

Cherwell District Council
Tenancy Strategy
Transparent solutions serving individual and local needs

Good quality housing provision where successful tenancies can be sustained is at the heart of Cherwell's aims to support vibrant, mixed communities and to achieve a district of opportunity.

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1. Introduction to the Tenancy Strategy

Tenancy Strategy

The Tenancy Strategy provides guidance for Registered Providers (RPs) operating in the Cherwell District Council area. It sets out the Council's position on the provision of affordable housing including the use of Flexible Tenancies, Affordable Rents and the use of private sector tenancies for homeless households.

The Localism Act introduces a duty for Local Authorities to produce a Tenancy Strategy within a year of its enactment, which means we would need to have a policy in place by November 2012. However, Cherwell District Council is working on its Tenancy Strategy now because it is an important part of the framework for how affordable homes are provided in the District.

The Council supports the Government's aim to make best use of housing stock, focussing support on the most vulnerable people in society. We believe this can be achieved through greater freedom to respond to local circumstances. The Tenancy Strategy sets out the role for affordable homes as part of the broader housing market in Cherwell.

2. Vision and Objectives

Our **vision** is for good quality housing provision where successful tenancies can be sustained. This vision is at the heart of Cherwell's aims to support vibrant, mixed communities and to achieve a district of opportunity.

The Tenancy Strategy is intended to promote clarity and fairness, and to offer a guide to Registered Providers who may manage stock on a wide geographical basis as to what Cherwell District Council's vision for its residents encompasses. Cherwell District Council no longer owns any stock, having transferred its stock to two Housing Associations now both part of the Sanctuary Group.

The **objectives** of the Tenancy Strategy are:

- To provide access to decent accommodation that people can afford
- To stimulate a diverse and resilient economy
- To provide opportunities for all the community

These objectives reflect thinking within the Cherwell Housing Strategy 2012-16 and the Cherwell Sustainable Community Strategy "Our District, Our Future"¹

Scope of Cherwell's Tenancy Strategy

The Tenancy Strategy covers the following areas:

- Flexible Tenancies
- Affordable Rents
- The Housing Register
- Using the private sector to house homeless people

¹ www.cherwell.gov.uk/media/pdf/s/t/Sustainable_Community_Strategy.pdf

Flexible Tenancies

The government is introducing a new type of tenancy – the Flexible Tenancy. This is an alternative to the secure tenancy currently used by social landlords, which gives a home for life.

The minimum term Landlords can offer will be two years, five years is expected in most circumstances and longer tenancies can be created where it is appropriate.

In a Flexible Tenancy the tenant will be offered a review six months before the fixed term is due to end. Tenants may then be offered a further fixed term tenancy either in the same or an alternative property, or the tenancy can be brought to an end. They could also be offered a shared ownership opportunity (a new property or their current home) or the opportunity to buy their home through the Right to Acquire.

The Tenancy Strategy sets out Cherwell District Council's position on:

- Minimum tenancy terms
- Registered Providers' investment in support to improve tenants' circumstances during and at the end of a tenancy
- Any exceptions we expect to see to the use of flexible tenancies

Affordable Rents

Affordable Rent was introduced by the Coalition government to raise funds to build new Affordable Homes. Registered Providers can charge up to 80% market rents – higher than the social rents currently charged. Affordable rents can be charged in new properties and on a proportion of relet homes. Affordable rents will be eligible for Housing Benefit

The Tenancy Strategy:

- Confirms Cherwell's position of welcoming the development of affordable housing which meets local need
- Sets out the Council's position on the use of Affordable Rents and the conversion of relet homes to Affordable Rent
- Sets out the relationship between Affordable rents and Local Housing Allowance to ensure that properties remain affordable
- Sets out the exceptions to Affordable rents

Cherwell's Housing Register

Under current rules Local Authorities must operate "open" Housing Registers, which means that anyone can apply for social housing (with some clearly set out exceptions).

The Localism Act allows Local Authorities to set their own rules about who may join the Housing Register, based on the need in their areas.

The Tenancy Strategy:

- Sets out Cherwell's current approach to operating the Housing Register
- Confirms the plan to review the Allocations policy and the way in which the Housing Register is accessed

Homelessness Duty and the Private Sector

We sometimes offer homeless people a privately rented home, but under current legislation, where we have a duty to house them due to homelessness, they do not have to accept this privately rented accommodation and we still have to find them social housing elsewhere. However, the Localism Act changes this by allowing Local Authorities to offer a 12 month "suitable" private sector tenancy to homeless households without the household's consent. This means if the prospective tenant does not accept the offered "suitable" accommodation, the Council no longer has the "duty" to provide accommodation elsewhere. This strategy explains Cherwell District Council's intentions to investigate the use of this power.

