

**Oxford City Council
DRAFT Housing Strategy 2012 – 2015.**

Meeting Housing Needs

DRAFT

Contents

1. Executive Summary
2. Context - Strategic Framework
3. The past - review of the Housing Strategy 2008 – 2011
4. Identifying Housing Need in Oxford – Evidence Base
5. The future – legislative and policy context

Our future plans are detailed in the Housing Strategy Action Plan – 2012-15

DRAFT

1 Executive Summary

Housing in Oxford

Oxford remains one of the least affordable areas of the country for buying housing. House prices have remained at historical highs in Oxford despite a national trend for a slowdown in the market.

There are continued problems of affordability of housing for many Oxford residents

Demand for housing in Oxford continues to grow, with over 6,000 households on the Housing Register for affordable housing. There are low levels of owner occupied housing and a high levels of property rented from private landlords compared to the national picture.. Demand is high for private rented property and rents are increasing. A large population of students places additional pressures on housing supply. According to the Cities Outlook 2012 report Oxford is the fourth fastest growing city in the UK. This will place increasing burdens on the restricted supply of affordable and private sector housing in the City

The recession and continuing economic slow-down are continuing to make their impact felt on housing in Oxford. There has been a marked drop in the level of new housing built in the City to just 200 in 2010/11. The amount of new affordable housing built has decreased as a consequence just 148 in 2010/11. It has been estimated that just under 2,000 new affordable homes are needed every year in Oxford.

Oxford City Council is the strategic housing authority for the City and, with over 7,500 homes, a major landlord

Levels of homelessness fell between 2004 and 2008 but there are worrying signs now as the effects of the recession and overall environment begin to become apparent.

There are vulnerable households who have specific needs for whom specialist housing and/or support is necessary to enable people to attain and retain a settled home.

Housing conditions within the council's own homes continue to improve and new financing arrangements will allow further investment and improvements to be made. The Council uses its powers to improve the quality of both housing conditions and management in the private rented sector.

As a service provider accountable to the public, the Council has a responsibility to ensure housing services are high quality, cost effective and efficient.

There are considerable challenges for the Council in tackling the ongoing housing crisis, This Strategy identifies our local issues and sets out actions to help address them

More information on housing in Oxford can be found in Section 4

Factors influencing the Housing Strategy

A range of factors come into play in influencing housing policy and these are reviewed in this strategy. In summary the main influences driving this housing strategy are:

- Affordability of housing in all tenures (owner occupied, private rented and social rented):
 - House prices stagnant and market rents increasing.
 - Household incomes reducing.
- Supply of housing across all tenures and continuing restriction on this supply:
 - Availability of suitable land to build on;
 - State of the house building industry;
 - Condition of the mortgage lending sector;
 - Public confidence in the market.
- Demand for housing across all tenures:
 - Growing demand for social rented homes;
 - Increased demand for rented housing from different groups in society.
 - Increases in households at risk of homelessness.
- Economic conditions:
 - Employment markets particularly for younger and lower skilled people;
 - Financial services and construction.
- Government policy and legislation:
 - Localism Act 2011 including changes to tenure types, rent levels, access to housing and changes to social housing regulation.
 - Homelessness prevention legislation.
 - Welfare reform including the introduction of Universal Credit, changes to housing benefit, Local Housing Allowance and Council tax benefit

More information on legislative and policy changes is included in section56

The journey ahead 2012-15

Much has been achieved since the last Housing Strategy to address our aims. However, with continuing demands and challenging circumstances, much more remains to be done

The Council will use the period of this Housing Strategy to respond to these challenges in order to continue to deliver on its corporate priority of meeting housing needs through the following objectives:

- 1) More affordable housing in the City to meet housing needs
- 2) Prevent homelessness
- 3) Address the housing needs of vulnerable people and communities
- 4) Improve housing conditions
- 5) Improve quality, cost effectiveness and efficiency of housing services

In developing this Strategy we consulted with public, partners and local stakeholders to listen to their views and concerns. This has helped us in developing a detailed Action Plan to support the Housing Strategy and respond to local needs.

By 2015 our Housing Strategy Outcomes will include:

More affordable housing in the City

- Delivery programme and agreements in place to deliver 800 homes in Barton
- 372 new affordable homes
- New physical regeneration projects delivered in Blackbird Leys – creating new housing and jobs
- New housing developments and a post 2015 affordable housing programme brought forward
- New delivery models for affordable housing evaluated and introduced where feasible
- New council house building policy and programme
- Empty property brought back into use as affordable housing
- Robust planning policy to support new affordable housing – New Sites Plan, Local Investment Plan, New Affordable Housing Policy
- Housing opportunities for low to mid income households, key workers and first time buyers explored and introduced where feasible
- Up to date housing needs and market information
- Tenancy Strategy adopted

Homelessness Prevented

- Improvements in quality, supply and reduced use of temporary accommodation
- Continued challenge and improvements to the way homelessness services are delivered
- No Second Night Out for rough sleepers
- Effective debt and advice services maximised
- Annual Landlord Forum meetings
- Landlord/Lettings Agency Surveys undertaken
- Current and prospective private tenants surveys undertaken
- Consideration given to Tenant Ready schemes and a private tenants forum
- Homelessness Policy Review

- Revised Allocations Policy adopted and implemented
- New Homelessness Strategy and Action Plan

Needs of Vulnerable People and Communities addressed

- Supporting People Finance Strategy delivered
- Re-commissioned Supporting People funded services
- Housing Strategies for specific groups prepared – young people, BME community, older people and families in difficulty
- Re-modelled hostel accommodation that provides sufficient bedspaces to meet needs and meaningful activity for clients
- Improved pathways through supported accommodation
- Effective hospital; discharge mechanisms in place

Improved housing conditions

- Every HMO in the City inspected and accredited
- Improvements made in the quality of individual private rented properties
- Home Improvement Loans made available to improve standards in private housing
- 10 long term empty homes returned to use annually
- New Empty Homes Strategy adopted
- Fit for Purpose information on private sector housing
- Strategies exist to improve home energy and reduce carbon emissions and fuel poverty
- Retro-fitting strategy produced and implemented for council homes
- Zero carbon new Council homes
- Improved standards in council housing

Improved quality, cost effectiveness and efficiency of housing services

Council homes

- Increased tenant satisfaction
- Increased tenant and leaseholder Involvement
- Local Offer agreed and implemented
- Co-regulation with tenants implemented
- Reduced under- occupation freeing up larger homes to families that need them
- Reduced over-crowding
- Tenancy Fraud tackled and minimised
- New style Tenants Newsletters, Tenant Handbooks, Repair Handbooks produced
- Landlord Operational Action Plan produced and delivered
- Improved rent and income collection
- Greater Value for Money is achieved in repairs service
- Direct payment of housing benefits to tenants project successfully completed

Strategic Housing

- Housing Communications Plan delivers high quality and relevant housing information
- More effective temporary accommodation
- On line housing applications introduced
- Improved housing advice service
- Housing Strategy targets are reviewed and refreshed

Our detailed Action Plan provides more information on meeting these objectives

DRAFT

2 Context - Strategic Framework

- 2.1 Oxford City Council is both the strategic housing authority for the City and a major landlord providing over 7,500 homes. This Housing Strategy considers both of these roles and forms part of a network of complementary strategies and partnerships across the City of Oxford and the County. This Strategy replaces the Housing Strategy 2008 to 2011.
- 2.2 **Oxford Strategic Partnership (<http://www.oxfordpartnership.org.uk/>) Oxford Sustainable Community Strategy 2008 – 2012:**
- 2.2.1 The housing strategy links into the sustainable community strategy for Oxford by, firstly, contributing directly to the first flagship priority of 'affordable housing', and secondly, by linking the provision of such housing to the overall delivery of a healthy, vibrant and equal city for all residents.
- 2.2.2 The aim of the community strategy is, 'A world class city for everyone'; with five flagship issues prioritised:
- 1) Affordable Housing
 - 2) Health and Social Inclusion
 - 3) Climate Change
 - 4) Quality of the Public Realm for Residents and Visitors
 - 5) Safer, Stronger, More Cohesive City.
- 2.3 **Oxford City Council (www.oxford.gov.uk) Oxford Corporate Plan 2011 – 15:**
- 2.3.1 The Housing Strategy links into the Corporate Plan by contributing to the delivery of the key corporate priorities, principally 'Meeting Housing Needs' but also in supporting the economy through housing provision of current and future residents and workers and also, through ensuring communities have stable and safe places to live.
- 2.3.2 The aims of the corporate plan are 'Investing in Oxford's Future'; Corporate Priorities:
- 1) Vibrant, sustainable economy.
 - 2) Meeting housing needs.
 - 3) Strong, active communities.
 - 4) Cleaner, greener Oxford.
 - 5) An efficient, effective Council.
- 2.4 **Medium Term Financial Strategy**

2.4.1 The Housing Strategy links to the MTFs through providing a focus on key front line housing services for some of the most vulnerable people and communities in the city.

