

To: City Executive Board
Date: 13 June 2018
Report of: Head of Housing Services
Title of Report: Draft Tenancy Strategy and Tenancy Policy 2018-2023

Summary and recommendations	
Purpose of report:	To request the City Executive Board to recommend to Council, approval of the amended Draft Tenancy Strategy and Tenancy Policy 2018-23 (and associated appendices) following a 4 week period of public consultation.
Key decision:	Yes
Executive Board Member:	Councillor Mike Rowley, Housing
Corporate Priority:	Meeting Housing Needs
Policy Framework:	Housing and Homelessness Strategy 2018-21 Tenancy Strategy and Policy Statement 2013-18.
Recommendations: That the City Executive Board resolves to:	
<ol style="list-style-type: none"> 1. Note the amendments made to the draft Tenancy Strategy and Tenancy Policy 2018-23 (and associated appendices) in response to feedback from public consultation; and 2. Recommend to Council, approval of the amended Draft Tenancy Strategy and Tenancy Policy 2018-23 (and associated appendices). 	
Appendices	
Appendix 1	Draft Tenancy Strategy 2018-23 with sub appendices: A = Tenancy Policy; B = Legislative requirements and changes; C = Oxford city context; D = Flexible Fixed Term Tenancies (FFTT), how will they potentially work in Oxford?
Appendix 2	Initial Equality Impact Assessment
Appendix 3	Risk Register
Appendix 4	Draft Tenancy Strategy and Tenancy Policy 2018-2023 Consultation Feedback

Introduction

1. The Council has a duty to publish a Tenancy Strategy (as a strategic housing authority) and Tenancy Policy (as a social housing provider and landlord) in accordance with the Localism Act 2011. The purpose of the strategy is to set out the Council's requirements and expectations of social housing providers operating within the City, to ensure that housing is provided to meet local housing need.
2. The Council's current strategy and policy statement was produced in 2013 and is due for renewal in 2018. The commitment to renew the Tenancy Strategy in 2018 was also set out as an action in the Council's recently adopted Housing and Homelessness Strategy 2018-21.
3. At its meeting on 20 March 2018, the City Executive Board (CEB) approved the publication of the draft Tenancy Strategy and Tenancy Policy 2018-23 (and associated appendices) for a 4 week period of public consultation. The consultation ended on 19 April 2018 and amendments have been made to the draft strategy to take into account the feedback received.
4. The key objectives of the Tenancy Strategy are:
 - 4.1 To promote Oxford City's housing vision with a focus to provide social rented tenancies
 - 4.2 To ensure that affordable housing providers adhere to the new Tenancy Strategy to the benefit of the local community
 - 4.3 Affordable housing providers are to let any new tenancies in Oxford at genuinely affordable rents i.e. in line with social rent or at Affordable Rents capped at Local Housing Allowance (or equivalent measure) levels.
 - 4.4 To create sustainable, mixed and balanced communities.

Development of the strategy and appendices

- 5 The CEB report dated 20 March 2018, highlighted the changes to Government policy and new regulations introduced by the Housing and Planning Act 2016 i.e. subject to Government guidance being published, the mandatory requirement for all Local Authorities to offer flexible Fixed Term Tenancies. The CEB report also set out the findings of an evaluation exercise that had been undertaken in relation to the City Council's existing Tenancy Strategy and Policy Statement 2013 (including the impact on registered Providers that operate in the City and the practices of other similar sized stock-owning Local Authorities).
- 6 Following approval by the City Executive Board, the Draft Tenancy Strategy 2018-2023 and its associated appendices were published for a period of public consultation which ran from 21 March 2018 to 19 April 2018 inclusive. This included consultation events with stakeholders and statutory consultees, and consultation with Council tenants as well as a public survey via an online questionnaire www.oxford.gov.uk/tenancystrategysurvey. The consultation was promoted via social media, posters, news articles, Member briefings and articles in the City Councils' Tenants in Touch magazine. To meet legislative requirements, copies of the draft Tenancy Strategy and Tenancy Policy 2018-23 documents were sent electronically to all Registered Providers who operate within Oxford City. In addition, paper copies of all the documents were made available for the public to view at St Aldates Chambers.

