

As with all debts there are strict time limits to adhere to, should we fail to recover the debt within the specified time frame the Council could become statute barred and therefore unable to pursue the sundry debtor for the outstanding amount. **It is therefore essential that you provide the requested information as soon as possible.**

### Part 1 - Debtor's details

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### Part 2 - Information about the Lease

- Is the debtor the original purchaser under the Right to Buy provisions?

- If the premises have been sold since the Lease was originally completed, please supply a copy of the notice of assignment/transfer

- Provide a copy of the Lease

### Part 3 - Information about the arrears

- Provide copies of all estimated and actual service charge invoices and any major works charges invoices

- Is there any dispute in relation to the service charge or major works charges? If so, please detail and provide copies of all correspondence referring to it

- Has the debtor complained about the property/maintenance of it? If so, please detail and supply copies of all correspondence referring to it

- Has contact been made with the mortgage lender? If so, please supply copies of all correspondence referring to it

- Have accounts raised for service charges and ground rent been issued in accordance with the terms of the Housing Act 1985?
## Complaints, Compliments & Feedback Policy

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| Document controls |
|-------------------|----------------|
| **Version** | **Changes** | **Responsible person** | **Issued date** |
| 1.0 | New policy document | Lisa Jones | 21/03/2014 |


1 Introduction

1.1 The Gateshead Housing Company is committed to providing excellent homes and housing services to the people of Gateshead, and we work hard to make sure that we meet the high standards we set ourselves wherever possible.

1.2 Compliments from our customers tell us what we are doing well. When something goes wrong, feedback from complaints allows us to put things right and improve how we do things in future.

1.3 Encouraging and welcoming positive and negative feedback from our customers is key to our values:

- Being a listening and learning organisation
- Being honest, accountable and transparent
- Being customer focused, innovative and professional.

1.4 As well as recording and learning internally from feedback it is also important to let our customers know what we have done as a result.

1.5 This policy is intended to provide guidance for employees and customers on what we would class as a complaint; how we manage the complaints process; what we can do to put things right, and what customers can do if they are not happy with the outcome of the complaints process.

1.6 The policy also sets out how we learn from customer feedback, and how we publish this to our customers.

2 Definitions

Complaint

2.1 An expression of dissatisfaction with a service provided by The Gateshead Housing Company, or about an employee (or any party acting on our behalf), which requires a response.

Compliment

2.2 An expression of satisfaction where the customer feels that we have delivered a service particularly well, or exceeded their expectation in some way.

TGHC

2.3 The Gateshead Housing Company

Designated Person

2.4 The role of ‘designated person’ was introduced by the Localism Act 2011 to help resolve complaints at a local level. The designated person can be any MP, a local Councillor, or a recognised Tenant Panel.
2.5 At present, no tenant panels have sort to be recognised so customers should refer their complaints to an MP or a local councillor.

2.6 Find out more about the role of the Designated Person.

3.0 Exclusions

3.1 This policy does not cover complaints which are subject to legal action or which are being dealt with as insurance claims.

3.2 Complaints about tenants or nuisance behaviour are not covered by this policy and should be referred to the Estate Office or Neighbourhood Relations Officer, unless the complaint relates to our policies and procedures, or to how the case is being managed by the officers involved.

3.3 The Gateshead Housing Company also reserves the right to not investigate a complaint which has not been reported in a timely fashion.

3.4 Under normal circumstances we therefore expect customers to register their complaint no later than six months after the event.

4.0 Data Protection

4.1 In the course of investigating a complaint it may be necessary to share customer information with other organisations or a third party.

4.2 It is also possible that a customer may ask someone (a family member, councillor or other advocate) to complain on their behalf.

4.3 It is essential that we get permission, either verbally or in writing, from the customer before releasing any personal information to another party. This permission should be recorded on the system in the case notes for the complaint.

4.4 Do not assume that permission granted on one occasion constitutes a blanket permission to share the customer’s details. Permission should be sought from the customer and recorded against each new complaint to ensure that their data is protected.

4.5 Consult with a Data Protection Champion if you are unsure whether permission is required.

4.6 Data Protection Champions:

Mark Birch (The Gateshead Housing Company)
markbirch@gatesheadhousing.co.uk
01914335400

Tanya Rossington (Gateshead Council)
tanyarossington@gateshead.gov.uk
01914332192
5.0 Complaints Process

5.1 The customer should always be at the centre of the complaints procedure, and where something has gone wrong our focus should be on putting things right, not justifying our actions or being defensive.

5.2 We will accept complaints verbally or in writing, and by all our recognised communication channels including website and social media.

5.3 All employees have access to the complaints system, and every employee is responsible for ensuring that they record all complaints that they receive. Employees should also aim to solve the complaint at the first point of contact wherever possible.

5.4 The Gateshead Housing Company operates a three stage complaints procedure:

   **Step 1 : Problem Solving**  
   Where a complaint can be resolved informally, without an investigation. *The customer requires no further action.*

   **Step 2 : Investigation**  
   Where the customer requires a formal response or an investigation is needed in order to determine a solution.  
   *We aim to provide a final response within 10 working days.*

   **Step 3 : Review**  
   Where the customer is unhappy with the response from the Investigation and wants it to be reviewed by the Managing Director.  
   *We aim to provide a final response within 20 working days.*

5.5 Where an Investigation is required, the complainant will be contacted within 3 days to acknowledge their complaint. They will also be given the name of the Investigating Officer responsible for the complaint.

5.6 Where a customer is unhappy with the outcome of the Investigation, they can request a review. We ask them to make this request within 10 working days of receiving our initial decision.

5.7 The Review will be undertaken by the Managing Director to ensure that the initial investigation was thorough and followed our published policy and procedures. They should also consider whether the decision is consistent with previous complaint responses.

5.8 If they are happy that this is the case, the original decision will be upheld and the complaint process considered complete.

5.9 Where the Reviewer considers this not to be the case they can redetermine the complaint and rectify any oversights and reconsider the initial decision based on the new information.

5.10 If the customer is still not happy at the end of our complaints procedure they can ask a designated person to refer their complaint to the Housing Ombudsman.
6.0 Ombudsman

6.1 The Ombudsman Service

On 1 April 2013 the new Housing Ombudsman Service was launched with an extended jurisdiction covering all housing associations and local authorities. A new Housing Ombudsman Scheme (setting out the Ombudsman’s terms of reference) also came into effect on 1 April.

6.2 The Housing Ombudsman will investigate complaints relating to the housing services we provide, such as rent, repairs and estate management. If a customer wants the Housing Ombudsman to consider their complaint they must first complete our internal complaints process. Once this is concluded they can either ask a designated person to refer the complaint to the Housing Ombudsman, or wait 8 weeks and then contact the Housing Ombudsman themselves.

In Gateshead a designated person can be any MP, or any local Councillor.  
Find a local Councillor
Find an MP

6.3 The Local Government Ombudsman will still investigate complaints about the wider activities of the Local Authority, including allocations policy, housing options advice and housing benefit claims. You can approach the Local Government Ombudsman directly once you have completed our internal complaints process.

