

## Appendix A

### Affordable Housing and the Recession – Progress to 31 December 2010

This document updates the progress made since the Council's Executive approved the report *Affordable Housing and the Recession* in January 2009. The report was agreed so that the Council and its partners could show leadership during difficult economic times that would ensure affordable housing targets could still be delivered. This would be achieved through 11 Action Points.

However, it was recognised that the recession's impact was not restricted to the *supply* of affordable housing – it was also important to ensure that the *demand* for affordable housing was also reduced. This could be achieved through a number of measures included within the 11 Action Points but mainly by preventing people from having their home repossessed and becoming homeless.

The Council has agreed its Corporate Plan strategic priority promises for 2010/11. For the theme *A District of Opportunity*, these are:

- Deliver 100 new homes for those in need of better housing
- Contribute to the creation of 200 new jobs
- Help another 1,000 local people at our Bicester and Banbury job clubs
- Launch a new programme of work to tackle deprivation in Cherwell
- Work with partners to make significant progress towards completion of the Bicester town centre development
- Make significant progress on all the Bicester eco town demonstration projects

Whilst the recession has ended, the effects of the recession are still present and continue to impact upon the supply of and demand for affordable housing. The recent change of government means a new policy and funding context has been emerging. It is anticipated this action plan will end on 31 December 2010, and a new report and action plan "Housing and the Current Economic Climate" will be presented to Council Executive in January 2011. The new report will consider the response to the Government housing consultation, the Comprehensive Spending Review and policy changes (including housing and welfare benefits) and the continued ramifications of the recent recession.

For further information on the contents of this monitoring report, please contact:

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### Key Progress on the Eleven-Point Action List

Action area	Description	5 areas of progress	Overview of progress
1. Local Development Framework (LDF) – update of affordable housing policy in planning context	Description – The planning framework for the Council will allow affordable housing delivery to be re-set – this will include headline policy via core strategy and more detail via the Supplementary Planning Documentation. Note: this issue was deferred for future consideration when reported to Executive as part of work on LDF Core Strategy. Reconsideration is planned for mid-2009.	<ul style="list-style-type: none"> <li>• Production of additional evidence on housing need commissioned by the Strategic Housing team (<i>Housing Needs Estimates</i> – June 2009 &amp; <i>Assessing the Type and Size of Housing Required in Cherwell</i> – September 2009)</li> <li>• Completion of an <i>Affordable Housing Viability Study</i> (March 2010), commissioned jointly by Strategic Housing &amp; Planning Policy</li> <li>• Purchase of a financial appraisal toolkit by Strategic Housing &amp; Development Control and Major Developments to assist consideration of development proposals</li> <li>• Publication of a <i>Draft Core Strategy</i> in February 2010</li> <li>• Production of a <i>Draft Supplementary Planning Document (SPD) on Planning Obligations</i> (including affordable housing) due to be presented to the Council's Executive soon</li> </ul>	The Draft Core Strategy and Draft SPD review the planning policy requirements for affordable housing. These will need to be kept under review as the Government's new policies on affordable housing become clearer and to take into account any necessary changes resulting from the expected abolition of Regional Spatial Strategies.
2. Further development of homelessness prevention work (Homelessness Strategy)	Minimising demand for affordable housing lessens the impact of reduced delivery	<ul style="list-style-type: none"> <li>• The Council's Homelessness and Temporary Accommodation Strategies are almost delivered, and a homelessness review is now being undertaken to inform Cherwell's new Housing Strategy</li> <li>• The <b>number of households in temporary accommodation was 26 at</b></li> </ul>	The strong performance has been achieved, despite the recession, by placing emphasis on preventative measures. The forbearance of mortgage lenders in respect of mortgage arrears may come to an end. This combined with the changes to welfare and housing benefits will mean

