

# Tenancy sustainment amongst those aged under 35: *final report*

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# About the partners

This research was commissioned and funded by a partnership of five housing associations: The Hyde Group; Family Mosaic; Your Housing Group; Hexagon and Viridian Housing. Short profiles of each of the commissioning partners are provided below.



## The Hyde Group

### The Hyde Group

The Hyde Group is an award winning provider of homes and makes a significant contribution to meeting housing needs and improving people's quality of life.

Hyde is one of the largest housing associations working in England, owning or managing circa 50,000 homes in London, Kent, Surrey, Sussex, Hampshire, the East of England and the East Midlands.

Hyde Plus, our social investment team, continues to enable residents to fulfil their potential. In the past year 14,500 residents benefitted from Hyde Plus activities, 3,987 received advice, 784 took up training to improve their prospects. Money and debt advisers achieved financial gains to residents of £1.65m; volunteers donated 1,751 days to Hyde Plus activities and 494 people were supported to get online.

With a proven track record in regeneration and creating sustainable communities, Hyde has a key role to play in helping to solve Britain's housing demands. We have pledged to build thousands of new homes over the next three years and have developed a unique partnering model which can help local authorities to build more homes and deliver much needed revenue streams.

### Family Mosaic

Family Mosaic is one of the largest housing providers in London and the South East. We provide affordable homes to rent and buy as well as services to thousands of people who need extra support. We have around 24,000 homes for rent and serve more than 45,000 people. We provide a range of opportunities for our customers such as training, employment and access to learning. We partner local communities to make our neighbourhoods better places to live.





## Your Housing Group

Your Housing Group is one of the UK's largest social housing providers with more than 33,000 homes across the North West, Yorkshire and the Midlands and over 1,300 employees. The group's mission is *transforming your lives and your communities* and we achieve this by providing the people who live in our communities with a wide range of guidance and support services. We are one of the UK's

leading providers of Retirement Living solutions, with 19 specially designed developments across the North West, Yorkshire and the Midlands.

## Hexagon

Hexagon is an innovative and responsive Housing Association working in partnership with a range of local authorities to meet housing and care needs across South East London. With a turnover of £25.78m and 154 staff, Hexagon is continually improving the quality and range of our affordable homes and services.



As an organisation, we are concerned with people, their homes and communities. We make good quality, affordable housing and services available to people in South East London, and work to extend opportunities and improve the neighbourhoods they live in.

- With over 4,000 homes for rent, we offer more housing choices in areas of high demand.
- We are building new homes and taking part in major regeneration initiatives in London.
- More than 300 vulnerable people use our specialist housing and one-to-one care and support services.



## Viridian Housing

Viridian Housing provides accommodation across London, the South East and the Midlands. We have around 16,000 homes and work in partnership with local authorities, other organisations and customers to create safe, sustainable communities.

Our work meets a wide and growing range of needs: from general needs social/affordable homes for families and single people, retirement housing and temporary accommodation, through to shared ownership and other low cost home ownership schemes. We also provide additional services to support our customers and help them make the most of opportunities in their lives.

# Executive Summary

## Introduction

A team based at the Centre for Regional Economic and Social Research (CRESR) at Sheffield Hallam University was commissioned by the Hyde Group and four partner housing associations (Family Mosaic, Hexagon, Viridian, and Your Housing Group) to identify the reasons for (arrears prompted) tenancy failure in a population group identified by them as being particularly vulnerable to it: those aged under 35. The study ran from April to October 2015. Although it employed a mixed methods approach, the most important element of the research was 35 in-depth interviews with tenants who were currently in arrears or had been in the past. The key findings of the study, along with the key learning to emerge from it, are outlined below and reported in more detail in the main body of the report.

The study was commissioned before recent government initiatives affecting the financial landscape within which housing associations operate were announced: the imposition of a one per cent reduction on rents for each of the next four years; and the extension of Right to Buy to tenants in housing association properties. Both initiatives are likely to have an adverse impact on the financial position of associations, meaning they will have to find savings from elsewhere in order to fulfil their development ambitions. The study team has taken on-board these developments to produce learning that is compatible with the (less favourable) financial climate that landlords now work within.

## Key risk factors in arrears and eviction: findings from secondary data analysis

During the early stages of this research quantitative analysis was conducted to understand the statistical relationship between tenancy failure and household characteristics. It revealed the following key findings:

- **Single men aged 21-25 appear to be the most at risk of eviction** and serious arrears.
- **The quality of data held by housing associations for individual tenants** emerged as a key factor in determining risk of arrears and/or eviction (blank/incomplete records are associated with increased risk of arrears and eviction).
- **Rent arrears were not always associated with evictions:** larger households were more likely to be in arrears, yet single adults were more likely to be evicted.

## The journey to rent arrears and seeking help

This chapter is concerned with articulating the views of tenants regarding their tenancies and their relationships with their landlords. It is therefore concerned with the perception of reality and not necessarily reality itself and some tenants held views that were ill-informed and erroneous.

The qualitative research conducted with 35 current tenants who were either currently or recently in serious rent arrears identified five principal drivers of rent arrears, as follows:

- **Insecure and casual employment:** This was the most prevalent issue cited by respondents as a factor contributing to rent arrears. In particular, temporary and zero hours contracts led to fluctuating incomes and made money management very challenging.
- **Benefit claims and suspensions:** Nine respondents cited benefit complications as a primary cause of their arrears. It was particularly common to encounter interruptions to income as a result of suspensions to benefit claims.
- **Surviving on a low income:** In 33 out of 35 cases, tenants' arrears could ultimately be traced back to their low income. Being on a low income was, however, rarely the sole reason for the journey into arrears. Usually it was a 'financial shock' that had triggered serious arrears. However, the effects of living on a low income undermined tenants' ability to cope with and recover from these 'shocks'.
- **Setting up home:** The financial costs, and other challenges, associated with setting up of 'home' frequently arose as a factor contributing to rent arrears. Of particular note were the difficulties faced by tenants as a result of moving into an unfurnished property.
- **Life events:** Some tenants had accrued arrears as a result of unexpected crises, unavoidable life events, and personal circumstances including dealing with bereavements, divorce, and mental and physical health issues.

Overall, however, the research revealed little evidence to support the idea that younger people are inherently poorer 'tenancy managers' and that other risk factors were a far more significant influence on tenancy failure, notably those relating to income. Where the relative inexperience of the tenants interviewed may be more manifest is in their responses to the problems they encounter, particularly in their willingness to seek help quickly.

The nature of respondents' relationships with their landlords was also explored. It was found that:

- It was common for respondents to have limited routine contact with their landlord - a parameter established from the outset of the tenancy.
- Getting into serious arrears was often a turning point in the relationship between landlord and tenant and signalled the start of a deeper level of engagement.
- From the tenant's perspective, the onus was on the landlord to notify tenants when rent arrears began to accrue.
- Many tenants were reluctant to seek support with arrears from their HA for fear of a punitive response and ultimately, of losing their home.

### Principal learning to emerge from the study

Given the vastly differing characteristics and circumstances of the landlords that have funded this research, it is not appropriate to offer 'policy recommendations'. Instead the study team highlights the broad learning to emerge from the research. The following logics shaped our thinking in terms of generating this learning:

- There is a high cost associated with tenancy failure, whether this is in relation to collecting unpaid rent or evicting tenants. Given this, it makes sense for landlords to be as proactive as possible in terms of their approach to rent collection, with greater focus on the prevention of arrears. While there is clearly a cost associated with such an approach in the short term, it is likely to result in cost savings in the long term as fewer tenants fall into arrears.
- The adoption of a more proactive approach to rent collection makes sense in a context where more tenants are likely to experience difficulties paying their rent as the impact of welfare reforms, such as the Removal of the Spare Subsidy (or 'bedroom tax') and the direct payment of Housing Benefit through Universal Credit, work through more fully.
- Landlords have the capacity to work more efficiently and use their resources more effectively.



- With the introduction of a range of measures which have had the impact of undermining the financial position of housing associations, such as Universal Credit, the one per cent rent reduction, and the extension of Right to Buy, associations are being forced to make difficult decisions about their future, in doing so grappling with the tension between financial and need-based imperatives. It appears that some have decided that they will no longer act as 'social housing landlords' in the traditional sense (i.e. with the sole 'raison d'être' of housing those households in the greatest need) but instead will become 'housing providers', housing a broader population base. The learning suggested by the study team is consistent with the 'social housing landlord' paradigm.
- Recent policy initiatives in the sector call for progressive and radical thinking, which takes a long-term perspective to the problems facing the sector, and moves beyond the (understandable) urge to 'batten down the hatches' by reducing short-term costs.

## Key messages

- This research has shown that tenancy failure in the under-35s is a major issue. The problem is likely to become more acute as it appears that it is this age group that is being hardest hit by welfare reforms.
- It is the financial circumstances of tenants that is the most important determinant of tenancy failure. Therefore, all other things being equal, the most effective way of reducing arrears is to increase the income of tenants. Conversely, decreasing income levels will result in arrears increasing.
- Under/non-payment is often prompted by a specific trigger - sometimes a day-to-day issue such as running out of food or money for gas and electricity meters and sometimes a personal or life event such as a relationship breakdown, family illness or bereavement. These triggers impact in two ways: emotionally, making it more difficult for tenants to manage their lives generally; and financially, by putting a strain on their budgets.
- Given this, it is imperative that landlords know at the earliest possible opportunity when things are beginning to go wrong, ideally when a trigger occurs. It is therefore essential that landlords hold up-to-date and robust information about their tenants, and are in contact with them on a regular basis.
- More regular contact with tenants, and the development of a relationship of trust between landlord and tenant, may make tenants more inclined to contact their landlord when they have a financial problem. One of the key findings of the research was the reluctance of those tenants who felt their landlord did not engage with them in a positive way to contact their landlord when this happened.
- The provision of support can make a difference in terms of tenancy sustainability. However, in isolation, it is not the solution to tenancy failure prevention, and investing more resources in support is unlikely to result in significant improvements in payment rates. While it is valued by many of the tenants that received it, it is not a key driver of payment rates.
- Research has shown that the inadequate provision of furniture, white goods and home start-up essentials has an adverse effect on tenancy sustainability. This research has found a similar picture with the lack of adequate carpeting being a particular issue.
- For some tenants, a factor contributing to tenancy failure was their lack of understanding of what was entailed being a 'good' tenant and their unfamiliarity with tenancy and 'running a home' basics like how to pay bills, including rent, the mechanics of Housing Benefit, and how to run a bank account.
- In light of the changing financial context within which housing associations are operating, is it important that they review their current working practices and reflect whether they are consistent with this new paradigm.