2.4.2 The Council's financial strategy priorities are:

- 1) To safeguard front-line services as far as possible, and particularly those upon which the most vulnerable in our community rely;
- 2) To continue to improve our council's performance;
- 3) To develop a balanced four-year outline budget, based on realistic assumptions, rather than just planning year-by-year;
- 4) To minimise any job losses and work with staff through this difficult period;
- 5) To work with the voluntary sector and community groups, safeguarding funding in this area as far as possible.

2.5 Regeneration Framework for Oxford to 2026

2.5.1 Housing is a key component of regeneration and this strategy fully supports the aims and objectives of the Regeneration Framework. Housing is central to ensuring that people and communities are able to lead healthier lives, have access to employment opportunities (and employers access to potential employees) and improve the quality of life across the City and in particular neighbourhoods.

2.5.2 The regeneration objectives for Oxford are to:

- 1) reduce inequalities between citizens;
- 2) increase the supply of housing, particularly affordable housing;
- 3) create places where people wish to live;
- 4) increase skills and promote skills development;
- 5) provide sustainable jobs for all through economic growth in central Oxfordshire;
- 6) improve connectivity between employment, housing and those seeking employment.

2.6 Core Strategy

2.6.1 The Housing Strategy complements the Core Strategy for Oxford in setting strategic priorities for the delivery of housing to meet the specific needs of the most vulnerable people and communities in Oxford providing an appropriate framework for that process.

2.6.2 Key challenges of the Core Strategy are:

- 1) meeting development needs in the context of a shortage of land
- 2) protecting the built and natural environment
- 3) promoting social inclusion through regeneration
- 4) addressing climate change

2.6.3 The relevant Core Strategy Strategic Objectives are:

- 1) Maximise regeneration and the reuse of previously developed land and make full and efficient use of all land, having regard to the distinct character of each neighbourhood.
- 2) Provide the development required to meet Oxford's needs, ensuring an appropriate balance of housing and employment growth in the context of other competing land uses.
- 3) Help protect people and their property from flooding.
- 4) Ensure that all new development is supported by the appropriate infrastructure and community facilities.
- 5) Promote social inclusion and reduce inequalities in employment, healthcare and education.
- 6) Plan for an appropriate mix of housing tenures, types and sizes to meet existing needs and future population growth.
- 7) Strengthen and diversify the economy and provide a range of employment opportunities.

2.7 Asset Management Plan

2.7.1 The Asset Management Plan complements the Housing Strategy through linking the management of the Councils assets to the provision of additional housing to meet needs.

2.7.2 The objectives of the asset management plan are:

- 1) Supporting the economy of the city.
- 2) Creating stronger and more inclusive communities.
- 3) Improvement in the quality and quantity of housing generally and particularly affordable housing.
- 4) Financial prudence and improved value for money.
- 5) Support service delivery.
- 6) Increasing revenue and reducing expenditure.
- 7) Reducing the maintenance backlog.

2.8 Oxfordshire Local Investment Plan

(<http://www.oxford.gov.uk/Direct/OxfordshireLocalInvestmentPlan.pdf>)

2.8.1 The Local Investment Plan has four overall strategic objectives – to:

- 1) Deliver new housing, including affordable homes,
- 2) Support economic growth,
- 3) Achieve regeneration and tackle deprivation, and
- 4) Contribute to meeting strategic infrastructure needs.

The Local Investment Plan will be refreshed in 2012

2.9 Supporting People Partnership

(www.oxfordshire.gov.uk/supportingpeople)

2.9.1 The Objectives of the Supporting People Strategy 2011-16 are to:

- 1) Commission services that make best use of resources and funding available across the key partner agencies to deliver better outcomes for service users and carers.
- 2) Enable service users and carers to have more say about what services we commission and how they are delivered from start to finish.
- 3) Create and promote opportunities for self directed support.
- 4) Commission services that offer people a range of different support options and are able to adapt to changes in future requirements.
- 5) Invite and support innovation and best practice in service delivery.

2.10 Oxford's Sustainability Strategy 2011-2020

2.10.1 Oxford's Sustainability Strategy sets out how Oxford City Council will create a Low Carbon more Sustainable City principally delivering the Councils 'Cleaner Greener' objective. The strategy sets out the Councils material sustainability impacts and programmes and targets to address the following areas:

1. Climate Change and energy efficiency
2. Waste
3. Biodiversity
4. Air Quality
5. Land Quality

2.10.2 The Housing Strategy complements the Sustainability Strategy through setting out programmes which present the opportunity to influence the significant level of carbon emissions that domestic properties contribute to the City's carbon footprint. In particular this supports the aims of the Low Carbon Oxford initiative which seeks to reduce carbon emissions across the city by 40% against 2005/06 levels, domestic properties account for approximately one third of these emissions. Ensuring that carbon emissions as part of each of the strategies key objectives will ensure that the benefits of more energy efficient homes and city wide renewable energy sources are delivered directly to Oxford's residents.

2.10.3 The Housing Strategy will seek to enable the highest standard of environmental sustainability in new builds and developments and to ensure that opportunities for realising the benefits of fiscal measures.. In addition, the Strategy recognises the need to tackle fuel poverty..

3 Review of the Housing Strategy 2008 – 2011

3.1 In 2008 Oxford City Council adopted a Housing Strategy for 2008 to 2011 to provide direction in the delivery of housing services across the city in order to meet the then corporate priority 'More Housing, Better Housing for All'.

3.2 Below is a review of that housing strategy action plan. Overall the Council considers the Housing Strategy 2008 – 2011 to have been successful given the high number of new affordable homes delivered; improvements in homelessness prevention; delivery of the decent homes standard and the introduction of new housing services including choice based lettings and additional HMO licensing.

3.3 Strategic Objective 1: Provide more affordable housing to meet current and future needs in and around the City.

Objective met.

- 1) 605 new affordable homes were built in Oxford between 2008/09 and 2010/11.
- 2) 58 new council homes were built, the first for over 20 years.
- 3) 27% of all new affordable homes are 3 bedroom or larger.
- 4) 76% of all new affordable homes provided were rented (the remainder shared ownership).

3.4 Strategic Objective 2: Prevent and reduce homelessness;

Objective met

- 1) Households in temporary accommodation reduced from 496 in March 2008 to 156 in March 2011.
- 2) Households accepted as homeless reduced from 196 in 2007/08 to 123 in 2010/11.
- 3) Independent housing advice service re-commissioned with Shelter
- 4) Places for Change funding secured which has resulted in the redevelopment of the Old Fire station redevelopment into a Crisis / Skylight centre due for completion during 2011.
- 5) Enhanced housing options services launched.
- 6) New homelessness survival guide and 'on your feet' worklessness guide published.
- 7) Tenancy sustainment support service developed.

However:

- 8) The number of people sleeping rough has increased from 13 in 2007/08 to 16 in 2010/11.

3.5 Strategic Objective 3: Address the housing needs of vulnerable people

Objective partially met

- 1) New supported housing services provided at Emmaus and Littlemore Baptist schemes.
- 2) Range of Supporting People funded services re-commissioned across the City giving improved levels of service to vulnerable client groups including; homeless hostels; floating support; women's refuges; young people and teenage parents and services for people with mental health and substance abuse issues.
- 3) Funding for Temporary Accommodation in-house support service retained for 2 further years (2010/11 – 11/12).

