



Cherwell

DISTRICT COUNCIL
NORTH OXFORDSHIRE

Final Draft Tenancy Strategy and Affordability Statement

November 2021

Contents

1. Introduction.....	3
2. Our Vision	4
3. Social Housing in Cherwell.....	4
4. Policy Context: Housing Tenure	6
5. Tenure Options.....	6
Lifetime tenancies.....	6
Fixed term tenancies.....	7
Introductory or Starter tenancies	8
Tenancy Review	9
6. Rent Levels and Affordability Statement.....	10
7. Disposals	11
8. Mobility.....	12
Moving for employment/social and welfare reasons.....	12
Downsizing	12
9. Discharge of Homelessness Duty via Private Rented Sector.....	12
10. Succession	13
11. Voluntary Right to Buy	13
12. Monitoring and Review.....	14
13. Risk	14
14. Equalities.....	14
Appendix 1: Key legislative changes since the 2017 Tenancy Strategy	15
Appendix 2: Affordability in Cherwell District	16
Appendix 3 Social Housing data in Cherwell.....	18

This document can be made available in other accessible formats such as other languages, large print, audio or Braille. Please contact the Housing Strategy and Development team to discuss your requirements. Housing.Strategy@Cherwell-dc.gov.uk

1. Introduction

1.1 This Tenancy Strategy fulfils our obligations under the Localism Act 2011¹, which requires us to publish a Tenancy Strategy that sets out the matters to which Registered Providers of social housing (RPs) within the District should have regard when formulating their own policies relating to:

- the types of tenancies they will grant
- the circumstances under which different types of tenancies will be granted
- where they elect to grant fixed-term tenancies, the length of the fixed term
- the circumstances in which they will grant a further tenancy when the fixed term expires.

This Tenancy Strategy sets out our expectations of RPs and provides guidance on the preferred approach to tenancy type, tenure and setting rent levels for social housing within the Cherwell District Council area.

1.2 Cherwell District Council undertook a large-scale voluntary transfer of its housing stock in 2004. The stock is now owned by Sanctuary Housing. Since the transfer, our key role has been to enable new affordable housing provision and guide RP partners in relation to the letting and management of all social housing stock in the district to meet local housing needs and priorities. In 2012, the council set up Build! which is currently registered with Homes England as a Local Authority Registered Provider. Build! has 260 affordable homes for rent and shared ownership across the district.

1.3 It is a priority for Cherwell District Council, as a local housing authority, to address the long-term housing needs of vulnerable households and those on low income in the district. This aim has become even more urgent as the Covid-19 pandemic has impacted on the lives and incomes of local people. Our Housing Strategy 2019-2024 and our Homelessness and Rough Sleeping Strategy 2021-2026 set out the ways in which we will enable housing supply and deliver services to meet our housing priorities. This Tenancy Strategy and Affordability Statement also aims to support delivery of those priorities by specifically addressing the pressing need for good quality, secure and affordable homes.

1.4 Tenancy types and rent levels must meet the needs of local residents and workers, including the most vulnerable. There is a need to provide permanent or 'lifetime' tenancies at social rent levels that are genuinely affordable for most households who are in housing need. Combining security of tenure with rents that are commensurate with local incomes, helps to facilitate stable and cohesive communities.

1.5 In our previous Tenancy Strategy, we supported the use of fixed term tenancies as the norm. However, through discussions with our RP partners in the district, there is little evidence of the benefits of fixed term tenancies. Going forward, aligning with the aims of our Business Plan 2021-2022 and our strategic vision for Cherwell, we are adopting an approach consistent with providing secure and affordable homes, improving health and wellbeing, and promoting a long-term connection to place. We

¹ Localism Act 2011 s150

will work closely with housing providers and developers in the district to enable this to happen and to seek a consistent approach to delivering quality social housing that meets local needs.

- 1.6 This Tenancy Strategy and Affordability Statement replaces our previous Tenancy Strategy adopted in 2017. It should be read alongside the Housing Strategy, Homelessness and Rough Sleeping Strategy, Housing Allocation Scheme, and should be given due consideration in relation to development, delivery and ongoing use of new and existing affordable housing in Cherwell District. Key legislative changes considered in producing this strategy are listed in Appendix 1.