## Key learning

- **Landlords should review the way in which they operate.** In light of the changing financial context within which housing associations are operating, is it important that they review their current working practices and reflect on whether they are consistent with this new paradigm. Specifically, in addition to looking at their relationship with tenants, their approach to support and the suitability of their data and IT systems, landlords should look at:
  - the roles and responsibilities officers
  - how they collect rent
  - how they recover arrears
  - the appropriateness of 'patch' sizes
  - whether the 'carrot' (support) and 'stick' ('pay your rent') functions can be provided by the same individual, or whether these functions should be separated.
- **Landlords' relationships with their tenants.** A clear message to emerge from the research is that, in the context of tenancy sustainability, this relationship is very important. Landlords should, therefore, review the nature of their relationship with tenants, reflecting on a number of issues when doing so:
  - Does the relationship need to be realigned so that it is more customer-focused?
  - Does it need to become more intensive with more communication? A more intensive relationship is likely to enhance levels of trust between tenant and landlord - as noted earlier, lack of trust was a contributor to tenancy failure. Building trust through more communication will increase the likelihood that tenants will contact landlords in the event of financial difficulties.
  - Could communications with tenants be channelled through a key worker? Research in other fields, including public health, education, social care and childcare, has shown the benefits of agencies appointing a key worker who acts as the initial conduit between agency and client.
  - In the spirit of developing landlord-tenant relationships and trust, landlords should consider rewarding positive tenant behaviour, such as 'taking care' of their homes, the routine payment of rent on time, and the overpayment of rent
  - Whether their approach to communicating with tenants is appropriate. When doing so, they should bear in mind that:
    - Face-to-face communication between landlord and tenant is the most effective way of disseminating information and forging relationships, but it is also relatively resource intensive.
    - Communication over the phone has also been shown to be effective. After face-to-face contact, it is the most effective communication method and is much less resource-intensive than face-to-face contact.
    - Some tenants may prefer for communication to be conducted electronically, via email, SMS texting, or social media outlets, such as Facebook.
    - Linked to this point, landlords should ideally adopt a tailored approach to communicating with their tenants, with the use of 'alternative' communication instruments, such as texting and Facebook, being more widespread with younger tenants. Furthermore, as is common practice amongst utilities and service providers, landlords should communicate with tenants using their preferred communication vehicle.
- **The importance of support.** This research, in line with the findings of other studies, has shown that it is the financial circumstances of tenants that is the biggest determinant of tenancy failure, with support being of lower order importance. That does not mean that

support does not make a difference - it can and does help tenants sustain their tenancies. There are a bundle of questions associated with the provision of support which landlords must consider, as follows:

- What type of support is required?
  - How should support be provided?
  - Do different people require different types of support and advice? Do some groups need more support than others?
  - Does support need to be 'rationed'? How should this be done?
  - Who is best placed to deliver support and advice?
  - When is support required?
  - How should the support be configured and packaged?
  - What is the impact of the support? Is it making a difference? At what cost? Does it represent good value for money?
  - Should 'emergency' financial support be made available to tenants?
- **The importance of 'knowing' your customers and IT and data systems.** It is imperative that landlords get to know their tenants better, given the unpredictability of their payment patterns. It is important that they hold up-to-date and robust information about their tenants, relating to a number of issues, including their contact details, key demographic attributes, and housing and payment 'history'. It is essential that these records are updated on a continuous basis. This is because many tenants lead very complex and 'fluid' lives, with their circumstances (and telephone numbers) changing regularly. Landlords should review their IT and data systems. They should do so to ensure that they are compatible with the new financial landscape confronting them, with its greater focus on rent collection and holding up-to-date and live information about their tenants.
  - **Key customer interaction points.** Given the unpredictability of tenants' payment patterns, these may take place at any time during the tenancy. However, the following interaction points appeared to be particularly critical:
    - the receipt of a tenancy application
    - transitioning to becoming a tenant
    - setting up home and moving in
    - the early months of being a new tenant
    - when an adverse 'event' occurs in a tenant's life. These take the form of life events (such as a relationship breakdown or bereavement) or day-to-day ones (such as a washing machine breaking down).

# Introduction

## 1.1. Introduction

In recent years tenancy sustainability has become an important issue for social housing landlords in light of the introduction of a number of policies which undermine it, such as the Removal of the Spare Room Subsidy (or 'bedroom tax') and (especially) Universal Credit. The issue has assumed even greater importance in recent months following the Government's announcement that it was extending Right to Buy to the housing association (HA) sector and would reduce social housing landlords' rents by one per cent rent for each of the next four years.

This report is salient, then, as it is concerned with tenancy sustainability and, specifically, **why tenancies fail**. It does so with reference to one population group in particular - those aged under 35 - a group that research suggests are more likely to see their tenancies fail (Stewart, 2013). The research was commissioned by the Hyde Housing Group and four other HAs: Viridian, Your Housing Group, Family Mosaic, and Hexagon. It used quantitative and qualitative data to highlight the key drivers of tenancy failure for this key population group, with particular emphasis being placed on identifying the key learning to emerge from this analysis.

## 1.2. Research objectives

As outlined in the *Research Specification* which was produced when the research was commissioned, the principal aims of the research were to:

- understand the root causes of tenancy failure amongst under-35s
- identify the personal characteristics and barriers contributing to tenancy failure
- highlight the impact and role of support and operational interactions
- help develop appropriate interventions at key customer interaction points
- identify opportunities for innovation in services
- influence housing management and support policies.

It is important, here, to make an important caveat about these objectives: the study was concerned with **exploring tenancy failure caused by rent arrears only**. It, therefore, does not address tenancy failure and eviction prompted by other reasons such as anti-social behaviour.

### 1.3. Research methods

The research, which began in April 2015, comprised the following elements:

- **A review of literature and the evidence base relating to tenancy failure.**
- **Focus groups with key stakeholders in each of the five participating landlords.** These were undertaken at the beginning of the study in order to: i) frame it within a broader context; ii) inform the design of the most important element of the study (in-depth interviews with tenants); and, iii) gain a clearer insight into the organisational practices of participating landlords and the context within which they operate. Most focus group participants were front line staff working with tenants on a day-to-day basis in various capacities.
- **Analysis of secondary data held by the participating landlords.** The Research and Innovation team at Viridian housing association analysed records relating to over 57,000 tenants alongside DCLG CORE (COntinuous REcording) data sets to generate an understanding of the relationship between tenant characteristics and risk of arrears and/or eviction.
- **In-depth interviews with a range of tenants** all of whom were aged under 35 and in some degree of rent arrears. More detail on the sample is provided in Chapter Three.
- **An Interactive Feedback Event.** The purpose of this event, which was held in September 2015, was to: i) explore the validity of the study's key findings; and, ii) 'road test' its key learning. The event was attended by 18 key stakeholders from across the five participating HAs, with the workshop element of the day being recorded. Material from the workshops has been used extensively in the report.

### 1.4. Structure of the report

The report is divided into four chapters, including this one:

- **Chapter Two:** This section explores the statistical relationship between tenancy failure and household characteristics. This is based on analysis conducted by Viridian, which looked at trends in rent arrears and eviction in relation to a range of demographic and social variables (see Appendix One for the full analysis) across the five HAs funding this research.
- **Chapter Three:** This chapter presents the analysis of data collected through the qualitative programme of 35 in-depth interviews with current tenants who are in or have recently been in rent arrears. The section has two main parts. The first is structured around the five principal drivers of rent arrears identified through our analysis of residents' accounts of their journeys in to serious rent arrears. The second explores respondents' approaches to seeking support and assistance with rent arrears and financial difficulties more broadly.
- **Chapter Four** highlights the key learning to emerge from the study. It begins by highlighting the logics that underpin the learning offered by the team and goes on to highlight the study's most important messages. It then moves on to identify learning in relation to the following issues: the way landlords operate; the landlord-tenant relationship; support; data and IT systems; and key customer interaction points.

# Key risk factors in arrears and eviction: findings from secondary data analysis

This section explores the statistical relationship between tenancy failure and household characteristics. This is based on analysis conducted by Viridian, which looked at trends in rent arrears and eviction in relation to a range of demographic and social variables (see Appendix One for the full analysis) across the five housing associations funding this research. These included:

- Age
- Gender
- Household composition
- Ethnicity
- Previous tenure
- Housing Benefit
- Employment status
- Rent levels
- Income.

This analysis was based on a sample of 49,310 operational tenant records and CORE data records for 8,036 tenants.

## 2.1. Overview

Overall, the analysis shows that **single men aged 21-25 appear to be the most at risk of eviction** and serious arrears. Young tenants are also associated with a number of other risk factors. They are more likely to be unemployed at the start of a tenancy; particularly those aged 16-20, of whom 30 per cent are receiving Jobseeker's Allowance. Young tenants are also more likely to be on very low incomes, with 50 per cent of tenants aged 16-20 and around one-third of those aged 21-25 in receipt of less than £100 per week. Nonetheless, the analysis shows that being aged 21-25 carries a risk beyond any associated variables: rent arrears and eviction for this age group cannot solely be accounted for by low incomes or employment status.

**The quality of data held for individual tenants** also emerges as a key factor in determining the risk of arrears and/or eviction. The analysis showed that blank/incomplete records or a prevalence of fields entered as 'unknown' is associated with increased risk of arrears and eviction. It is not clear how long into tenancies arrears or evictions take place in these instances, but the data might suggest a lack of early and on-going contact with tenants, which could be associated with a lack of other forms of support.

Finally, the analysis found that **rent arrears were not always associated with evictions**. This is particularly pronounced when looking at household composition: larger households were more likely to be in arrears, yet single adults were more likely to be evicted. This is likely owing to greater levels of support or clemency granted to more vulnerable groups, in particular female lone-parent households.

## 2.2. Age as a determinant of arrears and evictions

As noted, young people aged 21-25 were found to be most at risk of arrears and serious arrears (more than five weeks in arrears). A detailed analysis of age in relation to arrears and evictions showed some variance in the data, however.

