



How to...
*create sustainable
tenancies*



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Housing providers are now thinking radically about how they deliver front-line services to respond to the unprecedented changes they face as a result of welfare reform.

1 Increasingly organisations are seeing the value in having services in place which can address the factors which may impact upon their tenants sustaining their tenancies, such as poor budgeting skills and debt.

In response to this providers have been developing their approach to creating sustainable tenancies which focus on:

- risk assessments and early identification of problems which may put tenants at risk of losing their tenancies
- ensuring tenants have the skills to manage their tenancies
- ensuring appropriate support services are in place for tenants in need
- ensuring services are in place to help tenants improve their life chances.

A well executed approach to tenancy sustainment can reduce tenancy failures, encourage tenant retention, improve tenant satisfaction and ultimately maximise rental income.

This 'How to' guide provides advice and guidance to housing organisations wishing to develop their approach to tenancy sustainment. It is based on the learning from the CIH 'working together... to create sustainable tenancies' project which was established to support housing providers to develop effective responses to welfare reform. The 19 housing organisations involved in the project worked together to come up with some new approaches to how they communicated with tenants and supported overall tenancy sustainment.

What is a sustainable tenancy?

A sustainable tenancy is one which can be maintained successfully by the tenant throughout the life of the tenancy. For this to happen certain conditions need to be in place; the property needs to be appropriate for their needs, they need to possess the skills to maintain their tenancy, and they need to meet their tenant responsibilities.

Sustainable tenancies will mean different things to different organisations depending on the services it provides and the culture of the organisation. How you define it will impact upon how you work to deliver it. The essential first step when developing your approach in this area is therefore to ask: what does a sustainable tenancy mean to your organisation?

When you do this it is helpful to think about your customer's journey as they progress from applicant through to secure/assured tenant; establish the risks as they progress through these stages and what skills, support, and services they need to help sustain their tenancies.

To be successful, tenancy sustainment strategies need the involvement and commitment of the whole organisation; it should not be seen as the responsibility of one department or team. Organisations committed to creating sustainable tenancies should therefore take a strategic top-down approach to developing solutions, which is not guided by team boundaries and is focused on delivering the best possible outcomes for tenants.

Why do tenancies fail?

When embarking on developing your approach to sustainable tenancies it is also helpful to understand why tenancies fail or are terminated. Analyse the reasons for each eviction, abandonment and termination: what do they tell you about why tenancies come to an end? Are there any patterns? Could these have been prevented? This information will be invaluable in assisting you to develop meaningful approaches to creating sustainable tenancies.

Before a tenancy starts

Pre-tenancy activities are often associated with the allocation process. However to create sustainable tenancies these activities have to be more than processing housing applications. They should focus on:

- providing tenants with the skills and knowledge they will need to manage a successful tenancy
- gathering tenant insight and assessing the risks to sustaining a tenancy
- timely and appropriate referrals to support services
- allocating the right people to the right homes
- promoting a rent payment culture.

You will need to decide how and when to engage with applicants, bearing in mind that if you start working with them too early their circumstances could change, but if you leave it too late you may lose the opportunity to make any meaningful changes.

These questions are further complicated in organisations which do not manage their own waiting list and are part of a common allocation scheme. For these organisations receiving a nomination from a partner organisation is likely to be the first time they have had any information about the prospective tenant. In these organisations partnerships will be vital to delivering effective tenancy sustainment services during the application stage.

The pre-tenancy activities housing providers can do to create sustainable tenancies include:

- affordability assessments that include all the costs associated with managing a home
- educating prospective tenants on budgeting and how to complete a budget plan
- risk assessments and self-assessment toolkits to identify support needs and signpost to services
- allocating the most suitable type of tenancy – such as using fixed term tenancies to give someone with a poor tenancy history the opportunity to prove they can successfully manage a tenancy
- allocating the most suitable type of property- for example where a tenant has a disability, ensuring the property is suitable for their needs
- ensuring debt management plans are in place
- ensuring adequate care plans are in place
- undertaking verification checks on a tenant's identification, immigration status, circumstances, and tenancy history (this should also include references wherever possible)
- checking with other housing providers for former tenant arrears/incidents of ASB
- advising on costs associated with moving including information on services where tenants can access recycled/affordable furniture
- pre-tenancy training/workshops to ensure applicants have the skills to manage a tenancy.

Learning from others

To ensure prospective tenants have the skills and support they need to manage a successful tenancy, **Wakefield and District Housing** has introduced a 'tenancy ready process' for all choice based lettings applicants.