2. Our Vision

- 2.1 As a progressive, forward-looking district council, we are ambitious to meet the needs of our residents. **It is our vision to create places that thrive; to support mixed tenure, vibrant communities and provide housing that meets identified needs. We want residents to feel settled in their homes and for those homes to be affordable, good quality, safe, secure and able to withstand the challenges we face.** The pandemic has highlighted afresh the serious and urgent problems faced by those on a low income and in insecure housing. Among the first emergency measures to be introduced during the pandemic lockdown were those to address loss of income and loss of home.
- 2.2 The aims of this Tenancy Strategy and Affordability Statement are:
- to set out our expectations and the matters to which all Registered Providers (RPs) within the District should have regard when formulating housing policies;
 - to assist affordable housing developers to understand what the council requires of social housing landlords who own, let and manage stock in Cherwell district;
 - to ensure that the supply of affordable housing in Cherwell is genuinely affordable and provided to a good standard to meet the needs of local residents, specifically of those on low income; and
 - to support communities to thrive through the creation of sustainable social housing offers within our district.

3. Social Housing in Cherwell

- 3.1 Cherwell district, located in north Oxfordshire, is predominantly rural and covers two major towns, Banbury and Bicester, Kidlington (a large village) and 72 smaller villages. Cherwell has a population of around 150,500. Over 50% of residents live in one of the main urban centres.
- 3.2 Cherwell is an attractive place to live. It is a high growth area and demand for housing is high, but it can be an expensive place to live especially in areas of the district where house prices and rents significantly exceed median incomes for the

local area. Generally, the cost of private renting across the district is high. Whilst there are relatively affluent areas across the district, there are also pockets of deprivation. More details and data on the social housing context in Cherwell can be found in Appendix 3.

- 3.3 Over recent years Cherwell has partnered successfully with Registered Provider (RP) partners to develop new accommodation in the district. This has included a significant number of affordable housing units being added to the district's housing portfolio through s.106 requirements (see Appendix 3), and with this, an increase in the number of properties let on Fixed Term Tenancies. Although we have let more accommodation through the housing register in recent years, the historic changes in national policy and social housing funding regimes have meant that new social homes have been developed at Affordable Rents rather than Social Rents.
- 3.4 The Council's Local Plan policy on affordable housing (BSC3) requires that 70% of the affordable housing contributions on new residential developments should be provided as Affordable/Social Rent, however given an 'option', developers have sought to provide Affordable Rent tenure as the default. A new Local Plan should be developed by 2022 and revisions to the policy will enable us to secure more affordable housing that is let at Social Rent levels to meet local need now and in the future. To provide a mixed and balanced community, Social Rent properties will be provided alongside other forms of affordable home ownership, for example First Homes (introduced by Government in June 2021), shared ownership or other intermediate tenure options set out in National Planning Policy.
- 3.5 Affordable Rented housing let on fixed term tenancies provides a less secure and more expensive housing option. The social, economic and environmental impact of the Covid-19 pandemic has resulted in an increase in the number of households seeking housing assistance, a slower delivery of new housing supply, and an increase in unemployment levels. In our experience, for many households on the housing register, Social Rent accommodation that is let with a lifetime tenancy is the only affordable and secure housing option.
- 3.6 Our adopted Housing Strategy includes a priority to deliver more homes for Social Rent wherever this is possible within new developments. We will work with our RP partners and community-led housing developers to maximise the opportunities to deliver Social Rent tenure and will seek to leverage funding through the Oxfordshire Growth deal and Homes England funding regimes to support this where scheme viability is an issue. The priority, driven by the severe affordability issues in areas within our district, is to protect and increase the supply of Social Rent housing in Cherwell alongside the provision of other affordable housing options. Affordability of low-cost social homes and our approach to rent setting is set out Section 6 of this Tenancy Strategy.
- 3.7 There is growing evidence that significant benefits for local people can be achieved by joining up the planning for housing with planning for health and wellbeing. We are committed to ensuring social homes in Cherwell are delivered to the Decent

Homes Standards or higher, and that they will provide stable, genuinely affordable places to live where residents can settle and develop a commitment to their local community. This is in line with the Oxfordshire Health and Wellbeing Board's priority to tackle the broader determinants of health through better housing and homelessness prevention. In most cases this can be achieved by offering more social rent homes with lifetime tenancies. Our expectation is that our RP and public sector partners will support our efforts to ensure this is embedded in the housing supply across the district.

