

Key Worker and Intermediate Housing Tenancy Policy 2024



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1. Purpose

- 1.1** This Key Worker and Intermediate Housing Tenancy Policy (the ‘policy’) sets out the approach to issuing and reissuing tenancies to the Council’s key worker housing and other intermediate rent housing stock.
- 1.2** The policy details how the Royal Borough of Kensington and Chelsea (the ‘Council’) owned properties will be let on an intermediate rent tenure. Key Worker homes are a form of intermediate rent tenure for the purposes of this policy.
- 1.3** The policy should be read in conjunction with the RBKC Key Worker and Intermediate Housing Policy 2022. Associated definitions for terms like ‘affordable housing’, ‘intermediate housing’, ‘Key Workers’, ‘household income’ and ‘eligible households’ (i.e. household members) will be found in that document. Some useful sections are reproduced in Appendix One.
- 1.4** This policy will ensure that residents and officers are clear about which organisation is responsible for the issuing and reissuing of intermediate rent tenancies, and for the other matters related to the management of an intermediate tenancy.
- 1.5** It should be noted that The Mayor of London through the GLA (Greater London Authority) provides funding for the building of much of the new affordable homes within RBKC, including new intermediate housing. The council is bound by and must observe the conditions imposed as part of this funding commitment.

2. Scope

- 2.1** This policy refers to Assured Shorthold Tenancies under Part 1 of the Housing Act 1988 (as amended). Tenants of intermediate homes will be Assured Shorthold Tenants.
- 2.2** This policy does not cover the tenancies that may be issued by Registered Providers of Social Housing (housing associations) for their own stock in the borough or located outside RBKC into whose stock the Council has the right to nominate in line with its Housing Allocation Scheme (‘social housing’). Registered Providers are encouraged to follow similar provisions within the stock they own and manage within the borough. It will be made clear to prospective tenants who owns the stock of any advertised intermediate property.
- 2.3** This policy will apply to historic intermediate rent homes within the borough as and when they become void. The properties will be re-let based on the terms set out in this policy.

3. Issuing a tenancy

- 3.1** The Council will lease the intermediate rent properties it owns to a third party, for example a Private Registered Provider or similarly separate legal entity who will issue the relevant tenancies. Day-to-day management of the Council’s intermediate rent stock will be carried out by Kensington and Chelsea Housing Management.
- 3.2** Properties will be let in accordance with the criteria in the Council’s Key Worker and Intermediate Housing Policy 2022 which defines the way in which any key worker housing and intermediate housing units are allocated and specifies those who are eligible to apply. See Appendix One for eligibility criteria.

3.3 A three-year fixed term Assured Shorthold Tenancy (AST) will ordinarily be issued to all new tenants. The Council may determine on a case-by-case basis that a property may be let on a fixed term AST of more than three years, but no fewer than three years.

3.4 New tenants will be required to terminate any existing tenancy they possess before signing a key worker housing or an intermediate housing AST.

3.5 As detailed in the Key Worker and Intermediate Housing Policy 2022, there is a recommended minimum income level required to take up an intermediate rent property. Any applicant who qualifies in all other respects but who has a lower income that the recommended minimum will be subject to an assessment to establish the affordability of the property they have expressed an interest in. The maximum income level is set by the GLA, and applicants will be advised of the current figures in the property advert.



4. Tenancy review and reissue

4.1 All fixed-term tenancies will be subject to a review six months before the end of the tenancy term. This review could lead to the tenancy being reissued for at least a further three years. Alternatively, in some cases the tenancy will not be reissued for the reasons specified in section 4.5.

Process for tenancy review

4.2 RBKC Housing Management will contact tenants six months before the end of their tenancy to investigate and assess the circumstances of the household in order to decide whether to reissue the tenancy or not.

4.3 The tenant will need to give their consent to RBKC Housing Management obtaining evidence and information relevant to the assessment to establish if the tenancy should be reissued. This must include information regarding household members, income, savings, assets, and investments. Key workers will also need to confirm continued eligible employment. This consent should not be unreasonably withheld or delayed. Lack of engagement in the review process will result in a negative assessment as shown in section 4.7.

4.4 Confirmation of current gross household income and where necessary an affordability assessment of the household's circumstances will take place as part of the review process. RBKC Housing Management will carry out this assessment and reach a decision either to instruct the landlord to reissue the tenancy or to end the tenancy. There is no right of appeal for the outcome of this affordability assessment.

