

**To: Communities and Partnerships Scrutiny Committee**

**Date: 6<sup>th</sup> June 2011**

**Item No:**

**Report of: Graham Stratford, Housing and Communities**

**Title of Report: Update on Housing Strategy and Related Issues**

## Summary and Recommendations

**Purpose of report:** To provide an update to scrutiny on the Housing Strategy and related housing issues.

**Report Approved by:**

**Legal: Stephen Smith**

**Recommendation(s): Report is noted.**

### **1) Housing Strategy 2011 – 2015**

Consultation on the overarching themes of the housing strategy was undertaken with the Council's Talkback panel during March 2011 and the draft results are now being analysed (final results are expected later in June 2011). Some of the key points from this consultation include:

- a) Importance of housing issues:
  - i) High house prices – 88%
  - ii) Street homelessness and rough sleeping- 81%
  - iii) Lack of affordable housing for families – 80%
  - iv) Lack of affordable housing for singles / couples – 68%
  - v) Long waiting lists for affordable housing – 64%
- b) When asked for their top three issues, over one half (55%) mentioned lack of affordable housing for families. This was closely followed by high house prices (52%). Other issues received less of a response although 28% also mentioned high rental levels amongst their top three issues. Too many houses received the lowest percentage (4%), with few respondents placing this in their top three.
- c) Respondents were asked what type of new housing they thought is needed in Oxford and where this housing should be. Almost three fifths (57%) said that more family sized homes of 3 and 4 bedrooms are

needed whilst two fifths (41%) felt there is a need for more smaller homes. Family sized flats received less of a response with one fifth (20%) stating that more of this type of housing is required.

- d) The most common response to the question, rate the council's performance on provision of affordable housing in the City was don't know (41%) suggesting that there is low awareness amongst the general public on activity in this policy area.
- e) Respondents were asked to explain why they had given the rating they had given when asked to rate the Council's performance on the provision of affordable housing. On the whole the comments received either stated how respondents felt they were unable to comment as they did not have enough knowledge on the issue or were negative about the Council's performance. Negative comments focused on the high house prices and rental levels in Oxford and long waiting lists for council properties. Comments included:
- *"House prices and rents are very high - one of the most expensive places in UK to live"*
  - *"There never seems to be enough affordable housing, and there is not enough pressure from the council on builders to supply it"*
  - *"Because there are still lots of homeless people un-housed and there are many professional people who cannot live affordably except in expensive rented accommodation within the ring road i.e. there is no affordable housing for young couples or for families on lower incomes to buy in reasonable areas within the city"*
  - *"Because house prices in Oxford are absurdly high"*
  - *"I know families who have been on the waiting list for years and have had to move away from the area"*
  - *"Long waiting list and poor application process"*
  - *"The waiting list for council houses is enormous and presumably the council tax payers have to fund accommodation whilst they wait for a house"*
- f) There were some respondents however who felt more positive about the Council's performance as illustrated by the comments below:
- *"A reasonable performance given the attraction of Oxford to many newcomers"*

- *“City makes efforts to reduce waiting lists, provide affordable housing in new developments”*
  - *“I think the city council does the best it can, but is hamstrung by lack of support from central government and from neighbouring authorities.”*
  - *“Plenty of council / housing association properties”*
- g) Respondents were provided with a list of the seven objectives in the current Housing Strategy 2008/11 and asked to what extent they agree or disagree with them. Agreement was high across all the objectives, ranging from 82% agreeing overall that the Council should provide more affordable housing, to 74% agreeing that they should improve their understanding of housing needs to develop and implement housing strategy.
- h) In order to get a better sense of prioritization respondents were then asked to list their top 3 objectives in the current Housing Strategy 2008/11. In line with the previous question providing more affordable housing was most frequently identified by respondents as being in the top 3 objective they most agreed with (61%). Similarly preventing and reducing homelessness was the second most popular objective (54%), closely followed by addressing the needs of vulnerable people (52%). Improving understanding of housing needs to develop and implement housing strategy was the objective respondents least agreed with (24%).
- i) Respondents were informed that the government is suggesting councils and housing associations consider offering fixed-term tenancies rather than tenancies for life. At the same time the rents for social housing will be increased. Respondents were then asked what impact they thought these changes might have on housing and homelessness in Oxford. Seven out ten (70%) respondents stated that they thought the proposals would have a big impact, with 23% saying ‘very’ big impact. Just 9% said they thought they would have little impact and 2% no impact. One fifth (19%) gave don’t know as a response.

The draft Housing strategy 2011 – 15 will be completed over the summer with wider consultation expected by September.

## **2) Affordable Housing**

The Homes and Communities Agency (HCA) published its Affordable Homes Programme Framework 2011 – 15 which outlines how housing associations and also councils could bid for inclusion on the 2011 – 15 programme for development.

- a) The main points were:
- i) A 4-year programme covering 2011 – 15.
  - ii) Councils able to bid for inclusion on the programme.

- iii) New flexible tenancies and affordable rent models specified:
  - (1) Flexible tenancies must be for a minimum of 2 years.
  - (2) New affordable rent model sets rent 'up to' 80% of local market rents (they are currently around 30% to 50%).
  - (3) Landlords on the programme would be expected too convert a proportion of existing social rented housing to the new forms (flexible tenancy and 80% of market rent).
- iv) New local authority build homes using HCA funds from this programme would have to be new affordable (i.e. up to 80% market rent) unless:
  - (1) In regeneration schemes where decanting existing social rent tenants is necessary, and
  - (2) Can demonstrate affordable rent would not be viable, or
  - (3) Social rent may be provided by the LA (or supported by) through use of its own resources (e.g. land), and, where this meets HCA VFM assessments at the same level as affordable rent.
- v) There are no formal caps on the level of affordable rent ('up to 80%'). However, the Framework states that landlords will wish to consider the local market context (including the Local Housing Allowance (LHA)) as well as welfare benefit reforms on the whole when setting rents. On this the Framework says that providers may wish to charge a rent lower than 80% or market where that is exceeding or close to the LHA.

**Illustration of Oxford rent levels:**

Property type	Average Council rent	Average RSL rent	LHA rent for Oxfordshire (week)*	Average private rent**	Average private rent***
Room	N/A	N/A	£78.46	£138.46	£147.69
1 bed flat	£74.31	£82.85	£150.00	£176.54	£166.85
2 bed flat	£78.92	£92.08	£183.46	£233.08	£281.54
3 bed house	£85.62	£100.38	£213.46	£267.46	£315.46
4 bed house	£89.54	£108.00	£288.46	£348	£339.92

\* June 2011

\*\* [www.findaproperty.com](http://www.findaproperty.com)

\*\*\* [www.look4aproperty.com](http://www.look4aproperty.com)

- vi) The Council has submitted as bid for inclusion of the Affordable Homes Programme.

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**Background papers: None**

**Version number: 1**