4. Policy Context: Housing Tenure

- 4.1 Our previous Tenancy Strategy 2017 was created in the context of legislation and national policy at the time. Since then the Social Housing Green Paper, published in 2018, proposed a new deal for social housing². In November 2020, the Government published its White Paper, The Charter for Social Housing Residents.³ This affirms social rented homes as places where residents can put down roots and build communities. It also recognises that the COVID-19 pandemic has reinforced the importance of people's homes, communities and neighbourhoods.
- 4.2 Cherwell District Council wants those allocated social housing to see their homes as genuine places to settle, not as temporary welfare provision. Residents should have control over their lives and homes as this can help to build thriving, cohesive communities. Offering lifetime tenancies at social rent levels best supports this in most cases.

5. Tenure Options

- 5.1 Tenants need to be able to make informed choices about their housing options. We will work with our Registered Provider (RP) partners to make the process of offering tenancies through the Choice Based Lettings system as clear and transparent as possible. It is essential that applicants understand what they are being offered. We see this as an important part of the registered providers' pre-tenancy work in explaining tenants' rights and responsibilities.

Lifetime tenancies

- 5.2 Social rented homes support our strategic objective to provide residents with long term, genuinely affordable homes. Lifetime tenancies are the preferred tenancy type in most circumstances and in our view, this should be the default offer made by RPs to their tenants.

²A New Deal for Social Housing www.gov.uk/government/consultations/a-new-deal-for-social-housing

³www.gov.uk/government/publications/the-charter-for-social-housing-residents-social-housing-white-paper

- 5.3 RP landlords are encouraged to provide the maximum security of tenure available through offers of assured (non-shorthold) tenancies (as defined by the Housing Act 1988). Assured (non-shorthold) tenancies can only be ended if the tenant breaches the tenancy conditions or if one of the other grounds for possession applies.
- 5.4 Existing social housing tenants with lifetime tenancies that were issued before 01 April 2012, and who have remained social housing tenants, have their security of tenure protected by law. The Localism Act 2011 s.154 and regulatory framework for social housing require all RPs to offer lifetime tenancies when these tenants move to another social rented home. This includes mutual exchanges, transfers, or moves as a result of major works or regeneration. Where a social housing tenant has been given a lifetime tenancy on or after 01 April 2012, and they swap their home with a social housing tenant who has a fixed term tenancy, they may lose their lifetime tenancy unless they are granted another one. In these circumstances, we expect RPs to grant another lifetime tenancy.
- 5.5 The Domestic Abuse Act 2021 requires in cases of domestic abuse, that RPs issue new lifetime tenancies, where a tenant previously had a lifetime tenancy.
- 5.6 In addition, we expect lifetime tenancies always to be used for vulnerable tenants with long term support or care needs. This would include, but is not limited to, the following:
- those with enduring mental health needs
 - those with a learning disability
 - some types of physical disability
 - older people in supported accommodation (but not adapted properties)
 - older people moving into specialist, sheltered or extra care housing, particularly those giving up a larger home and a lifetime tenancy
 - those needing specialist care
- 5.7 We expect that those who have been involved in self-building or self-finishing their rented homes should always be offered assured lifetime tenancies.

Fixed term tenancies

- 5.8 Notwithstanding our strong preference for lifetime tenancies in most circumstances, we recognise that some RPs may, having had regard to this strategy, continue to offer fixed term tenancies, particularly when letting at Affordable Rent. The Regulator of Social Housing expects that fixed term tenancies should be for a minimum of five years or exceptionally, for a minimum of two years, in addition to any probationary tenancy period.
- 5.9 Where fixed term tenancies are used and the household contains children, we encourage RPs to set a fixed term which ends on the 19th birthday of the youngest child. RPs should aim to re-house the tenant and their household where a move is necessary and appropriate following a Tenancy Review.

- 5.10 Where tenancies are for less than five years, RPs must publish in their Tenancy Policies their justification for doing so and this should be supported by an Equality Impact Assessment. We consider that there are a limited number of circumstances in which offering fixed term tenancies of less than five years might be appropriate:
- for short term supported housing designated as move-on;
 - where it is linked to employment or educational opportunities (if the property is allocated as Key Worker accommodation then tenancies should be automatically renewed where the employment contract continues – subject to suitability of the accommodation to meet ongoing needs).
- 5.11 Fixed term tenancies should never be used as a way of dealing with issues that could otherwise be resolved by appropriate housing management and tenancy support.
- 5.12 We support the use of fixed term tenancies in properties that have been purpose built or substantially adapted for disabled occupants. Adaptations make it easier for those with physical disabilities to occupy their homes. Such adaptations can be expensive, and it is important that adapted homes are made available and let to those who need them. We would expect that the tenancy is automatically renewed if there have been no changes in the household circumstances. However, if there has been a change, and the adaptations are no longer needed the household should, where a move is appropriate, be re-housed by the RP landlord. Fixed-term tenancies can help landlords to facilitate a move at the most appropriate time.