4.5 Tenancies will not be reissued where:

- The total household income is above the thresholds for intermediate housing set by the GLA. For example, the threshold for 2023/24 is £60,000 per annum.
- The household income falls below £25,000 (the minimum suggested income threshold) and an affordability assessment indicates the property is now too expensive.
- The household has savings and assets over £100,000. This threshold may be amended, and this policy updated to reflect any such decision.
- The household part or fully owns another home, or no longer occupies their intermediate housing AST as their principal home.
- The property is deemed unsuitable for the household (see section 7).
- There has been a serious or persistent breach of the tenancy during the term.
- The Council has decided that a property will no longer be designated and let as an intermediate rent property.
- Fraud checks indicate that false information has been provided to obtain or retain the tenancy. If this falsehood is discovered before the standard review period (during the last 6 months of the tenancy term as stated in 4.1) it could result in a loss of the tenancy (see 4.15 below).

4.6 Where there is a reduction in the tenant's household income to the extent that they are unable to afford their property any longer, the Council will advise and

assist tenants with their options. This may include but is not restricted to referrals to the Council's Housing and Employment Team for income maximisation interventions or employment support.

- 4.7** There may be circumstances where the tenant refuses to engage with Housing Management regarding the review process. Where a tenant refuses to provide information to allow a review of the household's circumstances or refuses to co-operate fully with the review process, Housing Management will deem that the tenant does not wish to continue occupying the home. The tenancy will not be reissued in these circumstances. Recommendations to the landlord for tenancy reissue is completely at Housing Management's discretion.

Cases where a tenancy is reissued

- 4.8** Where the tenancy is reissued, the landlord will sign a new tenancy agreement with the tenant, RBKC Housing Management will ensure full verification of the tenant's details prior to instructing the landlord to reissue the tenancy. Tenancies will normally be reissued for another three years.

Cases where a tenancy is not reissued.

- 4.9** Where a tenancy is not reissued, the tenant will be informed of the decision not to reissue. They will receive written notice at least two months before the current tenancy expires, advising that the landlord will require possession at or after the end of the term. In the event that the tenancy has become a periodic assured shorthold tenancy, the tenant will receive written notice of at least two months in accordance with Section 21 of the Housing Act 1988.



4.10 The tenant may approach the Council's Housing Solutions service to seek timely and reasonable advice and assistance about finding suitable alternative accommodation. This may include shared ownership or private sector renting, including in locations in other parts of London or further afield. Their contact details are **housingsolutions@rbkc.gov.uk**.

4.11 Where appropriate, referrals can be made to relevant advice agencies, such as Citizens Advice and to the Council's Housing Solutions service.

Break clause

4.12 Where the Council has decided that a property will no longer be designated and let as an intermediate rent property, it may be necessary to end the tenancy for that property. This will depend on what is to happen to that property.

4.13 The Council will also seek to end the tenancy agreement for a property where it is determined that a key worker tenant no longer qualifies as a key worker, as per the Council's Key Worker Housing and Intermediate Housing Policy.

4.14 The Council is committed to the early intervention and prevention of homelessness, and has a statutory duty under the Homelessness Reduction Act 2017 to take reasonable steps to help prevent any eligible person who is threatened with homelessness from becoming homeless. This means either helping them to stay in their current accommodation or helping them to find a new place to live before they become actually homeless. Therefore, before ending the tenancy agreement, the Council will seek to explore options with the tenant to determine whether they can re-qualify as a RBKC key worker, or what other housing

options may be available to them if not.

4.15 RBKC will carry out fraud checks and any false information provided could result in a loss of any tenancy obtained dishonestly. Housing Management will instruct the landlord to commence proceedings to regain possession of the property.

4.16 Where it is necessary to end the tenancy for the property, the landlord will comply with the legislation governing the ending of an AST. At the time of writing this would be in accordance with Section 21 of the Housing Act 1988. Should there be changes in the legislation relating to the ending of ASTs those changes will be adopted.

4.17 There is no statutory right to review a decision not to issue or reissue an intermediate tenancy. However, where appropriate and when required, the Council will conduct an internal, non-statutory review process that will inform an applicant why they have not been issued or reissued a tenancy. This will be carried out by a senior officer within RBKC Housing Management, in consultation with a senior officer in RBKC Housing Needs.

5. Conduct of tenancy

5.1 Where a serious or persistent breach of the tenancy has occurred during the term, the tenancy will not be reissued. The legal rules and procedures will be followed to evict Assured Shorthold Tenants.