All prospective tenants are screened using a pre-tenancy risk assessment which forms part of the 'tenancy ready process'. The risk assessment is carried out at the applicant's home address prior to them being considered for a tenancy which helps officers identify potential support needs.

Those at risk of tenancy failure are provided with support from a dedicated 'tenancy ready officer' who ensures the prospective tenant is equipped with the appropriate skills, knowledge and resources to manage a tenancy.

The tenancy ready process has resulted in a reduction in both the number of new tenancies failing and the number of tenants terminating their tenancies due to financial reasons.

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Learning from others

Curo Group, a housing association managing 12,500 homes, has partnered with its local Citizens Advice Bureau (CAB) to provide a 'passport to housing'. Applicants likely to be re-housed within six to eight months undergo a full financial assessment with CAB.

A 'success plan' is agreed with the customer which addresses areas such as debt, fuel costs and how customers will manage their moving expenses and pay their rent. Progress against the plan is checked periodically.

When the customer makes a successful bid on the choice based lettings scheme the success plan is reviewed by the lettings officer. If the customer has not completed the tasks in the plan, the tenancy may not be offered in some circumstances. Additional tasks may be allocated to Curo to ensure the customer settles in well and pays the rent on time.

The 'passport to housing' has reduced starter tenancy rent arrears and increased the number of preventative referrals to support services.

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During a tenancy

Getting your tenants off to the right start will go along way towards creating sustainable tenancies. However once a tenancy starts, and throughout its duration, the services you provide can ensure they are successfully maintained.

Providers have been focusing on the following areas to maintain sustainable tenancies with their tenants:

- financial inclusion work and money advice services
- employment support
- income collection.

Before you look at these areas and what new services or approaches you need to implement to maintain sustainable tenancies, it is advisable to spend some time reflecting on your current practices - for example, review how each department in your organisation makes referrals to support services, and consider what improvements can be made.

Things to consider:

- property condition can play an important role in tenancy sustainment - is there scope to offer a 'person centred' approach such as altering the standard of the property for vulnerable tenants to better meet their needs before they move in; or offering a choice between decoration vouchers or practical support with decorating
- can you ensure tenancy support is in place prior to sign-up? Helping new tenants set up their home can be a valuable tenancy sustainment opportunity
- focus on the best way to get the key messages across to tenants during the sign-up meetings. Consider using training, DVDs, welcome events, and group sign-ups as a way of improving the process for your tenants
- giving new tenants a named contact within the organisation who can support them with their enquiries
- make sure systems are in place to keep information about your tenants up-to-date
- make the most of opportunities to gather and check tenant information such as during annual gas servicing visits
- use home visits to assess risk factors which may prevent tenancy sustainment.

Learning from others

Applicants to **Wakefield and District Housing's** (WDH) choice based lettings scheme are assigned a designated 'homesearch officer' who will support them from the time they make a successful bid, right through to the completion of their starter tenancy; ensuring continuity in support and service delivery for all new tenants.

WDH recognised that the silo working culture of the voids and lettings teams did not meet both customer expectations and the business needs for accountability. Following a systems thinking review, a new service was launched in April 2012, which saw the merger of the voids, tenancy support and lettings teams; overseen by the 'new tenancy manager'.

Homesearch officers support tenants with a range of issues with allocations, repairs, rent arrears, and anti social behaviour. Once the tenant successfully completes their starter tenancy their support continues to be delivered by the neighbourhood management team.

Homesearch officers are responsible for ensuring that prospective tenants are offered appropriate properties as well as managing tenants during their starter tenancy, this ensures decisions are focused on setting tenants up to succeed. The service ensures the right people are allocated the right property and has resulted in high customer satisfaction ratings and a reduction in the number of tenancy terminations.

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Financial inclusion work and money advice services

Many organisations have recognised the need to increase resources for money advice, debt advice, and financial inclusion to ensure tenants can access these important services. Knowing that a tenant is in debt or that their financial circumstances have changed means you can refer tenants to these support services in a timely manner and mitigate the risk to your rental income.

It is likely however that developing your approach to tenancy sustainment will increase the number of referrals to these services, as the focus changes from crisis management to one of pro-active engagement. Providers therefore need to ensure these services can cope with additional service requests.

Learning from others

To respond to welfare reform **Kirkless Neighbourhood Housing** (KNH) has shifted the direction of its income management strategy from the traditional arrears enforcement towards the prevention of debt. It has doubled the size of its debt advice service which sits within the wider income management team. Eight members of staff are primarily focus on the early stage of the arrears process.

A range of services are provided to tenants including debt advice, liaison with creditors, support to secure debt relief orders and bankruptcy proceeding. The team also help tenants with charitable grant applications and to seek assistance from food banks.