Introductory or Starter tenancies

- 5.13 Many RP landlords offer introductory or starter tenancies to households who have never held a social housing tenancy before or where the housing offer is under the Housing First⁴ initiative. Where such starter tenancies are issued, RPs should identify during the initial term any issues which might prevent the tenancy being sustained and work with the tenant to resolve these. This should include any additional support provided through tenancy management or tenancy sustainment teams. We expect RPs to maximise the support by also signposting the tenant to other external support available for example, the support provided through money advice services or ‘tenancy ready’ training. This is in line with the council’s Homelessness and Rough Sleeping Strategy.
- 5.14 These starter tenancies should then be converted to lifetime tenancies unless there has been a serious tenancy breach that cannot be managed using other tools or through an extension of the starter period for 6 months.
- 5.15 Where RP landlords use starter tenancies, these should be for a maximum of 12 months, or a maximum of 18 months where reasons for extending the probationary

⁴ Crisis.org.uk/ending homelessness – explains that ‘the Housing First model prioritises getting people quickly into stable homes and from that point forward, any other support needs they might have i.e. alcohol and/or drug dependency, physical and/or mental health problems, can be addressed through intensive and coordinated support.’

period have been given and where the tenant has the opportunity to request a review.

Tenancy Review

- 5.16 The end of the tenancy period should be accompanied by a tenancy review, conducted ideally between six and nine months before the date the tenancy is due to end. We would expect tenancies to be renewed other than in exceptional circumstances and have a preference that new tenancies are fully assured with no fixed term.
- 5.17 The criteria for review must be made clear to the tenant at the outset of the tenancy. RPs should avoid situations where issues of concern are raised late in the day, giving the tenant little time to address any problems.
- 5.18 If a RP landlord decides not to renew, the reasons must be fully explained. The way in which such a decision may be challenged must be clearly set out in the review policy.
- 5.19 Exceptional circumstances where a tenancy is not renewed may include:
- where tenant wishes to end the tenancy;
 - where the home has been adapted but those adaptations are no longer required, and the home would meet the needs of another household on the housing register.
- 5.20 Where the decision is made to not extend a tenancy, RPs should be confident that tenants have received all the advice and support necessary to provide a new housing solution which better meets their needs and prevents homelessness.
- 5.21 Where tenants who are over working age do not have their tenancy renewed, we expect that the RP will make an offer of alternative accommodation that meets the needs of the tenants, using the stock allocation over which they have nomination rights. Reasonable efforts should be made to secure suitable alternative accommodation and consideration given to extending the tenancy until alternative suitable accommodation can be found.
- 5.22 The Homelessness Reduction Act 2017 introduced a new requirement on certain public bodies to notify councils of service users who may be homeless or threatened with homelessness. Many RPs have shown support for this approach by also agreeing to refer.⁵ RPs should inform the Council if a decision has been taken to end a tenancy and to work with us to find a suitable housing solution.

⁵ See www.housing.org.uk/our-work/homelessness/commitment-to-refer/

6. Rent Levels and Affordability Statement

- 6.1 As a local authority, we are committed to addressing the severe problem of affordability facing those on low incomes across our district. The government promotes work to reduce levels of benefit dependency, so it is important that rent levels in social housing across the district do not deter tenants from entering employment. For details of the affordability challenges in Cherwell, see Appendix 2. With this in mind, our Tenancy Strategy and Affordability Statement sets out the measures that we and our RP partners will take to ensure the affordability and sustainability of rented affordable homes in our district. Whilst this is not a planning policy, we expect housing developers and RPs to give due regard to the aims of this strategy and the expectation that genuinely affordable housing will be delivered on qualifying sites across Cherwell District.
- 6.2 The following statements outline the approach to which RPs should have regard when letting and managing their social housing properties and setting rents:
- 6.3 Social housing rents should be set as low as possible and should be affordable having regard to tenant incomes. To be genuinely affordable for tenants, social rent should be provided as the preferred rent level across the district. This should be calculated in line with the Ministry for Housing and Local Government (MHCLG) directions and policy statement on rents for social housing and the Regulator of Social Housing's Rent Standard.
- 6.4 However, although Social Rent is the preferred rent level, where it is necessary for the rented affordable housing to be set at Affordable Rents i.e. due to scheme viability or where social rent in addition to necessary service charges would be cost prohibitive to the resident, the rent (for the relevant property size/type) inclusive of service charges should be set at a level up to 80% of the market rent or capped at Local Housing Allowance levels⁶ whichever is the lower.
- 6.5 As many housing register applicants, particularly those who are homeless or setting up home for the first time, are unlikely to have sufficient savings to pay a deposit or rent several weeks in advance to secure a tenancy, RPs are expected to be reasonable and flexible in their requests for advance rent payments. Where appropriate and necessary, they should seek to agree an affordable payment plan with the tenant to allow them to build a level of rent credit over some weeks as an alternative to 'up front' rent payments.
- 6.6 To help tenants set up home for the first time, it is expected that RPs will either provide financial support to enable appropriate decoration and procurement of