6. The eligible household

6.1 Households eligible to be considered for intermediate housing will only include the applicant, their spouse or partner, their immediate family, and anyone else with an exceptional need to live with them.

6.2 Persons permitted to reside in the property with the tenant or joint tenants (the eligible household) will be defined in accordance with the criteria set out in the Council’s Key Worker and Intermediate Housing Policy.

6.3 The tenant will not be permitted to allow any other persons to live at the property, or to move into the property, without the written consent of RBKC Housing Management.

7. Suitability of property

7.1 Tenancies may not be issued (or reissued) to a household if RBKC Housing Management considers the property to be unsuitable for the household’s needs.

7.2 A property may be unsuitable, for example, where a household would be

severely overcrowded at the property, or the property would be under occupied, or where the property would be unsuitable due to the household’s medical or healthcare needs. RBKC Housing Management will have regard to the Council’s Allocation Scheme when considering whether a property is suitable (for example, the definitions of overcrowding and under-occupation). RBKC Housing Management will refer households in unsuitable properties to RBKC’s Housing Solutions Team to discuss their housing options.

7.3 RBKC Housing Management will determine and have the final decision as to whether a property is suitable for an applicable household.



8. Income and savings

8.1 Household income and savings is defined as follows:

- Gross income earned by and savings in the possession of the tenant, and/or joint tenants, and/or the tenant's partner.
- A partner is someone who lives with the applicant as a partner, or who would live with them if they were able to. This includes mixed-sex and same-sex couples, whether or not they are married or in a civil partnership.
- A 'tenant' is a prospective tenant/joint tenant and/or an existing tenant/joint tenant. In order to be issued (or reissued) a tenancy, the eligible household:
 - » Should earn more than £25,000 gross per annum. This is the minimum recommended for affordability purposes. Applicants earning less than this will need to provide evidence for how they will be able to afford their accommodation.
 - » Must not earn more than £60,000 gross per annum.
 - » Must have savings and assets worth less than £100,000 in total.
 - » Must not already part or fully own another home.

8.2 The maximum income threshold is set by the GLA and the maximum savings and asset threshold is set by the Council. The minimum suggested income is set by RBKC. The figures quoted above are current at the time of writing for 2023/24. These figures will be periodically reviewed to remain in line with any revisions made by the GLA, and/or local priorities.

Rent review – review of tenant's income and savings

8.3 RBKC Housing Management will conduct periodic rent reviews as advised to tenants in their tenancy agreement.

8.4 If a tenant's household income falls below the minimum recommended income threshold (£25,000 unless updated), the tenant should seek advice from their Rent Income Officer. RBKC Housing Management will also advise and signpost at earlier stages when there is an indication that the tenant may not be able to sustain the tenancy. The short-term use of benefits to cover housing costs is permitted whilst a tenant is seeking re-employment or an increase in earnings.

8.5 The tenant may be advised to relinquish the tenancy if there is no prospect of regaining an income level sufficient to avoid them accruing arrears for the tenancy. Tenants will be dealt with in accordance with RBKC Housing Management's Rent Income and Arrears Policy.

8.6 RBKC Housing Management will provide a tenant with at least four weeks' written notice of a new rent where applicable.

Rent setting

8.7 Key Worker Housing and Intermediate Housing rents for new tenancies will be tied to the London Living Rent (LLR) operational at the time the tenancy is issued. The levels of LLR, which are inclusive of service charges, are set annually by the Mayor of London. The rent can be lower than the LLR, but not higher.

8.8 The Council's Community Housing Supplementary Planning Document states that affordable housing can be secured at the borough's lowest London Living Rent (LLR) rate. At present (2022/23 and 2023/24) this is within the Notting Dale ward. This is likely to be the case for the foreseeable future and will be monitored during the life of this policy.

8.9 For existing ongoing tenancies the funding guidance allows for the rent to be increased by up to the rate of CPI (Consumer Price Index) inflation each year.

9. Discretion

9.1 There may be limited circumstances when the Council's Director of Housing Management, or duly delegated persons, may exercise discretion in relation to this policy due to exceptional individual circumstances and they will do this by taking into account all the circumstances considered relevant.

10. Monitoring and reviewing the tenancy policy

10.1 The gross household incomes will be reviewed periodically to ensure that they remain within the Greater London Authority thresholds for intermediate housing options.

10.2 The Intermediate Rent Tenancy Policy as a whole will be reviewed three years after it has been adopted. A review may take place sooner than this should there be any legislative changes, or business needs become apparent that may require amendments.

