

Cherwell District Council

Overview and Scrutiny Committee

7 September 2021

Draft Tenancy Strategy and Affordability Statement 2021 (Cherwell District Council)

Report of: Assistant Director, Housing and Social Care Commissioning

This report is public

Purpose of Report

To present Cherwell's draft Tenancy Strategy and Affordability Statement 2021 and seek comments and input from the Overview and Scrutiny Committee as part of the consultation process.

1.0 Recommendations

The Overview and Scrutiny Committee is requested to:

- 1.1 Note and comment on the content of the draft Tenancy Strategy and Affordability Statement in advance of the document being finalised and submitted to the Executive for approval at its meeting on 1st November 2021, in line with statutory requirements.

2.0 Introduction

- 2.1 Section 150 of the Localism Act 2011 requires Local Housing Authorities to publish a Tenancy Strategy that sets out the matters to which registered providers of social housing are to have regard when formulating their policies relating to the types and terms of tenancies they grant. Cherwell District Council's (CDC) current Tenancy Strategy, which was adopted in 2017, needs to be updated to reflect CDC's ambition to deliver more social rented housing tenure to meet local need and our support for offering tenants of social housing long term, secure tenancies.
- 2.2 The new draft Tenancy Strategy and Affordability Statement takes into account housing legislation published since the last Tenancy Strategy was adopted. It also considers the affordability of social housing stock in the district having regard to local incomes and rising house prices and rent levels. The document sets out the Council's expectations of registered providers to support the development of sustainable and settled communities.

3.0 Report Details

- 3.1 The purpose of the Tenancy Strategy is set out in S.150 of the Localism Act 2011, which requires all local housing authorities to:
- “prepare and publish a strategy (a “tenancy strategy”) setting out the matters to which the registered providers of social housing for its district are to have regard in formulating policies relating to—
- (a) the kinds of tenancies they grant,
 - (b) the circumstances in which they will grant a tenancy of a particular kind,
 - (c) where they grant tenancies for a term certain, the lengths of the terms, and
 - (d) the circumstances in which they will grant a further tenancy on the coming to an end of an existing tenancy.”
- 3.2 S.150 also goes on to say that a local housing authority ‘must have regard to its Tenancy Strategy in exercising its housing management functions’. As an authority that has transferred its council housing stock, we will expect all Registered Providers of social housing (RPs) in the district to have their own Tenancy Policies in place that reflect the aims of the Council’s Tenancy Strategy. Whilst RPs are expected to have due regard to the content of the Council’s Tenancy Strategy, there is no legal requirement for RPs to abide by it. Therefore, embedding the principles set out in the strategy will require continued commitment by the Council and its partners to deliver the Strategy in the interests of creating and maintaining places where residents can settle and build thriving, cohesive communities.
- 3.3 The current Tenancy Strategy (2017) was developed in the context of the Localism Act 2011, national housing and planning policy, and affordable housing funding regimes at the time. The strategy focussed on Affordable Rent and fixed-term tenancies. We have seen good levels of new-build affordable housing for rent and shared ownership delivered in the district but in recent years rented affordable housing has been provided as Affordable Rent rather than Social Rent. Affordability of accommodation in the district for households receiving low income is an increasing challenge due to the continued rise in house prices and local rents.
- 3.4 Since the Tenancy Strategy was adopted, the national climate regarding social housing has changed, with the Social Housing White Paper in November 2020 setting out a new deal for social housing: ‘The charter for social housing residents.’ The Government also acknowledged that security of tenure provides major benefits when it announced that the provisions of the Housing & Planning Act would not be implemented, thereby allowing continued use of lifetime tenancies. In addition, recent funding announcements by Homes England have identified opportunities for RPs to attract funding for Social Rent homes, particularly in high value areas such as Oxfordshire.
- 3.5 Given the changes in the national policy position; the introduction of National Planning Policy to provide First Homes as part of the affordable housing offer; and the local concerns about the increasing affordability gap in the local housing market, the draft Tenancy Strategy and Affordability Statement sets out the Council’s expectations and ambition to secure social rented homes as the default position unless there are issues of development scheme viability, or where the social rent

plus the service charges would become cost-prohibitive for the tenants to afford. The draft Strategy also promotes 'lifetime' tenancies as the 'norm'. It makes clear that the aims of the Tenancy Strategy and Affordability Statement should be considered when providing affordable housing on new development sites. This is not intended as a planning policy document, but as a guide to developers in terms of what the Council will expect of RPs to whom the developers transfer affordable housing when completed.