⁶ The Valuation Office Agency Rent Officer determines Local Housing Allowance (LHA) rates used to calculate housing benefit for tenants renting from private landlords. LHA rates are based on private market rents being paid by tenants in the broad rental market area. For LHA rates in Cherwell, see: <https://lha-direct.voa.gov.uk/Secure/SearchResults.aspx?LocalAuthorityId=346&LHACategory=999&Month=6&Year=2021&SearchPageParameters=true>

essential furniture, floor coverings and white goods, or will work with local voluntary and community sector organisations to help the tenant to access practical help, funding/personalisation grants, or essential goods that will help them to set up their home.

- 6.7 RPs should provide high standards of housing management and continue to invest in tenancy support provided via their housing officers and support projects that enable tenant engagement and focus on preventing homelessness.
- 6.8 The aim is to:
- reduce welfare dependency and employment disincentives
 - enable residents to weather times of economic difficulty and fluctuations in income
 - support strong and stable communities where residents can put down roots, sustain their tenancies and thrive.

7. Disposals

- 7.1 Cherwell District Council is not generally in favour of the disposal of social housing stock but it is understood that at times the best solution may be for a Registered Provider (RP) to dispose of stock that has become surplus to requirements or is too costly to bring up to the required Decent Housing Standards. We expect that where disposal of a social housing property is necessary, particularly where a property has been given in trust to a RP, or where Cherwell District Council or Homes England has invested in the property, the full gain (less any transaction and ancillary costs) from disposal should be reinvested back into Cherwell district.
- 7.2 We will maintain a close relationship with RPs through annual collective Registered Provider Development and Management meetings which are held to promote shared understanding of housing and development issues across Cherwell, and through individual site or project specific meetings, and the annual individual RP performance review meetings. We expect that part of the asset management decision-making process by the owning RP will involve a meaningful dialogue with the local authority. This dialogue is to ensure that adequate notice is given to the Council of a proposal to dispose of a property in good time before any disposal occurs, to which the Council will consider the variety of options available to it.
- 7.3 To avoid property disposals as a result of poor property standards, we expect all RP landlords to maintain their property portfolios to the Decent Homes Standard or equivalent or higher standard. This will also promote the benefits of better health and wellbeing.

8. Mobility

Moving for employment/social and welfare reasons

- 8.1 It is important for tenants who wish to move for employment, or for support and welfare reasons, to be able to do so easily. We expect that RPs will offer assistance to their residents in these circumstances from the stock available to them through nominations agreements. RPs should enable suitable moves to support the recruitment and retention of essential key workers, health and support workers in the Cherwell area. Consideration and support should be given to other Reasonable Preference Groups set out in the councils adopted Allocation Scheme.

Downsizing

- 8.2 We expect all RPs to assist tenants who want to downsize. The Spare Room Subsidy can impact negatively on Housing Benefit and Universal Credit claimants who under-occupy social housing properties. Offering opportunities for tenants to downsize to a smaller, more accessible and energy efficient home, can also help to free up much needed family accommodation for those that require it. RPs should actively identify tenants who are under occupying their properties and wish to move. Discussions with those tenants should include options to move to a smaller property within the landlord's available stock, and an offer of support and/or an incentive where necessary to facilitate the move. We will continue to work with RPs to aid in this activity and promote the available funding options to facilitate small works or adaptations to meet identified needs.

9. Discharge of Homelessness Duty via Private Rented Sector

- 9.1 Since the introduction of the Localism Act 2011, local authorities can discharge their homelessness duties through an offer of suitable accommodation in the private rented sector. Where properties of a suitable standard can be found at the right cost, Cherwell District Council will make offers of private sector accommodation to homeless households in line with the Homelessness Code of Guidance for Local Authorities and the Homelessness (Suitability of Accommodation) (England) Order 2012.
- 9.2 Cherwell District Council is working with private sector landlords to secure a supply of good quality properties. Where budgets allow, we offer incentives and grants to private sector landlords to help them improve their properties and maintain them to safe standards appropriate for letting. The Cherwell Bond Scheme also provides a route for housing applicants to access private sector accommodation. We aim to develop good relationships with effective private landlords through our Landlords' Forum and through education work. We continue to promote the use of private sector tenancies as a valuable housing option where applicants can exercise choice and control their own housing solutions.