Succession

The Localism Act makes provisions for equality in rights of succession for tenants with Affordable Rent tenancies and Family Intervention Tenancies. The Act also makes changes to the rights of tenants with secure tenancies – but only where new secure tenancies are granted. The rights of existing secure tenants are not affected.

3. Background to CDC's housing situation

Cherwell District Council covers a geographical area within North Oxfordshire and is one of five District Councils in Oxfordshire. There are fifteen Housing Associations with stock in the district, and one ALMO. Cherwell District Council works with five preferred partners: Bromford Group, Greensquare Group, Paradigm Housing, Sovereign Vale and Sanctuary Housing. See appendix 2 for a full list of stock holders.

Population

○ Distribution

Cherwell's population is based in the three major settlements of Banbury, Bicester and Kidlington and in small rural parishes. The district has fewer mid-sized settlements than other rural districts in Oxfordshire. The rural make up of the district is unusual, with a higher number than average of small settlements – 59% of parishes have fewer than 500 residents. Small settlements are considered less sustainable in planning terms and are less likely to have identified land supply for development.

By 2016, it is predicted that 36% of Cherwell's population will live in rural wards compared to 32% in Banbury, 22% in Bicester and 9% in Kidlington.

According to Oxfordshire County Council ward population projections (based on housing completions data); between 2001 and 2009 the highest growth in population in Cherwell district was in Banbury. However between 2009 and 2016 the growth in population in Cherwell is predicted to be highest in rural wards.

○ **Ethnicity**

The latest ONS ethnicity estimates for Cherwell show 11.2% of the population from ethnic minority groups in mid-2007 (up from 9.3% in 2001) and the “Other White” category remaining the largest non-white British group in the district.

According to pupil data from Oxfordshire County Council, schools in Cherwell are becoming more ethnically diverse. Asian/Asian British remains the largest ethnic minority group for school pupils.

○ **Growth**

Between 2008 and 2033, Cherwell’s total population is expected to increase by 18%, with the population group aged 80 and over expected to grow by 150% over the same period. One of the contributors to this growth in the older population is increasing life expectancy. In 2008/09 the number of overseas nationals registering for National Insurance numbers in Cherwell fell for the second consecutive year following an upward trend of the previous four years.

Housing Need

The Cherwell District has high levels of housing need and demand. The Housing Register had over 4,000 applicants in March 2012. The annual lets, including supported properties were as follows:-

2008-09	395
2009-10	459
2010-11	358
2011-12	415

There is a high demand for private rented accommodation, partly fuelled by residents being unable to buy on the open market due to inability to access mortgage finance (including the need for large deposits) and because of the high house prices in the district. Appendix 3 shows detail on affordability and house prices in the district.

Good quality housing plays an important role in the provision of a local workforce, supporting and developing our resilient local economy (an aim expressed in the Cherwell Economic Development Strategy 2011-16).

Cherwell has collected detailed evidence about employment which supports the following key facts:

- 83% population is economically active
- There is some evidence of a divided community – higher than average at both the “top” and “bottom” of the income scale with fewer people in the middle
- Qualifications are generally a little lower than the SE average but close to the national average
- Average pay is below the SE regional average but above the national average

4. Policy Background

National

- **The Localism Act**

The Localism Act (2011) introduces the ability for Housing Providers to offer fixed term tenancies. The Government believes that life time tenancies do not take account of residents' changing circumstances or allow flexible use of the stock to meet the housing needs of the most vulnerable in society. There is also a concern that social housing tenancies are being inherited by family members who are not in housing need. The intention is to allow some flexibility to take account of local circumstances, making best use of stock in areas of high housing need.

It requires Local Authorities to write a Tenancy Strategy, which should be kept under review.

The Act also includes measures to allow councils to decide who goes on their housing waiting lists – although central government will set the categories considered to have the greatest housing needs. Changes to the "homelessness duty" will mean councils can offer people private sector accommodation instead of being obliged to offer social housing.

- **Affordable Rents (AR)**

The National Affordable Housing Programme (NAHP) funding is based on the principle that Registered Providers may charge up to 80% market rents (inclusive of service charges) for new affordable homes and some relets. This will improve their borrowing capacity and enable them to deliver more new homes with less public subsidy. Capacity will be enhanced by the ability to convert a proportion of void properties to Affordable Rent. In some circumstances, Registered Providers will be able to dispose of properties to reinvest the capital sums achieved in the provision of new affordable homes. Whilst this is a national programme, we would prefer to see investment in the district where funding has been raised here.