An exploration of tenants' rent balance shows that those aged 21-25 appear more likely than other age groups to be in serious arrears by some margin. Around one-third of this age group were in arrears by five weeks or more, with around one-quarter of 16-20 and 26-30 year olds also in serious arrears. Those aged 31-35 (around 22 per cent) are not markedly more likely to be in serious arrears than 36-40 or 46-50 year olds (around 21 per cent).

This picture is reinforced to some extent by analysis of evictions by age group: the eviction rate among 21-25 year olds was 1.1 per cent, the only age group for which eviction rates were higher than one per cent. With the exception of this age group, those aged under 35 had lower eviction rates than those aged 36-50.

## 2.3. Other factors

The analysis also explored a number of other variables. The key points from this are as follows:

- Single adults were more likely to be evicted than other household types, but houses with multiple adults with children were the most likely to be in arrears: as discussed above, it is likely that households with children were more likely to receive support or be less likely to be evicted through the courts than single adults.
- Men were slightly more likely to be in arrears and over twice as likely to be evicted as women (0.9 per cent compared to 0.4 per cent). Among 16-35 year old tenants, men were three times more likely to be evicted than women (1.5 per cent compared to 0.5 per cent).
- Those in receipt of partial Housing Benefit were significantly more likely to experience rent arrears issues (31 per cent, compared to 11 per cent of the overall sample). There was no significant difference between those in receipt of full Housing Benefit and those in receipt of no Housing Benefit.
- Tenants who had rented privately immediately prior to taking up their housing association tenancy were less likely than other groups to be in arrears or be evicted, while there is some suggestion that those who had previously been living in temporary accommodation were more likely to be in arrears or evicted.

- Being in full-time work at the start of a tenancy reduces the risk of both arrears and eviction.
- Tenants paying rents over £200 per week were more likely to be in arrears or be evicted, as were those with incomes of less than £100 per week. As might be expected, this risk decreases as incomes rise.



## The journey to rent arrears and seeking help

This chapter presents the analysis of data collected through the qualitative programme of 35 in-depth interviews with current tenants who are in or have recently been in rent arrears.

It is important, at this juncture, to point out that this chapter is concerned with articulating the views of tenants regarding their tenancies and their relationships with their landlords. ***It is therefore concerned with the perception of reality and not necessarily reality itself:*** as will become apparent throughout the course of this chapter, some tenants held views that were ill-informed and erroneous.

Key characteristics of this sample of 35 respondents included:

- just under half of respondents (48 per cent) lived in London, three in the Midlands, eight in the North West, and six in the South East
- two-thirds of respondents were female and one-third male
- a minimum of four respondents from each housing association
- all but four respondents were aged under 35, of which 16 were aged 25-34 and 13 were aged 16-24
- 13 respondents lived alone, 11 with one other person, with the remaining eight respondents living in households of between three and five people
- a quarter of respondents (eight) were in full-time employment, a quarter were unemployed but seeking work and a further quarter were either unemployed and not seeking work or long-term sick/disabled.

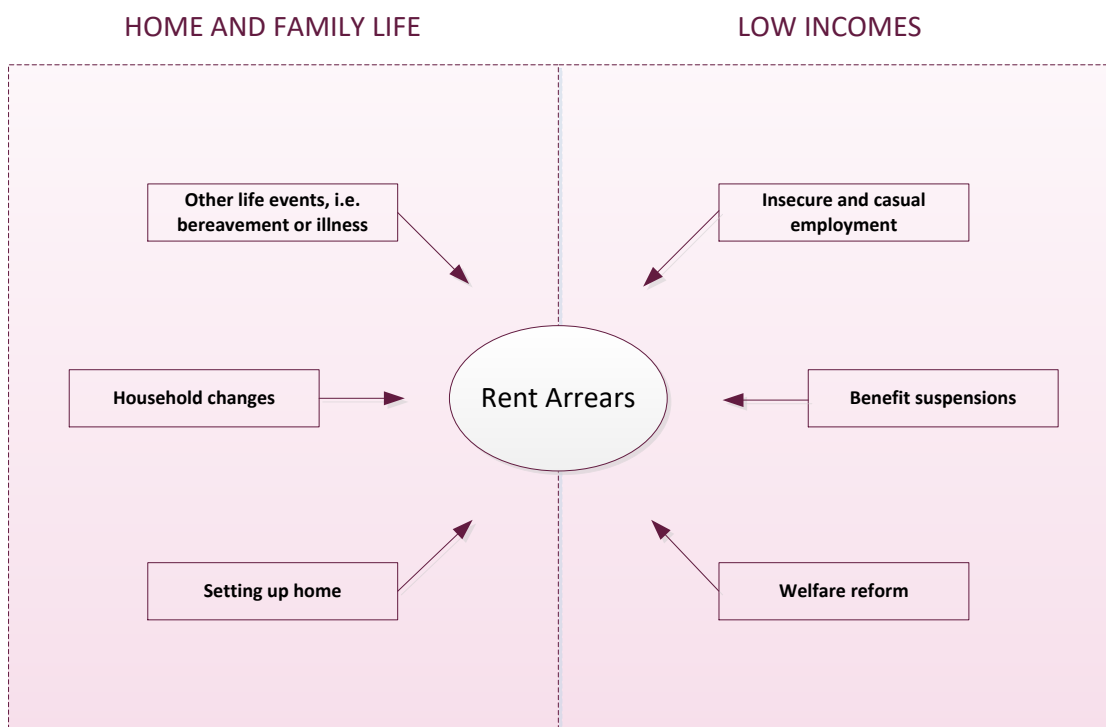
A more comprehensive breakdown of characteristics can be found in Appendix Two.

This chapter does not provide a comprehensive account of all of the data collected, the volume of which was vast. Instead it presents findings and analyses in relation to the issues that the partnership has indicated are of most importance and interest to them: the journey to rent arrears and how tenants have approached decisions about seeking help and support with this issue.

The section has two main parts. Insecure and casual employment was the most prevalent issue cited by respondents as a factor contributing to rent arrears. The second explores respondents' approaches to seeking support and assistance with high rent arrears and financial difficulties.

The principal reasons why respondents had found themselves in rent arrears are summarised in Figure 3.1 below. However, it should be borne in mind that this represents a simplification of the drivers of rent arrears in so far as most respondents identified a number of interrelated and overlapping factors at play. In most cases it was evident that there were both 'primary' and underlying or 'secondary' factors underpinning the descent of tenants into serious rent arrears. For example, it may have been the loss of employment that was the immediate cause of rent arrears but underlying this may be the long-term effects of surviving on a low income which would leave an individual or household in a precarious financial position with no 'safety net' (i.e. savings) to fall back on during hard times. Moreover, although in the diagram below, the drivers identified are divided between those linked to 'low incomes' and those to 'home and family life', there was often overlap between these two domains with, for example, a change within the household or period of illness having a direct impact on income.

**Figure 3.1: Summary of drivers of serious rent arrears**



These drivers and the interrelationships between them are explored in more detail below.

### 3.1. Insecure employment and unemployment

Insecure and casual employment was the most prevalent issue cited by respondents as a factor contributing to rent arrears. For the purposes of this report, insecure or casual employment is that which is not permanent and where the employee "lacks the assurance that their job will remain stable from day to day, week to week or year to year" (WFRN, 2015). Examples of such work given by respondents included work on fixed-term contracts such as construction labouring jobs or work on zero hours contracts including bar and shop work where hours worked can vary from week to week.

In spite of the fact that over half of all respondents were unemployed at the time of interview, the majority of respondents were either working or seeking work, with just eight of the 35 not seeking work. Illustrating the prevalence of insecure employment within the sample, just two respondents reported having secure work with a permanent contract.

Analysis of respondents' accounts of how they came to accrue significant rent arrears suggests that insecure employment can contribute to rent arrears in a number of ways, as follows:

- Fluctuating income, especially common on zero hours contracts, means that income is sometimes insufficient to cover the rent payment.
- When in receipt of their wages, respondents were more likely to use them to cover other costs and activities, viewing their rent payment as a lower priority that they can catch up on at a later date. The absence of other options for low cost borrowing was also a factor, in some cases.
- When out of work or working an inadequate number of hours, most respondents would quickly make a claim for benefits, chiefly Jobseeker's Allowance, Housing Benefit and Council Tax Benefit. Due to their financially precarious situations, as demonstrated by the secondary data analysis reported in Chapter Two, most respondents had no savings to fall back on while benefits claims are processed and are therefore without income while their claim is being processed which can reportedly take a number of weeks.
- Sometimes respondents felt that it simply didn't pay to work and that a better and more stable income could be achieved through benefits.

The following accounts illustrate the difficulties that respondents experienced as result of insecure employment and how this contributed to rent arrears.

### **Chesney's story**

Chesney, 19, lives in a supported housing scheme and is currently a JSA claimant receiving full Housing Benefit. He is responsible for paying a service charge on top of his rent. He got into arrears while he was working as a labourer on construction sites. According to Chesney, his arrears began when he decided to spend the proportion of his wages earmarked for his rent on going out. The temptation was too great. He always intended to catch up on his rent payments but when he became unemployed, the wait for his benefits claim to be processed caused him to fall further into arrears. Now his rent is being covered by Housing Benefit and paid directly to the landlord, he is getting back on track, paying £10 per week towards his arrears.

*R: "It started when I was working. I was doing labouring work on sites, but it was all temporary work so I just couldn't be arsed with it, cos I'd be coming off JSA and then back on again. I wanted to get more of a secure job. It's a nightmare."*

*I: "Did you pay any rent while you were employed?"*

*R: "I paid some of it but not as much as I should have done. I ended up going out and spent it. I thought I'd be able to catch up easy because I was working but then I stopped working and I thought 'oh I've messed up'."*

*I: "So it was a challenge to suddenly have the money at your disposal?"*

*R: "It's better if they take it straight out otherwise I end up spending it."*

### **Molly's story**

Molly is 26 and lives alone. She got into arrears when she lost her job and her Housing Benefit claim took four weeks to process during which period she had no means of paying her rent. She has worked on and off her whole adult life but struggles to find work that covers her all of her outgoings. She is currently trying to find work that is both permanent and adequately paid so that she doesn't have to rely on benefits to top-up her income.

