

## **Portsmouth City Council Tenancy Strategy 2024 - 2029**

**January 2024**

### **Introduction**

- 1.1 Under the Localism Act 2011 every local housing authority in England has a duty to prepare and publish a tenancy strategy. This is the tenancy strategy provided by Portsmouth City Council (“the city council”) to cover the Portsmouth local authority area. The strategy must set out the matters which Registered Providers (RPs), who provide social or affordable housing within their area, must have regard to in formulating policies relating to:
- the kind of tenancies they grant
  - the circumstances in which they will grant a tenancy of a particular kind
  - where they grant tenancies for a specific term, the lengths of the terms, and
  - the circumstances in which they will grant a further tenancy when an existing tenancy comes to an end.
- 1.2 The strategy is intended to provide guidance to the local authority as a registered provider.
- 1.3 It is important to note that RPs need only to have regard to the tenancy strategy in developing their tenancy policies and are not legally obliged to follow it. However, the city council requests that RPs in Portsmouth review their tenancy policies in line with this strategy in order to ensure that wherever possible their policies work to complement, and do not contradict, this strategy.
- 1.4 RPs operating in Portsmouth include non-profit making and charitable housing associations registered with Homes England and the Regulator for Social Housing. This includes the council as a landlord of social housing.
- 1.5 The term ‘affordable housing’ in the context of this strategy covers properties let at either a social or affordable rent.

### **Overview**

- 2.1 Section 150 of the Localism Act 2011 places a duty on every local housing authority to publish a tenancy strategy. All registered providers of social housing should then have regard to this tenancy strategy in framing their own tenancy policies.
- 2.2 The tenancy strategy must summarise the policies relating to tenancies or explain where they may be found.

- 2.3 The Act states that a local housing authority must have regard to its tenancy strategy in exercising its own housing management functions.
- 2.4 A local housing authority must keep its tenancy strategy under review and may modify or replace it from time to time.

### **Strategy preparation**

- 3.1 Before adopting a tenancy strategy, or making a modification to it reflecting a major change of policy, the authority must:
  - 3.1.1 send a copy of the draft strategy, or proposed modification, to every private registered provider of social housing for its district.
  - 3.1.2 give the private registered provider a reasonable opportunity to comment on those proposals.
  - 3.1.3 consult such other persons as the Secretary of State may by regulations prescribe. The authority must, in preparing or modifying a tenancy strategy, have regard to its current allocation scheme under section 166A of the Housing Act 1996, & (b) its current homelessness strategy under section 1 of the Homelessness Act 2002.

### **Background**

- 4.1 There are many RPs, including the council, who provide affordable housing in Portsmouth. Most RPs offer nomination rights to tenancies to the council via Letting Agreements, and homes are allocated and let via the city council's central Housing Register, in line with its Allocations Policy.

### **Flexible tenancies**

- 5.1 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.
- 5.2 The key driver for the introduction of fixed term tenancies is to enable RP's to make better use of the housing stock enabling housing need to be reviewed when a fixed term tenancy period is drawing to an end.
- 5.3 Where flexible tenancies are to be offered the following minimum standards are recommended:
  - 5.3.1 Any fixed term should be for a minimum of 5 years in accordance with Homes England and the Regulator for Social Housing guidance.
  - 5.3.2 Tenancy policies should recognise the benefit of a period of stability for those with young families and children in education.
  - 5.3.3 Flexible tenancies for family sized properties with adaptations are encouraged so that best use can be made of properties in low supply.

- 5.3.4 If a flexible tenancy is not being renewed on the basis of under-occupation it is expected that RPs offer a smaller alternative within their own stock, or through partnership working with other providers and allow the tenant to remain housed until an alternative is found.
- 5.3.5 Flexible tenancies must not be used as a substitute for dealing with Anti-Social Behaviour or ending failing tenancies in a timely way, although these may be relevant considerations when deciding whether a tenancy should be renewed.
- 5.3.6 The criteria for not renewing a tenancy must be clearly published in accordance with the requirements of the legislation.
- 5.3.7 The city council expects to be notified of all decisions not to renew a tenancy to enable housing advice to be provided for those households affected.

### **Affordable rents**

- 6.1 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 target rents are typically let at between 50-60% of open market rental value (OMR). 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).
- 6.2 The city council prefer and encourage RPs to deliver homes at Social Rent/Target Rent levels, and as a minimum that all tenancies be within Local Housing Allowance (LHA) rates. It will take rent levels into consideration when nominating applicants from the central Housing Register via the Portsmouth Allocations Scheme.
- 6.3 The city council believes that affordable housing products, of all different types, should be available for those who would have traditionally been housed in social rented properties. It does not therefore expect RPs to require deposits, or to exclude applicants on the basis of onerous referencing.
- 6.4 The city council expects RPs to offer advice to their tenants who are likely to be affected by changes to circumstance, taking into consideration any changes to legislation, benefit changes etc.
- 6.5 The city council expects RPs to provide information on the number of conversions from Social Rent to Affordable Rent on an annual basis, and where relevant, progress towards any set targets for this.

## Consultation

- 7.1 The city council will circulate this version of the Tenancy Strategy to RPs when it is reviewed or modified.
- 7.2 If significant amendments to the strategy are made then a formal consultation will be required.

## Review and Publication

- 8.1 The city council will monitor how the strategy is working in practice and review and update it as required. In particular there is a need to understand:
  - 8.1.1 The number of social rent and affordable rent homes created, including the number of conversions by RPs.
  - 8.1.2 How many fixed term tenancies have been offered, renewed, not renewed and the reasons for these.
  - 8.1.3 The outcomes for those people whose tenancies are not renewed, including in particular any cases of homelessness.
- 8.2 RPs are asked to provide yearly updates on the above in order that the city council can review this strategy using this and other relevant information. The city council will also provide regular opportunities to meet with RPs to discuss issues relating to this policy and its implementation.
- 8.3 A copy of the strategy will be published by the city council and made available for inspection on request at any of the council's Area Housing Offices, Civic Offices or direct request to the Cabinet Member for Housing. Members of the public may also make a request for a hard copy of this strategy.
- 8.4 Each Registered Provider will publish their relevant Tenancy Policy on their respective website.

## Glossary of terms

**Affordable housing:** Includes social rented housing, affordable rented housing and low cost home ownership such as shared ownership.

**Affordable Rent:** Rents offered by RPs of social housing at up to 80% of the rent that would be charged if the property were let in the open market.

**Fixed term tenancy:** A flexible tenancy with a fixed start and finish date, usually for 5 years.

**Homes England:** The national housing and regeneration agency for England, responsible for allocating funding for new affordable housing.

**Homelessness duty:** A local authority owes the “main homelessness duty” when the authority is satisfied that a homeless household is eligible for assistance, unintentionally homeless and falls within a specified priority need group. Where this duty is owed, the authority must ensure that suitable accommodation is available to the household.

**Local Housing Allowance:** The current published maximum level of housing benefit payable for particular types of property, based on bedroom size and location.

**Market rent:** The rental income level that a property would most probably command on the open market if rented privately.

**Regulator of Social Housing:** The new central Regulator for all Social Housing Providers, including Housing Associations and Local Authorities.

**Social rent:** Rent levels for Social Housing for which guideline target rents are determined through a National Rent Regime aimed at helping ensure that all Social Rent levels are brought into line and are comparable. Social Rents are usually significantly lower than market rent levels.

**Target Rents:** A rent calculated by applying a formula from National Government first introduced in 2002 to bring consistency to social rent levels charged across all providers.

**Tenancy policy:** A RP’s policy that defines how the provider will make decisions about the types of tenancy they will provide to tenants.

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