Working together... to create sustainable tenancies

"As a result of this project, Thrive Homes has identified a genuinely new approach to welcoming and maintaining thriving tenancies and communities"

- Thrive Homes

Anna O'Halloran, Director, CIH consultancy
Cath Davies, Senior Associate
# Executive Summary

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Executive Summary

About CIH
The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals with the advice, support and knowledge they need to be brilliant.

CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse and growing membership of over 22,000 people who work in both the public and private sectors, in 20 countries on five continents across the world.

How to get copies of the complete learning report
Copies of the complete learning report may be obtained by contacting CIH consultancy on 0844 561 1758 or at info@cih.org

Published by CIH, 2014

Introduction
The project Working together to create sustainable tenancies was developed by CIH in partnership with Cath Davies (CIH Senior Associate) as a response to the most significant threat to social landlords in a generation, that tenants will be unable to sustain their tenancies due to the implications of welfare reform.

Working together... is an established CIH delivery model that differs to traditional consultancy in that the focus is on sharing learning (with other organisations on the project) and acquiring knowledge, new perspectives and developing skills, with the other organisations and also from guest speakers from within and outside of the sector.

Between June 2013 and April 2014, the following cross-section of 19 housing associations, arms length management organisations (ALMOs) and Local Authorities in England and Wales took part in the project:

Brighton & Hove City Council
Bron Afon Community Housing
Central Bedfordshire Council
CityWest Homes Limited
Curo Group
Dacorum BC
Gateway Housing Association
Homes for Northumberland
Kirklees Neighbourhood Housing
Merlin Housing Society
Moat
Network Housing Group
North Tyneside Homes
Poole Housing Partnership
Poplar HARCA
Salix Homes
Thrive Homes Ltd
Trident Social Investment Group
Wulvern Housing

The learning from the project is grouped under the following key pillars of tenancy sustainability:

- pre-tenancy activities
- money advice
- employment support
- rent income collection
What is a sustainable tenancy?
The first workshop of the project gave participants an opportunity to debate the question, “what is a sustainable tenancy”. These were some of the ideas that came out of that session:

- Are we looking for a sustainable tenancy or a sustainable tenant?
- Is a sustainable tenancy one that lasts forever and where the rent is paid?
- A tenancy that is ended in a managed way and as part of a tenant’s plan is not a failed tenancy
- Is “sustaining” too grudging a word – don’t we want “thriving” tenancies?
- A sustainable tenancy is one that doesn’t cost the landlord more to manage than they get in rental income

What was clear from the discussion is that each landlord needs to have its own debate and decide on its own definition so that it can create a clear strategic direction.

Pre-tenancy activities

Overview
More than simply a time to assess housing need and verify applications, the pre-tenancy stage is an opportunity for a landlord to find out what barriers a potential tenant may find in sustaining a tenancy. Understanding needs around money management, ability to find or sustain employment and social or health vulnerabilities, effectively forms the basis of a risk assessment of incoming tenants.

It was this area that often proved to be the most significant perceived challenge for organisations: how to influence the pre-tenancy process where responsibility for lettings is shared between different organisations via choice based lettings partnerships and common housing registers but where tenancy sustainability targets may not be shared?

What we learned
- There is a need to make an affordability assessment early on in the process. Although income details are routinely asked for, affordability assessments are rarely carried out before the day of the viewing.
- Organisations need to review their pre-tenancy process and decide upon the timing of when to carry out both an affordability assessment and a wider tenancy sustainability assessment.
- In assessing affordability, costs other than rent need to be taken into account. For example, fuel bills and Council Tax.
- The idea that the tenant is liable to pay rent needs to be introduced early in the process.
- Landlords need to have services in place (either in-house or delivered by partners) that can address any factors that may affect tenancy sustainment.

Money advice

Overview
Many social landlords use a combination of in-house teams, formal partnership agreements and ad-hoc referrals to local agencies to provide a money advice service.
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There is an obvious role for money advice at the pre-tenancy stage, when assessed concerns about an individual’s ability to sustain a tenancy may be dealt with by an appropriate intervention, e.g. attending a budgeting skills workshop or debt advice.