Registered Providers have agreed contracts with the Homes and Communities Agency which specify their development programme with details of number of homes they will deliver at Affordable Rent as well as the predicted number of relet homes to be converted to affordable rent and predicted number of disposals. We have evidence that some providers have agreed with HCA that service charges are above AR in the case of Extra Care Housing.

- **Welfare Reform**

The Government introduced the Welfare Reform Bill in February 2011. The Government's aim is to streamline the benefit system and to ensure that claimants are always better off in work than on benefit. Changes include the introduction of a benefit cap of £26,000 per year or £500 per week, which will affect tenants' and prospective tenants' ability to make rent payments.

The government has also introduced changes to Housing Benefit including increased non-dependent charges which may affect working age tenants' ability to afford to under-occupy property; as may the proposed reduction in benefit for working age under-occupiers

- **Allocations**

The government is currently consulting on a new guide to allocations which will increase Local Authorities' ability to respond flexibly to local circumstances.

Local

- **Housing Strategy**

Cherwell District Council has produced a Housing Strategy to meet the needs of the District's residents between 2012-16. It contains the following strategic priorities:

- Strategic Priority One: Increase the supply and access to housing
- Strategic Priority Two: Develop financially inclusive, sustainable communities
- Strategic Priority Three: House our most vulnerable residents
- Strategic Priority Four: Ensure homes are safe, warm and well managed
- Strategic Priority Five: Prevent Homelessness (Cherwell's Homelessness Strategy)
- Strategic Priority Six: Maximise resources and be an investment-ready district

- **Briefing on CDC's requirements for NAHP bids**

In April 2010 Cherwell District Council produced a briefing note to assist Registered Providers who were making bids for National Affordable Housing Programme funding through the Homes and Communities Agency. This was officer advice, outlining early concerns about the affordability of larger properties but supporting the principle of Affordable Rents, distributed without prejudice to this or any other policy which has been developed later and endorsed by members.

- **Allocations policy review**

Cherwell District Council plans to start a review of its Allocation Policy during 2012, which will consider access to the Housing Register and local priorities for housing and the new power to discharge homelessness duty with a private sector offer. This will consider changes beyond those introduced by the Localism Act. The government has issued a consultation on guidance for allocations and once the firm guidance has been issued we will be in a position to conduct the review with the best possible information

5. Providing new affordable homes

Cherwell District Council sets a target for the number of new affordable homes it expects to see delivered. For 2012-16 that target is set out in the Housing Strategy as 150 homes each year. Over the last five years delivery has been as follows:

Year	Delivery
2007-08	160
2008-09	122
2009-10	199
2010-11	126
2011-12	213

Delivery

There are three main streams of delivery of affordable housing planned for the next four years.

- **Through Registered Provider led sites**

The Homes and Communities Agency (HCA) is currently signing agreements with Registered Providers to provide homes under the 2011-15 Affordable Homes Programme. The HCA is clear that new homes should be provided with a minimum of public subsidy. Registered Providers are expected by the HCA to use their income generation facility through the use of affordable rents together with their own resources to fund the building of new homes

- **Through s106 planning gain**

Homes provided on market developments as part of s106 planning agreements should normally be provided without subsidy. Cherwell's Affordable Housing Viability Study 2010² recommends that this is achievable on sites if they do not have additional factors affecting viability. An update of this study is currently being written and will be made available on the website.

- **Community Led and Self Build Housing**

Cherwell District Council is an Investment Partner of the HCA with an ambition to deliver 250 homes through its Build! ® (community led and self build housing) programme. This is being developed through the Housing Strategy and will involve setting up Community Land Trusts to offer Cherwell District Council residents the opportunity to become part of their own housing solutions. Further details are contained in the Housing Strategy, which can be found at www.cherwell.gov.uk/housingstrategy

Tenure options – flexible tenancies

- **Aim of flexible tenure**

The Localism Act gives Registered Providers the ability to offer more flexible tenancies with the aim of making better use of existing homes in a diminishing market and encouraging tenants to use Affordable Housing opportunities as a springboard to other tenures. The existing agreements between Registered Providers and their tenants are not affected.

² <http://www.cherwell.gov.uk/index.cfm?articleid=3244>

The existing nomination agreements between Cherwell District Council and Registered Providers are not affected.

Now that Localism Bill has been enacted, and a revised Tenancy Standard is in force it will be possible for Housing Associations to offer fixed term tenancies at Social rent as well as at Affordable rent.