6.4 If you are an owner occupier or a private tenant who has made a complaint about the housing company, then this should be directed to the Local Government Ombudsman.

More information on the roles of the two Ombudsmen is provided on the following link: http://www.housing-ombudsman.org.uk/media/14865/hos-lgo-jurisdiction-guide.pdf, accessed 03 April 2014

7.0 Vexatious Complaints & Complainants

7.1 TGHC is committed to dealing with all complaints fairly and impartially and to providing a high quality service to those who make them.

7.2 However, a small minority of customers make complaints that are time wasting, in that they persist unreasonably with their complaints, or make complaints in order to make life difficult for staff rather than to genuinely resolve a grievance. This may involve those making serial complaints about different matters, or continuing to raise the same or similar matters over and over again. The frequency of contact can hinder the consideration of their complaints and the ability of staff to provide a quality service to other customers.

7.3 We refer to these as complaints and complainants as “vexatious”.
7.4 Even where a complaint or complainant is deemed to be vexatious, it is still important to ensure that they are able to access our services, including the complaints service.

7.5 To achieve this, there are a number of options available to employees to enable them to manage vexatious complaints and complainants fairly but effectively. These are set out in the **Vexatious Contacts Policy and Guide**.

8.0 **Redress & remedies**

8.1 Any remedy should put right the failure and restore the customer to the position they were in before the failure occurred. Redress should be proportionate to the damage, loss or distress caused.

8.2 Remedies can be offered at the company’s discretion and include work in kind, replacement of damaged or lost items, or financial redress where it is not possible to put the problem right in any other way.

8.3 Where a customer wishes to make a claim to have damaged goods replaced or repaired they must keep the damaged items for inspection. The claim must be made within 28 days of the damage or loss occurring.

8.3 At the company’s discretion we can offer to replace a specific item, and will take into consideration the condition and age of the item being replaced – we will not provide replacement items on a “new for old” basis.

8.4 In deciding whether or not to award financial redress, TGHC will consider whether action (or lack of action) by the customer has contributed to the loss or damage being claimed for.

8.5 The Gateshead Housing Company expects tenants and leaseholders to have appropriate insurance cover for their homes and belongings. TGHC will only consider claims for loss or damage which have been directly caused by negligence of an employee or other party acting on behalf of TGHC.

8.6 Where the tenant or leaseholder owes an outstanding debt to TGHC, any redress payment will first be used to offset this debt.

9.0 **Learning from Complaints**

9.1 When employees resolve a complaint it is important that any learning opportunities are recorded on the system.

9.1 To make sure that potential service improvements are identified and considered, the Complaints Officer will review all complaints & compliments on a monthly basis and discuss learning outcomes with the Investigating Officers.

9.2 A report will go to Management Team every 6 weeks showing changes that have been made or suggested as a result of feedback from customers, and a quarterly report will go to Service Managers identifying themes or trends which can feed into service delivery.
9.3 The Complaints Officer also works with the Complaints Scrutiny Panel to identify trends in performance, and to explore areas for improvement. The Complaints Scrutiny Panel meets every two months and works on projects to improve complaints performance, complaint management, and customer access.

9.4 A report will go to the Customers & Communities Committee every six months detailing their activity and outcomes.

10.0 Equality Statement

10.1. The Gateshead Housing Company is committed to meeting the needs of its current and potential customers and ensuring everyone is able to access our services.

10.2 To ensure that all customers are able to report complaints we will accept them both verbally and in writing, including by email and text.

10.3 Where required we will also make use of support systems which may include: -

- Language Line (telephone interpreting)
- Other language interpreting service (including face-to-face interpreting, British Sign Language (BSL) Interpreters and Lip Speakers)
- Other language translating services
- Hearing Induction Loop Systems (available at all offices and for home visits)
- Home visits where customers are unable to access our offices.

11.0 Monitoring & Review


11.2 Performance data is collected quarterly, with an annual report presented to the TGHC Board and published to customers on our website and in the customer newsletter.

11.3 This policy will be reviewed at least every two years, by the Involvement & Diversity Manager and approved by the Managing Director.
Flexible Tenure Policy

1. Introduction

1.1 Keelman Homes Limited is a charitable company limited by guarantee, which was created in 2009 to develop and build a range of good quality affordable homes.

1.2 Keelman Homes Limited is governed by seven trustees who are the members of the company. These are made up of two Council representatives, one TGHC representative and four independent trustees.

1.3 The way the company carries out its business is governed largely by the provisions of the Companies Act 2005 and its Memorandum and Articles of Association.

1.4 Keelman Homes Limited supports the development of shared ownership as one element of promoting mixed and sustainable communities through New Build Homebuy.

1.5 The Gateshead Housing Company (TGHC) has agreed to provide certain housing management services in respect of the properties owned by Keelman Homes Limited under a Management Agreement.

1.6 The term of the Management Agreement is for the period 21 January 2010 until 31 December 2015.

1.7 This policy covers flexible tenure (reverse staircasing) for Keelman Homes shared ownership homes where the percentage of the equity owned by the resident is less than 100%.

1.8 Keelman Homes acknowledge that shared owners can encounter severe financial difficulties at any time which could result in repossession or the loss of their home. We support residents in financial difficulty in order to maximise the income available to them.

1.9 Flexible tenure is the voluntary repurchase by the landlord of some or all of a shared owners interest in their home. If the transaction is to 0% ownership
then the shared owner will become an assured tenant of the landlord but they will not have the Right to Acquire.

1.10 The policy for flexible tenure set out in this document represents the current capital funding guide relating to the use of Recycled Capital Grant Funding (RCGF).

1.11 Shared owners do not have the right or entitlement to Flexible Tenure. Any offer of Flexible Tenure is purely at the discretion of Keelman Homes and there should be sufficient funds within the RCGF to support any request/application. Nothing in this policy confers an obligation upon Keelman Homes to re-purchase any equity.

1.12 Flexible Tenure may be offered by Keelman Homes as a ‘last resort’ option only, after all other debt management solutions have been investigated by the shared owner and landlord.

1.13 This policy will be published on the website and provided to customers on an annual basis when the rents are reviewed.

2. Definitions

2.1 Flexible Tenure: This is defined as the re-purchase of equity by a Housing Association (Registered Social Landlord) from a shared owner in financial difficulty, but not necessarily in arrears with his/her mortgage repayment. In the case of property specifically built as Shared Ownership for the Elderly, the repurchase of equity to pay for essential repairs or maintenance if the lesseholder cannot afford to pay for the work. Flexible Tenure is not available for Leasehold Schemes for the Elderly (LSE) Shared Equity or Discount Sale (DFS) schemes as the equity retained by the Landlord is fixed and does not attract a rental income.

2.2 Reverse Staircasing: The re-purchase of equity from a shared owner by Keelman Homes.

2.3 Section 106 Agreement: Local planning obligations for affordable housing.

2.4 Re-cycled Capital Grant Funding (RCGF): Social Housing Grant released on the sale of social housing properties which can be used for new social housing schemes or initiatives in accordance with HCA guidance.