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		<p><b>November 2010 – below the target of 33, and below the 388 reported in March 2006.</b></p> <ul style="list-style-type: none"> <li>• There are annually now very few cases of repeat homelessness, and this has been achieved by directing staff resources towards preventative work</li> <li>• An Enhanced Housing Options service is currently being developed to provide more targeted and effective support to people who approach the Council for housing advice</li> <li>• 16 units of dedicated temporary accommodation has been built in the District, and further schemes are expected to come forward in 2011/12</li> <li>•</li> </ul>	<p>that a continued focus on prevention is essential to manage the possibility of future increases in homelessness.</p>
<p>3. Maximise take up of the Government's Mortgage Rescue Scheme (MRS) and related initiatives in District</p>	<p><b>The Council became one of 60 fast-track authorities for the Mortgage Rescue Scheme</b> on 1 December 2008 ahead of other authorities who started schemes in January 2009. This initiative prevents homelessness as it transfers private ownership housing stock to shared ownership or social rented.</p>	<ul style="list-style-type: none"> <li>• As at November 2010, <b>eighteen households in Cherwell have benefited</b> from the Mortgage Rescue Scheme</li> <li>• A further number of households are being consider for the mortgage rescue scheme</li> <li>• Effective joint working arrangements have been established with Catalyst and other partners to ensure successful outcomes for those threatened with losing their home</li> <li>• The number of local requests refused assistance through the mortgage rescue scheme have been very low, and Catalyst have said that Cherwell's administration of the scheme has made a positive</li> </ul>	<p>The Mortgage Rescue Scheme has been an integral part of the Cherwell response to proving leadership in difficult economic times. The Coalition Government has said the scheme will continue, and the local processes established will help provide a robust response to assisting home owners keep their homes by having them converted into social rented housing.</p>

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		<p>contributed to this position</p> <ul style="list-style-type: none"> <li>Cherwell DC is a <b>leading national performer</b> in the number of households assisted through this scheme</li> </ul>	
<p>4. Build on existing partnership working to research the changing market and develop/apply new initiatives</p>	<p>A wide range of partnerships are already in place, but further intelligence is needed about the market to track the impact of the recession more closely, and to fully realise opportunities available.</p>	<ul style="list-style-type: none"> <li>A Housing Needs Estimates Report (2008) was commissioned to understand local housing need to inform the planning framework and planning negotiations</li> <li>The Hometrack system has been utilised to regularly produce “real time housing intelligence” about current trends in local markets</li> <li>Housing Benefits have shared data on case volume with Housing Services to help understand local trends</li> <li>Private sector landlords and local estate agents have been canvassed about their experiences of changing housing markets</li> <li>Enhanced joint working with the Homes and Communities Agency has been established via the Spatial Planning and Infrastructure Partnership</li> </ul>	<p>Local housing intelligence has been an integral part of tracking local circumstances and responding with the most appropriate packages to effectively manage both supply of and demand for housing. It is important to continue such tracking – with a new emphasis on policy changes as the Coalitions Government’s agenda is more understood and initiatives need to be implemented.</p>
<p>5. Extend and consolidate local promotion of the growing range of affordable housing products now available</p>	<p>There are currently ten models of HomeBuy products available e.g. MyChoice HomeBuy, New Build HomeBuy, Rent to HomeBuy, OwnHome, New Build Shared Equity, First Time Buyers Initiative, Social HomeBuy,</p>	<ul style="list-style-type: none"> <li>In 2009/10, <b>199 units of affordable housing were recorded – the highest figure for the Cherwell District under current reporting arrangements</b></li> <li>During 2010/11, it is anticipated that the target of 100 affordable homes will again be achieved, whilst the trajectory figure for 2011/12 shows affordable housing delivery in excess of 100 homes –</li> </ul>	<p>The delivery of affordable homes in the District has continued to be strong despite the challenges of the recession – and joint working with Registered Providers (RPs) has helped to secure this delivery. Advantage was taken of the difficulty in selling units, to attract grant funding to provide some “off the shelf”</p>