The minimum recommended term for fixed term tenancies is two years with five years as the norm. Cherwell District Council wants to balance the effective use of stock with the need to build sustainable communities where affordable housing tenancies can provide an opportunity for households to build a stable future, with children settled in school and where other community links can be developed. We want to see a minimum of five year tenancies with a ten year tenancy option. We understand that a five year term gives the option to review rents and keep them in line with changes in the market. Very occasionally, for example on properties which are linked to employment or educational opportunities, a two year tenancy could be agreed.

We also believe that the use of fixed term tenancies can help ensure that properties adapted for use by disabled occupants can continue to be made available for those who need them; so ensuring that best value is obtained from limited adaptation budgets.

- **Making a clear offer to applicants**

It is likely that following April 2012, a variety of tenancies could be available to tenants in Cherwell:

- Fixed term tenancies at social rent
- Fixed term tenancies at affordable rent
- Lifetime tenancies at social rent
- Lifetime tenancies at affordable rent
- Starter tenancies (which will convert to one of the above after 1 year)

Cherwell District Council wants tenants to be able to make informed choices about their housing options and will work with RP partners to make the process of offering tenancies through the Choice Based Lettings Scheme as clear and transparent as possible, so that applicants can understand and chose the option which is right for them.

The new Housing Strategy sets out plans for achieving a range of effective communication methods to explain the increased tenancy options, including those to people engaged in employment or training. We see this as an important part of the Registered Providers pre tenancy work in explaining tenants' rights and responsibilities.

- **Exceptions where lifetime tenancies should be offered**

Cherwell District Council believes that for some residents the offer should still be a lifetime tenancy and would expect this to apply to long term supported housing for people with enduring mental health needs, learning disability, some types of physical disability and for older people in supported accommodation (but in most cases, not in adapted properties). This is because for these groups of people, social housing is likely to fill the need for a secure home; rather than act as a springboard to other

tenures. A lifetime tenancy gives security to these tenants and their carers and families.

Cherwell District Council also wishes to follow the HCA recommendation of offering lifetime tenancies to tenants who have been involved in self building or self finishing their homes as recognition of the engagement they have made in providing their own housing solution.

Specialist housing

- **Properties with adaptations**

Cherwell District Council expects that homes which have been purpose built or adapted to accommodate people with physical disabilities will be let on Flexible Tenancies. Adaptations are made to make it easier for people with physical disabilities to occupy their homes. Such adaptations can be expensive and it is important that as part of the best use of stock, homes are let to people who need them. Cherwell District Council believes that where there is a change of circumstances and the adaptations are no longer needed, the household should be re-housed. Flexible tenancies facilitate using stock in the most flexible way.

- **Older peoples' housing**

We would usually expect that Lifetime tenancies are offered to people moving into older people's housing, especially for downsizers who are giving up a larger home and lifetime tenancy, and who might be put off from moving if a less secure tenancy is offered.

- **Supported housing**

We expect Lifetime tenancies will usually be issued to tenants in specialist supported housing as homes for life, where health conditions mean that they require long term support or who have permanent disabilities. Where support is being delivered in these circumstances it may be more appropriate for support providers to assess whether residents have an improved level of independence which would enable them to move on as circumstances change rather than at a fixed point of tenancy review.

6. Tenancy review

At the end of a tenancy

The government guidance requires that the end of the tenancy period should be accompanied by a tenancy review.

RPs who provide fixed term tenancies will need robust arrangements to be aware when tenancies are due for review.

Cherwell District Council expects Registered Providers to have robust plans to offer support to their residents at the point of tenancy review. We do not anticipate that homelessness will be an outcome for Registered Providers' tenants; but that a variety of options will be considered. Where the decision is not to extend the tenancy, Registered Providers should be confident that tenants have received the advice and

support necessary to provide a new housing solution which better meets their needs and to prevent homelessness.

Where tenants who are over working age do not have their tenancy renewed we expect that the Registered Provider will make an offer of alternative accommodation that meets the needs of the tenants, using the stock allocation over which they have nomination rights.

Throughout the tenancy

If the use of a flexible tenancy is to fulfil its aim for social housing to be a springboard to other opportunities, Registered Providers must offer support throughout the tenancy. This gives the tenant the opportunity to review their situation and to access information about education, training, skills and work opportunities. Cherwell District Council expects that Registered Providers will be providing this support through out a tenancy and not simply as an 'add on' at the time of tenancy review. The role of the Registered Provider can range from signposting existing provision to offering apprenticeships and other training opportunities.

Evidence from CORE data on new lettings shows that in 2010-11, 96% of new tenants of general needs properties whose age was known were of working age, yet 53% of head of households were economically inactive in those new tenancies. This means that Landlords need to promote training and employment opportunities during the life of a tenancy to enable households to improve their financial status and access to other housing options. 61% of new tenants had children in their household which gives Registered Providers the opportunity to contribute to improving the circumstances and life chances of those children by supporting their parents into employment and training.