2.5 Social Housing Grant (SHG): Funding allocated to Registered Social Landlord for the provision of affordable housing.

2. Aim of Policy

2.1 Where the necessary conditions and criteria are met to be able to offer a flexible tenancy option to shared owners under threat of having their home repossessed.

2.2 To provide a safety net for shared owners whose financial circumstances would otherwise make it difficult for them to sustain home ownership, helping them to remain in the tenure
2.3 To ensure funds for flexible tenure are allocated openly and fairly, without discrimination and provide good value for money.

2.5 To provide a cost effective solution for the avoidance of homelessness.

2.6 Flexible tenure is aimed at preventing repossessions and the loss of the home. It is not a means of allowing the shared owner to restructure their debts (including rent arrears) or otherwise improve their financial position.

3. Policy

3.1 The property does not have to have been funded with Social Housing Grant (SHG) or Housing Association Grant (HAG) and therefore all 'nil grant' units are included. It should also be remembered that there are sites where homes must be kept as affordable in perpetuity due to Section 106 Agreements, and this will override any request by a shared owner for full re-purchase. (Section 106 agreements are in place at Kibblesworth).

3.2 Keelman Homes cannot use RCGF funds to help shared owners release equity for any other purpose than avoiding threats to their ability to remain in their home.

3.3 The purchase of all of the remaining equity in the home is not required and the reverse staircasing could be down to a level as low as 25% of the current market value. Keelman Homes will consider if the shared owner can afford the revised repayments, either at a low equity share or as an assured tenant.

3.4 The maximum amount payable by Keelman Homes to a shared owner for the re-purchase of equity will be the appropriate percentage of the current open market value, determined by an independent qualified valuer. Should all the remaining equity be re-purchased, the offer price for the shared owners’ equity will reflect the expenditure required to bring the property up to a ‘lettable’ condition, in accordance with Decent Homes.

3.5 The shared owner is responsible to pay for the valuation of the property and his/her own legal fees. These fees may be deducted from the payment to the shared owner or the mortgagee on completion.

3.6 If a shared owner moves down (recent staircases) to a lower level of equity, the terms of the existing lease will continue, including the right to staircase up again. The rent will be adjusted pro-rata for the changed percentage rented and will comply with the existing rent policies and leave provision.

3.7 In the event the shared owner becomes an outright tenant, the shared ownership lease must be formally terminated and an assured tenancy agreement entered into on the same terms as any other tenancy agreement for rented housing let by Keelman Homes. Should the property be repossessed by a mortgage lender, Flexible Tenure will cease to be an option.

3.8 Before considering an offer of Flexible Tenure to a shared owner, Keelman Homes will ensure that any offer is acceptable to the shared owner’s mortgagee and confirmation must be obtained in writing.
3.9 In the event that a former shared owner becomes an assured tenant, they will not have the Right to Acquire (RTA) the property at a discount because the re-purchase will have been funded by the RCGF, not SHG. However, should their circumstances improve as a tenant, they may be eligible for any discount or incentive scheme facilitated by Keelman Homes, such as Social HomeBuy with any eligibility period starting from the date the assured tenancy agreement was granted. Residents will not be offered a new shared ownership lease on their current home.

4. Applications
4.1 All initial enquiries/applications for Flexible Tenure must be made to Keelman Homes, who will acknowledge all requests for Flexible Tenure within 10 working days. Non eligible applicants will be advised in writing.

4.2 Eligible applicants will be invited to an interview to discuss their circumstances and will be asked to provide supporting evidence for assessment, in accordance with the policy principles and eligibility criteria as detailed in this policy.

4.3 Request for Flexible Tenure will be considered by Keelman Homes in conjunction with The Gateshead Housing Company and other relevant departments and the shared owner will be notified of the decision in writing.

5. Eligibility
5.1 Shared owners do not have a right to Flexible Tenure and any offer of assistance is purely at the discretion of Keelman Homes.

5.2 The shared owner must currently own less than 100% of the property. They must be paying rent on the unsold equity in the property. The term ‘rent’ excludes ground rent and service charges. Flexible Tenure is not available for other owner occupiers including former shared owners or those who have bought a property through a discount or incentive scheme such as Right to Buy (RTB), Right to Acquire (RTA) or the Social HomeBuy Scheme.

5.3 Keelman Homes must be satisfied that the shared owner has explored and exhausted other options. The shared owner must produce suitable evidence to provide their difficulty with mortgage repayments although they need not already be in arrears. They must be able to show that other short and long-term options have been exhausted such as loan re-scheduling, or selling and moving to cheaper property within a reasonable travel to work area.

5.4 The shared owner will be assisted by Keelman Homes to seek independent advice from debt counselling agencies such as Citizens Advice Bureau.

5.5 Keelman Homes will consider and advise the shared owner of any housing/council tax benefit implications which may affect their future entitlements should equity be re-purchased.

5.6 Keelman Homes will assess the ability of the shared owner to meet future repair and maintenance liabilities within their current property.
5.7 Flexible Tenure is not available for other types of Shared Ownership schemes such as Leasehold Scheme for the Elderly, Shared Equity and Discount for Sale/Restrictive Sale Covenant.

5.8 In the case of properties restricted for older persons the current income of the shared owner must be insufficient to maintain the home to an acceptable standard and it must be demonstrated that these repair or maintenance works are essential. In the case of shared owners in this category who own less than 75%, the shared owner should also demonstrate that they are unable to obtain or afford additional borrowing against the property.

6. **Equality and Diversity**
6.1 Assistance will be provided to customers who enquire about Flexible Tenure. This includes assistance for those applicants who have language or literacy difficulties, and those with special needs i.e. applicants with physical disability related needs, major medical needs and older/vulnerable people. Where required, a home visit will be arranged.

6.2 We will ensure that this policy is applied fairly to all our customers. We will not directly or indirectly discriminate against any person or group of people because of their race, religion or belief, age, gender, disability, pregnancy or maternity, marital status or civil partnership, sexual orientation and social or economic deprivation or other grounds set out in our Corporate Equality Plan.

7. **Monitoring**
7.1 Keelman Homes will review this policy, procedures and staff training needs at regular intervals in order to ensure best practice, achieve measurable results and continuous service improvement.

7.2 This policy and procedure will be automatically reviewed following policy or legislation change, as required by the HCA.

8. **Auditing**
8.1 Income and expenditure within the service charge designated account will be reconciled on a quarterly and annual basis.

8.2 Gateshead Council Internal Audit Service under a Service Level Agreement will audit Leasehold Services every two years. The audit will cover all procedures, risk assessments and accounting.

9. **How the Policy will be delivered**
9.1 The delivery of this policy and associated procedures is the responsibility of the Managing Director of TGHC through the Heads of Corporate Services, Customer Services and Neighbourhood Services, the Customer Services Manager and Leasehold Services Manager.

9.2 TGHC will develop procedures which will ensure effective implementation of this policy and provide training for staff to ensure they fully understand the
wider issues surrounding shared ownership, and the surrounding legislative framework and procedures.