What we learned

- Staff across the business, not directly working in an income collection team, should be able to act as “referral agents” to the money advice service: e.g. allocations staff, estate officers and maintenance operatives.

- Where an in-house money advice service is small, it is likely to be staffed by people with a high-level of skill, greater than is actually needed for many day-to-day enquiries. Equipping a wider range of staff to deal with the less complex cases frees up the specialists to deal with the more complex cases. This approach also moves money advice into the wider arena, encouraging non-specialist staff to take some responsibility for this area of work.

- Tracking the outcomes of money advice work and, to a lesser extent, employment support, was often reported as difficult – especially where ad-hoc referrals are made without the backing of a service-level agreement. As there are some common issues with employment support, see the section on page eight on outcome monitoring.

Employment support

Overview

In relation to sustaining tenancies, the relevance of the provision of a comprehensive and coherent package of services around employment support should not be underestimated: increasing tenants’ chances of gaining employment or increasing the hours of existing employment is one way of relieving the financial impact of welfare reform.

One of the key issues that came out of a workshop on worklessness, was that one of the most significant barriers to gaining employment was the loss of self-confidence for those out of work. There is clearly scope to develop employment support services that deal with these issues, complementing the more traditional approach.

As with money advice, there is a role for employment support at the pre-tenancy stage, when assessed concerns about an individual’s ability to sustain a tenancy may be dealt with by an appropriate intervention, e.g. attending a CV writing skills course or interview preparation workshop or, as mentioned in the paragraph above, to look at ways of restoring or building up an individual’s confidence.

What we learned

- Similar to lessons learned for money advice, staff across the business coming into contact with tenants need to be aware of what services are available and be able to recognise need.

- The more joined up a service offer is, the more likely it is to be recognised across the organisation. Ad hoc service provision without a structure behind it is likely to not permeate into an organisation’s core business activities. This, in turn, means services are less likely to be measured, monitored, reviewed or funded appropriately.
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Rent income collection service

Overview

The last ten years or so have seen a move away from “the housing officer” being responsible for rent income collection along with other neighbourhood or estate duties (generic) to teams of officers responsible for either neighbourhood management or for rent income collection (specialist).

There is also a hybrid of this used by some organisations where responsibility for low-level arrears is given to neighbourhood officers and the specialist rent income collection deal with the higher level arrears.

With the likelihood of increased arrears as a result of the under-occupancy charge and the benefit cap, and the increased challenge of rent collection once universal credit is in place, it is timely to review the income collection service.

What we learned

- Policies and procedures need to be regularly reviewed and training given to staff if there are significant changes.
- A comprehensive suite of targets should be given to individuals.
- Giving responsibility for low-level arrears to neighbourhood officers often results in the specialist team picking up cases at a much later stage where the required recovery action has not been taken.
- There may be a case now for taking a more radical approach and shifting a significant amount of activity from arrears collection into arrears prevention. This fits in with the identified need that more needs to done at the pre-tenancy and early tenancy stages.

Measuring outcomes for money advice and employment support

- Robust measuring and monitoring of activities and outcomes gives a solid platform from which to understand the impact of services and to take decisions about service developments.
- There needs to be a distinction made between target setting – e.g. response to a referral shall be made within 48 hours, and collecting data to analyse the service – e.g. how much money in new benefits has been secured for tenants as a result of an intervention. Much of the data capture around employment and money is management or information data rather than targets.
- A measurement of the success of a service is how well it has met the tenant’s needs and aspirations. Taking a simple baseline position at the start of an intervention and again at the end is important. For example, asking the following type of question at the beginning and end, “out of 10, how confident do you feel about managing your money?”. At the end of the intervention, a further question might be (assuming the answer isn’t 10 out of 10), “what would need to happen for you to be able to answer 10 out of 10?”.  
- Similarly, encourage tenants to identify their goals at the start and review how well they’ve been met as part of the case closure process.
- Use qualitative as well as quantitative measures: the number of tenants supported to get employment or the amount of new income generated through previously unclaimed benefits is only part of the story: have achieved goals been sustained? Three, six, nine and 12 months down the line is the tenant managing the money well? Has employment been sustained?
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• The use of case studies can be a powerful tool to complement the metrics and to demonstrate the very tangible results that interventions around money advice and employment support can bring in tenants’ lives.