However:

- 4) The City Council lost all contracts to provide mobile warden and alarm response support to older people in Supporting People commissioning process in 2009/10. All staff and operations transferred to new providers in October 2010.

3.6 Strategic Objective 4: Improve the quality of the existing housing stock across the City;

Objective met.

- 1) Decent Homes Standard target for Council homes met.
- 2) A total of 490 HMO licences and 46 variations to licences had been issued out of the estimated total of mandatory licensable HMO's of 650. An application for additional HMO licensing across the city has been approved by CLG.
- 3) Landlord accreditation scheme launched.
- 4) Decommissioned sheltered schemes being demolished and replaced (e.g. Alice and Margaret House, Rose Hill) or redeveloped (e.g. Cardinal House).
- 5) Redevelopment of defective Orilt houses on Rose Hill is progressing and will be complete by end of 2011/12.

3.7 Strategic Objective 5: Improve housing services, choice and quality of life on estates.

Objective met

- 1) Tenant satisfaction with landlord service is high (2009 STATUS survey 82% satisfied against 80% in 2006).
- 2) 99% satisfaction with repairs service (April 2010).
- 3) 99% satisfaction with contact centre (April 2010).

- 4) A total of 707 tenants and leaseholders were involved in activities during 2009/10.
- 5) City-wide Choice Based Lettings (CBL) launched in 2008 and county-wide (excluding West Oxfordshire) in 2009.
- 6) Strategic Housing service awarded 2 stars (good service) with excellent prospects for improvement by Audit Commission in 2008.
- 7) Regeneration service awarded 2 stars (good service) with promising prospects for improvement by Audit Commission in 2009.

3.8 **Strategic Objective 6: Improve our understanding of housing needs to develop and implement housing strategy.**

Objective partially met

- 1) Oxfordshire Strategic Housing Market Assessment completed and is used to inform strategic housing policy.
- 2) Oxfordshire Local Investment Plan completed by Spatial Planning and Infrastructure Partnership (SPIP) Board in 2010.
- 3) Strategic Housing Delivery Group established in 2009 to lead on ensuring the Council's affordable housing priority is delivered in joined up fashion.
- 4) The strategic partnership produced an Affordable Housing select committee report and action plan.

However:

- 5) Demise of the Regional Spatial Strategy and associated housing targets adversely affected large development plans, in particular that on the land south of Grenoble Road.

3.9 **Strategic Objective 7: Ensure housing services offer value for money.**

Objective met

- 1) Property relet times were on average 20.8 days in 2010/11 against target of 26.5.
- 2) Council 2012 reorganisation underway to improve efficiency and quality of housing services.
- 3) 2009/10 was the best ever end of year result for rent collection and arrears:
- 4) Rent collected: £33,315,700 (£1,039,041 more than 08/09)
- 5) Total current rent arrears were reduced by £169,271 to £689,012 – a 20% reduction.
- 6) Total former rent arrears were reduced by £22,029 to £99,144 – an 18% reduction.
- 7) Improvements in IT systems leading to more efficient working:
- 8) CRM in landlord services;
- 9) Housing Advice Module in Housing Needs
- 10) Choice Based Lettings in Housing Needs.

- 11) Participation in benchmarking for housing services using 'Housemark' for landlord services and the Housing Quality Network for strategic housing services.
- 12) Significantly reduced use of Temporary Accommodation (now down to less than 160 households) has reduced expenditure to the Council.

DRAFT

4 Identifying Housing Need in Oxford – Evidence Base

- 4.1 The Council has access to a wide range of data sets that help us identify housing needs in the city. The key findings on housing needs in Oxford are identified in the data below.
- 4.2 The Council has also undertaken two previous studies to identify the need for affordable housing in the city going forward into the future. These studies were:
 - 4.3 The **Housing Requirements Study** in 2003/04, which consisted of a detailed questionnaire of approximately 2000 households on their current housing situation and their housing aspirations for themselves and family members.
 - 4.4 The **Oxfordshire Housing Market Assessment** in 2007. This study, conducted across the whole of Oxfordshire, looked at trends in housing markets in the county by analysing available property data (e.g. house prices, rents, council's homelessness statistics, etc) rather than asking households specific information.
 - 4.5 Both studies concluded that there was a very significant need for affordable housing in Oxford and that this need would increase annually going forward.
 - 4.6 The HRS estimated that for the next five years (from 2004) there was a shortfall of affordable housing in Oxford of around 1,700-1,800 affordable homes per year. The affordable housing requirement worked out at around 35 additional homes required per 1,000 households.
 - 4.7 The HMA projected demand for affordable housing forward to 2026 and has identified that countywide the current shortfall is currently around 2,200 homes per year, and that this will rise to 7,500 pa by 2026. Oxford City accounts for 83% to 89% of this need.
 - 4.8 The council will undertake a review of housing information and evidence base including needs and market data in order to ensure relevant, up to date information is available.

4.9 Summary of Existing Housing Need and Market Evidence Base:

4.10 Housing Market Data in Oxford.

4.11 House Prices

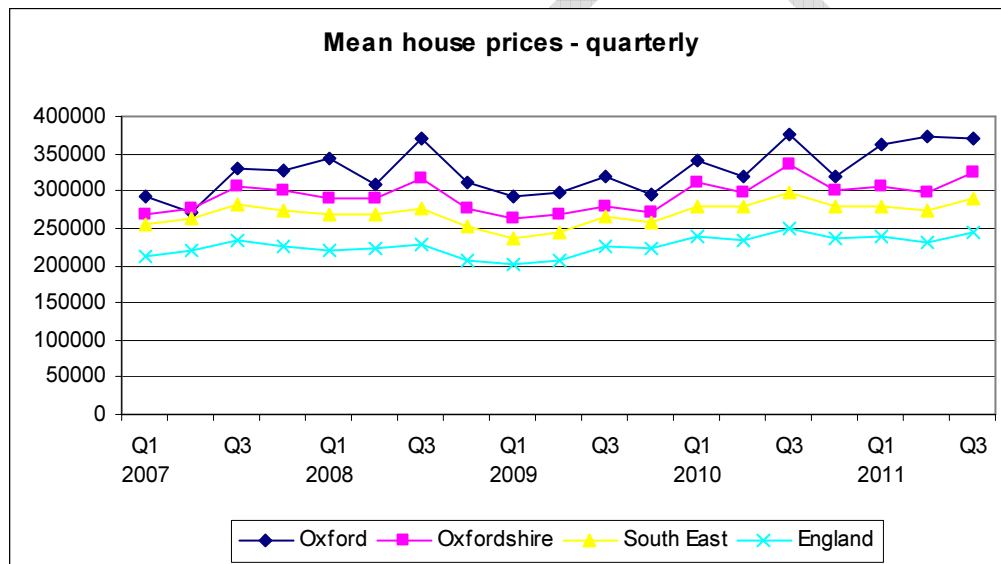
4.11.1 House prices in Oxford have reduced only slightly (-1.7%) with average house prices in Oxford in quarter 4 of 2010 at £321,634 compared to £327,114 in quarter 4 of 2007 (see table 1).

Table 1: Average house prices in Oxford, 1997 to 2010.