9.3 If staff become aware that there are problems with the effective operation of the policy or the associated procedures, they should report this to the policy owner. This feedback will be incorporated into the policy/procedural review process.

9.4 The Leasehold Services Manager will be responsible for overseeing or co-ordinating the process, and will formally communicate with other relevant internal departments and personnel to ensure those involved in delivery are aware of their responsibility.

9.5 The Head of Corporate Services will ensure that officers involved in the implementation of this policy are suitably skilled to deliver the required procedures to any agreed timescales.

10. **Risks**
   - By assisting residents in priority need to reverse staircase, Keelman Homes will prevent at risk households from becoming homeless. This supports the prevention work of the LA Homelessness Teams.
   - To ensure funds for flexible tenure are allocated openly and fairly, without discrimination, and provide good value for money.

11. **Review**
11.1 This policy will be monitored and reviewed, as appropriate, when strategic, procedural or legislative changes occur or any significant changes are made by the Homes and Communities Agency (HCA) to the HomeBuy scheme.

11.2 Stakeholder groups will be involved and consulted in any review of this policy.

11.3 We will use customer feedback to inform reviews and recommend changes to this policy and procedural documents.

11.4 Keelman Homes board will approve the document and any substantial changes to it.
Keelman Homes

Shared Ownership Schemes

Alteration and Improvements

Procedure

November 2014
Introduction
The following guidance provides information in relation to dealing with applications from shared owners who wish to alter or improve their properties. A detailed procedure is not prescribed as each case should be considered individually. Each proposed alteration or improvement may or may not require planning permission or approval under building control regulations.

The Gateshead Housing Company (TGHC) on behalf of Keelman Homes (‘the landlord’) will implement the procedure, via the Head of Corporate Services and the Leasehold Services Manager.

Responsibilities
Keelman Homes (‘the landlord’) is not responsible for any repairs to a shared ownership property, outside the normal defects liability period, nor does it have an obligation to provide financial support for improvements.

Shared owners can make improvements to a property only with the consent of their Landlord, via TGHC.

Replacing items on a like for like basis does not require consent, but TGHC should be informed of any major works.

Generally, permission will not be granted for any external or internal alterations/additions to the structure, walls, timbers, elevations, (faces and sides of the building) or the removal of any main walls, timbers, floors or ceilings.

TGHC should inform shared owners regarding the consents required to carry out improvements during initial interview, via the leaseholders guide and on an annual basis.

TGHC cannot withhold consent for improvements by shared owners unreasonably. In practical terms, this means that as long as the customer has obtained the appropriate consents from statutory bodies and other freeholders and the works are to be completed professionally then TGHC should agree to improvements.

Applications
Any shared owner wishing to carry out alterations or additions to their home must submit full details of the proposed works to TGHC. All applications to carry out works should be made in writing.

Each request will be looked at on its own merits and will be formally responded to within the following timescales:

- Acknowledgment 2 working days
- Full response within 10 working days

The acknowledgment letter must include initial guidance regarding seeking advice from the Local Authority for planning or buildings regulations consents and the timescales for investigation and response (see Appendix 1).
If a site visit by a Surveyor is required, the shared owner should be advised accordingly.

**Alterations – With consent**
Once all investigations have been completed and the appropriate consents (or independent proof that consents are not required) have been received, then written consent from TGHC should be provided within 5 working days.

On completion of the works, a TGHC building surveyor must visit to ensure that the improvements accord with initial proposals and approvals.

Confirmation that the works have been completed to a satisfactory standard should be sent to the shared owner.

**Alterations – Without consent**
If a shared owner does not obtain consent from TGHC for alterations/improvements then TGHC can request that the improvement is removed. In reality this is a last resort and a practical solution should be sought if improvements are made without consent.

The shared owner should be visited at home and the procedure for obtaining consent should be explained. The shared owner should be encouraged to obtain the appropriate consents and approvals from TGHC and the relevant statutory bodies.

In these cases, the first consideration should be for the safety of the shared owner and the structural soundness of the property e.g. removal of an internal wall or an unauthorised loft conversion. A TGHC building surveyor should be used to assess this. In extreme circumstances, the lease allows TGHC to enter the property and complete remedial works and then re-charge the customer. Legal advice should always be sought and the exact wording of the lease and the seriousness of the case should be considered.

If the shared owner does not seek consent within a reasonable timescale then TGHC should consider steps to take which may include legal action to remove the improvement.

**Alterations – Refusal**
Any refusal of the proposed alterations or improvements will be accompanied with a full written explanation.

There is no appeals procedure. The terms of the lease will be referred to in all cases.

**Records**
All letters received and sent must be stored on TGHC’s document management system.
Details of all consents and rejections should be recorded on the central register for Shared Ownership properties held on TGHC H drive under Leasehold Services.

**Review**

The procedure will be reviewed with shared owners and leaseholders at least every three years. It will be updated to reflect any changes to corporate requirements, targets and legislation.

We will use customer feedback to inform reviews and recommend changes to this procedure.
Keelman Homes

Shared Ownership Schemes

Purchase of further Shares

‘Staircasing’

Procedure

November 2014
Introduction
The purpose of shared ownership is to enable people to attain 100% ownership and, in the majority of cases, shared owners will usually be allowed to buy further shares up to 100% of a property’s market value. Buying additional shares is known as ‘Staircasing’.

Cases where ‘staircasing’ is restricted are in Extra Care Schemes, rural areas and Older Persons Shared Ownership to retain these property types in perpetuity.

The Kibblesworth Scheme has been designated a Protected Area under The Housing (Right to Ensfranchise)(Designated Protected Areas)(England)Order 2009. Therefore shared owners can acquire 100% of the shares in the property but they **do not** have the right to give notice to TGHC to acquire the freehold of the property.

Purchase of additional shares must be not less than 10% and not more than 25% of the market value of the property at the time of purchase of the additional shares.

The Gateshead Housing Company (TGHC) on behalf of Keelman Homes (‘the landlord’) will implement the procedure, via the Head of Corporate Services and the Leasehold Services Manager.

Applications
All applications to purchase further shares must be made in writing. Following initial enquiry by a shared owner an acknowledgement letter should be sent within 2 working days. The acknowledgment letter should include guidance on the next steps, a formal application form, and approximate cost for the valuation. Note any special requirements eg Braille, large print etc. (see Appendix 1).

The shared owners should be advised to find out from their Mortgage Lender whether they are willing to lend for a further amount of mortgage. The amount borrowed will determine the size of the further share. If a shared owner changes mortgage companies, they should beware of any redemption penalties they may have to pay.

The shared owner must appoint a solicitor to act on their behalf. This is particularly important, as both, the document and the legal and mortgage processes involved are complex, and mortgage providers will only deal directly with solicitors in respect of the legal requirements.

Valuations
Within 14 days of receiving written notification to purchase further shares, TGHC will instruct an independent, qualified valuer to provide a current market value of the property.
It is the responsibility of the shared owner to pay for the valuation. TGHC will recharge the actual cost of the valuation, there is no administration fee or handling charge applied.