*"I was working in a really good job and then I lost the job and I'm behind on my rent and have to apply for Housing Benefit. There are jobs but not the sort that would pay to keep me. At the moment I'm searching for a job that's permanent and pays me well. Any job that comes my way I normally just take it but a lot of the time, it's not paying enough to cover my full rent and I have to get Housing Benefit which I don't really want to do..."*

*"When I got into arrears, it was me paying my rent but things started going wrong at work and I had to apply to Housing Benefit. But the reason I was in arrears was because it takes about four weeks to process any claim and while I was waiting I couldn't afford to pay the rent in full."*

### **Georgina's story**

Georgina is 35 and a single mother of three. After a period in receipt of benefits, where her rent was covered in full by Housing Benefit, Georgina ended up taking on two part time jobs. Taking on one job and then a bit later a second, caused many complications with her benefit claim as she went from being entitled to full Housing Benefit to partial and then to no entitlement at all. She found this process confusing. Once her entitlement to Housing Benefit was removed entirely, she found she could not afford the rent and Council Tax, claiming this alone was more than her total income. As a result, she took the decision to resign from one job and reduced her hours on the other in order to qualify for full Housing Benefit again, offering her a better income than full time employment.

*"I'd been on income support and my rent was getting paid then and I got a job and then I got another job and then I had to fill in loads of forms that I didn't really understand to try and get the benefits sorted...but it came back that I had to pay full rent and Council Tax and that alone was more than I was earning. I gave up one of my jobs and dropped the hours right back on the other so I could go back on Income Support. I had to do it keep a roof over my head."*

## **3.2. Benefit claims and suspensions**

Nine respondents cited benefit complications as a primary cause of their arrears. It was particularly common to encounter interruptions to income as a result of suspensions to benefit claims when there were changes, or suspected changes, to claimant's circumstances. DWP guidance states that there are various circumstances under which a benefit claim can be suspended or terminated aside from entering employment, these include:

- the conditions of entitlement have changed or been fulfilled
- an award should be revised or superseded
- overpayment has been made
- address data held by DWP are incorrect
- a medical examination is required and the customer fails to attend.

Adapted from DWP (2010).

Nine respondents reported that their claims had been suspended under one or more of these grounds and it was very common to receive little notice of the suspension and to be without (or experienced reduced) income whilst eligibility was re-assessed. Under these circumstances respondents reported that they could not avoid going into arrears due to the termination of their benefits as their main or a significant source of income.

In some cases, benefits were re-instated and back payments made to cover lost income, see Olena's story, for example. However, in other cases entitlements were recalculated and income reduced, leaving the respondent to survive (and cover their arrears) on a lower income. The latter scenario was most common amongst respondents previously in receipt of Disability Living Allowance (DLA) and being re-assessed for the Personal Independence Payment (PIP), see Jodie's story, for example. Whilst DLA or PIP are not intended to cover the cost of rent, those in receipt of it reported that it helped them to 'make ends meet' on a low income. Becky, for example, whose story is outlined below, used DLA to cover her 'bedroom tax'.

### **Olena's story**

Olena is 32 and a single mother to two young children. She works part time in a local café and is in receipt of partial Housing Benefit. She got into arrears when her Housing Benefit was suspended unexpectedly. She reported that she was not notified about the benefit suspension until her arrears had grown quite serious, reaching several thousand pounds.

*"I was going through a divorce but because I was claiming I was a single person, they were thinking he was still living there and they stopped everything for a couple of months so then I couldn't provide with just this job."*

Following a re-assessment of her circumstances, her claim was reinstated and her arrears were covered by the back payment. However, Olena only narrowly avoided getting into serious personal debt over the incident after she was talked out of borrowing money from a high interest source when she attended a local advice centre, run by the HA she rented from.

*"I was panicking until I spoke to a specialist advisor; of course it would scare anyone that receives a letter that your benefits have stopped, plus a four figure number that you owe. I was ready to go out and borrow money from someone but they said 'no! Don't do that, it's ok'. They calmed me down and I could carry on living my everyday life again."*

### Becky's story

Becky is in her 20s and lives with her partner and two children. Her rent is covered in full by Housing Benefit but she is eligible to pay the so-called 'bedroom tax', a new requirement introduced in 2012 as part of the Welfare Reform Act. Those who are deemed to have 'spare' rooms in their home have their Housing Benefit reduced by 14 per cent for the first room and 25 per cent for a second and are responsible for covering the shortfall out of other income. Becky's children are both still young enough to share a bedroom so she must pay the 'bedroom tax' for her third bedroom until they grow too old to share a room. As the quote below illustrates, Becky struggled to come to terms with this additional expenditure and did not pay the 'bedroom tax' for over a year. Despite now being in receipt of DLA, she still struggles to see how she will cover the 'bedroom tax' in future.

*"They wrote and said I had to pay £23 a fortnight for the bedroom tax. I thought that it would go away. But it didn't and the landlord said they would seek possession. The CAB got my DLA back dated and that covered the backlog but going forward, I don't know."*

### Jodie's story

Jodie is 35 and has never been employed. She was a stay at home mum until her health started to deteriorate about 10 years ago when she developed a spinal condition which limits her mobility and causes her chronic pain. She has been in receipt of full Housing Benefit all of her adult life and has never had to make a rent payment herself as a result of direct to landlord payments. Jodie has also been in receipt of DLA for the past 10 years and reports that it helps her cope on a low income and cover the cost of getting around by bus and taxi. Last year her condition was re-assessed to determine her eligibility for PIP. She will begin receiving Universal Credit from August 2015 and her income will be lower as a result of her PIP assessment, reducing her ability to repay her arrears of £1000.

*"This has taken seven months, my spine's crumbling, I'm riddled with osteoarthritis, I've had five operations, I had multi-level disc disease. I've just waited seven months, I had a medical at Chelmsford two weeks ago and they never awarded me it. They're saying I didn't get enough points, I needed 12, I think I got eight so I'll get less money now, I don't know how I'll cope."*

## 3.3. Surviving on a low income

In 33 out of 35 cases, tenants' journeys to arrears could ultimately be traced back to their low income. Even those who had cited problems with insecure employment and benefit suspensions and changes conceded that they were struggling to get by even when in receipt of their normal income and were in a precarious financial position. Being on a low income was, however, rarely the sole reason for the journey into arrears and there were few examples of where the 'drip drip' effect of a living on a low income had led to the gradual accrual of arrears. Usually it was a 'financial shock', for example: a benefit suspension or change, a house move or relationship breakdown, which had triggered the descent into serious arrears. However, the effects of living on a low income were more manifest in tenants' ability to cope with and recover from these 'shocks', particularly as few reported having any savings or access to 'mainstream' borrowing at affordable interest rates. It is for this reason that

many of the tenants interviewed had been in arrears for long periods and were repaying them very gradually over long periods of time.

Clara's, Becky's and Chris' stories below are typical of many of those interviewed and highlight how the most rudimentary everyday expenses such as food and energy can prove difficult to meet. Moreover, the repayment of rent arrears accrued as the result of a financial shock placed further strain on households trying to survive on a low income. All of them have their rent paid directly to their landlord but would, as Becky and many others like her concede, be tempted to dip into it to cover basic living costs if they had access to it.

These stories act as a reminder that rent arrears cannot be considered in isolation of tenants' broader financial circumstances and the other financial pressures and outgoings that they have to meet. It is clear that, even before getting into rent arrears and where Housing Benefit payments are made directly to landlords, the majority of tenants were already in precarious financial positions. All had other debts in addition to their rent arrears, albeit to varying degrees, including loans, catalogues, Council Tax, etc. and were frequently behind with these, too. Testimony to tenants' struggles to 'make ends meet' was the fact that over half of those interviewed reported regularly running out of money before the end of the fortnight or month, which would, in turn, often lead to further borrowing from various sources including family, friends, high interest loan providers or from rent or service charge money, where it was accessible.

### Clara's story

Clara is 22 and is a single mother of one young son. She accrued over £3000 of arrears when she changed jobs and her Housing Benefit was suspended while her claim was re-assessed. She is repaying her rent arrears gradually but struggles to keep up with all of her outgoings without borrowing from her family.

*[What makes it difficult to pay your rent?] "There's the gas and electric...plus food, packed lunches, school uniform, water, TV licence, all of it. There's practically nothing left after all of that, so I have to borrow off my mum, dad or brother. It feels like I'm doing that almost every day."*

### Becky's story

Becky is in her 20s and lives with her partner and two children. Her rent is covered in full by Housing Benefit but failure to pay the 'bedroom tax' resulted in arrears. She has now cleared her arrear but the household continues to run out of money each month and borrows from family and friends. She admits that if she had access to her rent money then she may feel tempted to borrow from it.

*"Everything we get we have to budget for, all our money we get on a fortnightly or weekly basis, everything is budgeted for, food, leccy and gas are on meters, they're great, Council Tax is direct debit, and shopping is the other big thing and clothes shopping monthly for kids or as and when they need it. We run out of money at the end of each fortnight."*

*"I much prefer it that way [rent paid directly to landlord] but even it did come to me cos of my age and my status and my children, I would make sure it was paid, but I think it should go to the landlord cos it's too tempting for anyone on a low income cos it's there cos you're thinking 'the kids need this, or we could do this' and before you know it spirals out of control and you're in £1000 rent arrears, and it is really worth risking being homeless, I don't think it is."*

### Chris' story

Chris is 19 and living in supported accommodation. He got into arrears when he spent period in a mental health clinic after suffering a breakdown. During this period his Housing Benefit was not paid but his landlord still expected his rent to be covered. Unlike Clara and Becky, Chris has no family or friends in a position to lend money to him. Repayment of his £1,600 rent arrears and a court fine are leaving him without enough money to buy food. He uses food banks about once a month and is selling off his possessions to ensure he can eat.

*"The amount I get fortnightly is £113 but I've automatic deductions in place for my rent, I had some arrears so I've been paying off my arrears, I've got a court fine that comes out so at the end of the day I've only to 70 quid, so I always struggle, there's never two weeks where I've got all the food I want, all the necessities, I have to go to food banks and selling whatever, nothing dodgy but selling my stuff, I sold a bunch of clothes the other day. There's this place, Cash for Clothes so I've had to do that a couple of times recently. I got £5, then £7 and the other day I got £8.50. £8.50 goes a long way if you play it careful. I can't ever do any luxury or put any money aside to save for anything."*

These accounts and the many others like them highlight the competing priorities for tenants' limited incomes. All respondents were presented with a list of essential outgoings and asked whether they would be more or less important than making their rent payment. The following outgoings were listed:

- energy bills
- food
- credit cards/loans and other debts
- loans from family and friends
- school-related costs



- cost of travel
- car-related costs
- clothing
- leisure.

