

Cherwell District Council

Executive Meeting

7 November 2016

Tenancy Strategy 2017

Report of Head of Regeneration and Housing

This report is public

Purpose of report

To provide Executive with an overview of the changes to Tenancy Strategy for approval to consult.

1.0 Recommendations

The meeting is recommended:

- 1.1 To approve wider consultation of the draft revised Tenancy Strategy (attached at Appendix 1).
- 1.2 To agree to another report being presented to Executive following consultation on the draft Tenancy Strategy.

2.0 Introduction

- 2.1 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. This policy supports the Government's aim to make best use of housing stock, focussing support on the most vulnerable people in society. It is believed this can be achieved through greater freedom to respond to local circumstances.
- 2.2 The Localism Act 2011 introduced a duty for Local Authorities to produce a Tenancy Strategy within a year of its enactment (November 2012). Since the original adoption of the Tenancy Strategy in 2012 there have been significant changes which have taken place within government housing policy, including the introduction of several key pieces of legislation such as the Welfare Act 2012, Welfare Reform and Work Act 2016, and most recently the Housing and Planning Act 2016.
- 2.3 Although this new legislation has brought about significant changes more widely, the Tenancy Strategy itself has a fairly narrow focus, which means that although it

requires updating and small changes made to reflect the changing national policy, the underlying principles of the Council's position on its various points have not fundamentally changed. The only new point which has been included is with regards to the extended or 'Voluntary Right to Buy', where the Council outlines its position with regards to the policy agreed between government and the National Housing Federation.

- 2.4 Because there have not been any large changes to the Council's position on key points in the Strategy since 2012 this has been a review and refresh of the document rather than a complete redrafting.
- 2.5 Registered Providers are required to produce their own Tenancy Policy and should have regard to the Local Authority's Tenancy Strategy when writing it. However, most Registered Providers work in a range of Local Authority areas, and may find that they are being asked to meet varying requirements. Producing a Tenancy Strategy enables the Council to be clear to its partners about its approach and position on the various points.

3.0 Report Details

3.1 The Tenancy Strategy includes the following policy areas:

- Flexible Tenancies
- Affordable Rents
- Disposals of Registered Provider properties
- The Housing Register
- Using the private sector to house homeless people
- Voluntary Right to Buy

Flexible Tenancies

- 3.2 The Localism Act allows Registered Providers to offer their tenants fixed term tenancies, rather than the lifetime tenancies which have been offered till now. The Tenancy Strategy recommends an absolute minimum term of two years in exceptional cases, with a tenancy term of at least five years being the norm.
- 3.3 The Tenancy Strategy also outlines the exceptions to Flexible Tenancy offers as follows:
- 3.4 *Properties with adaptations* – In some circumstances, Registered Providers may offer shorter term tenancies to households where a member requires an adapted property, to improve the use of adapted properties if the household no longer require the adaptations.
- 3.5 *Specialist accommodation* – Specialist accommodation covers a range of accommodation. It includes provision for older people and people with enduring conditions which mean that they and their carers need the security of knowing that a home has been offered for life.
- 3.6 It also includes accommodation which is offered with conditions about engagement in education, training and work skills, where it may be appropriate to offer a shorter term tenancy.

Affordable Rent

- 3.7 The Council is continuing to recommend that Affordable Rents are set at up to 80% market rents; but that they are capped at the Local Housing Allowance levels.
- 3.8 In order to preserve the availability of social rented properties we are still requesting that a minimum of one third of general needs properties are re-let at social rents. Although, generally this is becoming less of an issue given the rent restrictions being put in place through the new legislation, and the impact of the welfare changes. The policy aims to try and ensure that rents of new supported housing properties are set at a level where the combined rent and service charge does not exceed the Local Housing Allowance level. Although this is challenging with supported housing, it does mean that moving forward where there is less flexibility on the rent levels for this type of housing, it may help mitigate the impact.

Disposal of Registered Provider properties

- 3.9 As part of their improved asset management plans, Registered Providers will consider disposing of properties which do not meet requirements such as decent homes standards. We are asking that such decisions are taken in a context where:
- The maximum amount of social housing is preserved in the district
 - The Council has the option to purchase for its community led and self-build housing programme
 - The property is offered to other Registered Providers
 - Any investment funding realised is retained in the District
- 3.10 Registered Providers may also dispose of property to the existing occupier either as an outright sale or on a shared ownership basis, and as a result of consultation this has been included in the options for disposal.

Housing Register

- 3.11 The Council's Housing Allocations Policy was reviewed and updated in 2012 in light of the freedoms afforded in the Localism Act. There also been a subsequent review in 2015 to allow for a greater degree of emerging households access to the Council's housing register and represents the council's current allocations policy.

Using the Private Sector for offers to Homeless Households

- 3.12 The Localism Act has provided the opportunity for Local Authorities to discharge their duty to households which have been accepted as homeless and to whom a duty is owed, via an offer of suitable accommodation in the private sector. The council will continue to use this valuable resource in discharging its homeless duties.