Conclusion

Two rounds of the project have run so far and through the workshops, consultancy support and networking, participating organisations have both been challenged and been able to challenge each other as to how they might best deliver services in order to support and enable tenants to sustain their tenancies.

The following key themes have emerged and will continue to be a focus and challenge to landlords over the medium to long-term:

1. **Pre-tenancy activities**

   This is an area of work that requires significant focus as it lies at the heart of getting a tenancy off on the right foot. Local Authority partners with responsibility for managing waiting lists will need to be convinced of the value to them as well as the applicant and landlord in making pre-tenancy processes more robust.

   Equally, Boards of Management and Cabinets may have some catching up to do so that their thinking around what makes good business sense and what constitutes an effective and comprehensive pre-tenancy service starts to converge.

2. **Using customer insight**

   One of the workshops focussed on this and it was clear that there is a lot that can be learnt from commercial businesses. The sector has not been quick to maximise the information it holds on its customers, in the way that private industry has. Using insight more effectively undoubtedly assists organisations in understanding where to target scarce resources for maximum impact, how to track outcomes across different customer segments and when to be sure that initiatives are, or are not, working.

3. **Measuring and monitoring sustainable tenancies**

   There is a difference between reporting on sustainable tenancies per se and reporting on the numbers of voids, void loss and void turnaround times etc.

   Deciding on an organisational definition of “sustainable tenancy” leads to the development and measurement of sustainability indicators.

4. **Tenancy sustainment is not just about new tenancies**

   Although this project has focussed largely on new tenancies the principle of having a service that is capable of identifying need, or risk of tenancy failure, and providing sustainment interventions is applicable equally to existing tenancies.

   Whilst the driver for this project has been welfare reform, it is hard to escape the conclusion that, with or without welfare reforms, having a clear strategy to create sustainable tenancies and to develop services that facilitate this is a win-win situation: better for tenants; better for landlords; better for communities and better for all parties involved in managing allocations and lettings.
Further Resources

Working together to create sustainable tenancies has stimulated debate and broadened and deepened thinking amongst participating organisations. As a result, CIH consultancy is working with a number of social landlords to develop services to respond to issues and identified needs.

The following services are in development and will be available to the sector over the coming months:

Measuring Sustainable Tenancies

- A measurement tool that will take a cross-section of a landlord’s commonly held data to identify tenancies that may be at risk. Facilitating landlords to target resources to those most in need, this tool assists in delivering services that are value for money.

CIH Pre-tenancy Charter

- Drawing on learning from the project, providing a framework against which landlords can measure the robustness of their pre-tenancy process.

CIH Income Management Charter

- Welfare reforms call for a fresh look at rent income management and how the service integrates with both customer and business priorities. This new Charter, developed with representatives from the sector, brings updated thinking to this core housing management function and is a useful tool against which to assess organisations’ existing performance and to identify areas requiring development.

CIH Income Management Charter Accreditation

- Developed following feedback from the sector, this new accreditation will enable organisations to test their income management service through a robust and independent assessment by CIH, the home of standards.

Our Tenancy Sustainment Unit provided by CIH Consultancy offers the following services to support landlords in developing sustainable tenancies:

- Intensive support to develop strategic approach through working with Boards, elected Members and Executive Teams.
- Action planning workshops and systems re-engineering using a range of methods including Lean and Appreciative Inquiry.
- Assessing the business case to understand how to influence behaviour.
- Improving communication through developing a robust social marketing approach.
- Customer segmentation and demand / value analysis.
- Critical challenge and forensic assessment of policy and process – including allocations, lettings, voids, income management and other services that impact tenancy sustainment.
- Support to develop a robust and appropriate employment support offer / service.

Our work is delivered by high calibre and imaginative specialists, who provide expert additional resource to organisations.