10. Succession

- 10.1 Legislation sets out the circumstances in which succession to secure and assured tenancies can take place⁷. There is only one statutory right to succeed. The law does not grant a further succession right if the successor then dies.
- 10.2 Historically, there were significant differences between the succession rights of assured and secure tenants. The Localism Act 2011 introduced changes to make succession rights of different tenancy types more similar to each other. There remain however some significant differences. The Localism Act changes affect tenancies granted from April 2012 onwards, but not those granted before that date.
- 10.3 Some RPs issue tenancy agreements which contain contractual terms offering more generous succession rights than the statutory legal minimum, allowing tenancy rights to be passed on a second time. They may also have policies on the discretionary policies relating to succession.
- 10.4 The Regulator of Social Housing requires RPs to publish clear and accessible policies on the succession rights of their tenants. (Tenancy Standard)

11. Voluntary Right to Buy

- 11.1 As a local authority, we are supportive of creating new opportunities for those who wish to get onto the property ladder and own their own home. However, we are also acutely aware that the need to maintain the availability of genuinely affordable rented accommodation, specifically social rented accommodation in Cherwell District is also paramount, with demand increasing.
- 11.2 We understand that RPs may offer the opportunity for tenants to purchase their homes where eligibility and availability avail themselves, or where it is a condition of grant funding that this offer is made available. However, we ask that the following criteria be considered for creating an exemption for specific properties:
- properties in rural locations, which have less than 3000 population
 - designated elderly person accommodation where there is a shortfall of such accommodation
 - specialist or supported housing
 - disabled adapted properties secured through planning obligations
 - shared accommodation
- 11.3 We also request that the Council be kept informed of any proposed Right to Buy purchases, similar to how the Council is currently informed of any disposals which

⁷ Secure tenants: Housing Act 1985 ss86A-89; assured tenants (including fixed term): Housing Act 1988 s.17

are proposed by RPs. This is to ensure that the Council maintains a robust and up to date understanding of the affordable housing stock in the district.

12. Monitoring and Review

- 12.1 There is no statutory time period for reviewing this strategy, but we propose renewing it every 3 years.
- 12.2 We will monitor and review the Tenancy Strategy in co-operation with individual RPs. This includes the opportunity to review records of tenancy sustainment held by them. Data collated as part of the annual performance review meetings with RPs will enable the council to assess the effectiveness of the strategy by analysing trends in housing need and homelessness. In addition, opportunities to review the effectiveness of this strategy will be sought through the Registered Provider Development and Management meetings to be held at least annually.
- 12.3 Every RP will be expected by the Regulator of Social Housing to have its own Tenancy Policy. Cherwell District Council will support providers in monitoring and reviewing the success of their policies through the annual performance review and appraisal process.
- 12.4 We will continue to monitor changes in legislation and update the Tenancy Strategy and Affordability Statement and/or appendices as necessary.

13. Risk

- 13.1 Cherwell District Council has a strong, preventative approach to homelessness, which is covered by our Housing Strategy, Homelessness and Rough Sleeping Strategy and Housing Allocation Scheme. We want to create an environment which enables people to be part of their own housing solutions and see support offered during a social housing tenancy and at the end of the tenancy as a contributory factor.
- 13.2 We aim to mitigate risk through discussion and negotiation with RPs about rent levels, tenancies and affordability on new and existing properties; through partnership working to improve tenants' financial circumstances and by continuing our successful prevention work offered through the Housing Options team's Early Intervention Protocol.

14. Equalities

- 14.1 This document is subject to an Equality Impact Assessment.
- 14.2 Cherwell District Council expects RPs to carry out Equality Impact Assessments when devising their own tenancy policies.