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	Discounted Rent, and the new HomeBuy Direct.	<p>possibly as high as 150 units</p> <ul style="list-style-type: none"> <li>• Robust partnership working with the Homes and Communities Agency and other partners has secured <b>major capital investment in the District</b> via social housing grants which in turn has been a gateway to attracting private sector borrowing</li> <li>• New affordable housing products provided in the District have included HomeBuy Direct, MyChoice HomeBuy, and the CDC grant supported Acquisition Schemes providing larger family homes in the District</li> <li>• The Council has made significant progress in working with partners to bring forward ExtraCare housing in the District. Future schemes include Orchard Fields and Stanbridge Hall in Banbury and London Road, Bicester</li> </ul>	products. Affordable housing products priorities will shift again with the new Affordable Rents and discounted market sale products being introduced, and these challenges will need to be addressed within the context of less grant being available and by exploring other models of delivery such as Community Land Trusts.
6. Maximise opportunities for inward funding by exploiting any new national scheme and funding initiatives, including Supporting People (SP)	National Affordable Housing Programme and its future development is main opportunity	<ul style="list-style-type: none"> <li>• A desk top exercise has concluded that financial leverage from the Council's housing partnership work has totalled up to <b>£150 million</b>.</li> <li>• Robust partnership working has been undertaken with the Supporting People programme to ensure, within the context of cuts, that local housing support needs have been addressed effectively and that evidence-based challenge has been in place to any proposals that may</li> </ul>	£150 million of leverage has been a major outcome that has been achieved within the context of Housing Services delivering Value for Money savings of £760,000 up to March 2011. The future challenges for securing funding are based around cuts to social housing grant funding, and devising new options for making affordable housing schemes viable.

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funding and partnership working		<p>adversely impact on the District.</p> <ul style="list-style-type: none"> <li>• <b>Local Area Agreement reward funding</b> (from previous delivery of affordable housing) has been utilised along with over financial leverage to undertake the Miller Road Young Persons Scheme as part of Brighter Future in Banbury</li> <li>• The Council's housing capital programme has been used with a targeted approach for schemes that meet Council priorities and which have attracted further funding</li> <li>• Recession Impact funding has been utilised to ensure preventative homelessness measures have been undertaken, with positive net effects</li> </ul>	
7. Maximise use of existing affordable housing stock	Enable new initiatives through match funding to encourage best use of property e.g. overcrowding and under occupancy projects	<ul style="list-style-type: none"> <li>• Acquisitions Scheme of 4 bed properties purchased off the shelf in partnership with Sanctuary HA and let through the Housing Register. Ring fenced mainly to transfer applicants on Cherwell's Housing Register</li> <li>• Review of CDC Housing Register to identify the best way to alleviate overcrowding. High priority for any one moving to smaller properties given in CDC Allocations Policy</li> <li>• Pilot Scheme with Charter to target downsizers to move by offering a package of financial incentives and personal assistance given to encourage under occupying households to move to</li> </ul>	<p>The acquisition of larger family homes has not only alleviated overcrowding for the households occupying them but has enabled the properties they vacated to be offered as social rented homes.</p> <p>Housing Services has worked in a strong partnership with the major stock holder to promote the most effective use of their stock and meet Cherwell's strategic aims</p>

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		<p>smaller homes</p> <ul style="list-style-type: none"> <li>• Requests for larger properties (4 beds) included in mix for all new developments in social housing across the District. Also specific request for <b>properties for downsizers with in the Eco Town</b> development which will offer opportunity to choose own finishing in colour schemes kitchen and bathroom fittings</li> <li>• Gillet Rd redevelopment of unused community facilities to be ring fenced for rebuild of properties suitable for anyone downsizing and returning a larger property into the local housing stock</li> </ul>	
8. Maximise new rural affordable housing opportunities	A draft Rural Affordable Housing Improvement Plan is in preparation and will be considered in the current Scrutiny Review of rural affordable housing work. Opportunities for new development may remain as changing land and property values are a less important factor in rural exception schemes.	<ul style="list-style-type: none"> <li>• A Rural Affordable Housing Improvement Plan has been endorsed by Overview and Scrutiny Committee and the Parish Liaison meeting</li> <li>• <b>Better communication arrangements have been established with Parish Councils that have attracted positive feedback</b>, and partnership working has been strengthened,</li> <li>• A Rural Affordable Housing conference was held in Islip that was attended by the Homes and Communities Agency and the Chairman of the South East Regional Housing Board, Councillor Elizabeth Cartwright</li> <li>• The Council Leader and Chief Executive wrote to all major landowners, and new</li> </ul>	Rural housing delivery takes place via Rural Exception Sites and Section 106 applications. The Plan was specifically addressed at the former and good progress has been made on bringing forward new opportunities, with HCA grant funding secured for the Hornton RES.