The valuation will be carried out by a qualified valuer, who is a member of the Royal Institution of Chartered Surveyors (RICS) as per the terms of the lease. An Estate Agent’s valuation is not acceptable, nor is a valuation carried out by a Bank or Building Society for mortgage purposes, as this is not classed as an independent valuation.

The lease should be referred to in any cases of dispute over the valuer.

The valuer will confirm the market valuation, as the cost of purchasing any further shares, is based on this figure. The valuer will disregard any improvements made by the occupier since moving into the property, or any improvement undertaken by previous occupants. Improvements could include, but are not limited to, the installation of double glazing, central heating or the building of an extension.

The valuation should be as per the normal valuation standards for shared ownership sales (leasehold/freehold interest, market value, vacant possession etc) but must also:

- Disregard any tenant's improvements or failure of the tenant to keep the property in good repair.
- Consider any service charges or improvement contributions payable will not be less than the estimates contained in the landlord's offer (if such an offer was made);
- For freehold property, acknowledge that the landlord is selling a freehold interest with vacant possession; and
- For leasehold property, acknowledge that the landlord is selling with vacant possession for the appropriate term, i.e. not less than 125 years (where applicable) or a term expiring 5 days before the term of the landlord's lease is to expire.

Both parties agree that the decision of the Valuer shall be final and binding on all parties to the lease.

**Staircasing – Tranches**

Staircasing must take place in minimum tranches (shares) of 10% including the final percentage. In practical terms, a current shared owner could purchase 10% or 27% if they currently owned 73% but they could not purchase a 19% share as this would leave less than 10% remaining.

**Advising the Shared Owner of the Valuation**

Within 7 days of TGHC receiving the completed valuation report from the Valuer, a copy of the report and an invoice for the cost of the valuation should be sent to the shared owner. An accompanying letter should confirm the
value of their share and a selection of staircasing options. This is subject to contract and an affordability assessment.

The higher the share, the lower the rent becomes on a pro rata basis.

The valuation is valid for three months and its expiry date should be diarised for follow up. This can be extended by up to another three months, if there have been delays outside the control of the shared owner, for example documents being lost in the post or legal delays. Evidence is to be retained on file if this is the case.

Valuation - Acceptance
The shared owner must confirm in writing, within three months, their intention to continue with ‘staircasing’ and provide details of the solicitors acting on their behalf. TGHC legal advisors should be instructed to proceed with the transaction.

If the shared owner is purchasing the final installment, which will mean that following that purchase they will own 100% of the value of the lease, then TGHC will instruct their solicitors to convey the remaining share to the owner. If the shared owner is purchasing an additional share and not staircasing to 100%, TGHC solicitors will prepare the Memorandum of ‘Staircasing’ to send to the shared owners’ solicitor, to sign.

When both copies have been signed by the shared owners and Keelman Homes, the premium has been received and all costs have been paid, the memorandums will be sent to the solicitors acting on behalf of the shared owner to register with the Land Registry.

TGHC will notify the shared owner of the new monthly rent within 5 days of confirmation that the staircasing has completed.

Valuation - Refusal
If the shared owner does not agree to staircase within the initial three months, then a new valuation will be required if the shared owner decides to staircase at any point in the future.

Expenses
In purchasing additional shares, as well as the valuation fee, the shared owner will be expected to pay the following:

- Their solicitors fees
- A valuation fee to their Lender, should they decide to revalue the property
- The cost of the independent valuation
- All unpaid rent arrears

Leasehold Services - Administration
- The transaction should be followed up every 2 weeks.
• 1 week before completion of staircasing, the rent account should be up to date and the validity of the valuation should be checked and a new valuation obtained if so required.
• Within 5 working days following completion of the transaction the leasehold officer should amend the rent account, to show the new percentage owned and recalculate the rent due. The leasehold officer must advise TGHC accountancy team that the transaction has completed so grant recycling can take place, if applicable.
• Details of all 'staircasing' must be entered onto IMS (HCA’s Investment Management System) within 2 working weeks of the transaction completing. TGHC’s Head of Investment and Development, or the Investment Partnering Manager will arrange access to the IMS system.

**Review**

The procedure will be reviewed with shared owners and leaseholders at least every three years. It will be updated to reflect any changes to corporate requirements, targets and legislation.

We will use customer feedback to inform reviews and recommend changes to this procedure.
Keelman Homes

Shared Ownership Schemes

Sale of Share –
Sales and Re-sales Procedure

November 2014
Introduction
A shared owner can sell his/her share at any time and TGHC has a responsibility to assist them in doing this in addition to approving any eventual buyer.

Any buyer must meet the minimum criteria for shared ownership in respect to affordability and personal circumstances except they do not need to maximise the share value that they initially purchase, if they do not wish to do so. For example, if a current owner has a 25% share and the potential buyer could afford 59% then they only have to buy 25% if they wish, although ‘staircasing’ should be encouraged in all instances.

Owners can also market the property on a 100% basis if TGHC decide not to or are unable to nominate a buyer in accordance with the terms of the lease. This would mean a back to back ‘staircasing’ transaction at the time of sale of the current customers share.

However, shared ownership leases in Protected Areas (Kibblesworth Scheme) which allow shared owners to staircase in excess of 80%, oblige the shared owner to sell their shares back to the landlord. The HCA expects Keelman Homes ('the landlord') to repurchase these properties, or nominate a Registered Provider (RP) to do so.

In support of the Government’s aim to retain shared ownership in Protected Areas, and where landlords have robustly exhausted all other funding routes, including the use of and/or transfer of recycled capital grant fund (RCGF), the Agency will positively consider applications for grant to fund the repurchase of shared ownership property where:

- The property was funded under the Agency's Protected Areas policy;
- and
- The shared ownership lease granted contained the Agency’s Protected Area fundamental clause obliging the shared owner to sell the property back to the landlord, or the landlord’s nominee.

Sale of Shares
An initial approach from a shared owner regarding selling their home should be acknowledged with a guidance letter to set out the procedures so the customer knows what to do (Appendix 1).

TGHC must arrange an independent valuation, which should be carried out by a RICS qualified surveyor and be based on vacant possession of the whole property in its current condition. An estate agents valuation is not sufficient for this purpose. This is in line with the terms of the lease.

The shared owner must pay for the valuation. TGHC will recharge the actual cost of the valuation to the shared owners; there is no administration fee or handling charge applied. The approximate cost of the valuation should be sought from the independent valuer and confirmed in the guidance letter. The
valuation should be for the market value of the property in its current condition. It should not take into account any improvements (as detailed in the lease) but should include any disrepair.

Within 3 working days, following receipt of the valuation and report by TGHC, a copy of the valuation and invoice and an accompanying letter should be sent to the shared owner confirming the value of their share. The valuation is valid for 3 months and its expiry date should be diarised.

If the shared owner does not give instructions to market the property for sale within 3 months of the date of valuation then they should be informed in writing that the valuation has expired and a new application would have to be made.