Appendix 1: Key legislative changes since the 2017 Tenancy Strategy

The Homelessness Reduction Act 2017

The National Planning Policy Framework, July 2018 and revised February 2019

Social Housing Green Paper 2018

Planning for the Future – Planning White Paper 2020

The Social Housing White Paper 2020

The Domestic Abuse Act 2021

Housing-related measures introduced in relation to the Covid-19 Pandemic

- March 2020 'Everyone In' scheme launched to support rough sleepers
- March 2020 Stay on possession proceedings introduced
- April 2020 Coronavirus Job Retention Scheme (furlough) launched
- June 2020 Stay on possession proceedings extended
- Aug 2020 Increased notice periods introduced
- Sept 2020 Stay on possession proceedings lifted
- Nov 2020 Ban on bailiff enforcement of possession orders
- May 2021 Ban on bailiff action lifted

Appendix 2: Affordability in Cherwell District

- A2.1 The high private market sale and rental values in the area is fuelled in part by Cherwell being well placed with good transport links to London, Oxford and Birmingham, all accessible within an hour by train. Oxford is recognised to be one of the most expensive places to live when comparing median earnings to property prices. In response, households will consider slightly more affordable but accessible locations outside of the city and Cherwell is a reasonable option in those circumstances.
- A2.2 In Cherwell, the median house price in September 2020 was £300,000. This is 9.3 times the median gross annual workplace-based earnings of £32,259. The lower quartile house price (£242,000) is 10.61 times the median gross lower quartile workplace-based earnings of £22,831. Therefore, the cost of buying a property in the district is limited to those who have higher incomes and/or capital savings, unless the properties can be provided as shared ownership (part rent/part buy) or are offered at a discount of around 50% of median market price to enable the estimated mortgage lending rates of around 4.5 times income to be achieved.
- A2.3 In 2020/21 we have seen an increase in the number of households applying to join the council's housing register; many of whom are single person households and single parent families. More households are seeking housing as a result of their Assured Shorthold Tenancy coming to an end, or due to friends/family no longer being able to accommodate them. Despite the increase in Local Housing Allowance levels, we have seen an increase in the number of households being awarded Discretionary Housing Payments to mitigate the accumulation of rent arrears or to cover payments of rent in advance. Some of these trends along with changes in local levels of unemployment, are in response to the impact of the Covid-19 pandemic. Housing affordability remains an ongoing concern in Cherwell district.
- A2.4 It is estimated that in order to keep household costs affordable, around one third of gross annual income is spent on rent or mortgage, however many households spend in excess of that. It is important to note that using a gross earnings base, does not take into account the deductions from salaries to cover Income Tax, National Insurance and possibly a pension contribution, therefore net income can be much lower. This means that realistically 40 to 50% of net (take home) monthly pay could be spent on paying rent. For households in receipt of full or part Local Housing Allowance (LHA) in Cherwell, there is likely to be a shortfall between LHA rates and local rents, resulting in an ongoing (and increasing) demand for Discretionary Housing Payments. We are aware that affordability issues are not limited to those claiming out of work benefits, and that households where one or two members are in paid employment, can still find it difficult to afford local rent levels.
- A2.5 The tables A1, A2 and A3 show the estimated annual gross income/salary that would be required to sustain full rent payments for each tenure type and property size in Cherwell district, if 40% of net (take home) income was used to pay rent (not including service charges, council tax, pensions, media or utility bills). The

highlighted cells show which property type and tenure would be unaffordable for households receiving the gross median annual income for Cherwell of £32,259.

Table A1 Private market rent (PMR) tenure

Property Type	Median PMR £ pcm ⁸	Est. Annual gross income required.
Room	£525.00	£18,445.00
Studio	£580.00	£21,070.00
1-bedroom	£700.00	£26,695.00
2-bedroom	£890.00	£35,695.00
3-bedroom	£1,090.00	£45,070.00
4 or more bedrooms	£1,575.00	£69,566.00

Table A2 Affordable Rent tenure (at 80% of median PMR)

Property Type	Median Affordable Rent £ pcm	Est. Annual gross income required
Room	£420.00	£13,570.00
Studio	£464.00	£15,632.00
1-bedroom	£560.00	£20,132.00
2-bedroom	£712.00	£27,257.00
3-bedroom	£872.00	£34,757.00
4 or more bedrooms	£1,260.00	£53,222.00

Table A3 Social Rent tenure

Property Type	Median Social rent £ pcm	Est. Annual gross income required
Room	£315.00	£9,620.00
Studio	£348.00	£10,763.00
1-bedroom	£420.00	£13,570.00
2-bedroom	£534.00	£19,007.00
3-bedroom	£654.00	£24,632.00
4 or more bedrooms	£945.00	£38,132.00