1997	2000	2003	2007	2008	2009	2010
£109,937	£179,301	£244,098	£327,114	£310,505	£294,262	£321,634

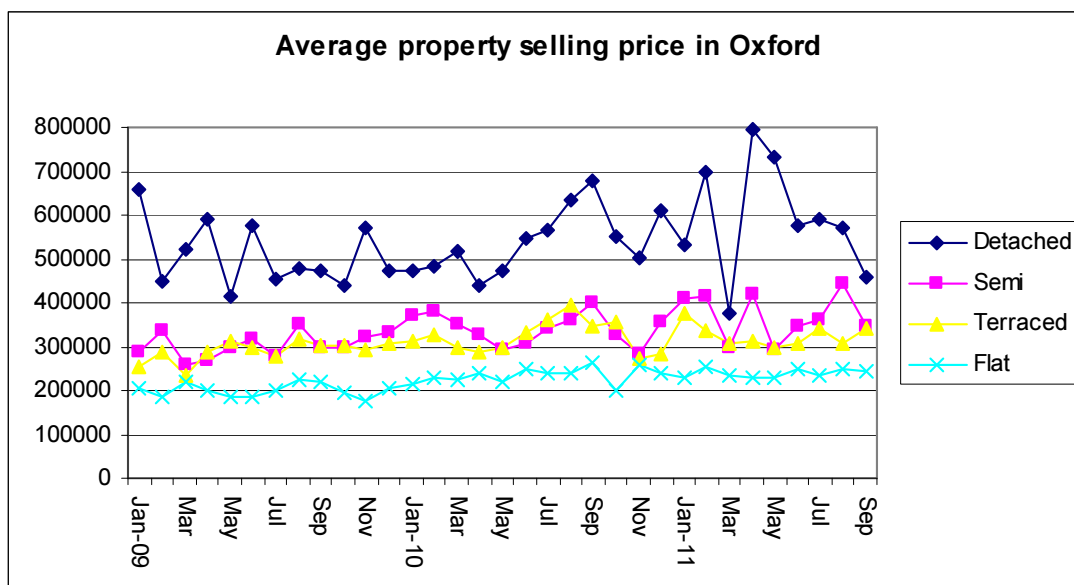
CLG, Q4 mean house prices based on Land Registry data

Figure 1: Quarterly Mean House Prices 2007 – 2010.



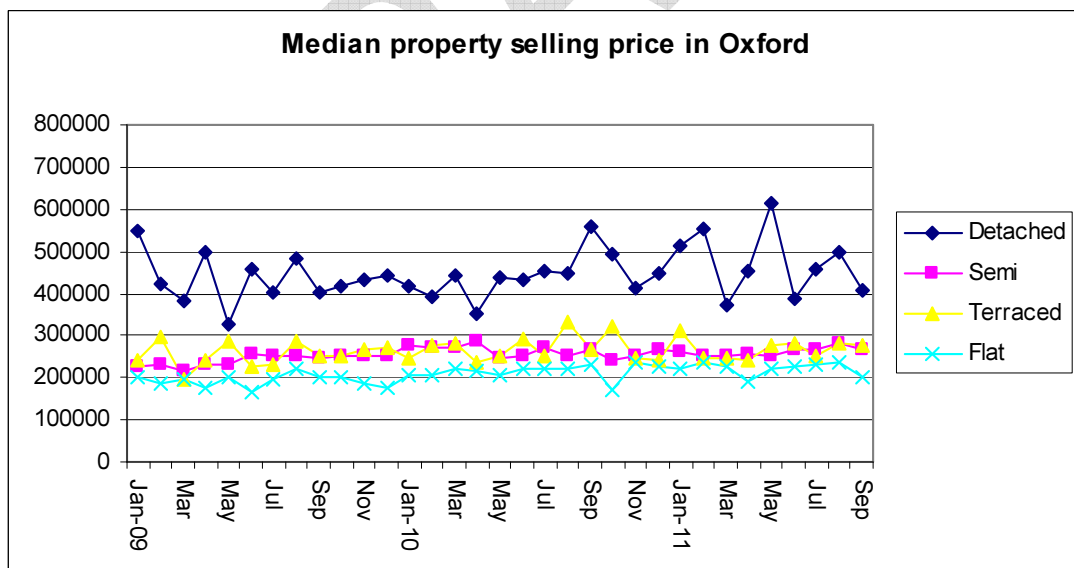
CLG Live table 581 - Land Registry data

Figure 2: Average Selling Price in Oxford 2009 - 2011



home.co.uk - uses Land registry data *Note: The sold house prices for Oxford were calculated by averaging over all properties sold, as recorded by the Land Registry, within 4 miles of the centre of Oxford

Figure 3: Median Property Selling Price in Oxford.



home.co.uk - uses Land registry data *Note: The sold house prices for Oxford were calculated by averaging over all properties sold, as recorded by the Land Registry, within 4 miles of the centre of Oxford

4.12 Affordability

4.12.1 Oxford remains one of the least affordable areas of the country for buying housing. The recent Cities Outlook 2011¹ study states that “Oxford was the city with the 11th highest wages in 2010 ranking just behind Swindon. However, Swindon residents’ wages go much further than those of Oxford residents, where house prices are almost double”. According to the same study Oxford is among the ten cities with the lowest earnings growth (55th of 63).

4.12.2 Despite some price falls due to the recession the ratio of lower quartile house prices to lower quartile earnings in 2009 was still 8.75 in Oxford compared to 6.28 for England. House prices have increased in Oxford since then and the ratio of lower quartile house prices to lower quartile earnings in 2010 had risen to 10.24 compared to 6.69 for England.²

4.12.3 Lower quartile annual earnings in Oxford is on par with lower quartile earnings in the South East and slightly higher than England. However, lower quartile house prices are much higher. This means that for those on low pay even properties in the cheapest price bracket are out of reach.

Table 2: Ratio lower quartile house prices to earnings.

2010	Oxford	Oxford-shire	South East	England
Lower quartile earnings, full-time employees ¹	20,422	20,859	20,034	18,577
Lower quartile house price ²	£215,000	£190,000	£167,500	£125,000
Ratio lower quartile house price / lower quartile earnings ³	10.24	9.16	8.51	6.69

1) ASHE annual earnings by place of residence, table 8.7a

2) CLG Live table 587 - Land registry data

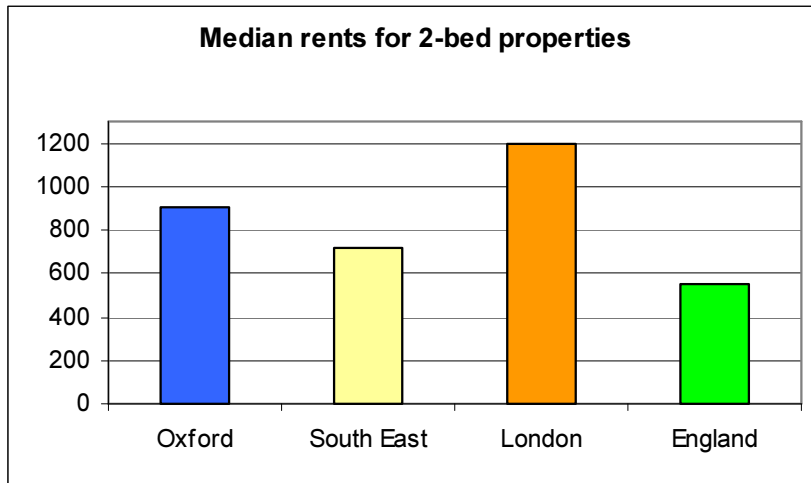
3) CLG Live table 576 (Note: Land registry data are for the first half of the year so that they are comparable to the ASHE data which is as at April. ASHE data used are workplace based full-time individual earnings.

4.12.4 Oxford has been identified as the most unaffordable location outside of London for private renting where median rents for two bedroom homes account for 55% of local median full-time earnings.³

¹ Cities Outlook 2011

² DCLG Live table 576

³ Research Report, Shelter Private Rent Watch, Report one: Analysis of local rent levels and affordability, 2011



Valuation Office Agency, Summary of monthly rents recorded over the 12 months to the end of September 2011

4.12.5 Gross weekly pay for Oxford residents is low, compared to the regional averages. This contrasts with the picture when looking at the pay for jobs based in Oxford, where pay is relatively high. This suggests that many of the more highly paid jobs in Oxford are held by those who live outside the city.