11. Equality and diversity implications

11.1 Under the requirements of the Public Sector Equality Duty (PSED) of the Equality Act 2010, an initial screening document, completed in April 2023 that a full Equality Impact Assessment (EIA) was needed for this policy.

11.2 It was identified that women were both more likely to be in lower paid employment, and to leave their employment due to things like child-rearing. These were significant due to the impact of income and, for key worker status, employment in a relevant field, to the reissuing of tenancies.

11.3 It is also recognised that the development of a severe disability that rendered an existing tenant incapable of retaining qualifying employment for a key worker home is likely to have a negative impact on them at the renewal stage. Similarly, retirement from qualifying employment for key worker homes due to old age is likely to have a negative impact in the operation of the policy as such a resident would not normally qualify for a renewal of their tenancy. Cases would be considered on a case-by-case basis for possible discretion to be deployed by the landlord following advice being sought from the Director of Housing Needs, Director of Housing Management, or a senior officer with delegated responsibility.

11.4 As the PSED is a continuous duty, the Council will monitor this specific policy for any impacts or potential impacts on each of the protected characteristic groups.

Appendix 1

Definitions - Some relevant sections from the Key Worker and Intermediate Housing Policy 2022 with references within that document.

Affordable housing	Definition of affordable housing <ol style="list-style-type: none">1. 'Affordable housing' is defined in Annex 2: Glossary of the July 2021 updated National Planning Policy Framework ('NPPF') . It states that affordable housing is housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/ or is for essential local workers); and which complies with one or more of the following definitions:<ol style="list-style-type: none">2. Affordable housing for rent: meets all of the following conditions:<ol style="list-style-type: none">a. the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20 per cent below local market rents (including service charges where applicable);b. the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); andc. it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).	Appendix 3 – paragraphs 1 and 2
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Eligible households

In addition to income requirements the following are taken into account when determining eligible households:

4.4 Citizenship

- Applicants must be a British, an Irish, or an EU/EEA citizen with Settled Status by December 2020, or have indefinite leave to remain in the UK, or have the relevant sponsorships/documents/visas to work in the UK to cover the duration of the three-year minimum term tenancy.
- Any relevant sponsorships/documents/visas that do not cover the duration of the three-year minimum term tenancy will need to be extended or updated as applicable in order to sustain the tenancy.

4.5 Property ownership:

- Applicants, or their household members, must not own, or part-own, a property at the time of purchase or entering a tenancy agreement.

4.4 - 4.8, 13.1- 13.9

4.6 Applicant households with savings and capital over £100,000 will not be eligible to apply for intermediate housing.

4.7 The income bands will be periodically reviewed to remain in line with any revisions made by the Greater London Authority ('GLA), and/or local priorities.

4.8 The Council reserves the right not to allocate a property to an applicant if it believes that applicant cannot afford the rent and related housing costs.

Eligible households

13. Definition of an 'eligible household'

- 13.1 Households eligible to be considered for intermediate housing will only include the applicant, their spouse or partner, their immediate family, and anyone else with an exceptional need to live with them.
- 13.2 Partner means someone who lives with the applicant as a partner. This includes mixed-gender and same-sex couples, whether or not they are married or in a civil partnership.
- 13.3 Immediate family means the applicant's children or their partner's children who live with the applicant all the time as their main place of residence. Children of shared custody can only be included on one application with the parent who is the main care provider and who provides their main place of residence. Evidence supporting the inclusion of children may be required.
- 13.4 Immediate family does not include the applicant's (or their partner's) parents, grandparents, brothers, sisters, aunts, uncles, grandchildren, nieces, nephews, cousins, friends or lodgers – unless they have an exceptional need to live with them as part of the household. (See below).
- 13.5 People who have an exceptional need to live with the applicant means people who are not included in the definition of 'immediate family', but who have a real need to live as part of the household in order to give or to receive care or support. This may include:
- A 'wider' household member who cannot live independently because of a disability or care need,
 - A carer, if someone in the household needs full-time care and no one in their immediate family (as defined in this document) is able to provide this.