4.0 Consultation

- 4.1 Consultation on the draft Tenancy Strategy and Affordability Statement (**Appendix 1**) launched on 3 August for a 6-week period. The Strategy, Consultation Document and Equality and Climate Impact Assessment have been published on the council's website here: www.cherwell.gov.uk/info/55/strategy-policy-and-development/823/tenancy-strategy . This web page also includes a link to the online survey which provides an opportunity for any member of the public, stakeholder organisation, Councillor or staff to give their feedback on the draft Strategy before the consultation ends on 14 September 2021.
- 4.2 In accordance with S.151 of the Localism Act 2011, we have promoted the consultation to every RP in the District giving them an opportunity to comment on the draft document. Two consultation workshops with RPs will be held on 6th and 13 September. In addition, the consultation has been promoted to stakeholders and to voluntary and community groups via our Homeless Network.
- 4.3 At the end of the consultation period, the draft Strategy will be amended to take into account the feedback received. The amended version will be presented, along with a summary report of the consultation responses, to the Executive for approval on 1st November 2021.

5.0 Alternative Options and Reasons for Rejection

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

Option 1: Not to update the current Tenancy Strategy 2017. This approach is not recommended, as it is a statutory requirement to review the Strategy periodically and it would leave the Council open to legal challenge if it has not done so. In addition, the Housing Strategy 2019-2024 and the Homelessness and Rough Sleeping Strategy 2021-2026 set out an ambition to deliver more social rent tenure to meet identified needs. It will be difficult to achieve this ambition without an updated Tenancy Strategy as the current version promotes Affordable Rent and fixed-term tenancies.

Option 2: Delay the consultation on the new draft Tenancy Strategy and Affordability statement until later in the year. This approach is not recommended as the outcome of the consultation and subsequent adoption of the new strategy will contribute towards informing the evidence base in support of the new Local Plan policies to 2040 which are currently being developed.

6.0 Implications

Financial and Resource Implications

- 6.1 No additional funding will be required from the implementation of the new Tenancy Strategy and Affordability Statement.

Comments checked by:

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Legal Implications

- 6.2 The Tenancy Strategy is a statutory requirement and takes account of the relevant legislation regarding housing. Consultation with Registered Providers of Social Housing and other such persons as the Secretary of State may prescribe by regulations, is a requirement of S151 of the Localism Act 2011.

Comments checked by:

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Risk Implications

- 6.3 Failure to review the existing Tenancy Strategy to reflect the changes in legislation and government policy, may result in the Council not meeting its statutory duties and therefore open to legal challenge in respect of administration of its housing function. The draft Tenancy Strategy and Affordability Statement promotes social rent tenure and lifetime tenancies, and recognises that where this may have some impact on development scheme viability, Affordable Rent and other tenures may be more appropriate in those circumstances to reduce the risk of the strategy being a barrier to future development.

Comments checked by

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Equalities and Climate Implications (Equality, Diversity and Community)

- 6.4 An Equality and Climate Impact assessment has been undertaken and is provided with this report at **Appendix 2**. The strategy clearly sets out a process to support protected characteristics, and an Equality Impact Assessment as standard for providers will ensure mitigation in any impact on residents, provide a robust mechanism of assurance that needs are met and prevent discrimination.

Comments checked by:

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7.0 Decision Information

Key Decision: Not applicable as this is not an Executive report.

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

Cherwell District Council Business Plan 2021-2022 priority: 'Housing that meets your needs'

Housing Strategy 2019-2024

Homelessness and Rough Sleeping Strategy 2021-2026.

Lead Councillor

Councillor Lucinda Wing – Lead Member for Housing

Document Information

Appendix number and title

- **Appendix 1:** Draft Tenancy Strategy and Affordability Statement.
- **Appendix 2:** Equality and Climate Impact Assessment.

Background papers

None. The related Housing Strategy 2019-2024; Homelessness and Rough Sleeping Strategy 2021-2026 and associated action plans, plus the approved Allocation Scheme are all published on the Council's website.

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