Table 3: Gross weekly median pay by residence, 2011.⁴

	Oxford	South East	Great Britain
All full time	£525.70	£554.40	£503.10
Male full time	£561.00	£607.40	£541.70
Female full time	£467.00	£474.30	£446.30

Table 4: Gross weekly median pay by place of work, 2011.⁵

	Oxford	South East	Great Britain
All full time	546.80	528.10	502.60
Male full time	591.70	578.50	540.90
Female full time	474.50	454.00	445.70

⁴ ONS annual survey of hours and earnings - resident analysis

⁵ ONS annual survey of hours and earnings - resident analysis

4.13 Repossessions

4.13.1 Mortgage possession claims* increased dramatically during 2008 with a 24.2% increase shown in Oxford 2007 to 2008. However, there has been a substantial reduction to 2009 (85.5% drop), and the figure has stayed low in 2010.⁶

* Possession claims do not necessarily result in actual repossessions.

Table 5: Mortgage possession claims issued in Oxford, 2001 to 2010

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Oxford	60	85	80	115	150	170	165	205	95	90
% change on previous year	-25	41.7	-5.9	43.8	30.4	13.3	-2.9	24.2	-85.4	-5.3

4.13.2 Landlord possession actions have recorded similar increases (2007 to 2008) but decreased in recent years (2008 to 2010).

Table 6: Landlord possession claims issued in Oxford, 2003 to 2010

	2003	2004	2005	2006	2007	2008	2009	2010
Oxford	350	410	375	335	335	390	385	350
% change on previous year		17.1	-8.5	-10.7	0.0	16.4	-1.3	-9.1

⁶ Ministry of Justice

4.14 Unemployment

4.14.1 In common with the rest of the UK, there has been a sharp increase in the number of people claiming unemployment benefit (Jobseeker's Allowance or JSA). In October 2008 there were 1,600 people claiming JSA, which had risen to 2,970 by May 2009 - however this decreased to 2,731 by December 2011. The proportion of people claiming in Oxford is lower than the national average (due to the large number of full-time students who are not working).⁷

4.14.2 The number of people unemployed is different to the number of people claiming JSA as some unemployed people choose not to claim or are not eligible to claim. The level of unemployment is estimated using a combination of the JSA count and population surveys. The most recent estimate of Oxford's unemployment rate is 6.1% for the period June 2010 to June 2011, slightly below the national average of 7.7%.⁸

DRAFT

⁷ Nomis

⁸ Nomis

4.15 Population

4.15.1 The most up to date estimates of Oxford's population from the Office for National Statistics (ONS) are:

1. 2001 Census: 134,248
2. 2010 mid-year estimate: 153,700
3. 2020 population projection (2008-based): 154,500

4.15.2 Oxford is the fourth fastest growing city in the UK⁹ and the growth in population will be compounded by a decrease in the number of people per household - further increasing pressure on the city's housing capacity.

4.15.3 Oxford has a large population of students. Around 30,000 full-time students attend the cities universities each year.¹⁰ This places pressure on housing supply in the City, particularly in the private rented sector with many of the students living out of university provided accommodation for part of their study period. According to the Annual Monitoring Report 2010/11 there were over 6,800 students living outside of university accommodation at the end of 2010. Balancing the demands placed on housing by students and the needs of permanent residents (many of whom are former students or work for the universities) is a challenge for the City.

4.16 Households

4.16.1 The number of households in the City is increasing rapidly. In 1991 there were 48,000 households and this had increased to 54,000 by 2008.¹¹ The number of households in the City is projected to continue to increase placing huge pressure on housing.

4.16.2 Projected population growth does not match the growth in household formation as a result of trends for more single person households, which is a consequence of more younger people, more very elderly people and higher rates of divorce.

4.16.3 It is projected that the proportion of single person households in the Oxford will increase from 35% to 39% between 2008 and 2033.¹² This will add to the serious pressure of housing in the city. Smaller and single person households do not necessarily want or demand smaller homes and this is a particular challenge when planning for future growth.

⁹ Cities Outlook 2010

¹⁰ HESA

¹¹ DCLG Live table 406

¹² DLGG live table 420

4.17 Tenure

4.17.1 Housing provision in Oxford is very diverse by tenure (see Table 7).

Oxford has a very large private rented sector (24%), it retains a sizable social rented sector (21%) and the level of owner occupation is among the lowest in the country (55%), which is very low for the South East of England region.

Table 7: Housing Tenure

	Oxford	South East	England
Owner Occupation	54.9%	74.0%	68.7%
Social rented	21.2%	14.0%	19.2%
Private rented	23.9%	12.0%	12.0%

Census 2001 Table KS18

4.18 Development

4.18.1 Affordable housing completions in Oxford have fallen back after a peak in 2008/09. The target set for 2009/10 was revised in the light of reduced development activity.

Table 8: Affordable housing completions 2004/05 to 2010/11.

	04/05	05/06	06/07	07/08	08/09	09/10	10/11
Completions	186	167	267	56	265	192	148

4.18.2 91% of all affordable housing delivered in 2009/10 was affordable rented against a target of 80%. This was an increase on the 70% delivered for rented in 2008/09.

Table 9: Affordable Housing Against Policy Requirement¹³

	03/04	04/05	05/06	06/07	07/08	08/09	09/10
Policy requirement	30%	30%	30%/50%	50%	50%	50%	50%
Average % of affordable housing permitted on all sites (including reserved matters)	43.3%	34.5%	42.6%	37.6%	47.6%	41.6%	39.0%

¹³ Annual Monitoring Report

Average % of affordable housing permitted on sites (excluding reserved matters)

43.3%	34.2%	48.8%	48.9%	47.6%	50%	n/a
-------	-------	-------	-------	-------	-----	-----

4.18.3 The Council is targeting affordable housing development work on ensuring that affordable housing delivery on development sites is maintained and progressing development on strategic sites around the City that will deliver very large numbers of additional housing units.

4.19 House building

4.19.1 In relation to general house building (market and affordable), Oxford’s Core Strategy includes a target of 8,000 dwellings to be built between 2006 and 2026. During the first five years 2,472 dwellings have been built which leaves a requirement for 5,528. This equates to 368 dwellings per year requirement.

Table 10: Net Additional Dwellings

Year	Net Completed Additional Dwellings
2001/02	439
2002/03	267
2003/04	578
2004/05	669
2005/06	943
2006/07	821
2007/08	529
2008/09	665
2009/10	257
2010/11	200

Annual Monitoring Report

4.19.2 The housing trajectory is published each December in the Annual Monitoring Report which demonstrates which sites are likely to come forward for new housing and to what extent they will contribute to the 8,000 target and the five-year housing land supply. The City Council is not expected to be able to identify all sites that will meet the 8,000 target.

4.19.3 The Annual Monitoring Report 2011 demonstrates that Oxford is just able to identify enough deliverable housing sites to meet the five-year target and enough developable and deliverable sites to meet the 10 year target. However, The City Council is producing a Sites and Housing Development Plan Document, part of the Local Development

Framework, which will allocate new sites for housing. It is anticipated that this will include enough sites to enable Oxford to significantly exceed its five-year housing supply target and almost meet the entire 8,000 dwelling target significantly reducing reliance on windfalls.

4.19.4 100% of housing completions in 2009/10 were on Brownfield land (see figure below).

Table 11: Percentage of gross housing completions on Brownfield Land

Year	Percentage of gross housing completions on Brownfield Land
2001/02	98.60%
2002/03	93.00%
2003/04	95.00%
2004/05	99.87%
2005/06	99.43%
2006/07	100%
2007/08	93.98%
2008/09	99.88%
2009/10	100%

Annual Monitoring Report

4.20 Council house building

4.20.1 The Council successfully bid for Homes and Community Agency (HCA) funding in order to build new Council Homes in 2009. A total of £4 million was awarded in August 2009 for the provision of 58 new homes on two sites in the City. These homes at Lambourne Road, Rose Hill and at Cardinal House, Littlemore were completed and occupied during 2011.

4.20.2 In 2011 the Council successfully bid for affordable housing development funding for the 2011-16 four year programme. The HCA have offered a grant allocation of £2.42m for the development of 6 sites. The sites will produce 112 units of which 68 are social rented units and 44 are affordable rent.

4.21 Private renting

4.21.1 Oxford has a larger private rented sector (representing almost 24% of all dwellings) and many people rely on this diverse sector for their housing needs. Rents are often high and may people on low incomes

rely on some support from benefits to help them live and work in the City. Changes to housing benefits will place significant pressures on these people in meeting their housing needs in the future.