A2.6 If we compare the above gross annual income levels to the Royal College of Nursing's estimate of the average annual salary for a Nurse, which is somewhere between £33,00 and £35,000; or a health care worker's annual salary of between £19,000 and £24,000, this helps to provide a clear benchmark of how housing needs to be more

8

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalmarketsummarystatisticsinengland/october2019toseptember2020#rent-prices-by-region>

affordable, particularly for essential workers in the district who are key to maintaining health and wellbeing for residents. In addition, to encourage a diverse and vibrant economy, rents in Cherwell district should not be set at levels which would result in a barriers or disincentives for your people to take up apprenticeships and others to take up employment in key growth industries, increase their working hours or progress careers. Therefore, rents for social housing should be based on social rent levels and ideally should be no more than 30% of a household 'take home' pay where this is viable and achievable.

Appendix 3 Social Housing data in Cherwell

- A3.1 We undertook a review of Homelessness Services in 2020 to inform the development of our Homelessness and Rough Sleeping Strategy 2021-2026. The review with relevant details and supporting data is published on the Council's Homelessness Strategy web pages. In addition, we update and publish the State of the District Report annually. This is the detailed evidence base that supports our Housing Strategy and is published on the Council's Housing Strategy web pages.
- A3.2 Cherwell district, located in north Oxfordshire, is predominantly rural and covers two major towns, Banbury and Bicester, Kidlington (a large village) and 72 smaller villages. Cherwell has a population of around 150,500. Over 50% of residents live in one of the main urban centres.
- A3.3 Cherwell is an attractive place to live. It is a high growth area and demand for housing is high. Most homes are either privately owned or privately rented. Together private dwellings make up 87% of the housing stock.⁹ Median house prices and income levels (see statistics in para A2.2) mean that access to home ownership is limited to those with higher incomes and savings.
- A3.4 Private renting is expensive. Median monthly rents across Cherwell (all property categories) stand at £900 per month (£208 per week) compared to £725 per month for England¹⁰; median net weekly income in Cherwell is approximately £448¹¹ meaning that broadly around 50% of weekly net income is used to pay private sector rents.
- A3.5 Alongside the relative affluence, our district is also home to over 9500 people living in the most deprived 20% of areas in England.¹²

⁹ MHCLG Live Tables: Dwellings by Tenure and District, England, 2019 www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants

¹⁰ ONS, Oct 2019 to Sept2020

www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/privaterentalmarketsummarystatisticsinengland/october2019toseptember2020#rent-prices-by-region

¹¹ Based on Median gross annual workplace-based earnings for full time workers in 2020 of £32,529 using www.thesalarycalculator.co.uk to establish the net salary.

¹² See www.oxford.gov.uk/districtdata/downloads/file/1718/2021_cherwell p16

- A3.6 Social housing accounts for 13% of all dwellings in Cherwell, well below the national average of 19%.¹³ There are a total of 8335 social homes, managed by more than 20 registered providers. The largest stockholder, Sanctuary Housing, was the recipient of Cherwell’s large-scale voluntary transfer (LSVT) of homes in 2004.
- A3.7 As of July 2021, there are over 1680 active applications on the housing register, an increase from the 1300 housing register applicants in April 2020.
- A3.8 Most of the social homes in Cherwell are let at Social Rent (77%) mainly due to the LSVT of the Council’s housing stock, with the remainder let at Affordable Rents (23%).¹⁴

Table A3.1: Affordable Housing Completions 2016 to 2021 by tenure/rent level

Year	Social Rent	Affordable Rent	Shared Ownership	Total
2015/16	39	193	90	322
2016/17	0	184	128	312
2017/18	0	298	145	443
2018/19	0	335	175	510
2019/20	0	259	141	400
2020/21	0	192	103	295

- A3.9 In 2019/20, over half of the total 655 social housing lets in the district were Affordable Rent. The number of new lets at Affordable Rent now outstrips those at Social Rent (See Table 2).

Table 2: 2019/20 Cherwell DC General Needs lets by rent type (CORE Lettings data)

Rent Type	% total lets	Median weekly rent
283 Social Rent	43%	£99.70
372 Affordable Rent	57%	£157.99

- A3.10 Cherwell is named as an area of high affordability pressure¹⁵. Funding for the development of homes at Social Rent has been carried forward into the Affordable Homes Programme 2021-2026.

¹³ See footnote 2 and also English Housing Survey 2019-20
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/945013/2019-20_EHS_Headline_Report.pdf

¹⁴ Core Lettings Data

¹⁵ Shared Ownership and Affordable Homes Programme 2016 to 2021 Addendum to the Prospectus June 2018