CORE data shows that 21% of new tenants were previously living with family or friends, with a further 8% of previously living in temporary accommodation so they did not have the experience of managing a tenancy. Cherwell District Council is working with partners who provide social housing and with education partners to provide pre-tenancy skills to improve tenants' chances of sustaining a tenancy. More details of this work are contained in the Housing Strategy.

Tenants whose household needs have changed will have a chance to discuss other options such as downsizing. The English Housing Survey Household Report 2009-10 shows that 60% of recent movers stayed in the same tenure as before, which suggests that the other options in different housing sectors could be promoted much more strongly.

7. Affordable Rents

Affordability

- **Aim**

Cherwell aims that people should have access to decent accommodation that they can afford. This may be provided in the private sector or by Housing Associations.

- **Ability to afford**

The government wishes to promote work and reduce levels of benefit dependency, so it is important that rent levels do not deter tenants from entering employment.

In addition, the proposed introduction of Universal Credit and the cap to benefits is likely to have an effect on the ability to pay for those residents who are dependent on benefit payment to meet their rent responsibilities. CORE data shows that 79% new tenants in 2010-11 received some housing benefit. 56% of new tenants received all their income from State benefits leaving them most vulnerable to welfare benefit changes.

It is unclear at this point what caps the Universal Credit has and we will provide information on affordability to inform RPs decision making.

Cherwell District Council intends to review this strategy after 6 months' operation and will take into account any further information that has been confirmed about the operation of Universal Credit.

It appears from the evidence available so far that larger properties will be the least affordable under the new welfare benefit system. CORE data showed that in 2010-11, 40% of new lets were of properties of three or more bedrooms, proving this to be a significant area for Cherwell residents.

Cherwell's modelling of Affordable Rents is suggesting that there may be a need for some social rented larger properties for working tenants, since a tenant on a lower quartile income could afford to pay a social rent without benefit, whereas a very high income would be required before a working person could pay an Affordable rent without the need for benefit. We will carry out further modelling to develop our policy firmly in this area, but research shows that in some areas up to 70% of social rented properties will be needed.

Setting the level of a market rent

We anticipate that Registered Providers will use the RICS User Guide "Market Rent" which was produced in association with the Homes and Communities Agency to assess market rents.

Capping the level of Affordable Rent

Cherwell supports the use of Affordable Rents because we want to see development in the district to meet the housing need of our residents and we understand that Registered Providers have a need to generate income through higher rents to replace public subsidy.

However, in order that the housing provided still meets local need, we believe that Affordable Rents should be capped at a level to match Local Housing Allowance. We want to avoid a situation where high rents prove a disincentive for people to take up employment or make tenancies which are unsustainable.

The Cherwell District falls into two Broad Market Rental Areas for housing benefit purposes, Cherwell and Oxford. The rents near to Oxford are considerably higher.

We expect Registered Providers to discuss with us the level of rent it will be reasonable to charge as Affordable Rent. Where Cherwell District Council has

invested Capital Funding in a building or acquisition project, the Council will have a greater say in the negotiation of rent levels.

RPs should take into account the availability of property and the demographics of the district when setting rents. For example, in areas such as Kidlington where the availability of market and affordable properties is comparatively low, it will be important to retain a proportion of social rented properties. Market rents in rural areas can be extremely high while wages can be lower than average. We expect to discuss this with Registered Providers who are building in our villages. In these cases we anticipate rents may need to be set lower than 80% and we will work jointly with Registered Providers to assess information on local incomes. We will expect Registered Providers to take account of this information when setting rents. . Where rents appear to be unduly high the council will reserve the right to see and challenge the valuation. If necessary the Council will refer rents to the Rent Officer service for adjudication.

Exceptions to Affordable rents

The provision of Supported Housing is an important tool in preventing homelessness and improving the quality of life of many of Cherwell's vulnerable residents.

We require that Supported Housing properties are an affordable option for residents who need housing options with support. The levels of rent/service charge should not act as a deterrent to those service users who are in a position to seek or continue with employment while receiving housing related support.

To achieve this we require that the total sum of rent and service charge is not greater than the local housing allowance. This may mean that rents are set well below 80% market rents, even if they are not set at social rent levels. Where new developments of supported housing are proposed we will work with Registered Providers to determine the rent levels required to offer a suitable product to our residents. We will scrutinise the affordability of combined rents and housing benefit charges where these do exceed local housing.