Voluntary Right to Buy

- 3.13 In October 2015, the National Housing Federation on behalf of Registered Provider members put forward a proposal to the Government to deliver its commitment to extend the Right to Buy to housing association tenants by way of voluntary agreement rather than legislation.
- 3.14 This agreement is based on four key principles:
- **Right to Buy discounts for housing association tenants:** Housing Association tenants would have the right to purchase a home at Right to Buy level discounts.

- **Board control over which homes to sell:** Housing Associations will have the final decision about whether to sell an individual property, with the presumption that they will sell a tenant their current home where they can.
- **Full compensation:** Housing Associations will get the full market value of the properties sold, with the value of the discount funded by the Government.
- **Flexible one for one replacement:** Nationally, for every home sold under the agreement, a new affordable property would be built thereby increasing overall supply. The type and location will be flexible to their needs.

3.15 Since this agreement was reached the Government has put in place five VRTB pilot schemes to test how the process might work, understand demand and prepare for the wider role out.

The five housing associations invited to take part in this pilot were;

- L&Q
- Riverside
- Saffron
- Sovereign
- Thames Valley Housing

Eligible tenants living in these housing associations properties can start the process of buying their own home with a discount paid by the Government.

3.16 Following this pilot there is still a great deal of clarity and guidance needed before the scheme can roll out in a more comprehensive way nationally, however Cherwell District Council have outlined its position within the redrafted Tenancy Strategy to ensure that its position on this matter is clear.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The Tenancy Strategy forms an important part of the Council's vision for the provision of Affordable Housing in the District and it complements the objectives within the Housing Strategy. It provides an overview to Registered Providers the expectations on its partners in delivering affordable housing as well as the Council's willingness to work positively with new ways of delivery, while safeguarding the interests of some of the District's more vulnerable residents.
- 4.2 To a large extent the fundamental principles which the Council approved in its Tenancy Strategy in 2012 are still relevant and there is no proposal within this review and redraft to change any of those positions. Therefore this is more a refresh of the 2012 Strategy rather than a change in position.
- 4.3 Given the fast changing environment in housing and related policy, the Strategy will be reviewed on an annual basis to ensure it remains relevant and in line with the Council's requirements.

5.0 Consultation

All Registered Providers who hold social housing stock in the district.

Not yet gone out for consultation to all Registered Providers who hold social housing stock in the district.

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To agree for officers to consult on the draft Tenancy Strategy

Option 2: Not to consult on the Tenancy Strategy

Option 3: Not to proceed with review of the current Tenancy Strategy and instead continue with the existing one.

7.0 Implications

Financial and Resource Implications

7.1 The Tenancy Strategy sets out the framework to encourage inward investment into the Cherwell district by making use of affordable rent products. The policy supports the approach proposed in the Cherwell Housing Strategy of providing an environment in which the District is “investment ready” for new housing development; together with supporting residents to be “housing ready” by understanding their rights and responsibilities as tenants able to sustain a tenancy and to utilise their housing as a springboard to life and career opportunities. The provision of new Affordable Housing contributes to the avoidance of homelessness and the consequent expenditure on temporary accommodation.

Comments checked by:

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Legal Implications

7.2 The Council is required through the Localism Act to produce a Tenancy Strategy; the purpose of this report is to ensure that the council’s strategy is up to date and able to be used by Register Providers and others as appropriate. This report approves the draft document for consultation and the adoption of a revised strategy will be subject to a further decision of the Executive.

Comments checked by:

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Risk Management

- 7.3 By not having an up to date Tenancy Strategy there is a risk that current CDC policy will fall behind that which is set nationally and therefore not present a current and proactive approach to affordable housing within the district. This is a time of policy change in the areas of Affordable Housing and Welfare Benefits and it is important that the Strategy is frequently monitored to judge its effects. This will be managed as part of the operational risk register and escalated as and when necessary to the corporate risk register.

Comments checked by:

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Equalities

- 7.4 This policy has benefitted from an Equality Impact Assessment, which is available on request from the Investment and Growth Team. There are positive implications for older people and people who require supported housing where the council is recommending that Lifetime Tenancies continue to be offered. There are concerns over future affordability for households with large numbers of children and this has been addressed through the policy with a continued requirement for some social rented properties.

Comments checked by:

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8.0 Decision Information

Key Decision

Financial Threshold Met:	No
Community Impact Threshold Met:	Yes

Wards Affected

All

Links to Corporate Plan and Policy Framework

A District of Opportunity
An Accessible, Value for Money Council
A Safe and Healthy Cherwell

Lead Councillor

Councillor John Donaldson – Lead Member for Housing

Document Information

Appendix No	Title
1	Tenancy Strategy 2017 Consultation Draft
Background Papers	
None	
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