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## INTERMEDIATE RENTAL POLICY

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Last Revised: [09/2024]

Next Revision Due: [09 /2027]

Policy Owner: [Customer and Communities / Allocations]

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**CONTENTS**

- 1. SCOPE/PURPOSE**
- 2. POLICY DETAIL**
- 3. RESPONSIBILITY AND ARRANGEMENTS**
- 4. ASSOCIATED DOCUMENTS**
- 5. RECORD OF REVISIONS TO THIS PROCESS**
- 6. EQUALITY & DIVERSITY**
- 7. DATA PROTECTION**
- 8. COMPLAINT**
- 9. REVIEW OF DECISIONS**

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## 1. SCOPE / PURPOSE

- 1.1. This policy details Adra (Tai) Cyfyngedig's policy for the management and allocation of all its intermediate rental homes.
- 1.2. Adra aims to provide good quality, affordable homes at Intermediate Rent to meet the needs of applicants for affordable accommodation registered on the relevant Affordable Homes Register.
- 1.3. Intermediate Rental schemes aim to assist people who can afford more than social housing rents but who cannot afford to access affordable home ownership options.
- 1.4. According to the Welsh Government guidance on Intermediate Rent, rent and service charges should be separately identified for Intermediate Rental properties.
- 1.5. Intermediate Rental schemes provide contract-holders with the opportunity to save for a deposit for purchasing their own home in the future.
- 1.6. This policy will apply to an identified proportion of new build/refurbished properties, developed or purchased by Adra as part of its development programme. It will also include any re-let of Intermediate Rental properties.
- 1.7. This policy applies to all applicants for affordable properties registered on the Affordable Home Register.

## 2. POLICY DETAIL

- 2.1. Adra is committed to providing affordable homes for people in housing need and will offer a Standard Contract for these properties in accordance with this policy.
- 2.2. When allocating its Intermediate Rental properties, Adra will ensure that the allocations are made to eligible persons.
- 2.3. **Affordable Homes Register**

2.3.1. In North Wales, Grŵp Cynefin's Affordable Homes Team, Tai Teg is responsible for the registration and assessment process on behalf of Adra as part of the Tai Teg Affordable Homes Register partnership.

## **2.4. Application / Allocation Process**

2.4.1. Applications and shortlists for Adra Intermediate Rental properties will be administered through the Tai Teg's Affordable Homes Register.

2.4.2. Applicants will be advised that an Intermediate Rental Policy applies when relevant and that Adra will allocate its Intermediate Rental properties to nominated applicants meeting the following **eligibility criteria**:

- a) Applicants who need affordable housing and registered on the Tai Teg Affordable Housing Register
- b) and:

2.4.2.1. **Age** - you must be over 18 years of age

2.4.2.2. **Income** – household income must be between £16,000 - £60,000 (applicants will need to check against the minimum income required for size of property which is stated on the Tai Teg website).

### **Income includes the following:**

- Income from Employment/Self Employment
- Carer's Allowance
- Child Benefit
- Disability Living Allowance
- Personal Independence Payment
- Tax Credits, such as Working Tax Credits
- Universal Credit – (including housing element)
- Child Maintenance
- State & Private Pension (including war pension)

2.4.2.3. **Affordability** - Households must be able to afford the housing costs and these should equate to no more than approximately 30% of your income. e.g. £16,000 x 30% = £4,800 / 12 (months) £400pcm - therefore the affordable rent would be in the region of £400pcm for a household income of 16k.

A month's rent and a deposit, equivalent to one month's rent will usually be required, this will be noted on the property advert.

Applicants who apply for the intermediate rental properties will also be required to complete a credit check and an affordability assessment by Adra. This is to ensure that they are financially stable enough to maintain a tenancy at the specified rent level and that they are suitable tenants. We may also request that applicants for intermediate rental properties provide a landlord's reference if applicable.

2.4.2.4. **Accommodation** - the current home is unsuitable and does not meet your family's needs e.g.

- Due to family size - (evidence of overcrowding).
- Affordability - (current rent is unaffordable).
- Specific needs - (case by case).
- In need due to relationship breakdown and need to leave the rented property

2.4.2.5. **Savings** - Applicant should have no more than £16,000 of savings.

2.4.2.6. **Immigration Status** – Applicants must be British or an EU/EEA citizen, or have indefinite leave to remain

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2.4.2.7. **Service Personnel** - If the applicant has recently left the service and the income is 'zero', there is a need to have a local connection as specified below and in time, applicants must meet the income threshold criteria.

2.4.2.8. **Local Connection** - Applicants will have to have at least 12 months of local connection to the area they choose to live in to be on the register e.g., living, working or close family contact: - Parents, grandparents, siblings, adult children. Applicants can choose areas where they would like to live provided, they have a local connection there as stated on the property advert.

If no applicant meets the above criteria, applicants from the neighbouring communities within the Local Authority area may be considered. Each property advert will specify the local connection required.