Conversions of relet properties to Affordable Rent

Cherwell District Council has commissioned research to investigate the level of need for Social rent tenancies in the district. The purpose of continuing to provide Social rented tenancies is two fold – firstly, as a responsible Local Authority, Cherwell seeks to ensure that housing provision is good value for money and minimise public funding through Housing Benefit payments. Secondly, we are concerned that a lack of Social Rented properties may lead to residents being placed in a “benefits trap”, where they are discouraged from taking up employment because they would be unable to pay an Affordable Rent.

The modelling shows that up to 70% of lets could be required to be let at Social rents. The issue is particularly important in the South of the District, where private rents are higher. However, Cherwell District Council understands that there needs to be a level of relet properties converted to Affordable Rent in order to support the new development programme and that Registered Providers are already in contract with the Homes and Communities Agency for their delivery on the 2011-15 programme, including the levels of conversions required to support their delivery programmes. Therefore, Cherwell will support Registered Providers in converting up to one third of their relet vacancies (excluding supported housing) to Affordable rents, though

affordability should still be monitored and is of the utmost importance to Cherwell District Council. Based on the previous 5 years delivery this would provide approximately 50% lets at social rent. This balances our acknowledgement of the commitment that Registered Providers to the Homes and Communities Agency to generate income through conversions with the need to retain some relets at social rent.

We require our Registered Provider partners to do the following:

- Spread the number of conversions as evenly as possible throughout the year, so that a variety of rental levels are available
- Select properties for conversion with an even distribution over the district (as far as possible)
- Select properties for conversion predominantly from one and two bedroomed stock, allowing larger properties to be relet at social rent

We will monitor the number and proportion of conversions to ensure that:

- no more than one third of rents are converted on relet from social rent to affordable rent
- a reasonable distribution of social rented opportunities exists across the district
- rents and service charges do not exceed the Local Housing Allowance

Cherwell District Council expects that properties subject to existing s106 agreements will not be converted to affordable rent where a social rent is specified.

Monitoring the effect of Affordable Rents

We will work with Registered Providers to monitor the effect of lettings at Affordable Rents. We will monitor the bidding levels through Choice Based Lettings so that they can be compared to bids on social rented properties, and will ask Registered Providers to supply information on the sustainability of Affordable Rent tenancies. This information will be used in the review of the policy.

8. Disposals

Cherwell District Council is not generally in favour of the disposal of social housing stock. However, it is understood that at times the best solution may be for a Registered Provider to dispose of stock that has become surplus to requirements or is too costly to bring up to modern standards. We expect that particularly where property has been given in trust to a Registered Provider, or where CDC has invested in the property, any gain should be reinvested in the district.

Cherwell District Council maintains a close relationship with Registered Providers through the Development and Management Groups, through regular one to one meetings and through the annual appraisal process and expects that part of the asset management decision making process by the owning Registered Provider will be a meaningful dialogue with the Local Authority, and that adequate notice is given of a proposal to dispose of a property. Where there has been investment from CDC in the form of land or grant, then there should be an 'open book' approach to the disposal to ensure that local investment is reinvested locally in a mutually beneficial way to the district and the RP.

All disposals are subject to the consent of the Homes and Communities Agency,

- **Disposal to the occupier**

As part of the tenancy review process, Registered Providers may wish to dispose of homes to the existing tenant either as an outright sale or on a Shared Ownership basis. Cherwell District Council is supportive of the aim to offer a step on the housing ladder to social housing tenants, especially in areas where there are high levels of affordable rented housing.

- **Disposal to Cherwell District Council**

Cherwell District Council's self build programme has capacity for refurbishment as well as complete build, and we want to consider all Registered Provider disposals to see if they are suitable for our programme, before they are offered elsewhere. This has the advantage of retaining the property as affordable housing provision,

- **Disposal to another Registered Provider**

Where the property is not suitable for the Build! self-build programme, we expect that the next option to be considered will be to dispose to another Registered Provider.

- **Open Market Disposals**

Before deciding to dispose of a property Registered Providers will carry out a business appraisal of the options of retaining or disposing of the property. Where disposal is considered to be the preferred option, we expect that the first offer will be to dispose of the property to the Local Authority as part of Cherwell's Community Led Self Build Programme. An assessment of the property's suitability will be made

Other avenues would be discussed as appropriate.

9. Mobility

Moving for employment/social and welfare reasons

Cherwell District Council supports the government's aim to make it easier for tenants who wish to move for employment or social and welfare reasons and expects that Registered Providers will offer assistance to their residents in these circumstances from the stock available to them through the nominations agreements.

Downsizing

Cherwell District Council expects all Registered Providers operating in its area to fund and operate a downsizing scheme, which consist of easy accessibility for tenants into appropriate accommodation and for vulnerable tenants including older people a support service where necessary to facilitate a move. This offers advantages to the household downsizing, as they can move to smaller, more accessible, and easier to heat accommodation; it also frees up much needed family accommodation.