- 7 There were a total of 34 responses to the consultation on the Tenancy Strategy and Tenancy Policy 2018-23. These included responses from 13 Registered Providers, 2 major employers and 19 individuals. 35% (12) responses were received via the online survey form; one individual response was provided via written feedback as opposed to completing the online survey; and the remainder of responses were obtained from the stakeholder (12 attendees) or tenant consultation (9 attendees) events held in early April 2018. A summary of the consultation feedback, along with the officer response, has been provided as Appendix 4 to this report.
- 8 The consultation responses revealed:
- 31% of respondents supported that the Council should introduce Flexible Fixed Term Tenancies now.
 - In relation to the assessment of affordability as set out in the Strategy, 46% of respondents expressed a view that it would be reasonable to pay between 30-35% of NET household income on household costs i.e. rent and/or mortgage. A further 32% of respondents proposed that this should be lower (e.g. 20-25% of NET income). This reflects what is found in national data and research around calculating affordability i.e. spending around one third of household income on housing costs (see Appendix C of the Tenancy Strategy for details).
 - 70% of respondents agreed that the Council and Registered Providers (RPs) should provide tenancies at social rent levels and 61% supported that the Council should continue to offer lifetime tenancies.
 - Around half (52%) supported that social housing providers (RPs) should offer lifetime tenancies and a further 25% neither agreed nor disagreed with this. Those who disagreed highlighted that fixed term tenancies can assist in better managing housing stock and can facilitate the churn of social housing re-lets.
 - 91% of respondents agreed that affordable rents, if used, should be capped at Local Housing Allowance levels although concerns were raised regarding the viability of schemes if rental income is capped.
 - Strong support (94%) was also demonstrated for any receipts from sales of Affordable Housing to be used to build "one for one" replacement homes at social rent levels. However, respondents also highlighted that there is limited development opportunity within the city to build the replacement homes i.e. not many larger development sites and smaller development sites may be impacted by viability.
 - 70% of respondents agreed that rent charges on shared ownership properties should be capped (to support affordability). However, concerns were expressed that capping rental income may impact on the viability of schemes.
- 9 To date, no Government guidance has been published with regards to the mandatory use of Flexible Fixed Term Tenancies and there is no indication yet as to when this will happen. Therefore, until such time when Government guidance is published, it is proposed that Oxford City Council continues to issue introductory (12 month tenancies for new council tenants which enable the tenant and the City Council to establish if the tenancy arrangements are suitable) and lifetime tenancies. The Council will also continue to promote that other social housing providers in the City do the same for the benefit of the local community.

- 10 Once Government guidance has been published, the Council will be required to review its Tenancy Strategy and Tenancy Policy 2018-2023 in line with legislation and to consult on any proposed changes. Appendix D to the strategy explores in more detail how Flexible Fixed Term tenancies could potentially work in Oxford.
- 11 Further to the consultation, feedback has been used to amend the draft Tenancy Strategy and Tenancy Policy 2018-2023. Changes have been made to include clarity of position and to assist understanding around impact on viability and affordability; reference to the published consultation on the revised draft National Planning Policy Framework (i.e. definition of affordable housing models); and also to incorporate recent statistical updates.
- 12 The Tenancy Strategy 2018-2023 and associated appendices, supports a continued offer of social rent tenure in preference to affordable rent where possible. This is mainly due to affordability reasons set out in Appendix C of the Tenancy Strategy document.

Financial implications

- 13 None associated with the recommendations in this report. However, the financial impact associated with the introduction of Fixed Term Tenancies, when the details are eventually provided by Government, will be modelled through the HRA Business Plan and reported accordingly.

Legal issues

- 14 Local Authorities are required to review their Tenancy Strategies within 5 years. Production, consultation and approval of this new strategy prior to the expiry of the existing one, ensures that the Council continues to meet its duties under the Localism Act 2011 (sections 150 and 151) and the Housing and Regeneration Act 2008 Part 2 Chapter 6 s196 and s197. (See also paragraph 16 below).
- 15 Once Government guidance has been published, the Council will be required to follow Government guidelines and review this strategy in light of legislation introduced by the Housing and Planning Act 2016 (Part 4, Chapter 6).

Level of risk

- 16 If the amended Tenancy Strategy 2018-23 and associated appendices are not approved, this will result in a delay in having a new Tenancy Strategy and Tenancy Policy adopted in time to replace the existing documents when they expire in summer 2018. This may result in the City Council being unable to meet its legislative obligations under the Localism Act 2011. See Appendix 3: Risk Register.

Equalities impact

- 17 The Equalities Impact Assessment initial screening form is attached as Appendix 2. No adverse equality implications are evident at this stage. The strategy seeks to secure affordable accommodation with security of tenure where possible for all those in housing need.

Conclusion

- 18 A new Tenancy Strategy and Tenancy Policy 2018-2023 will enable the City Council to continue meeting its legislative obligations as a landlord and as a strategic local authority from 2018, and have an effective strategy in place to

facilitate the delivery of appropriate tenure and services to support the Oxford community going forward over the next five years.

Report author	Frances Evans
Job title	Strategy & Service Development Manager
Service area or department	Housing & Property Services
Telephone	01865 252062
e-mail	fevans@oxford.gov.uk

Background Papers:
1 Tenancy Strategy and Policy Statement 2013-18 https://www.oxford.gov.uk/downloads/file/912/tenancy_strategy_and_policy_statement_2013
2 Housing and Homelessness Strategy 2018-21 https://www.oxford.gov.uk/downloads/download/254/homelessness_strategy

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