Despite insisting that their rent was their most important outgoings and a priority over other expenses, other higher priorities emerged when working through this list.

*"The thing is, as long as you've got a roof over your head you're all right but when you've got the money in your hand it doesn't always work like that."*  
(Georgina)

In particular, 11 respondents felt that buying food was a higher priority than their rent and of these 11, nine also felt that covering energy bills would also come before rent.

*"You've got to eat haven't you or you've given up on life. There's the extent of eating though isn't there. I've been without food for two weeks before if it means not scrounging, like I'd be scrounging off other people like my mum, she would give me a tin of soup or two slices of toast now and then, so I could probably go two weeks without food."* (Letitia)

The vast majority of respondents felt that the other expenses listed were less important than rent. These findings suggest that only very rudimentary expenses would be placed in front of rent if respondents had to make a choice. As the quotes above from Letitia and earlier from Chris suggest, even food is sometimes sacrificed in times of hardship.

### **3.4. Home and family life**

A set of factors broadly concerned with home and family life were also identified as playing a part in many tenants' descent into serious rent arrears. Indeed, it was revealed that 'financial shocks' emanating from within the domestic sphere were a relatively common factor contributing to rent arrears within the sample. The sorts of domestic issues reported to have played a role in tenants' journeys to arrears are now explored in turn.

#### **3.4.1. Setting up home**

The financial costs, and other non-financial challenges, associated with the moving-in process and the setting up of 'home' in a property frequently arose as a factor contributing to the accrual of rent arrears and placed HA tenants at greater risk of tenancy failure. Of particular note were the difficulties faced by tenants as a result of moving into an unfurnished tenancy. With the majority of tenants unemployed, in insecure employment, or on a low income at the time of interview, the upfront cost of purchasing furniture at the start of a tenancy proved a significant financial drain and set tenants off on 'bad footing' at an early stage in their tenancies.

The analysis revealed how at least six respondents had directly accrued arrears, or were in worse financial situations, as a result of the costs incurred and challenges faced when they first moved into a property. The sorts of issues encountered included:

- When living on a low income, any cost not budgeted for, such as furniture, had to be juggled with other competing financial demands (providing for children, for instance). Tenants either delayed buying furniture and carpets until they had 'scrimped and saved' enough; bought them on credit (often from catalogues); with financial help from friends and relatives; or faced financial difficulty after buying them outright.
- A number of respondents were getting by without basic items of furniture, white goods and furnishings for a prolonged period of time until they could save enough money or access a form of support from their HA or elsewhere.
- Many tenants were adept at managing tight and intricate budgets but still ran out of money before their next wage or benefit payment was due. Such budgets were unable to cope with substantial financial outlays such as moving house and tenants on benefits and lower incomes were even less resilient to such change.
- The requirement by some HAs to lay carpets straight away, upon moving in, left tenants with little time to save up and budget for such a substantial cost, and added to debts.
- Some tenants interviewed had mental health problems and/or complex needs, including histories of homelessness, drug addiction and/or debt. The stress of setting up home at the same time as paying off past debts acted as an added pressure.
- Tenants widely expressed frustration upon finding out how relatively new carpets, leftover from the previous tenancy, had to be ripped out, especially as they would struggle to afford a replacement.
- Support available to tenants from their HAs tended to extend no further than 'decorating vouchers'.
- A few tenants explained how their properties were in a poor state of repair when they signed their tenancy agreements and first moved in. This either required tenants to spend a substantial amount on redecoration and improvements (such as fitting new flooring or replacing damaged radiators) so that their property could feel more like 'home' - or was at least 'liveable' - or to delay moving in until improvement works had finished.

The following accounts illustrate the difficulties that respondents experienced as result of setting up or moving home and how this contributed to rent arrears.

### Eddie's story

Eddie, aged 34, lives with his partner in an apartment where he has been living for about a year. At the time of interview Eddie was still recovering from drug addiction and was out of employment and claiming Employment and Support Allowance (ESA) and DLA. Moving into a self-contained house was in some ways considered a fresh start by Eddie. Prior to this tenancy, he had moved in and out of homelessness since leaving care at the age of 16. Eddie spoke positively about his tenancy and was thankful for the permanence it provided, but at the same time had some concerns about covering the costs of setting up home there - especially buying carpets. Eddie lived on the top floor of an apartment block and, on moving in, was told by the HA that it was 'illegal' not to have carpet due to the noise it would cause. Eddie had received a grant for decorating, but despite his best efforts to obtain a referral letter from social care, Eddie had received no further support with buying carpets and furniture. He was now trying to save £10 to £15 per week to buy them himself - this was a struggle.

*"I like it; I just find it hard with benefits agencies and stuff cos all the laws are changing. I've been trying to get carpets, I've spoken to my key worker and they're trying to sort that out for me."*

*"Cos of my past I've got lots of debts so I'm trying to pay all them off and try and get carpets and furnish the place and try and get everything done properly. It is hard; it gets on top of me."*

*R: "My key worker at the time that was from my shared flat asked them to write me a letter or something to help me with getting carpets off the 'social' to make it a bit easier for me. We have to be really quiet up here cos otherwise the neighbours downstairs hear us banging when we're walking along the floor. They asked if they could help us out with a letter off the social to get carpets but they didn't".*

*I: "They said no?"*

*R: "They didn't say no; they just haven't."*

### Sam's story

Sam, aged 22, lives on his own. He was out of work due to ill health, and receiving ESA at the time of interview. Only six years ago, Sam was forced to leave his parental home and since then, had lived in various supported accommodation schemes. Sam was currently in arrears due to holding back rent payments after a dispute over repairs. Sam had moved on from the hostel with barely any possessions and struggled to fill his new property with furniture. He had since been able to access various loans and grants - two budgeting loans of £300 from Jobcentre Plus which he used to buy a washing machine and a bed. He was currently paying these back in fortnightly instalments of £6. Additionally, with the help of support staff from his previous hostel, Sam had received a Community Care Grant to cover the cost of his cooker and fridge freezer. Although starting to feel more like a home now, Sam still had to spend a difficult first few weeks in his property without basic items of furniture, and was left with more debts.

*"I had a bit of support off me mum and dad. They helped me move stuff in rather than pay £100 to move my stuff. But after that it was quite difficult cos I didn't have a bed for three weeks so I was on a camp bed. Then I got my couch so I had to sleep on that for a week."*

### **Olena's Story**

Olena lives in a flat with her two children and is employed part-time at a café. She has accumulated arrears as a result of a divorce and a miscommunication with the benefits office. Although this issue was eventually resolved, it took at least two months for Olena to get a back payment of benefits and for her finances to balance again. Since she had moved from a room to a flat, Olena needed more furniture for her new property, and described some particular issues she encountered around flooring:

*R: "It was just concrete so they said that's how they do it cos they don't know what people want. I put in the bedrooms it was carpet and I put laminate in the living room and hallway but then it started causing problems with downstairs neighbours, they complained".*

*I: "With noise?"*

*R: "Yeah so they made me take my laminate floor off, put it in a bin and then I put carpet down".*

*I: "And you had to pay for that?"*

*R: "Yes and they said 'we would always advise people living above the ground floor and who have young children not to have laminate flooring, but no-one said anything to me".*

### **3.4.2. Life events and ill health**

Some tenants had accrued arrears as a result of unexpected crises, unavoidable life events, and personal circumstances that acted as barriers to meeting rent payments. This included dealing with family bereavements and other family issues, divorce, and mental and physical health issues. Several tenants' accounts indicated a range of support needs: some had been in care; others reported previous drug and alcohol dependency problems; and physical and mental health issues were evident in several cases.

Although these personal characteristics and life events did not in themselves render individuals incapable of meeting rent payments, they indicate vulnerabilities that make more difficult for those tenants to meet their responsibilities and obligations. Such vulnerabilities meant that sudden changes and complications (or even carrying out everyday tasks such as paying the rent on time) were much more difficult to cope with if they did arise. The case studies below present several illustrations of where tenants had struggled to keep up with rent payments as a consequence of life events or personal barriers. In more than one case, it was clear that tenants with severe mental health issues were living in accommodation which was unsuited to their needs. Sharing flats with others, who had similarly complex needs, often exacerbated feelings of stress and anxiety, too leaving those tenants less able to cope with managing their tenancies.

### Chris' story

Chris, aged 20, lives in a shared flat in supported accommodation. He receives £113 per fortnight from ESA, but after deductions for rent arrears, and a court fine, Chris was left with little more than £70 to live off for two weeks. He was also gradually paying off a fine for causing damage to his flat. Chris described how much of a struggle this was and relying on food banks and selling his possessions as a means of survival. Chris had significant support needs and a troubled past home and family life - he was made homeless at the age of 18. His subsequent decision to move into his current accommodation gave him more permanence yet was far from ideal given his mental health issues - he spent six weeks in a mental health facility, after being diagnosed with psychosis, anxiety and depression. Chris found sharing difficult and living in his current accommodation was a source of stress and anxiety. As he describes below, he often worried that living there would lead to a relapse. Prior to his time in the mental health facility he struggled to cope with managing his own mental health problems at the same time as setting up Housing Benefit. As a result, Chris fell into rent arrears of £1,600:

*"I can never relax if I know there's someone else. Or maybe I'm up and I don't know if my flatmate's out or asleep so I'm tiptoeing around the place thinking he's asleep and hours later he comes walking in and then I'm stressed when he comes back [...] I like things done the way I like things done and my flatmate is nuts, he's crazier than I was."*

*"I was living here before I lost it, went to Broadfields and then came back cos my place was still there. But I was dreading coming back cos of all this stress. I kept saying 'if I go back I'll lose it again', but I had to come back, there was nowhere else to go."*

*"From when I moved in till about a year ago, cos I didn't sort my Housing Benefit when they told me to, I got into big arrears. I left the flat a mess. I was a bit more unstable back then and there was drink and drugs involved but since I've sorted some of those things out and I've got help [...] I've been keeping the place clean, paying off the rent arrears [...] don't have any trouble, no wild parties and I've started paying off damages."*

### Melanie's story

Melanie, aged 27, lives with her partner and two children. She was receiving joint ESA with her partner. After some family difficulties, coupled with her husband losing his job, Melanie fell into rent arrears close to the start of her tenancy. When she signed for her keys, Melanie's daughter was taken ill and she spent a prolonged period in hospital with her. Melanie had never been in arrears before but described how setting up her rent account was the last thing on her mind during this difficult period.