### 2.4.3. **Additional Considerations**

2.4.3.1. If the property has a Section 106 in place, the Local Connection and any other priority criteria relating to the planning conditions for the development, must be adhered to.

2.4.3.2 Additional criteria may be introduced for example, where a Local Lettings Policy is developed.

2.4.3.3 Eligible applicants who apply for properties will be prioritised by the date their application is approved by Tai Teg and their local connection as stated on the property advert. Family size in relation to the property is also considered. In some circumstances, priority may be given to eligible applicants in social housing who need to move to more suitable accommodation.

2.4.3.4 Eligible applicants are shortlisted for property and nominated by Tai Teg to Adra in order of priority

2.4.3.5 Intermediate Rental properties are marketed through the Tai Teg Affordable Homes Team on the Tai Teg website. Adra also market and promote Intermediate Rental properties on

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our website and social media platforms. We may also use Estate Agency services to market our Intermediate Rental properties.

## **2.5. Suitability of location and property**

- 2.5.1. Suitability of location of the particular property will be considered for each individual application. This will assist Adra in determining if applicants are allocated to suitable properties and locations. Considerations may include issues relating to, mobility, previous cases of anti-social behaviour, domestic abuse and safeguarding etc.
- 2.5.2. Adra will aim to ensure that properties are not overcrowded or under occupied and will aim to match the property to the correct family composition and occupancy rate to make best use of the housing stock. Applicants will be refused if granting a contract would lead to statutory overcrowding at the property.
- 2.5.3. Where under occupancy is present, and it is not possible to match the property to the correct group of applicants', consideration may be given to the next applicant group who will under occupy by 1 bedroom if the property is affordable.

## **2.6. Type of Contract**

- 2.6.1. All Intermediate Rental properties will be let on a Periodic Standard Contract, in accordance with the Renting Homes (Wales) Act 2016.
- 2.6.2. The contract will set out the obligations of both Adra and the contract-holder.
- 2.6.3. Adra can end an Intermediate Rental Standard Contract by serving notice in accordance with Section 150 of the Renting Homes (Wales) Act 2016 and obtaining a court order for possession.

## **2.5. Joint Contracts**

- 2.5.1. Adra will grant joint contracts as best practice from the outset at commencement of a contract if requested by the prospective contract-holder, where there is a long-term commitment to the home, and subject to each contract-holder passing the referencing procedure and meeting the eligibility criteria.

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- 2.5.2. Joint contracts mean that more than one person is named (maximum of four persons) on the contract.
  - 2.5.3. Adra will ensure that joint contract-holders are aware of the implications of a joint contract before they sign the contract.
  - 2.5.4. Joint contract-holders are jointly and severally responsible for all aspects of the contract – i.e. rent payments and keeping to the contract terms and conditions. If only one contract-holder is in breach of the contract, then all the contract-holders on the contract are held responsible.

## **2.6. Transfers Under Allocation Policies and Mutual Exchange**

- 2.6.1. Intermediate Rental contract-holders will not be able to apply to transfer to another property. If a contract-holder needs to move, they must complete a new application with Tai Teg which will be assessed in the usual way.
- 2.6.2. Adra reserves the right to initiate a management transfer for the contract-holder to another Adra property (within their own social housing stock) should they no longer meet the criteria set out in 2.4.2
- 2.6.3. Intermediate rental scheme is not eligible for a mutual exchange.

## **2.7. Intermediate Rent Amount**

- 2.7.1. The amount due under the contract for Intermediate Rental properties, inclusive of service charges, will normally be set either at/or no greater than 80% of private market rent for a similar home in the same area. Adra may increase or decrease the rent and increase, decrease or vary the services charges as stipulated within the occupation contract.
- 2.7.2. Adra will conduct a detailed assessment of various criteria to determine any rental increase or decrease. This includes data available via sources including Welsh Government, Local Authorities Stats Wales and local estate agents. Adra may increase or decrease the rent in April after the contract is granted by giving not less than two calendar months' notice in writing.



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- 2.7.3. When a property becomes vacant, the rent levels may be revisited.
  - 2.7.4. Rent levels will be reviewed every 12 months regardless of whether a property becomes vacant.

## **2.7. Intermediate Rental property – standard**

- 2.7.1. Each scheme will have a specific Affordable Housing Specification.
- 2.7.2. Properties are unfurnished, but some may benefit from integrated items such as cookers and fridge freezers depending on the development/scheme.
- 2.7.3. All properties will be safe, secure and clean and comply with legislation such as gas safety, electrical safety and fire safety regulations.
- 2.7.4. A full inventory and property inspection (including photos) will be undertaken prior to the contract commencement and at the contract termination. Any rechargeable works not carried out by the contract-holder before they vacate the property will be undertaken by Adra and the cost of the works will be recharged to the former contract-holder.
- 2.7.5. Adra's Void property standard (ALLss10) will be met for all Adra's social and intermediate properties becoming void prior to re-let.