4.21.2 Local Housing Allowance was introduced in April 2008 and has changed the way that Housing Benefit is calculated. It is for Private Tenants only and does not include tenancies with the Council or Housing Associations. A standard rate for property sizes is set monthly and is paid to claimants according to their accommodation needs. Payments are made direct to claimants. Applications for payments direct to landlords can be made if a vulnerability relating to an inability to make and maintain payments is demonstrated.

4.21.3 From 1st April 2011 the Local Housing Allowance (LHA) rates are based on the lowest 30 percent of rents in the Broad Market Rental area, not the median as previously. Housing benefit is now restricted to the LHA rate for a 4 bedroom property. The LHA rate for all sizes of property has been capped. At the moment the caps are higher than LHA rates in the Oxford area so this will not affect housing benefit entitlements. Any new claim for housing benefit made after 1 April 2011 will be worked out using the new rules. Any person who is already receiving housing benefit will be affected from when the benefit award is reviewed.

4.21.4 The Local Housing Allowance rates are set at the 30th percentile of rents in the Broad Market Area which covers most of Oxfordshire. Rents in the city are, however, generally higher than in the rest of Oxfordshire.

Table 12: LHA rates and rents in Oxford

Property Size	LHA Sep 2011*	Lower quartile rents ¹⁴
Room in shared	£340	£350
1 bedroom	£650	£695
2 bedrooms	£775	£850
3 bedrooms	£915	£995
4 bedrooms	£1240	£1300

*Rounded to nearest pound

4.21.5 From April 2011 LHA was capped at the 4 bedrooms level, meaning no additional allowance is payable for homes with 5 or more bedrooms which presents problems and challenges when finding housing for large families.

¹⁴ Summary of monthly rents recorded over the 12 months to the end of September 2011, Valuation Office Agency

4.22 Homelessness

4.22.1 Homelessness remains a significant problem in Oxford though reductions in statutory homelessness acceptances and households in temporary accommodation continue thanks to the excellent prevention work undertaken by the Housing Needs team.

Table 13: Homelessness Claims

2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
637	635	538	501	571	477	456

Table 14: Homelessness Acceptances

2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
376	379	233	196	147	104	123

Table 15: Temporary Accommodation

2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
953	861	581	496	395	240	156

Table 16: Rough Sleeping

2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
7	11	11	13	8	16	16

(The rough sleeper count was 52 in 1998).

Table 17: Homelessness statistics (collected from P1E return).

Acceptances		Oxford 2009/10	Oxford 2010/11
Homeless acceptances		104	123
Decisions taken	Percentage accepted as homeless	22% (of 475)	27% (of 456)
Acceptances per 1,000 households		1.9	2.3
Acceptances by ethnicity BME percentage (England 12%, London 31%, South-East 8%, Oxford 17% ONS 2007)	<ul style="list-style-type: none"> • BME • White • None stated 	25% (26) 58% (60) 17% (18)	25% (31) 62% (76) 13% (16)
Acceptances by age	<ul style="list-style-type: none"> • 16-24 • 25-44 • 45-59 • 60 and over 	49% (51) 41% (43) 10% (10) 0% (0)	58% (71) 29% (36) 11% (14) 2% (2)
Acceptances by household type	<ul style="list-style-type: none"> • Lone female parent • Couple with children • Lone male • Lone female • Lone male parent • Other 	50% (52) 15% (16) 15% (16) 15% (16) 2% (2) 2% (2)	42% (52) 20% (25) 20% (24) 9% (11) 6% (8) 2% (3)
Acceptances by priority need category	<ul style="list-style-type: none"> • Dependent children • Pregnant woman • Young person • Mental illness • Physical disability 	49% (51) 17% (18) 14% (14) 10% (10) 4% (4)	50% (62) 19% (23) 12% (15) 4% (5) 7% (9)
Acceptances by reason for loss of last settled home	<ul style="list-style-type: none"> • Exclusions by parents, relatives, friends • Relationship breakdown • End of AST • Left institution/care 	44% (46) 16% (17) 15% (16) 7% (7)	49% (60) 15% (18) 8% (10) 15% (18)
Households in temporary accommodation		Oxford 2009/10 to date	Oxford 2010/11
Length of time spent in temp accom for households owed a main duty who left temp accom during quarter	<ul style="list-style-type: none"> • Less than 6 months • More than 2 years <p>Note: includes those who have been housed, evicted, found own accom etc.</p>	8% (19) 51% (120) (Total 236)	30% (55) 35% (64) (Total 182)

4.22.2 The number of homelessness claims have steadily reduced from 2003/04 through to 2010/11 (with the exception of 2008/09) The number of acceptances decreased to 2010/11 when it increased for various reasons, including a lack of suitable two-beds in the private

sector; complex presentations of young people; and the high needs of customers presenting to us.

4.22.3 The number of households living in temporary accommodation continues to fall and is now 156. This has been achieved through greater use of a variety of homelessness prevention measures, particularly by providing accommodation in the private sector.

DRAFT

Table 18: Reasons for Homelessness

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Family, friends no longer able or willing to accommodate	39.6%	36.4%	36.1%	42.3%	38.8%	44.2%	48.8%
Non-violent relationship end	5.3%	5.3%	2.2%	1.9%	4.8%	6.7%	5.7%
Violent relationship end	10.9%	11.1%	8.6%	9.6%	9.5%	9.6%	8.9%
Racial / other violence / harassment	1.3%	0%	0%	0%	8.8%	6.7%	0.8%
Arrears eviction (all tenures)	1.9%	1.1%	1.7%	0%	2%	1.9%	4.9%
Loss of private rented accom (Term of AST / Reasons other than term of AST)	18.1%	15.8%	15.5%	13.5%	15%	21.2%	13.8%
Left asylum support / prison / hospital	5.6%	2.4%	1.7%	0%	0%	3.8%	1.6%
Left other institution or LA care	2.7%	7.7%	15.5%	13.5%	13.6%	3.8%	13.0%
Other reason	14.4%	20.3%	18.9%	19.2%	7.5%	2.9%	2.4%

P1E return – households accepted as homeless

4.22.4 Reasons for homelessness acceptances remain relatively constant. Reasons for homelessness acceptances are parental eviction followed by loss of a private Assured Shorthold Tenancy. The third highest reason is domestic violence. The number of homelessness acceptances because of eviction over arrears has increased (the 4.9%% recorded in 2010/11 were 4 for rent arrears, and 2 for mortgage arrears). This will be monitored for any upward trend as a result of the recession.

4.22.5 Work on developing and improving housing options and homelessness prevention services has continued:

- Continued growth and use of the Homechoice rent deposit scheme and the Lord Mayors Deposit Guarantee Scheme.
- Capital investment in new and existing projects (e.g. the wet garden at O'Hanlon House and the forthcoming redevelopment of the Old Fire station)
- Development work for enhanced housing options services to tackle work related causes of homelessness.

4.23 Issues for vulnerable groups in Oxford:

4.24 Age: Older People: (over 60)

- Oxford has younger population profile than most locations (15% are aged over 60 compared to 22% across England).¹⁵
- None- the-less the proportion of older people is set to increase, with a 17% increase in over 65's by 2025 and a 28% increase in over 85s by 2025.¹⁶
- The number of people aged 75 plus living alone with limiting long term illness will increase by 17% to 2025.¹⁷

4.25 Age: Young People (under 25):

- Up to 58% of all homelessness acceptances in Oxford are for young people (singles, couples and families).
- A quarter of Oxford's population are aged 15 to 24 (almost double the regional and national average).¹⁸
- Around 30,000 full-time students study in Oxford each year.¹⁹
- House prices in Oxford remain very high and access to this home ownership sector is very difficult for young people.