The Welfare Benefit reforms propose that from 2013, there will be benefit penalties for people of working age who are underoccupying properties.

10. Housing Register

The Government has issued a consultation on Guidance for Allocations, as well as relaxing the rules on how Local Authority Housing Registers are managed through provisions in the Localism Bill.

Cherwell intends to start a review of the Allocations Policy in 2012 and will consider how the Housing Register can best be managed to meet the needs of residents. We will consult Registered Providers on how this can be achieved.

11. Discharge of homelessness duty through a private sector tenancy offer

In the past, Local Authorities have had the option of offering a private sector tenancy to households who have been found to be statutorily homeless, but the households did not have to accept the offer. The Localism Act allows Local Authorities to discharge their homelessness duty with a suitable private sector offer.

Cherwell District Council believes in a strong flourishing private sector, and seeks to build good relationships with effective private landlords through its Landlords' Forum and education work. We promote the use of private sector tenancies as a Housing Option where applicants can exercise choice and control in their own housing solutions. Where properties of suitable standard can be found at the right cost, Cherwell District Council will make offers of private sector accommodation. The Council is exploring the use of this power to offer an alternative housing solution by increasing access to private sector. This work is addressed in the Housing Strategy.

12. Succession

The Localism Act provides for a right of succession for spouses and civil partners in fixed term assured tenancies provided that: (i) the tenancy is for a term of not less than two years; (ii) the landlord is a private registered provider of social housing; and, (iii) the tenancy agreement contains an express term allowing for succession. The intention is to ensure that affordable rent tenants enjoy similar rights of succession to those enjoyed by periodic tenants.

Where an assured shorthold tenancy becomes a family intervention tenancy and a new tenancy is then granted, that tenancy will also be a family intervention tenancy.

Under the Act, the statutory right of succession to a secure tenancy for family members is to be abolished. Accordingly, succession will be limited to spouses, civil partners and those in equivalent relationships. This will not, however, affect existing secure tenancies.

Cherwell expects that its Registered Providers will act according to the provisions of the legislation.

13. Governance – monitoring and reviewing the STP

Cherwell District Council proposes to monitor and review the Tenancy Strategy in co-operation with individual Registered Providers. This will include reviewing RPs records of tenancy sustainment. The RSL Management Group will support the Council in assessing the effectiveness of the strategy, by analysing trends in housing need and homelessness.

In view of the fast moving pace of housing and welfare reform it is intended that the policy will be reviewed after 6 months.

Registered Providers will be expected by their regulator to have their own tenancy policies and Cherwell District Council will support them in monitoring and reviewing their success through the appraisal process.

14. Risk

Cherwell District Council has a strong, preventative approach to homelessness. Through our Housing Strategy we want to create an environment which enables people to be part of their own housing solutions and see the support offered during a social housing tenancy and at the end of the tenancy as a contributory factor.

However, we are also aware that the changes bring an increased risk of homelessness, through an inability to afford to pay the new rent levels. We aim to mitigate this risk through careful discussion with RPs about rent levels on both new properties and conversions; through partnership work to improve tenants' financial circumstances and by continuing our successful prevention work offered through the Housing Options team's Early Intervention Protocol

15. Equalities

This policy is subject to an equality impact assessment,

Cherwell District Council expects Registered Providers to carry out Equality Impact Assessments when devising their own tenancy policies.

Definitions/glossary

Affordable Rent	Rent charged at 80% market rents introduced by the coalition government to increase funding for affordable housing
ALMO	Arms' Length Management Organisation – managing properties owned by a Council through an independent body
Choice Based Lettings	Advertising vacant properties and giving eligible applicants the opportunity to express an interest in them www.oxfordshirehomechoice.org.uk
Fixed Term Tenancy	Applies to tenancies offered for a specific period of time rather than traditional “lifetime tenancies”
Flexible Tenancy	Fixed term tenancy with built in review period
Housing Association	Independent not for profit organisation providing affordable housing
Homes and Communities Agency (HCA)	The national housing investment agency
National Affordable Housing Programme 2011-15	The Homes and Communities investment programme
Non dependent charges	Deductions from Housing Benefit made in respect of adults other than the tenant or their partner who occupy a home – such as adult children
Preferred Partner	A Registered Provider who has been approved by the Local Authority to be recommended for development opportunities
Registered Provider	A provider of social housing registered with the Tenant Services Authority and subject to government regulation
Registered Social Landlord	Usually known as Housing Associations