Re-sales - Nominations

TGHC have 8 weeks in which to nominate a buyer for the property. If a current owner wishes to sell very quickly for personal reasons then the Leasehold Manager should consider if the 8 week rule should be waived and an estate agent could be instructed alongside TGHC to market the property.

If the shared owner wishes to proceed with selling their home the following actions should be taken.

- Property details including photographs should be produced and approved by the customer
- A for sale board should be offered to the customer
- The property should be added to Tyne & Wear Homes website as well as TGHC website
- The property details should be added to the Homebuy Agents website
- Check customer log for potential buyers and contact each one individually

Some of these services will incur a no sale, no fee charge.

- The shared owner needs to provide an EPC before marketing can commence.

The shared owner can chose to either accept only pre-qualified buyers or anyone who expresses an interest however any buyer who agrees a sale with the current owner must be assessed using the current affordability criteria, but does not need to maximise the share. Interviews and assessments will be carried out by ISOS under the SLA. All applicants must complete an on-line application form on the ISOS website.

The shared owners current rent is used in the affordability calculations for the new buyer, it is not recalculated based on a changed/current market value and the current rent should be quoted on all sales literature.

A seller may agree a higher or lower price with a buyer depending on motivation or level of interest in the property, an agreed sales price that differs
from the original valuations should be signed off in writing by the original valuer.

The seller should be asked if they wish for the property to be marketed even though they have an agreed sale. This can lead to gazumping which is a practice that shouldn’t be promoted however the seller has the right to ask TGHC to continue to market the property for as long as they retain ownership.

**Sale Agreed**
Once a sale is agreed and the buyer approved by ISOS using the financial assessment criteria the transaction should then be processed as a normal shared ownership sale
- ensuring any rent arrears are cleared before completion
- the valuation is up to date or refreshed (within 3 months of issue)
- any outstanding fees are recovered at the same time.

TGHC solicitors should be instructed when a sale is agreed, to assign the lease, and obtain and approve the mortgage offer.

**Sale Completed**
TGHC solicitors will advise Leasehold Services, in writing, once the sale has completed.

The following should be completed:
- Remove the for sale board within 14 days of completion
- Remove property details from TGHC website, Tyne & Wear Homes and Homebuy agents website within 3 working days
- Leasehold Manager to inform Homebuy Agent of completion through the monthly RP’s return
- Leasehold Officer to create new rent account and issue invoice within 5 working days
- Leasehold Officer to arrange customer home visit for one month following completion.

**Re-sales - Protected Area - equity over 80%**
The Kibblesworth scheme has been sold under a New Build Homebuy lease – Protected Areas and therefore the properties are subject to mandatory repurchase arrangement if the shared owner has purchased more than 80% equity.

In support of the Government’s aim to retain shared ownership in Protected Areas, and where landlords have robustly exhausted all other funding routes, including the use of and/or transfer of recycled capital grant fund (RCGF), the Agency will positively consider applications for grant to fund the repurchase of shared ownership property where:
- The property was funded under the Agency’s Protected Areas policy; and
The shared ownership lease granted contained the Agency’s Protected Area fundamental clause obliging the shared owner to sell the property back to the landlord, or the landlord’s nominee.

The repurchase scheme operates on the basis that when a shared owner who owns in excess of 80% of the shares in their property wishes to move, the landlord (or the landlord’s nominee, who must be a housing association or an RP) is obliged to buy back the property in order to resell it on a shared ownership basis to another eligible applicant.

Landlords (including where the landlord’s nominee is an RP) must firstly consider funding the re-purchase from the following sources where possible:

- Their own RCGF or RCGF transferred from another RP (see also scheme criteria below);
- Their own resources;
- A private loan; or
- Any combination of the above.

If, having exhausted the above options, landlords are unable to fund or can only part fund the repurchase, they can apply to the HCA for grant to fund the balance i.e. an amount up to 100% of Market Value. The Agency will positively assess such applications where the repurchase meets the relevant scheme criteria as detailed below.

The repurchase price must be the Market Value of the whole property where the freehold or full lease is being acquired, or the proportion of the Market Value equivalent to the current shared owner’s equity stake in the property.

Having repurchased the property the landlord will then be required to resell the property on Protected Area shared ownership terms as soon as possible. The equity level at which the resale takes place will be subject to normal SO minimum/maximum initial share criteria but governed by the amount of shares the new applicant will be able to afford and sustain.

**Scheme Criteria**

To qualify for inclusion in the Protected Area Repurchase arrangements the property must comply with all the following criteria:

- It is located within a Protected Area as designated by the relevant Protected Area Order (SI2009/2098)
- It was grant funded as part of the Agency’s SO Protected Area policy
- The lease was first granted on or after 7th September 2009;
- The lease contained the Agency’s Protected Area fundamental clause, enabling the shared owner to purchase in excess of 80% of the shares; and
- The lease reflected the additional requirements as indicated below.

Having explored and exhausted all other funding options, to qualify for grant to fund the repurchase the shared ownership lease must contain the following information which is based on and reflects the requirements in the Housing
a) Details of when and how the tenant must notify the landlord, in writing, of an intention to sell his/her/their shares in the property;
b) A requirement that the landlord will respond to such a notice in writing within 6 weeks explaining that it or its nominee, will purchase the tenants shares in the property;
c) A requirement that the market value will be established and agreed in accordance with the principles outlines in paragraph 3 of the above regulations
d) A requirement that the price as agreed above will be the price that the purchase will proceed at;
e) A requirement that the shared owner must notify the landlord in writing that he/she/they are ready to sell the shares in the property at the price as agreed according to the above valuation arrangements;
f) A requirement that the landlord (or the landlord’s nominee) will complete the purchase within 3 months of receiving the shared owners ‘ready to sell’ notice; and
g) Details of the remedies available to the shared owner in the event of a failure by the landlord (or the landlords nominee) to complete the repurchase in accordance with the terms of the lease which will reflect the requirements set out in the above Regulations.

The HCA does not intend to be overly prescriptive with regard to its requirements but has produced additional guidance notes. However, landlords are required to seek their own legal advice regarding the regulations.

Whilst the above criteria are a requirement of grant eligibility, it is not the HCA’s intention for them to be fundamental clauses. However should a Protected Area lease (allowing a shared owner to acquire more than 80% of the property) be issued without the above criteria then grant paid to fund a repurchase will be potentially recoverable on the grounds of a failure to comply with any condition attached to the making of grant. This is a relevant event for grant recovery purposes.

Where landlords elect not to use the Agency model Protected Area leases it is recommended they seek their own legal advice.

Any property in a Protected Area repurchased wholly or in part with RCGF and subsequently resold on shared ownership terms will require leases to adhere to the above scheme criteria.
Dear << >>

Re: Sale of Share – Assignment or Transfer

Thank you for your enquiry dated << >> requesting information in relation to the transfer or assignment of your home.

The guidance notes enclosed will help to explain the next steps in the process.