*"I didn't move in for a few weeks after I signed for the keys, cos when I had my daughter she was really poorly, so while she was in hospital I stayed with my mum. So I weren't here for a few weeks so it was getting into arrears [...] it just built up."*

### Letitia's story

Letitia, aged 17, lived in a shared flat in a supported housing scheme. Letitia had come to be living in her current accommodation as a result of homelessness after a relationship breakdown with her mother. At the time of interview Letitia had accrued rent arrears of £250. This amount had accumulated partly after a transition from her Income Support benefit to JSA took longer than expected. Letitia was left without compensation for the delay. It also came to light that Letitia's ongoing struggle to manage her mental health issues had contributed to her rent arrears. Letitia had severe depression and ADHD, and described how this often made it difficult for her to share accommodation with other vulnerable individuals. In a few instances, Letitia had punched the wall and the fee for damages had been added to her arrears.

*"My rent arrears is also that high cos I've put a couple of holes in my wall and I had to pay for them."*

*"I get quite emotionally involved so when someone else is upset I'll get upset for them and cos I've got really low self-esteem and low confidence, as soon as someone says anything really horrible to me I'll go off and cry and then get angry at them at saying it but I won't say that to them, I'll just go and kick a wall or something and then you end up making a hole in the wall."*

### 3.5. Age and experience

It was widely believed by respondents, when talking in the abstract, that inexperience was a key 'risk factor' in terms of tenancy failure amongst the under-35s. However, little evidence to support this emerged from the qualitative research to suggest that younger tenants are inherently poorer 'tenancy managers' and other far more significant risk factors were revealed, notably those relating to income as outlined in sections 3.1 to 3.3. This supports the findings to emerge from the secondary data analysis which indicated that younger people were at greater risk of unemployment and low incomes than other age groups, suggesting that income is likely to be a greater barrier to tenancy sustainment than experience.

Moreover, as the evidence presented in section 3.4 suggests, many of the non-financial complications respondents' are reporting in connection with their journey into serious rent arrears are not unique to young people. Complications associated with home and family life such as divorce, separation, bereavement and illness can strike at any age and are, if anything, arguably more likely to affect older tenants. Similarly the costs associated with moving between properties of setting up a new home can also confront tenants of all ages although it could be argued that young people are more likely to experience the challenges associated with setting up a home for the first time.

Where the relative inexperience of the tenants interviewed may be more manifest is in their responses to the problems they encounter, particularly in their willingness to seek help quickly, rather than in creating the difficult circumstances in the first place. Section 3.6 below explores tenants' responses to entering financial difficulties and the accrual of arrears.

## 3.6. Seeking help with financial difficulties and rent arrears

### 3.6.1. Relationships with landlords and communication

During the interviews, the nature of respondents' relationships with their landlords and the level of routine engagement between the two parties was explored. It was revealed that it was common for respondents to have to have limited routine contact with their landlord, at least until they got into rent arrears. Most respondents, regardless of which landlord they let from, described a very 'business-focused' relationship where communication was chiefly centred on the rent account and practical issues like repairs. The communication described also appeared more 'reactive' rather than 'proactive' with both landlords and tenants only making contact when a problem occurred such as the need for repairs or rent arrears. The quotes below provide an illustration of this issue and are typical of many:

*I: "How often do you have to contact your landlord?"*

*R: "I don't unless there's a repair and then I go through to the repair unit but other than that I don't." (Becky)*

*I: "Do you have contact with your landlord over anything else other than reporting repairs?"*

*R: "The arrears that I had but nothing else." (Claire)*

*I: "Would you say your relationship with your landlord, what's it like? How often do you contact them?"*

*R: "I don't see them or hear from them." (Emma)*

In terms of how and why this low level of engagement and very functional relationship had come to prevail, it appeared that, in most cases, this is how the parameters of the relationship had been established from the outset of the tenancy. In this vein, many respondents felt that their landlord was only concerned with collecting their rent.

*"I only ever hear from them when they want money from me and then its real hard line stuff. When I want something then they fall silent. I mean, the window in our stairwell was smashed and I reported it straight away because there was glass all over." (Martia)*

*"When you stop the rent, they are calling, they'll talk to me. Otherwise, nothing." (Narla)*

Moreover, Martia's quote above hints at another widely reported issue: a perceived tardiness amongst landlords at dealing with repairs. Whilst many respondents seemed content to have a 'light touch' relationship with their landlord, repairs was the next key point of interaction between the two parties following the setting up of a tenancy and a key area where tenants expected an expedient response.

Although this dissatisfaction with the repairs service could be seen as peripheral to the issue of rent arrears and tenancy sustainment, it did emerge as an issue with the potential to damage the relationship between tenant and landlord or, put more positively, an opportunity to build trust. In many cases, the perceived unresponsiveness of landlords to requests for repairs heightened tenants' belief that their landlord was only concerned with rent collection. As the quote below from Poppy suggests, a poor response to requests for repairs could have the effect of making tenants feel that they didn't matter.

*"To be honest I've given up trying cos last time I rang they said the job's been done and I said 'no it hasn't' and they said their boss would call me back and I'm still waiting...I rarely speak to them cos they say to me 'you're not a bother' I'm not a tenant they have to worry about so they don't bother with me." (Poppy)*

Often, however, getting into serious arrears was a turning point in the relationship between landlord and tenant and signalled the start of a deeper level of engagement between the two parties, as discussed in the next section.

### **3.6.2. Seeking help with arrears**

It was widely reported by respondents that their landlord had been slow to get in touch to alert them to the fact that rent arrears were accruing, denoting a low level of engagement with the rent statements issued by most landlords. It was clear across the sample that from a tenant's perspective, the onus was on the landlord to notify tenants when rent arrears began to accrue. In light of this, there was widespread dissatisfaction with how long it reportedly took landlords to get in touch with tenants once arrears began to mount up. Moreover, many tenants expressed regret that their arrears had not been picked up sooner before they reached such serious levels.

#### **Clara's story**

Clara's rent account had been in arrears since June, she was not aware of this until her landlord got in touch in November of the same year.

*I: Do you think they dealt with it well?*

*R: "Not really, I should have been checking in but I think they should have said something, so it just built up and up. They need to communicate more, they didn't communicate at all."*

Although it could be argued in relation to many tenants, that there is a degree of onus on them to identify rent arrears and engage with their rent statements, there are some tenants who will, due to their vulnerabilities, need more support in this regard, as Johnny's story illustrates.

#### **Johnny's story**

Johnny experienced complications with his benefit claim which led to rent arrears. He also suffers from social anxiety, which meant he struggled to muster the confidence to seek help.

*"I was sort of leaving it, I started paying small amounts for a while but I stopped cos I had no income and they approached me at the start of this year and said 'you have to sort it or you're going to be evicted' so I've been working with the tenancy sustainment officer. I guess if they worked with me when the thing started happening [...] it would have been easier if I'd contacted them but I didn't really know what to say, I wasn't going to say 'I understand I'm in lots of debt but I'm also not getting any money' so I think if they had a way to notice this was going on earlier that would have been better."*

*"They do send letters out but I had no idea that there was a tenancy sustainment officer and she's been the one that's told me the most. If they'd told me about her last years I wouldn't be in anywhere near as much debt as I am."*



Although a complete lack of awareness that rent arrears were accruing may seem unlikely, it was predominantly in situations where tenants' Housing Benefit (or at least a proportion of it) was being paid directly to their landlords that tenants tended to be unaware, assuming that this payment was going ahead as normal. In relation to this, many respondents' complained that their local authority or the DWP had been slow to or had failed to notify them of benefit changes and suspensions affecting their rent payment.

*I: "So how much a month do you pay for this place?"*

*R: "That's the thing; I've never been told I've had to pay rent. It's always just been automatic, no one ever said anything had changes, and now they're saying I owe them nearly £1000." (Jodie)*

However, as Johnny's story above suggests, not all respondents had been unaware that rent arrears were accruing and there were a number of examples of tenants who were aware of the issue but were, for various reasons, 'sticking their heads in the sand' about it. In these cases, it was usually the threat of eviction that spurred them into action and forced them to confront the issue. Becky is one such example of this approach and made contact with her landlord after receiving a letter threatening eviction:

*"I wouldn't bury my head in the sand again, I buried my head in the sand cos I thought they wouldn't understand and want you out straight away but it's not the case, they said we try and work with families, obviously they want good tenants in the property, they don't want properties sitting empty cos it's not earning money for them and I think they do want to help, as long as you're willing to work with them I think they're willing to help you." (Becky)*

Like the many respondents who were reluctant to make contact with their landlord over arrears, Becky was held back by fear of losing her home and by the misplaced belief that her landlord would be punitive rather than supportive.

### **3.6.3. Knowledge and use of support services offered**

Like Becky and Johnny, the vast majority of respondents who had turned to their landlord for help with arrears (usually at quite a late stage and once arrears were extensive and eviction mooted), reported a positive experience. Clara's story, below, is typical of many in the sense that, once she had initiated a dialogue with her landlord, this 'unlocked' a range of support options including budgeting; income maximisation; employment support and training.

### Clara's story

Seven months after her arrears started to accrue, Clara received a letter from her landlord explaining that she was at risk of being evicted if she did not take steps to repay her arrears. This letter terrified Clara and she contacted her landlord straight away and was pleasantly surprised by how supportive they were and the range of support they offered her to improve her financial situation. Nine months on from that conversation, she was still receiving support from two named support workers who she now knew well and trusted. Her rent arrears were reducing in line with the plan she had agreed with her HA and she was also being assisted to find a job offering the right number of hours to enable her to maximise her Income Support entitlement. Clara was, however, still struggling to keep up with what she perceived to be a high rent in addition to the repayment of her rent arrears and is looking to move into local authority housing which she perceives to be more affordable.