Appendix 1: Consultation questions

1.	Do you support the vision of Cherwell District Council's Tenancy Strategy?
2.	Do you support the objectives of the Tenancy Strategy? If not, please explain your reasons.
3.	Does the document provide enough background about Cherwell District Council's current housing situation? If not, what else should it provide?
4.	Does this section provide enough information about the policy background? If not, what else should be included?
5.	How can the tenancy offer be made clear to applicants?
6.	Do you agree that a five year tenancy is the right length? If not, what do you think the length of a tenancy should be? Do you agree with the proposed exceptions to a five year tenancy? If not, please give your reasoning
7.	Do you support the approach that Registered Providers should provide Employment, Education and Training support throughout a tenancy? If not, please give your reasoning.
8.	How can Registered Providers work with CDC to improve the sustainability of tenancies?
9.	Do you support the approach that new homes should be let at Affordable Rent (80% market rents)? If not, please give reasoning.
10.	Do you support the approach that there should be some exceptions to the use of Affordable rent? In which circumstances would you support it? Should working tenants be prioritised for social rented tenancies? If you disagree, please give reasoning
11.	Do you support this approach to the number of tenancies which can be converted to Affordable Rent? If not, please give reasoning
12.	Do you support the offer of shorter fixed term tenancies in the circumstances described for people requiring properties with adaptations? Should this be combined with giving priority through the banding scheme for those who need to move due to no longer needing adaptations
13.	Should CDC give more guidance on the size of type of properties which should be converted to Affordable Rent? Should there be exclusions such as supported or sheltered housing?
14.	Do you support this approach to disposals, where Registered Providers should a) avoid disposals b) carry out a consultation with the Local Authority the purpose of best using resources to meet housing need in Cherwell?
15.	Do you support the Council's approach to downsizing and overcrowding? if not, please give reasoning
16.	Do you support the maintenance of an open housing register? If not, explain how you think access to the housing register should be restricted.
17.	Do you support the approach for monitoring the Tenancy Strategy?
18.	Are there other risks associated with this strategy? How can these risks be mitigated?
19.	Do you support the content of the Tenancy Strategy? If not please give reasoning?
20.	Do you think any other evidence or information to support this document should be included? Please state what it is.

Appendix 2 – Registered Providers with stock in Cherwell District

Association

A2Dominion

Ability

Advance

Bromford

Catalyst

English Rural

Gloucester Housing Association

Housing 21

Jephson

London Borough of Lambeth

OCHA

Paradigm

Raglan

Sanctuary

Sovereign

Thames Valley

Appendix 3 – Affordability and house prices in the district

- The simple average house price in Cherwell (District) is currently £271,600 (based on sales and valuations over the last 3 months*), compared to a regional average of £303,700
- The lower quartile house price in Cherwell (District) is currently £175,800 (based on sales and valuations over the last 3 months*), compared to a regional average of £173,700.
- The number of bedrooms is a key determinant of price, current average prices in Cherwell (District) by bedrooms count and property type are as follows;
 - 1 bedroom flat - £118,800
 - 2 bedroom flat - £133,900
 - 2 bedroom house - £188,800
 - 3 bedroom house - £226,000
 - 4 bedroom house - £358,500
- House price to earning ratio - **8.1:1**
- Lower quartile price to earning ratio - **8.2:1**
- House price to income ratio - **4:1**
- Lower quartile house price to income ratio - **7:1**
- The house price to earnings ratio in **Cherwell (District)** is currently **8.1:1** based on data from the latest Annual Survey of Hours and Earnings and sales and valuations over the last **12** months. The regional house price to earnings is **8:1**
- The lower quartile house price to earnings ratio in **Cherwell (District)** is currently **8.2:1** based on data from the latest Annual Survey of Hours and Earnings and sales and valuations over the last **12** months. The regional house price to earnings is **8.6:1**
- Earnings data relates to a single person in full time employment. The majority of households have more than one earner. Affordability in **Cherwell (District)** based on household disposable incomes is **4:1**, compared to a regional ratio of **4:1**. The lower quartile house price to income ratio in **Cherwell (District)** is **7:1**
- The affordability of home ownership is just one part of the affordability equation. The cost of buying an average 2 bed property in **Cherwell (District)** with an 85% mortgage is currently **£146** per week assuming a **3.45%** mortgage rate.
- The cost of renting an average 2 bed property in **Cherwell (District)** is **£155**.
- The gross weekly rent for a 2 bed property rented from a Housing Association is **£83** per week. The cost of buying an average 2 bed property with a 40% Homebuy product is **£102** assuming a 90% mortgage and an **3.45%** mortgage rate

*up to September 2011 (source Hometrack)