¹⁵ Mid-2010 population estimate, ONS

¹⁶ Projecting Older People Population Information System, starting point 2011

¹⁷ Projecting Older People Population Information System, starting point 2011

¹⁸ Mid-2010 population estimate, ONS

¹⁹ HESA

- There are significant concentrations of under 16s in Blackbird Leys, Rose Hill, Sandhills and Summertown which should be taken into account when planning future provision.²⁰

4.26 BME Communities

- 12.8% of Oxford's population from a BME group in 2001, increased to 17.2% in the ONS mid-year estimate in 2007.
- 23% of households on the housing register are from BME groups.
- 25% of households accepted as homeless are from BME groups.

4.27 Disabled People

- 464 households on the housing register (8%) have a mobility need

4.28 Gender

- 42% of homeless acceptances are lone female parent households
- 6% are lone male parent households
- Domestic violence accommodation services provided in Oxford through by Supporting People funding.

4.29 Sexual Orientation

- No data or analysis is available on the possible impact of sexual orientation on homelessness or access to housing services.

4.30 Faith / Culture

- No data or analysis is available on the possible impact of faith on homelessness or access to housing services.

4.31 People with Housing Support needs.

- The Supporting People budget for Oxfordshire is £16.2M for 2010/11 but will reduce to £12.9M by 2014/15.
- 45% of this budget is spent on services provided in Oxford.
- There are 36 SP funded services in Oxford.
- These services have an annual capacity of 3265 'units'.

²⁰ Mid-2005 population estimate by super output area, ONS

4.32 Housing Register

4.32.1 Demand for social housing in Oxford remains high with over 6000 households (6338 January 2012) registered on the housing register in Oxford. Average annual turnover of social housing properties in the city is around 700, so long waits are inevitable. Where certain types of property remain in short supply, such as large family homes, waits will be longer than average.

Table 19: Housing Register by Breakdown

Age	%
16-24	12.3
25-44	54.9
45-59	21.9
60-64	4.0
65+	6.9
	100.0
Ethnicity	%
White	60.9
BME	23.4
Not-Stated	15.7
	100.0
Children	%
Dependent Children / Expecting	43.4
No dep. Children	56.6
	100.0
Household Type	%
Couple with children	20.0
Lone parent	23.4
Single	44.2
Other	12.4
	100.0

Table 20: Housing Register by Bedroom Requirement

Bedroom group (Min. requirement)

	Bedsit/1 bed		2 bed		3 bed		4 bed+		TOTAL	
Black or Black British	452	14.1%	214	12.3%	142	17.5%	57	19.5%	865	14.3%
Asian or Asian British	112	3.5%	94	5.4%	81	10.0%	42	14.4%	329	5.4%
Mixed	70	2.2%	37	2.1%	21	2.6%	4	1.4%	132	2.2%
Chinese or Other Ethnic Group	43	1.3%	33	1.9%	19	2.3%	7	2.4%	102	1.7%
BME: Total	677	21.1%	378	21.7%	263	32.3%	110	37.7%	1,428	23.6%
White: British	1,803	56.1%	874	50.3%	368	45.3%	123	42.1%	3,168	52.3%
White: Irish / Other White	217	6.8%	229	13.2%	76	9.3%	22	7.5%	544	9.0%
White: Total	2,020	62.9%	1,103	63.5%	444	54.6%	145	49.7%	3,712	61.3%
None stated	516	16.1%	257	14.8%	106	13.0%	37	12.7%	916	15.1%
Total	3,213	100.0%	1,738	100.0%	813	100.0%	292	100.0%	6,056	100%

157

4.32.2 In 2008 the Council introduced Choice Based Lettings replacing the old points based allocation system for social housing and in 2009 this was expanded to a sub-regional based scheme covering the City, Cherwell, South Oxfordshire and Vale of the White Horse district areas.

4.33 Housing Conditions

4.33.1 All Oxford City Council homes have attained the Decent Homes Standard and less than 2% of housing association homes failing to meet the standard.

4.33.2 The Council continues to work with landlords and tenants in the large private rented sector to ensure that homes in that sector meet legal standards. The Council has introduced a city-wide additional licensing scheme for HMOs and continues to take a firm line in pursuing prosecutions where landlords fail to ensure homes meet legal standards.

4.33.3 The council is implementing its Empty Homes Strategy to ensure that long term empty properties in the private sector are returned to use. 17 were returned to use in 2009/10 and 10 in 2010/11 through the work of the Empty Property Officer. During 2010/11 the Council was successful in obtaining its first empty dwelling management orders. One property affected was immediately sold on the open market and rapidly returned to use by the new owner.

The future – legislative and policy context

The Housing Strategy for Oxford has been developed within wider contextual, policy and legislation changes. These set major challenges as to how Oxford City Council and its partners are able to deliver new affordable housing, improve housing conditions and services

International context

- Uncertain international economic climate, recession and increasing unemployment
- Downturn in housing markets, limited borrowing, lack of confidence in housing investment and reduced levels of housebuilding including affordable housing
- Environmental issues – the need to reduce energy consumption and risk of flooding
- An ageing population

National context

There is a changing national context with new policy drives

- Local Growth – creating a more market driven approach to allow the economy and business to grow
- Welfare that Works – reducing disincentives to work, simplifying benefits and reducing benefit dependence
- Localism – aiming to empower local communities to have more say over their local area
- Deficit reduction – planning to reduce the national deficit and debt including reductions in public sector spending
- Challenging Red Tape – seeking to reduce unnecessary regulation, including private sector landlords, building regulations and planning

'Laying the Foundations: A Housing Strategy for England 2011'

recognised the need to a new approach including

- Increasing supply: more homes, stable growth
- Social and affordable housing reform
- A thriving private rented sector
- Strategy for Empty Homes
- Quality of housing experience and support
- Quality, sustainability and design

Localism Act 2011

The Localism Act included a number of elements which affect the Housing Strategy

Access to housing

- Opportunity to grant a new 'Flexible Tenancy' for new social tenants instead of a 'Lifetime Tenancy' and a duty for local councils to develop a Tenancy Strategy
- Power to local authorities to limit who can apply for social housing and review of allocations policies
- Improve the ability of social tenants to move to a different area
- Allow local authorities to meet their legal responsibilities towards homeless households by using private sector accommodation

Changes to social housing

- Reform the Housing Revenue Account (Council housing) financial regime to enable 'self financing'
- Abolish the Tenant Services Authority and transfer regulation of social housing to Homes and Communities Agency
- Co-regulation and scrutiny by tenants

Planning system

- Abolish Regional Spatial Strategies
- Abolish the Infrastructure Planning Committee and return to a position where the Secretary of State takes the first decision on major infrastructure proposals of national interest
- Amend the Community Infrastructure Levy which allows Councils to require developers to fund infrastructure

Community involvement and empowerment

- Provide for Neighbourhood Plans which would be approved if they received 50% of the votes cast in a referendum
- Provide for neighbourhood development orders to allow communities to approve development without requiring planning consent

The Housing Strategy Action Plan responds to issues arising from changes to social housing and access.

Homes and Communities Affordable Housing Framework 2011-15

This 4 year programme will deliver up to 170,000 affordable homes for rent and low cost home ownership nationally by 2015, Funding of £4.5 billion will be made available for Registered Providers including Housing Associations and Council Housing – albeit with an overall reduction in funding per property. The programme introduces Affordable Rents requiring Registered Providers to let property at up to 80% of local market rents. This is likely to impact greatly within Oxford where there is wide gap between rent levels of existing Registered Providers and the Council as opposed to private rents

Registered Providers who are awarded funding under the Affordable Rent Programme are expected to convert a proportion of relets of existing homes to Affordable Rents.

The Strategy Action Plan addresses the need to review new delivery models to bring forward new affordable housing and development of a Tenancy Strategy to define a policy on Affordable Rents in the area.

New Homes Bonus

The New Homes Bonus was introduced in April 2011. It is an incentive paid to councils to match fund the additional Council Tax raised for new homes and empty properties brought back into use to enhance Council spending. Oxford's grant allocation for 2011 was determined as £472,960.

Health and Social Care Bill 2012

The Health and Social Care Bill proposes the abolition of Primary Care Trusts in April 2013. These would be replaced by GP Consortiums who will be responsible for commissioning most healthcare.

Each Council will be required to set up a Health and Well Being Board to oversee the quality of services, represent the views of local people and draw up Health and Well Being Strategy – building on Joint Strategic Needs Assessments.

