

# **Cherwell District Council**

## **Executive**

**1 November 2021**

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

### **Report of Interim Assistant Director, Housing and Social Care Commissioning**

This report is public

### **Purpose of Report**

To set out the key points from the public consultation on the draft Tenancy Strategy and Affordability Statement (2021) and the main changes to the strategy document in response to the feedback received. In addition, this report seeks Executive approval of the final draft Tenancy Strategy and Affordability Statement.

### **1.0 Recommendations**

The Executive is recommended to:

- 1.1 Note the changes to the draft Tenancy Strategy and Affordability Statement (Appendix 1) in response to the feedback and officer response set out in the Consultation Report (Appendix 3).
- 1.2 Approve the final draft Tenancy Strategy and Affordability Statement to ensure that the council meets statutory requirements and complies with good practice.
- 1.3 Delegate authority to the Assistant Director, Housing and Social Care Commissioning in consultation with the Lead Member for Housing, to:
  - make any minor editorial amendments to the strategy as needed prior to publication; and
  - approve annual updates to the Tenancy Strategy appendices to ensure the data remains relevant.

### **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) 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 draft Tenancy Strategy and Affordability Statement (2021) considers 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 of social housing in relation to supporting the development of sustainable and settled communities.
- 2.3 A 6-week public consultation on the draft Tenancy Strategy and Affordability Statement was completed on 14 September 2021 and subsequently the draft strategy has been amended to reflect the feedback received (Appendix 1). The Equality and Climate Impact Assessment (Appendix 2) has been updated and the Consultation Report (Appendix 3) sets out the detail of the consultation methodology, the feedback received from the online survey and workshops with registered providers, and the officer response to the feedback received.

### **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 delivering genuinely affordable housing to meet local needs, and 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 market 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, funding announcements by Homes England in 2020/21 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 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' but recognises that other tenancy terms are appropriate in some circumstances. It makes clear that the aims of the Tenancy Strategy and Affordability Statement should also be considered when securing affordable housing on new development sites. This is not intended as a planning policy document, but as a clear 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 and Feedback**

- 4.1 In accordance with S.151 of the Localism Act 2011, once the draft strategy, Equality and Climate Impact Assessment and Consultation Document had been prepared, the consultation was launched and the opportunity to take part was proactively promoted via email, website, press release and social media posts to every Registered Provider (RP) who currently owns, lets or manages social housing stock in Cherwell District, as well as the public and statutory, voluntary and community sector stakeholders.
- 4.2 The 6-week consultation period which ran from 3 August to 14 September 2021, provided an opportunity to comment on the proposed details within the Tenancy Strategy and Affordability Statement (2021). Two consultation workshops with RPs were held on 6 and 13 September. The draft strategy was also presented to the Overview and Scrutiny Committee on 7 September 2021. Officers worked with the Communications and Insight Team to promote the consultation and collate the responses.

- 4.3 In total, the council actively engaged with people on 99 occasions (although it's possible that some individuals may have engaged more than once via the survey and the workshops throughout the consultation period). 82 people completed the online survey and 17 Registered Provider representatives attended consultation workshops. Over 50% of online survey responses were from members of the public, including former or current tenants in Cherwell district.
- 4.4 The survey responses highlighted that there is strong overall support for the draft strategy's vision and aims. There is also strong support for housing to be genuinely affordable for local people and provided to a good quality standard. A variety of comments have been provided through the survey and these are highlighted, along with Officer responses and detail of the consultation methodology, within the Consultation Report provided as Appendix 3 to this report.
- 4.5 Whilst it has not been possible, within the scope of the draft Tenancy Strategy and Affordability Statement, to address all comments received during the consultation, it is important to note that the Housing Strategy 2019-2024 and associated Action Plan; the Housing Allocation Scheme and the Local Plan policies can, and in most cases already do, address the issues raised.
- 4.6 In response to the consultation feedback, minor changes have been made to the draft Tenancy Strategy and Affordability Statement. These changes have been made to ensure that the council's expectations of registered providers are clear in terms of the provision of genuinely affordable social rented housing that is delivered and maintained to a good standard. The changes also acknowledge the impact of social rent on scheme viability and how viability issues will be taken into consideration to ensure continued deliverability of affordable housing in the district. Amendments to the strategy document also include text to support that registered providers will have transaction and ancillary costs if/when disposing of a social housing property and therefore will not be able to recycle the full receipt from the sale back into accommodation within Cherwell district as was initially suggested in the strategy document.
- 4.7 The Overview and Scrutiny Committee, at its meeting on 7 September, noted the content of the strategy and recorded the following decision:
- 1) That the draft Tenancy Strategy and Affordability Statement be noted
  - 2) That the following comments be submitted to the Executive:
    - a. For all future consultations, a mechanism for ensuring residents directly affected by a consultation are contacted and encouraged to respond
    - b. A continuous effort to improve quality and standard of housing in the district.

## **5.0 Conclusion and Reasons for Recommendations**

- 5.1 Overall the consultation response has been good and the web-based or online approach to the consultation does not appear to have adversely impacted on the number of responses received from members of the public. The comments from the Overview and Scrutiny Committee are noted and welcomed. In response, the Consultation Report (Appendix 3) helps to set out the full detail of the consultation mechanisms and the public engagement.

- 5.2 The Executive is requested to note the changes to the draft Tenancy Strategy and Affordability Statement (Appendix 1) in response to the feedback and officer response set out in the Consultation Report. In addition, note that the Equality and Climate Impact Assessment has been updated to reflect some comments received during the consultation.
- 5.3 The Executive is requested to approve the final draft Tenancy Strategy and Affordability Statement, to ensure that the council meets statutory requirements and complies with good practice. In addition, delegate authority to the Assistant Director, Housing and Social Care Commissioning in consultation with the Lead Member for Housing, to make any minor editorial amendments to the strategy as needed prior to publication and to approve annual updates to the Tenancy Strategy appendices to ensure the data remains relevant.

## **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: Not to update the 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 2017 version strongly promotes Affordable Rent and fixed-term tenancies.

Option 2: Delay the approval of the amended draft Tenancy Strategy and Affordability Statement until later in the year. This approach is not recommended as the feedback from 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.

## **7.0 Implications**

### **Financial and Resource Implications**

- 7.1 There are no financial risks. 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**

- 7.2 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**

- 7.3 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 amended 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)**

- 7.4 An Equality and Climate Impact assessment was undertaken on the draft strategy prior to consultation. Following consultation, the assessment has been updated to consider the consultation feedback 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.

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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**

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: Final Draft Tenancy Strategy and Affordability Statement.
- Appendix 2: Equality and climate change impact assessment.
- Appendix 3: Consultation Report

#### **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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