Before marketing can commence you will need to provide an Energy Performance Certificate (EPC)

The estimated cost of the valuation of your property will be £<< >> and will be invoiced to you following receipt of the valuation report from the independent Valuer.

You must notify The Gateshead Housing Company, on behalf of Keelman Homes (‘the landlord’) in writing, within 3 months of the date of valuation, if you wish to proceed with the sale of your share, as the valuation is only valid for this period.

Yours sincerely

Janice Adams
Leasehold Services Manager
A Guide to selling your shared ownership property

You may sell your shared ownership property at any time at its current market value.

Your first step should always be to tell The Gateshead Housing Company (the Company) that you plan to move.

**Selling your home**

The rules on selling are set out in the Shared Ownership Lease given to you when you bought your home. Leases can vary, but normally they give a ‘nomination period’ to enable us to find a new buyer for your share of the home. If we cannot find you a buyer within this time, you can then sell your home on the open market.

Before committing to selling we recommend doing some research on the local property market. Compare prices of properties that are similar to yours in your local area, combining online research with estate agent estimates (don’t pay for these).

Once you decide to sell you will need to pay for valuations and solicitors so knowing if it is a good time to sell will possibly save you a lot of money.

Once you have done your own research and you definitely know that you can and want to sell you will need to let us know. We will carry out a valuation for you and you will need to get an Energy Performance Certificate (EPC), before we begin to advertise the property for sale.

**Re-sales- Protected Areas – Kibblesworth**

If you own a home in Kibblesworth, your property was sold to you under a New Build Homebuy lease (Protected areas) and therefore your property is subject to a mandatory repurchase by either Keelman Homes or a nominated Housing Association, where you own more than 80% of the equity.

If you wish to move and you own more than 80% of your property Keelman Homes is obliged buy back the property in order to resell it on a shared ownership basis to another eligible applicant.

The repurchase price must be the Market Value of the whole property where the full lease is being acquired, or the proportion of the Market Value equivalent to share that you own.
Nomination Period

When you signed your contract with us you will have noted a clause which states we will try to sell your property for you during the first eight weeks of sale. This is called the ‘nomination period’.

During this period, you are unable to sell your home privately or through an estate agent. If we are unable to find a buyer by the end of this period, you will be able to sell your home privately or through an estate agent. If you choose to sell on the open market through an Estate Agent, you must sell at a price not less than that set by the valuer. Please remember that you will be responsible for all the costs incurred. The buyer must still be approved by us.

You will usually be required to pay an ‘assignment fee’ to us. This covers the cost of the work we will do in connection with your sale. Details of this fee are usually contained within your lease. If your lease does not contain these details, we will still charge you a reasonable amount to cover the cost of this work.

When you agree to your home being marketed by us at this price, the start of our nomination period (described above) will begin.

The buyer we nominate and to whom you agree to sell then has 12 weeks to complete the purchase. If a sale cannot be agreed to one of the people we have chosen within the nomination period, or they fail to complete within 12 weeks, you will be able to sell your share on the open market, via an estate agent if you wish.

Why is there a nomination period?
All shared ownership properties have this as a clause in the contract. This is to ensure that housing associations can try to sell it to other people who are on low to moderate incomes.

Valuing your home

We will arrange an independent valuation, which must be carried out by a Member or Fellow of the Royal Institution of Chartered Surveyors (RICS) and be based on vacant possession of the whole property in its current condition. An estate agents valuation is not sufficient for this purpose.

For us to do this, you will need to complete and return the ‘Notification of Intention to sell a shared ownership property form’, which comes with this guide. When you agree to your home being marketed by us at this price, the start of our nomination period (described above) will begin.

Under the terms of the lease you must pay for the valuation.

Within 3 working days of receipt of the valuation you will be sent a copy of the valuation report, and a letter confirming the value of your share. It is important to note that the valuation is valid for 3 months only.
**What happens if I don’t agree with the valuation from the surveyor?**
From time to time, housing providers receive concerns from vendors that the amount the home has been valued for is under or over what they expected. We can challenge the surveyor on your behalf but would require three comparables of properties that have sold within the last 3 months as evidence. We can also put you in touch with the surveyor to discuss your concerns with them directly.

You must notify The Company in writing, within 3 months of the date of valuation, if you wish to proceed with the sale of your share, as the valuation is only valid for this period. You will also need to send a copy of your Energy performance certificate.

**How much can I sell my share for?**
The share you own may not be sold for more than the market valuation. This is a condition of the lease.

**Can I sell 100% if I only own a share?**
Yes. This is called 'back-to-back' or simultaneous staircasing and you have the option to do this if we do not sell your home within the nomination period. You are allowed to sell for more than your valuation amount, however not less unless you are prepared to cover the shortfall. You will increase your share to 100% and sell your home on the same day and you will not have to borrow extra money to pay for the remaining share. On completion of the sale you will receive your share and your housing provider will receive its percentage share of the current full Energy Performance Certificate

You will need to obtain an Energy Performance Certificate (EPC). This is required by law before you can sell your home. EPC’s were introduced to help improve the energy efficiency of buildings. For more information, and to find a registered and accredited Domestic Energy Assessors and Home Inspector go to [www.epcregister.com](http://www.epcregister.com).

**Marketing**
So that we can market your home effectively, we will produce sales details for your home highlighting the features and benefits, including any photographs that will enhance these. You will need to check this and sign the draft particulars to confirm the details are correct.

We will list your property on the Company website, through Tyne & Wear Homes and on the local Homebuy Agents website. The property will state the % you currently own. A buyer may be able to buy a larger % share or all of the property.
We will let you know:

- If there are any prospective purchasers who have registered with a Homebuy Agent for shared ownership. We will write to them to see if they are interested and put you in touch with them to arrange a viewing.
- If there are any restrictions in place on the sale of your property – eg the property may only be sold to people living or working in the local area
- The maximum % share in your property that can be purchased
- When you can put the property on the market with an Estate Agent

Once a buyer is found we will:

- Arrange for checks to be carried out, with the local homebuy agent, to ensure any potential viewer is eligible in principle for shared ownership
- Arrange for a full financial assessment to be carried out to ensure that the prospective buyer is able to purchase the property
- Provide information to your solicitor as well as the buyer's solicitor once a sale is agreed.

Who can buy my home?

Any purchaser buying a share must qualify for shared ownership and register with a Homebuy Agent. We will also carry out a more detailed assessment to ensure the purchaser meets our eligibility criteria. We are required to approve the mortgage offer for any purchaser and consent to the purchase as this is usually a condition of the lease.

Availability for viewings

You will need to send us your availability for viewings, either as block bookings which we will organise for you or we can pass on your details to perspective buyers to arrange viewing times directly with you.

Evenings and weekends are best if you can make the time. Prepare your home for viewings – remember first impressions last and you want people to see the property in the best possible light. Make your home welcoming, tidy and clean, paint over any marks on the walls and keep colours natural. This will help perspective buyers imagine their own things and themselves in the property.

Think of important and interesting things that potential buyers would like to know about the property, such as storage space, what time of day the sun comes in through the living room window, and if they have children tell them how many local schools are in the vicinity.

