

**Title of meeting:** Cabinet Member for Housing Decision Making

**Date of meeting:** 21<sup>st</sup> October 2019

**Subject:** Portsmouth City Council Tenancy Strategy 2019-2024

**Report by:** James Hill, Director of Housing, Neighbourhoods and Building Services

**Wards affected:** All

**Key decision:** No

**Full Council decision:** No

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**1. Purpose of report**

- 1.1. To present the updated Portsmouth City Council Tenancy Strategy which outlines the council's approach to tenancy used by itself and registered provider partners in social and affordable rented properties.

**2. Recommendations**

- 2.1. That the Cabinet Member for Housing approves the Portsmouth City Council Tenancy Strategy 2019-2024.

**3. Background**

- 3.1. Registered Providers (RPs) are organisations that act as a landlord to provide social or affordable housing and are also known as housing associations. There are a number of RPs, who provide social/affordable housing in Portsmouth. The council itself is also a RP because it has a retained council housing stock.
- 3.2. Most RPs offer the council nomination rights to their new and empty properties via Letting Agreements.
- 3.3. These properties are allocated via the council's central Housing Register, in line with its Housing Allocations Policy.
- 3.4. The RP lets the property to the person nominated for the tenancy, on a tenancy agreement in line with its own Tenancy Policy.
- 3.5. The Portsmouth City Council Tenancy Strategy should be taken into consideration by all RP's when creating tenancies.

- 3.6. The 2010 Comprehensive Spending Review introduced 'affordable rent' as a new form of social housing and the main type of new housing supply for the future. The new regime enabled RPs to let a property at an 'affordable rent' (inclusive of service charges, where applicable) of up to 80% of the gross open market rent (OMR) in the area for a comparable property taking account its size, location and the services being provided. Homes let under the existing regime of social/target rents are typically let at between 50-60% of open market rental value (OMR).
- 3.7. In addition, where an RP had an approved development programme, an affordable rent could be set on a proportion of its existing relets; the additional revenue raised was used to help fund, in part, the development of new affordable homes. (This excludes the city council who are unable to convert existing properties from a social rent to affordable rent when void).

#### **4. Legislative requirements**

- 4.1. The Localism Act 2011 (Section 150) places a duty on every local housing authority to publish a Tenancy Strategy.
- 4.2. Although there is no legislative requirement on the time period that the strategy needs to cover, it is recommended that this strategy is in place for five years, but will be reviewed on an annual basis or if major changes occur.
- 4.3. The council currently has a Tenancy Strategy and this is a minor update to ensure it is up to date.

#### **5. Proposed updated strategy**

- 5.1. The Portsmouth City Council Tenancy Strategy 2019-2024 is attached as Appendix 1 of this report.
- 5.2. It sets out how the registered providers (RP's) including the council, in Portsmouth use different tenancy types and rent levels in the provision of social/ affordable housing.
- 5.3. Some RPs are now able to offer fixed term tenancies (also known as Flexible Tenancies). Flexible tenancies must be for a minimum period of 2 years. However in practice, most RPs who have opted for flexible tenancies have decided to offer a 5 year fixed term period.
- 5.4. It also sets out what information the council will expect to receive from its RPs in relation to conversions from social to affordable rent, and where flexible tenancies have not been renewed.
- 5.5. This will allow the council to monitor affordability of social housing in Portsmouth and to understand the effectiveness of flexible tenancies, which will then be reported annually to the Cabinet Member for Housing.

## **6. Reasons for recommendations**

- 6.1. To ensure that the council's Tenancy Strategy is up to date, the council meets its legislative obligations, and creates guidance to the councils registered provider partners.
- 6.2. The changes to the tenancy strategy are considered minor and do not require a formal consultation process. However a copy will be available for RPs and circulated as widely as possible.

## **7. Equality impact assessment**

- 7.1. A preliminary equality impact assessment has been completed and a full equity impact assessment is not required.

## **8. Legal implications**

- 8.1. There is a statutory duty on Local Housing Authorities to publish a tenancy strategy, as detailed within this report, under section 150 of the Localism Act 2011. This strategy must be kept under review and may be modified or replaced from time to time.
- 8.2. The tenancy strategy as attached to this report in Appendix 1 meets the requirements under section 150 of the Act and will assist the City Council in the exercise of its statutory duties and responsibilities.
- 8.3. It is within the Cabinet Member's powers to approve the recommendation being proposed.

## **9. Director of Finance's comments**

- 9.1. There are no direct financial implications as a result of approving this Tenancy strategy.
- 9.2. The cost of devising the strategy were met from existing cash limits.

Signed by: .....

James Hill, Director of Housing, Neighbourhoods and Building Services)

**Appendices:**

1. Tenancy Strategy
2. Preliminary Equalities Impact Assessment

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
PCC Housing Allocations Policy 2019	<a href="https://www.portsmouth.gov.uk/ext/documents-external/portsmouth-housing-allocation-scheme.pdf">https://www.portsmouth.gov.uk/ext/documents-external/portsmouth-housing-allocation-scheme.pdf</a>
Localism Act 2011	<a href="http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted">http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted</a>

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

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Signed by:  
Councillor Sanders  
Cabinet Member for Housing