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		<p>land opportunities have been made known to the Council</p> <ul style="list-style-type: none"> <li>• A Rural Exception Site is being developed in Hornton and a number of other sites, and <b>36 units have been delivered at Bramley Close, Gosford Farm.</b></li> </ul>	
9. Maximise private sector opportunities	<p>The private sector includes privately rented accommodation and home ownership properties, and needs to be fully utilised to meet housing need. The Council improves and adapts properties in this sector reducing the need and demand for social housing.</p>	<ul style="list-style-type: none"> <li>• A private sector housing strategy has been produced to oversee the current challenges for home owners and those in the private rented sector</li> <li>• Work has increasingly focused on <b>affordable warmth and home energy efficiency</b> measures to keep household fuel bills to a minimum</li> <li>• The Private Accommodation Lettings Scheme (PALS) has helped to increase the quantity and quality of private sector homes, and has <b>reduced the Council's reliance on costly temporary accommodation</b></li> <li>• Disabled Facilities Grants and other home improvement grants have been allocated to help people stay in their own home, and hence reduce the need for new accommodation</li> <li>• More targeted work with and support to private sector landlords has been introduced</li> </ul>	<p>A raft of new initiatives have been introduced to ensure that the private sector has been able to play a pivotal role in providing housing supply and hence meeting local housing need. In moving forward, we need to ensure further work in the development of Houses in Multiple Occupation, and more focus on affordable warmth.</p>
10. Extend the	The Council has a ring-	<ul style="list-style-type: none"> <li>• Larger family housing has been provided</li> </ul>	The principle of Council housing



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use of Council capital resources	fenced capital pot in place for affordable housing delivery. This could be used to extend the current acquisitions scheme (financial support for RSL purchase of private market homes for addition to their social housing stock – with Council nomination rights)	<p>by the Sanctuary Housing Group who won the tender for the Council's Acquisitions Scheme</p> <ul style="list-style-type: none"> <li>• Council proposals (if accepted) to provide Capital funding towards the Dashwood Road Primary School will attract major leverage into the District and make affordable housing possible on a site that had looked financially unviable.</li> <li>• A young person's high support scheme for six dispersed units has received funding from the Council to make possible</li> <li>• Hornton Rural Exception Site has received £60,000 per unit from the Council which has brought forward additional leverage</li> <li>• The Temporary Accommodation scheme at Edward Street, Banbury has received leverage from Council housing capital grant and land.</li> </ul>	capital funding has been “something for something” – we have used the capital pot to attract further leverage into the District. This pot will need to be used in more imaginative ways in the future to respond to the challenges of reduced HCA grant provision 2011-15.
11. Prioritise maintenance of Council capital resources for housing work	The replenishing of the Council's capital pot for housing. To designate a sum each year to replenish the pot, as the balance will reduce each year as the above initiatives are pursued. This would require continued use of capital receipt and will be difficult given the low level	The Council has over the last 2 years (2008/09 and 2009/10) replenished the housing reserves each year to ensure a minimum of £7m was available as per the strategy.	The Council has invested heavily in the District over the last 3 years and as a result the capital receipts have reduced. During this period the amount of specific housing receipts from right to buy has reduced dramatically. Whilst not committing to a minimum level of £7m in reserves – the Council will consider all housing initiatives on a case by case basis to understand what a contribution from the Council's

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	of receipts expected.		housing reserve could leverage in terms of a total scheme.