*"Since the arrears happened, I see [name] and [name] regularly and they help me with my CV, they've helped me with my financial bits and benefits, Council Tax and tried to find me a job with the right hours. They bring my rent statement and we look at it every month. If I had problems again, I'd just go to them."*

Clara's experience highlights how, even with a comprehensive support package and despite the fact that her arrears were reducing, she was still struggling to make ends meet. As reported earlier, she was regularly borrowing from her family to cover the shortfall in her budget, suggesting that where income and expenditure are so finely balanced and opportunities for increasing income limited, the support available through HAs can only achieve so much for low income households. Moreover, although her rent arrears are being repaid, this has the 'knock-on' effect that Clara is incurring debt elsewhere by borrowing from family.

### Becky's story

Similarly to Clara, Becky (who fell into arrears as a result of failing to pay the 'bedroom tax') had also been pleasantly surprised at the support with her arrears provided by her landlord and feels that she would enlist their support a lot sooner if she encountered financial difficulties again in future. Becky, like many others, had been reluctant to ask for support for fear of losing her family home. She received, *inter alia*, a benefits check to ensure she was in receipt of all the benefits she is entitled to. This was successful and she received a back payment of DLA that she should have been receiving for some time. This covered her rent arrears and has boosted her income, yet she still struggles to get by on a low income.

*"I wouldn't bury my head in the sand again, I buried my head in the sand cos I thought they wouldn't understand and want you out straight away but it's not the case, they said we try and work with families, obviously they want good tenants in the property, they don't want properties sitting empty cos it's not earning money for them and I think they do want to help, as long as you're willing to work with them I think they're willing to help you."*

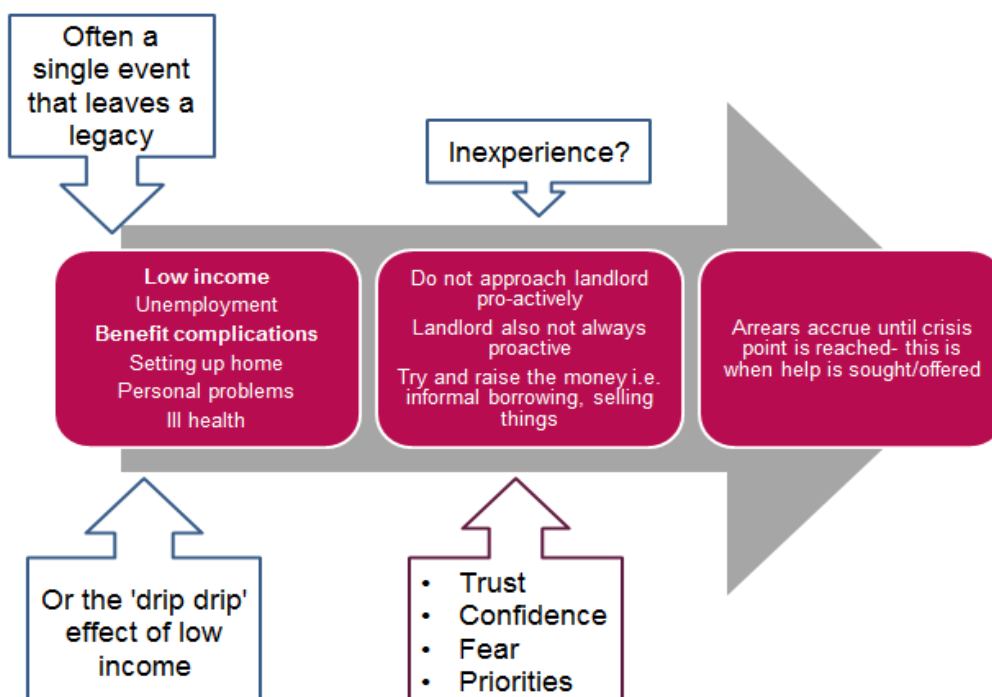
### Olena's story

After a divorce and a related benefit suspension which she was not made aware of for some time, Olena found herself in serious arrears. She had never been in arrears before and was in a state of panic and about to borrow money from a high interest loan provider when she came across an advice centre run by her HA. The advice worker reportedly calmed her down, talked her out of borrowing the money and liaised with the local authority over her Housing Benefit claim, which was eventually reinstated and back-paid, covering her rent arrears.

*"I was panicking until I spoke to a specialist advisor in the advice centre on the estate. I didn't even know it was there... Of course it would scare anyone that receives a letter that your benefits have stopped, plus a four figure number that you owe. I was ready to go out and borrow money from someone but they said 'no! Don't do that, it's ok'. They calmed me down and I could carry on living my everyday life again."*

Overall, there was a distinct and widespread reluctance amongst tenants to seek support with arrears from their HA for fear of a punitive response and ultimately, of losing their home. This fear meant that most respondents would turn to anyone before their own landlord, including family and high interest loan providers. This attitude appeared to be borne primarily of a lack of knowledge of the processes involved in evicting a tenant and of the support functions available to them. In turn, this lack of awareness appears to stem from the 'arm's length' relationship that most respondents reported having with their landlord, perceived to centre on financial transactions and requests for repairs. Once eviction is mooted and tenants are compelled to confront their arrears, most are pleasantly surprised by the response they receive and are offered a raft of support measures. In several cases, this appears to result in decreased arrears, but, as Clara and Becky's stories illustrate, rarely impacts significantly on their financial position. Figure 3.2, below, provides an illustration of this process evident within respondents' accounts.

**Figure 3.2: Barriers to engaging with support**



When respondents who had received support from their landlord were asked how it could have been improved, there was consensus that the main improvement would be around timeliness. Johnny, Becky, Clara, Olena and Vicky, below, all feel that they would not have been in rent arrears to the extent they are (or were) if they had received support sooner. Notably, all those who had received support from their landlord to help with rent arrears and financial inclusion more broadly, reported that they had not realised that these supportive functions were offered and had not viewed their landlord as a potential source of support. Only two of the many respondents who had receive support with rent arrears had sought this from external sources such as the Citizens Advice Bureau, with most turning to their landlord. Vicky's story, below illustrates not only how she hadn't realised that such support was on offer but also how she felt she could have benefitted from knowing about it sooner.

### **Vicky's story**

Vicky is 25 and lives in a one bedroom flat with her partner. She fell into arrears when her father died suddenly at the same time as she was a witness in a major court case. Paying her rent top-up became her last priority as she struggled to cope with her difficult personal issues and several thousand pounds of arrears accrued. Like many others, she only engaged with her HAs support functions when eviction was mooted. Through working with an employment support officer, Vicky has begun an apprenticeship which pays her around £5 per hour, well below the minimum wage. She has agreed a repayment plan but is struggling to cover her rent and her arrears on top of her other living expenses. Like Clara, she is looking to move into local authority housing, She is, however, glad of the support received and wishes she had known about the range of support on offer far sooner.

*"When I moved in they didn't tell me nothing about the support they offered. It was only when I got into arrears that they started calling to say they could help. I wish they'd told me sooner."*

## **3.7. The future**

At the conclusion of the interviews respondents were asked to reflect on their future plans and housing aspirations. This appeared to represent a difficult question for tenants who remained in arrears and were struggling to get by on a low income to contemplate. Many, by their own admission, struggled to plan too far ahead due to the precariousness, complexity and uncertainty that characterised many areas of their lives.

There was a little more clarity in relation to respondents' short to medium-term housing plans and all but one of those interviewed were clear that they wished to remain in social rented housing and widely recognised the disadvantages of private rented housing. Becky, despite struggling to keep up with 'bedroom tax' payments, values the affordability and relative quality of her HA property and the opportunities this is felt to bring for moving back into employment.

*"This is the first time I've had housing association and I would not go back to private letting no matter how bad this area got. The rents that private landlords charge is horrendous, I'm in a better house than I had before and I only pay I think £86 a week and the last property was nowhere near the quality I've got now and I was paying £125/week on that so it's a big difference with social housing and I would never go back. If I was to go back to private letting me and my partner could never go back to work cos we just wouldn't be able to afford*

*the rent and also live, if we're in housing association we can afford to go back to work or him work and me stay at home with the children, we couldn't do that in private."* (Becky)

This is not to say that all respondents were as contented with their current properties and many aspired to move to better, bigger or more affordable properties in better neighbourhoods but would not consider moving to the private rented sector to achieve these things. Indeed, many, like Kim, recognised that conditions are likely to be worse within the private sector and realised how much demand there was for social rented housing and considered themselves fortunate to be within it.

*"I imagine it would probably be pretty difficult [to find anything better]. I don't even know how it could happen, I think unless this flat burned down and it wasn't my choice [to leave] I don't think I'd be able to get back on the waiting list anyway, I don't think I could private rent, I think it would be really difficult."* (Kim)

Several respondents talked wistfully about home ownership but many saw this as a very distant aspiration indeed, the stuff of dreams.

*"I'll probably stay but I want my own property eventually, but I don't want to pay the mortgage, I want to pay the mortgage in full so I want to win the lottery so I'll be able to pay the mortgage straight off. I'd love to have my own property and get driving lessons and get a car and go on me dream holiday."* (Poppy)

For the time being, however, those considering home ownership felt financially and emotionally safer within social housing, an understandable sentiment given the uncertainty many were living with in the face of insecure employment, welfare reform and poor health.

*"I will have to put up with it for now though because private renting is so expensive and buying is a long way off. For now, I'm better sticking with this. It's my safety net."* (Martia)

# Key learning

## 4.1. Introduction

This chapter highlights the key learning to emerge from the research. The emphasis on key learning is important - because of the vastly differing characteristics and circumstances of the landlords that have funded this research, it would not be appropriate to be more prescriptive and offer policy recommendations. Instead the chapter highlights broad messages to emerge from the research, with policy development on the back of them being the responsibility of individual landlords.

The study was commissioned before recent government initiatives affecting the financial landscape within which housing associations operate were announced: the imposition of a one per cent reduction on rents for each of the next four years; and the extension of Right to Buy to tenants in housing association properties. The negative impact of these initiatives was highlighted by a number of participants at the Interactive Feedback Event.

*"The Chancellor's budget has absolutely rocked the sector. We simply can't just carry on as we were."*

The change in the financial circumstances of housing associations over the course of the project is a challenge for the research team as much of the key learning identified by it has financial consequences for them, certainly in the short term. So the team is faced with a dilemma - does it offer advice within the parameters of the new financial paradigm confronting associations? Or does it simply offer learning regardless of the financial consequences of translating them into practice? The study team has sought to adopt a hybrid approach as the learning it suggests is cost effective and cost neutral in the long term, albeit with resource implications in the short term.