Sale Agreed

As soon as we hear from a perspective buyer that they are interested in the property we will let you know. We will arrange for them to have a financial assessment carried, with our partners ISOS, who will ensure that they meet the criteria for the shared ownership scheme. We will keep you informed of how this progresses. Once we know that the perspective buyer has a
mortgage in principle, agreed with a lender, we will let you know by phone and offer the buyer to purchase the property.

Once you accept the offer we will instruct yours, ours and the buyers solicitors that this is the case. The solicitors raise any questions and management enquiries about the property with us and will prepare the final sale documents.

**Estate Agents**
Once you have decided that you want to sell your property on the open market you can then take your property to an estate agent (or you can sell it yourself) who will take you through the standard process of selling a property.

Once you have found a buyer you will need to confirm this in writing and provide the following details:
- Buyers name
- Sale price
- Confirmation of the share (100% or lesser share)
- Buyers full solicitor’s details
- Your solicitor details.

Any purchaser will be encouraged to maximise the share they buy based on their individual circumstances. This may mean that they buy a larger share in the property than you currently own. The property can be marketed to state that the % you currently own is the minimum % share available.

If you are selling 100% on the open market we may need to carry out another valuation, this will depend on whether or not the last one has expired.

**Instructing solicitors**
Once you have told us that you have a buyer you will need to instruct your solicitor to proceed with the sale. We will also instruct our solicitors, who will then contact your solicitor to provide further instructions. The buyer will instruct their solicitor. Our solicitors will liaise with each other after this point up to completion. Your solicitor will update you on the progress of the sale.

Your solicitor will contact us with any management enquiries about your home. We have a pack that we send out which covers all areas of management of your property. You will be charged for this on behalf of your buyer.

**Exchanging contracts**
Yours and the buyer’s solicitors will arrange with you to exchange contracts to be signed. It is most likely at this point that you will be notified of the completion date. The property is now legally the buyer’s.

**Sale Completed**
You will exchange and sign contracts with the buyer through your solicitors. At this point, you will be given the date for completion which means you need
to leave the property and hand over the keys. The property is now legally the buyer’s.

**Handing over the keys**
Completion takes place at which point you will need to leave the property. All fees will be paid to us, the solicitors and lenders. We will then set up an account with the buyer. You are no longer a shared owner with Keelman Homes.

**What fees are payable?**
When you sell your home your costs include:

- The valuation fee
- Any mortgage payments due to your bank or building society
- Any outstanding rent or service charges
- Your solicitor’s fee
- The Company’s solicitor’s fee, for registering the lease to a new owner
- The Company’s fee for finding your buyer, assessing the shared ownership criteria and arranging the sale
- If you instruct an estate agent to sell your property you will be responsible for their fees. An agent will typically charge you 1-2% of the market value for their marketing services.

**Rent and service charges**
You are responsible for paying these charges until you leave your home. If you need to claim money back, you should take it up with your solicitor.
Shared Ownership – Intention to sell

Property Address

I/we have read the terms of our lease and instruct The Gateshead Housing Company on behalf of Keelman Homes to market my/our property in accordance with the terms of my/our lease and find a perspective buyer.

I/we are aware that we will need to pay a resale/marketing fee depending on our lease and any other associated selling costs that are agreed during the process.

I/we are aware that if we cannot provide copies of all necessary information that our solicitor may request a pack of information from The Gateshead Housing Company, for a fee.

I/we understand that should I/we withdraw from the sale an abortive fee of half the resale fee will be payable.

I/we consent for The Gateshead Housing Company to pass my/our contact details to their nominated RICS registered surveyor in order for a valuation to be undertaken of my/our property.

I/we understand that our valuation is only valid for 3 months from the date shown on the report and that we may need to pay for it to be extended at the end of the 3 month period if the property is not sold.

Property details
Original purchase price £............................. and Date.................................

Percentage being Sold ..........................%

Reason for selling ..........................................................
Have you had any works done/made improvements to your property?
Yes/No
Details......................................................................................................................
......................................................................................................................
......................................................................................................................

If your property was purchased initially in joint names please ensure that both household members sign below.

Telephone Number ..............................................................................................

Email......................................................................................................................

Address (if different from above) ..............................................................................
......................................................................................................................

ALL LEASEHOLDERS TO SIGN:

Signed....................................................................................................................

Purchasers Full Legal Name ...................................................................................

Signed....................................................................................................................

Purchasers Full Legal Name ...................................................................................

Date .......................................................................................................................

*please see guide to selling your home for further details on valuations.

Please return the completed form to: Janice Adams, Leasehold Services Manager, The Gateshead Housing Company, Civic Centre, Regent Street, Gateshead, NE8 1JN.
Keelman Homes

Shared Ownership Schemes

Sub-letting and Lodging Procedure

November 2014
Introduction
The shared ownership leases must prohibit sub-letting by the leaseholder to protect public funds and ensure applicants are not entering into shared ownership for commercial gain.

This stops the leaseholder having the right to sub-let, but allows TGHC to agree to sub-letting or lodging arrangements if they choose to do so in exceptional circumstances.

In all cases sub-letting or lodgers must be approved by the Head of Corporate Services and Leasehold Services Manager in writing. The following principals should be followed:-

Sub-letting
TGHC will consider requests to sublet on a case by case basis. It is our decision as to whether we agree to the request and permit sub-letting and not the HCA’s, however the HCA’s local office and legal advice should be sought in each case. The Leasehold Manager must consider the case to be exceptional, discuss with the Head of Corporate Services and consider the following issues when dealing with each request:-

- Do the reasons for sub-letting genuinely stem from unavoidable need, and are not primarily for speculation or gain?
- Does the person(s) to whom the leaseholder sub-lets also satisfy the RP's criteria for shared ownership and their occupation is affordable?
- Are the terms of the sub-let for a fixed period during which the shared owner will retain ownership of the lease?
- Does the leaseholder have the permission of the mortgage lender (if required)?

Where TGHC has any doubt as to whether or not to allow a subletting request, we should contact the HCA Local Operating Area, in the first instance, for guidance.

If a request is from a serving member of the Armed Forces whose tour of duty requires them to serve away from the area in which they live (a distance of at least 50 miles or 90 minutes travelling time) for a fixed period, and the general criteria above are also met, the shared owner may sublet subject to TGHC being satisfied that all of their additional criteria (if any) are met.

In all cases TGHC must seek legal advice before agreeing to sub-letting.

If a request is from a shared owner in Older Persons Shared Ownership who is unable to sell their home at a realistic value following a reasonable amount of marketing and the general criteria above are also met, the Older Persons shared ownership may be sublet subject to TGHC being satisfied that the person who is the sublettee is over the age of 55 and the property is suitable for their needs.
Lodgers can be allowed in exceptional circumstances. The HCA advises that lodgers should not be for commercial gain, for example using a shared ownership home for bed and breakfast accommodation. The same criteria should be considered as in sub-letting above and both references and ASB checks completed on the potential lodger prior to any agreement being given for them to become a lodger.