KNH hopes that the investment in debt advice will allow it to effectively manage the move to direct payment of universal credit to tenants; and will ensure tenants keep their debts under control and avoid being faced with debt recovery action.

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Employment support

Providers have been delivering employment and training programs to tenants in recognition of the impact a comprehensive and coherent package of services of this kind can have on tenancy sustainment. Increasing a tenant's chance of gaining employment, or increasing the hours of existing employment, will go a long way to relieving the impact of welfare reform measures.

Learning from others

Wolverhampton Homes' Learning, Employment and Achievement Programme (LEAP) is targeted at unemployed tenants, leaseholders and their immediate family members. It includes:

- pre-employment skills training - including confidence building, introduction to the internet and email, CV writing, interview skills and basic literacy and numeracy qualifications
- an eight week work experience programme during which participants continue to receive benefits plus travel expenses and personal protective equipment
- participants who successfully complete the work experience programme may then be given the opportunity to take part in a ten-month apprenticeship scheme.

Since the project began there has been 61 apprenticeships and 99 eight week work experience placements. As many as 30 LEAP participants have successfully achieved employment with Wolverhampton Homes and their external contractors.

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Income collection

The increasingly challenging financial environment has led to providers seeing the collection of income as more important than ever before. An effective income collection service which is focused on tenancy sustainment balances the need to support people to pay their rent while ensuring the income needed to run the business is collected. Income collection services which are focused on tenancy sustainment need to:

- focus on early intervention and the prevention of escalating arrears
- encourage tenants to get in touch if they are having trouble paying their rent
- identify tenants in arrears who are vulnerable and tailor the approach accordingly
- work with other teams and partners to provide appropriate support services
- intervene before tenancy fraud happens i.e. keep an eye on changes in circumstances or behaviours.

Monitor your success at creating sustainable tenancies

Monitoring the impact of your tenancy sustainment work is an important tool to evaluate its success. However tracking the outcome of pre-tenancy work, money advice work and to a lesser extent employment support can be difficult.

It is likely that your existing performance indicators will not monitor the outcomes of tenancy sustainment work; think about introducing new performance indicators to effectively measure your performance in this area.

You may also consider changing target times for your existing performance indicators as they may work against creating sustainable tenancies – for example to get the pre-tenancy process right you may need to increase your void turnaround target.

It is also important to obtain customer feedback at regular intervals to ensure the services you provide are appropriate for the needs of your tenants'.

New from CIH

Tenancy sustainment unit

Following our **ground breaking** projects Working together to create sustainable tenancies and Working together to influence customer behaviour we can now offer a range of services and support packages designed to assist you to deliver maximum impact in challenging times.

We will work with you so that you can be sure that your operating model, strategies, policies and systems provide the business, operational and customer outcomes that you require. Our services range across key aspects of your business that will impact on tenancy sustainment – an important part of delivering secure homes for customers as well as achieving the income you need to support your business plans.



Have you heard about our **Working together** programmes?

cih.org/workingtogether

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

- Thrive Homes

The workshops helped us to think not only about sustaining tenancies, but how we can help residents meet their own ambitions

- Moat



Working together...

to influence customer behaviour:
the incentive and reward conversations

Creating sustainable tenancies through changing behaviour

An opportunity for a mix of social housing organisations to work creatively together in a **positive environment** to design and implement customer incentive and reward schemes, facilitated and supported by experts from the sector.

Create something positive that **forever** changes the relationship between landlords and their customers, resulting in an increased likelihood of

Get in touch to find out how to join this ground breaking project.

Shared learning

The project **Working together to create sustainable tenancies** was developed by CIH 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. You can download a copy of our learning report cih.org/sustainabletenancies

For further information please visit our website:

cih.org/tenancysustainmentunit

Or contact Anna O'Halloran, Director, CIH consultancy at anna.ohalloran@cih.org or on 07912 110078

Useful resources and information

Working together... to create sustainable communities

www.cih.org/sustainabletenancies

Practice Online (CIH chartered members have access to this resource as part of their membership)

www.cih.org/practiceonline

New approaches to allocations

www.cih.org/publication-free/display/vpathDCR/templatedata/cih/publication-free/data/New_approaches_to_allocations

How to... help tenants manage their money from the CIH website

www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/How%20to%20help%20tenants%20manage%20their%20money.pdf

How do I help tenants into work (CIH member briefing)

www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/How%20do%20I%20help%20tenants%20move%20into%20work.pdf

How to... manage income collection effectively

www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/How%20to%20manage%20income%20collection%20effectively.pdf

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