## **2.8. Contract Management**

- 2.8.1. A Customer Handbook is available for all new contract-holders. The handbook contains advice and information about their contract and home.
- 2.8.2. Rent must be paid monthly in advance. Monthly payments by direct debits will be set up with the contract-holder. Other payment methods may be agreed at Adra's discretion.
- 2.8.3. The equivalent of one month's rent will also be taken as a deposit at the sign up. It will be held and returned under the terms of The Deposit Protection Scheme (DPS). The Standard Contract provides details surrounding the deposit.
- 2.8.4. Should the contract-holders' financial circumstances change, and they become dependent on state benefits, Adra will assist in applying for Welfare Benefit and provide additional advice and support where appropriate to assist in sustaining the contract.



2.8.5. Periodic inspections may be carried out as part of the contract management.

2.8.6. Adra will provide tailored advice and/or support to contract-holders as needed

## **2.9. Maintenance of the Property**

2.9.1. At signup the new contract-holder may be provided with a Home User Guide (HUG) for their home.

2.9.2. All Intermediate Rental properties repair and maintenance issues will be dealt with in accordance with Adra's responsive repairs service.

2.9.3. Contract-holders have a duty to take proper care of the property and to notify us of any defects or disrepair to the property or the common parts as soon as possible.

## **2.10. Charitable Status**

2.10.1. Adra has charitable status and will operate this policy within its charitable objectives.

## **3. RESPONSIBILITIES AND ARRANGEMENTS**

3.1

Role	Responsibility
Director of Customers and Communities	It is the responsibility of the Director of Customer and Communities to ensure that this policy is applied effectively, and that staff are trained appropriately in the procedures associated with this policy.

## **4. ASSOCIATED DOCUMENTS**

4.1. CCpol01 – Complaints and Concerns Policy

4.2. CCp04 - Review of Decision Process

4.3. RMpol05 - Rechargeable Repairs Policy

4.4. BDf27 Standard Occupation Contract – Intermediate Rent & Rent to Own

4.5. BDf26 Standard Occupation Contract – Intermediate Rent (Plas Farrar)

4.6. LFpol03 – Tenants Improvements and Alterations Policy

4.7. Tai Teg Allocation Policy

## 4.8. ALLs10 -Social &amp; Intermediate Rent Void Standard

**References**

4.9. The following publications and legislation have been referenced during the drafting of this policy:

- Welfare Reform Act 2012
- Renting Homes (Wales) Act 2016
- Data Protection Act 2018

**5. RECORD OF REVISIONS TO THIS PROCESS**

## 5.1.

Issue	Date	Comments (What has been revised?)	Written By	Approved for content
0	04.2018	New Policy	MP	
1	12.2019	Policy updated to refer to Adra	JW	
2	04.2021	Policy due for review	TCJ	
3	11.2022	Policy reviewed following change in legislation - Renting Homes (Wales) Act 2016 and an update to Tai Teg's Eligibility Criteria	TCJ	
4	07.2023	Review of Policy to reflect change in Intermediate Rent Amount calculation wording and minor re-wording of points in relation to Affordability, Income, property standard and Maintenance of the Property and to align wording with the Tai Teg Allocation Policy where relevant.	MP	
5	09.2024	Minor review of Policy to reflect change in Tai Teg maximum income eligibility criteria for affordable rental schemes from £45k to £60k – implemented from September 2024 & inclusion of reference to the Social & Intermediate Rent Void Standard (ALLs10)	MP	MP - 30.09.2024 & TyP 25.10.2024

5.2. This policy will be reviewed every 3 years or sooner if changes to legislation, best practice or other relevant Adra policies make it necessary.

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## **6. EQUALITY AND DIVERSITY**

- 6.1. Adra recognises the needs of a diverse population and always acts within the scope of its own Equality and Diversity Policy.
- 6.2. Adra will ensure that the individual needs of applicants in accordance with this policy, regardless of age, gender, race, class, culture, sexuality or disability are considered when assessing applications for accommodation.
- 6.3. As part of its development, this document and its impact on equality has been screened for relevance and no detriment has been identified.

## **7. GENERAL DATA PROTECTION REGULATIONS (GDPR)**

- 7.1. Personal information contained in applications for intermediate rental properties will be kept confidential.
- 7.2. Adra will administer the allocation of Intermediate Rental properties within the legal framework of the Data Protection Act 2018 and in accordance with the Information Sharing Protocol of the Affordable Homes Register Partnership.

## **8. COMPLAINT**

- 8.1. Adra recognises your right to bring forward a complaint in relation to the exercise of this policy. Any such complaint will be dealt with under the CCpol01 – Complaints and Concerns Policy
- 8.2. Adra will ensure that any decisions relevant to this policy are reasonable and comply with relevant policy and legislation.

## **9. REVIEW OF DECISIONS**



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- 9.1. Adra recognises the right to request a review of any decision relating to this policy. Any such review will be dealt with following our CCp04- Review of Decision process
  - 9.2. Adra will ensure that any decisions relevant to this policy are reasonable and comply with relevant policy and legislation