Eligible households

- 13.6 If people not meeting the definition of immediate family are included on the housing application, evidence in support of their inclusion will be required such as: a court order, a social services or an occupational therapy assessment. If the person in question is moving from abroad, evidence of their recourse to public funds or of a sufficient sponsorship undertaking will be required.
- 13.7 Members of the immediate family can be included on the application even if they do not currently live with the applicant. If members of the immediate family live abroad, they can be included on the application, but the Council will not recognise them with regard to bedroom entitlement until they have the right to reside in the UK and there is proof their main place of residence lies with the applicant.
- 13.8 If members of the immediate family live elsewhere in the UK, they can be included on the application, but applicants should consider applying to be rehoused where the other family member lives, especially if the demand for housing is lower there.
- 13.9 An applicant who is a parent with visiting children (in other words, the parent is not the main carer) may in exceptional circumstances be allowed an extra bedroom in order to accommodate them.

This will be at the discretion of the Director of Housing Needs or delegated officer where there is a need for the child to regularly stay overnight with the parent that is not regarded as the main carer.

In the event that the membership of an applicant household is in doubt (for example, doubt about the existence of a couple and the need to consider joint incomes), the Director of Housing Needs or delegated officer will have the final determination

<p>Eligible Property Sizes</p>	<p>12. Eligible property sizes</p> <p>12.1 We assess the size of property each household requires. This is set out below:</p> <ul style="list-style-type: none"> • One bedroom for the applicant and their partner if applicable, • One bedroom for every two children of the same sex, aged up to 18, • One bedroom for a child of the opposite sex, aged over ten, • One bedroom each for any children aged 18 or over, • One bedroom for any other adult aged 18 or over. <p>12.2 Bedrooms are permitted only for people entitled to be on the intermediate housing application. Ordinarily, an extra bedroom will not be recommended due to pregnancy.</p> <p>12.3 In exceptional circumstances, an extra bedroom may be allowed where there is a proven need for one, for example, for medical or healthcare reasons. See also sections 13.5 and 13.6 below.</p> <p>12.4 The allowance of an extra bedroom will be subject to assessment and agreement by the Head of Strategy, Allocations and Health.</p>	<p>12.1 – 12.4</p>
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<p>Household income</p>	<p>Household income</p> <ul style="list-style-type: none"> • It is recommended that households earn at least £25,000 gross per annum. However, this figure is for guidance only and there is discretion on this figure subject to the household being satisfied that it can afford all housing-related costs. The Council reserves the right to determine that a household cannot afford any particular property. Housing associations managing key worker and intermediate rent homes built by a third-party developer may apply their own affordability assessments. Therefore, where the Council nominates a resident to a housing association key worker or intermediate housing home, the housing association may reject the nomination on grounds of affordability. • For intermediate rented products, applicant households must not earn more than £60,000 gross per annum. 	<p>4.3</p>
<p>Intermediate housing</p>	<p>For the purposes of this policy intermediate housing is an intermediate rented home where rent is set at or below a third of local household incomes.</p>	<p>N/A</p>
<p>Key workers</p>	<p>7. Definition of a key worker</p> <p>7.1 An applicant is considered a Kensington and Chelsea key worker if they are currently employed within organisations serving the Royal Borough of Kensington and Chelsea residents in one of the following categories:</p> <ul style="list-style-type: none"> • National Health Service (NHS) staff providing health services to Kensington and Chelsea residents, • Staff employed by the NHS North West London Clinical Commissioning Group who are working in services located within Kensington and Chelsea including General Practices, • London Fire Brigade staff stationed within Kensington and Chelsea, 	<p>7.1 – 7.4</p>

Key workers

- Front-line care workers working in residential or care home settings within Kensington and Chelsea (including agency staff funded via personal budgets),
- Staff providing educational services in state-maintained primary and secondary schools, sixth form colleges, and further education colleges within Kensington and Chelsea,
- Front-line childcare workers in early years providers (nurseries and pre-schools) that offer 15 hours and 30 hours free childcare within Kensington and Chelsea,
- Metropolitan Police constables and officers stationed within Kensington and Chelsea,
- Front-line social workers employed by the Bi-Borough Adult Social Care, and Family and Children's Services whose employer is the Royal Borough of Kensington and Chelsea.

7.2 The following additional criteria also apply in order to be considered as a Kensington and Chelsea key worker:

7.3 Physical presence at their workplace:

- There is a requirement for an RBKC key worker to be anchored at their workplace to carry out their role in order to serve the residents of Kensington and Chelsea.

7.4 Contract status:

- An applicant must be employed on a permanent contract, or,
- Be employed on a fixed term contract where they are due to remain in employment for a further six months from the date the tenancy is due to commence, and the initial term of their contract was at least 12 months, or,
- If employed on a 'zero-hours' contract, the applicant must be able to demonstrate that they have been in regular work for the previous 12 months.

Notes

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