All Hospital Trusts are planned to become independent foundation hospitals by 2014 with a competition element for patients and costs.

There are strong links between Housing, this Strategy and Health and Well Being. Poor housing conditions and homelessness can have a detriment on the health, safety and wellbeing of households. Cold, hard and expensive to heat homes are a particular problem linked to excess winter deaths and other health issues underpinning the need for a Home Energy and Fuel Poverty Strategy. Access to suitable housing can be a significant issue in patients being able to regain health and independence with delays to hospital discharge and bed blocking. The Home Improvement Agency and the Council as landlord undertake adaptations and improvements to enable people to gain and sustain independent living. Through planning powers new housing can be designed to meet a household's changing lifetime needs.

Actions related to poor quality and unsuitable homes are included in the Housing Strategy Action Plan. Further issues arising will be considered when the Strategy Action Plan is refreshed in 2013

Changes to the Council's Landlord Role

The reform of Council House Financing is a major change that will affect affordable housing in Oxford. The principle is to give local councils the

resources, flexibility and incentives needed to manage the housing stock for the long term and drive efficiency and economy. Changes will also give tenants the information they need to hold their landlord to account by establishing a clear relationship between the rent collected and services provided.

From April 2012 there will be a re-adjustment of council housing stock debt. A 30 year Business Plan has been developed to ensure the Council can support repayment of debt whilst managing, maintaining and improving its housing stock. The financial changes will lead to the Council borrowing around £200 million pounds to support investment in the Council's housing stock and may also enable the establishment of more new council house building programmes. The 30 year Business Plan will be supported by an Operational Plan which will set detailed tasks and objectives

The Decent Homes Standard will be maintained as a minimum with a goal to improve housing standards even higher including to blocks of flats. Opportunities will exist for development of new Council homes in the future.

Changes to the Landlord Role include regulatory changes; greater tenant involvement and empowerment, co-regulation with tenants; a Local Offer for tenants. There is an increased emphasis on tenancy fraud; tackling under-occupation and overcrowding; increased mobility and enhanced Right to Buy.

Welfare benefit changes including direct payment of housing benefit to tenants will impact on collection of rent and rent arrears.

All these are being taken forward through actions identified in the Housing Strategy Action Plan and Housing Revenue Account Business Plan

Welfare Reform

The Government is introducing a range of welfare reforms intended to reduce dependency and provide incentives to work through its Welfare Reform Bill which was passing through the legislative process at the time this Strategy was prepared. Changes to Housing Benefit and Local Housing Allowance are also gradually being implemented. The combination of these changes are likely to adversely affect the household budgets of many and restrict their ability to access and retain housing.

Universal Credit:

From October 2013 a single benefit is planned to be introduced to replace Income Support, Jobseekers Allowance, Employment Support Allowance, Tax Credits and Housing Benefit. Plans include support for Housing costs being delivered by the Department for Work and Pensions, rather than Local Authorities.

The Government is proposing to introduce a cap on the total amount of out of work benefits that a household can receive. The cap is proposed to be set at £350 per week for singles / couples and £500 per week for families (with dependent children). This capped amount will form the total benefits income of any household claiming the relevant benefits. All household expenditure including rent will have to be made from within the amount.

Department of Work and Pensions will pay the housing component of Universal Credit to individuals, not landlords. It is anticipated that Universal Credit will be developed in a way which protects social landlords' financial position (e.g. some direct payment to landlords, direct debits, and a "protection mechanism which safeguards landlords' income"). Oxford City Council will be part of the Demonstration Project for this change. Discussions will "include considering whether there may still be a role for local authorities in dealing with non-mainstream Housing Benefit cases (for example, people living in supported or temporary accommodation). Local authorities may also have a role to play in delivering face-to-face contact for those who cannot use other channels to claim and manage their Universal Credit.

By 2017, all Working Age claimants to be claiming Universal Credit. The government has said that no-one will lose out at the point of transition to Universal Credit, but changes since the June 2010 budget mean that £18 billion in cuts to welfare benefits will be made before Universal Credit comes in. According to the Centre for Economic & Social Inclusion, all households working full time on minimum wage will be worse off under Universal Credit in 2014 than in April 2011.

Local Housing Allowance, Housing Benefit

In 2011 and 2012

Changes were made to the calculation of Local Housing Allowance now only covers the cost of the cheapest 30% of private rents rather than the median (average) cost

Payments are no longer paid for 5 bedrooms and are capped at 4 bedroom rate

Changes to on-dependant allowances (which affect households containing other adults eg grown up children, elderly parents) are being introduced in stages up to 2014

Shared accommodation rate

For many years single people living alone, aged 18-24, have only received the Shared Accommodation rate for LHA (£80.77 per week) rather than the rate for a one bedroom property (£150 per week). This has been extended to people aged 25-34 from January 2012. This means that LHA payable to single people aged under 35 who do not live with partners or children will be restricted to the cost of a room in a shared house or bedsit. The change applies to new claims from January 2012, and will be extended to existing claimants under transitional protection arrangements applying to LHA claims which started in April 2011. Exemptions from the change include some disabled people, people in some types of supported accommodation, ex-offenders whose case is being managed by MAPP, and those who have spent three months or more in homeless hostels giving support to enable resettlement in the community.

Uprating of Rents by CPI:

In April 2012, LHA rates will be frozen for a year and it is expected that, from April 2013, LHA rates will rise in line with the Consumer Price Index rather than with local rents. The detail will be in amended Housing Benefit regulations and Rent Officer Orders and applies to LHA cases only. The Secretary of State is to be permitted to reset LHA rates without reference to Rent Officer if rates need to be adjusted to reflect local rents.

Size Restriction in Social Rented Sector:

It is planned that this change will apply to working age households only and seek to reduce under occupation of homes. It will also take into account room requirement for non-resident carer. It is estimated to impact on 32% of working age claims in social rented sector (1600 in Oxford). Average reduction will be £13 per week, £11 for one room, £20 for two rooms. Reduction will be a percentage based on the number of unoccupied rooms. There are two definitions of under occupation, Department for Communities and Local Government allow for a spare bedroom and this definition would impact an additional 80,000..

Localisation of Council Tax Benefit:

From April 2013, the Government plan to give Council's responsibility for the replacement to Council Tax Benefit. The proposals are that Council's will be given a fixed budget, reduced by 10% to spend how they wish. However pensioners must receive the same level of support as they do currently. In practice there is little flexibility in operating a local policy, as many recipients are only in receipt of Income Support or Jobseekers Allowance. As the support will be provided by way of a fixed budget, there is a significant financial risk to councils if their caseload increases significantly during the year.

Other welfare reform measures include

- it is planned that Child Benefit will not be paid to families with higher rate taxpayer from 2013
- migrating single parents on Income Support onto Jobseekers Allowance once their youngest child turns five, and migrating sick and disabled people previously on incapacity benefits onto Jobseekers Allowance or Employment and Support Allowance. These changes require claimants to be actively looking for work and will, in many cases, mean a reduction in benefits entitlements;
- restricting eligibility for working tax credits by reducing the childcare element, introducing stricter work eligibility conditions and freezing payment rates;
- ending financial support for 16-19 year olds in further education by abolishing the Education Maintenance Allowance from 2011/12; and
- taking all welfare benefits and most housing and debt cases outside the Legal Help (legal aid) scheme. This could directly affect access to justice for people who are homeless or in housing need, increasing demand for Citizens Advice Bureau and other non-legal aid advice

services, and contributing to a rise in homelessness if people cannot access advice over issues that underpin homelessness.

Welfare reform changes impact on household income and are anticipated to have major repercussions on housing affordability, mortgage and rent arrears leading to potential homelessness. This will be kept under review and any further actions need will be brought forward in the new Homelessness Strategy (to be adopted by April 2013) and/or the review of the Housing Strategy Action Plan (September 2013)

Details as to how we will respond to the challenges brought forward as a consequence of new legislative and policy changes are contained within the Housing Strategy Action Plan 2012-2015

DRAFT

DRAFT