The following logics have shaped our thinking:

- **There is a high cost associated with tenancy failure**, whether this be associated with collecting unpaid rent or evicting tenants. For example, in 2012 Shelter (Shelter, 2012) found the cost of evicting a tenant could be as high as nearly £7,000 while a year later PHHS estimated the figure to be around £8,000 (PHHS, 2013). Although there are no corroborating robust data, collecting and chasing arrears is resource intensive as numerous studies have shown (Donaldson, 2014; Hickman *et al.*, 2014). Given this, it makes sense for landlords to be as **proactive as possible** in terms of their approach to rent collection, with greater focus on the **prevention of arrears**. While there is clearly a cost associated with such an approach in the short term, it is likely to result in cost savings in the long term as fewer tenants fall into arrears.

- **A more proactive approach to rent collection** makes sense when one considers that more tenants are likely to experience difficulties paying their rent as the impact of welfare reforms, such as the Removal of the Spare Subsidy (or 'bedroom tax') and the direct payment of Housing Benefit through Universal Credit, work through more fully.
- **Landlords have the capacity to work more efficiently and use their resources more effectively.** This point was recognised by a participant at the Interactive Feedback Event.

*"I think the issue is we need to work smarter. I don't buy into the view that we can't do anything because of what's happened. We need to work smarter and more efficiently. And we need to use our resources better. We've got to do more with less. We've got to target the right people. We don't know our tenants well enough. How do we help the tenants in most need?"*

- With the introduction of a range of measures which have had the impact of undermining the financial position of housing associations, such as Universal Credit, the one per cent rent reduction, and the extension of Right to Buy, **associations are being forced to make difficult decisions about their future**, in doing so grappling with the tension between financial and need-based imperatives. It appears that some have decided that they will no longer act as 'social housing landlords' in the traditional sense (i.e. with the sole 'raison d'être' of housing those households in the greatest need) but instead will become 'housing providers', housing a broader population base. This point was acknowledged by a participant at the Interactive Feedback Event.

*"You are now going to see two types of provider emerge, those who are simply acting as providers of housing and those who retain more of their social aims."*

While it is not appropriate for the study team to make value judgements on this trend, it is important to note that the learning highlighted below has been provided on the basis that the landlords that have funded this study will continue to act primarily as 'social housing landlords' and not 'housing providers'. Thus, we have not suggested learning that is consistent with the latter paradigm such as suggesting that landlords only house applicants with a good credit history, in a stable financial position, and ideally, in work.

- With all the policy initiatives that have affected the housing association sector in recent times, this is a salient time for associations to take stock and have a fundamental rethink about their vision, objectives, and the way they operate. Recent policy initiatives in the sector call for **progressive and radical thinking**, which takes a **long-term perspective** to the problems facing the sector, and moves beyond the (understandable) urge to 'batten down the hatches' by reducing short-term costs.

*"I think what you've said is challenging - it will challenge our Board. But that's a good think - we need some ammunition to get them to think differently. They need to be challenged and there needs to be blue sky thinking." (Interactive Feedback Event attendee)*

## 4.2. Structure and scope of the chapter

The remainder of the chapter is divided into two sections. Section three highlights the key messages to emerge from the research. Section four highlights key learning in relation to the following:

- the way landlords operate
- the landlord-tenant relationship
- support
- data and IT systems
- key customer interaction points.

Before moving on to highlight key learning, it is salient to make two important points here:

- First, as noted earlier, in the line with the requirements of the *Research Specification*, the **focus of this report is on tenancy failure caused by rent arrears only** - the report does not address tenancy failure and eviction caused by other reasons such as anti-social behaviour.
- Second, while there is a growing literature on how to reduce rent arrears and tenancy failure (Pawson *et al.*, 2006; Pawson and Monroe, 2010; Stewart, 2013; Hickman *et al.*, 2014), there is a dearth of robust evidence on the impact of interventions, such as debt advice and support, on payment patterns. So while there is evidence to suggest that providing tenants with support and advice has a positive impact (Evans and McAteer, 2011), we do not know with any degree of certainty if it results in higher payment rents, although the Evans and McAteer study did find debt advice provision to be (positively) associated to arrears. Furthermore, we have little understanding of how the impact of support may vary by intervention type, although the on-going evaluation of the universal support delivered locally trials may help to rectify this gap in knowledge.

### 4.3. Key messages

- This research has shown that tenancy failure in under-35s is a major issue. The problem is likely to become more acute as it appears that it is the age group that is being hardest hit by welfare reforms.
- It is the financial circumstances of tenants that is the most important determinant of tenancy failure. Therefore, all other things being equal, the most effective way of reducing arrears is to increase the income of tenants. Conversely, decreasing income levels will result in arrears increasing.
- Under/non-payment is often prompted by a specific trigger - sometimes a day-to-day issue such as running out of food or money for gas and electricity meters and sometimes a personal or life event such as breaking-up with a partner, family illness or bereavement. These triggers impact in two ways: emotionally, making it more difficult for tenants to manage their lives generally; and financially, by putting a strain on their budgets.
- Given this, it is imperative that landlords know at the earliest possible opportunity when things are beginning to go wrong, ideally when a trigger occurs. It is therefore essential that landlords hold up-to-date and robust information about their tenants, and are in contact with them on a regular basis.
- More regular contact with tenants and the development of a relationship of trust may make them more inclined to contact their landlord when they have a financial problem. One of the key findings of the research was the reluctance of those tenants who felt their landlord did not engage with them in a positive way to contact their landlord when this happened.
- The provision of support can make a difference in terms of tenancy sustainability. However, in isolation, it is not the solution to tenancy failure prevention. Investing more resources in support is unlikely to result in significant



improvements in payment rates. While it was valued by many of the tenants that received it, previous research suggests that it is not a key driver of payment rates (Hickman *et al.*, 2014).

- Research has shown that the inadequate provision of furniture, white goods and home start up essentials has an adverse effect on tenancy sustainability (Pawson *et al.*, 2006; Homelessness Task Force, 2002). This research has found a similar picture with the lack of adequate carpeting being a particular issue.
- For some tenants, a factor contributing to tenancy failure was their lack of understanding of what was entailed being a 'good' tenant and their unfamiliarity with tenancy and 'running a home' basics like how to pay bills, including rent, the mechanics of Housing Benefit, and how to run a bank account.
- In light of the changing financial context within which housing associations are operating, is it important that they review their current working practices and reflect whether they are consistent with this new paradigm.

#### **4.4. Key learning**

##### **4.4.1. Review ways of working**

Landlords will need to review the way they operate and will need to be prepared to adapt. They need to look at a range of issues including: the roles and responsibilities officers; how they collect rent; how they recover arrears; their approach to support; 'patch' sizes; and the suitability of IT and data systems. Furthermore, they also need to reflect on an issue which has been at the heart of debates about the most effective way of collecting rent - whether the 'carrot' (support) and 'stick' ('pay your rent') functions can be provided by the same individual, or whether these functions should be separated? As noted earlier, they will also need to reconcile the tension between their traditional social function and the need to adopt a more hard-headed commercial approach in order to protect income streams. Finally, in light of the continuing roll out of direct payment under Universal Credit, they will need to reflect on nature of their relationship with their tenants and whether it needs to change.

##### **4.4.2. Landlord-tenant relationship**

A clear message to emerge from the research is that, in the context of tenancy sustainability, this relationship is very important. Landlords should, therefore, review the nature of their relationship with tenants, reflecting on the following issues when doing so:

- Whether the relationship needs to be realigned so that it is more customer-focused and centric?
- Whether the landlord-tenant relationship needs to become more intensive with more communication? A more intensive relationship is likely to enhance levels of trust between tenant and landlord - as noted earlier, lack of trust was a contributor to the tenancy failure problem. Building trust through more communication will increase the likelihood that tenants will contact landlords in the event of encountering financial difficulties. Furthermore, with more contact the landlord is better placed to identify those tenants encountering difficulties at the earliest possible opportunity. Ideally, in terms of fostering trust between landlord and tenant, it would be helpful if not all contact between landlord and tenant was function-related, but this may not be realistic in the context of the financial challenges facing landlords.

- The feasibility of communication being channelled through a key worker? Research in other fields, including public health, education, social care and childcare, has shown the benefits of agencies appointing a key worker who acts as the initial conduit between agency and client (Flint *et al.*, 2011; Beecham *et al.*, 2007; Greco *et al.*, 2007). In response to austerity and public sector cutbacks, this type of approach has become more popular in recent times as it has been seen as maximising value for money for agencies, because it is perceived to prevent problems from arising and 'nipping in the bud' those that do. There are clearly cost consequences for this type of approach, and resource may be only available to employ it for key tenant groups, such as those transitioning to become a tenant or those in the most precarious financial position. However, its introduction would undoubtedly foster trust between tenant and landlord and lead to the identification of tenancy failure problems before they escalate.
- In the spirit of developing landlord tenant relationships and trust, landlords should consider rewarding positive tenant behaviour, such as 'taking care' of their homes, the routine payment of rent on time, and the overpayment of rent, which was found to be prevalent amongst tenants in the DPDP areas (Reeve *et al.*, 2014).

*"I think we need to better about incentivising tenants more. We don't reward good tenants enough and that was really interesting about what you said about rewarding tenants who overpay."*

- Whether their approach to communicating with tenants is appropriate. Specifically, they should reflect on the following:
  - Face-to-face communication between landlord and tenant has been shown to be the most effective way of disseminating information and forging relationships (Hickman and Reeve, 2013; Colechin *et al.*, 2015). But it is also relatively resource intensive and may not be a viable option for larger landlords, although the location of patch officers in neighbourhoods may reduce the costs associated with it (the location of patch officers within areas may also have a beneficial impact on rent collection rates and rent arrears recovery).
  - Communication over the phone has also been shown to be effective (Colechin *et al.*, 2015). After face-to-face contact, it the most effective communication method and is much less resource intensive than face-to-face contact (Colechin *et al.*, 2015).
  - Some tenants may prefer for communication to be conducted electronically, via email, SMS texting, or social media outlets, such as Facebook.
  - Linked to this point, landlords could (should?) adopt a tailored approach to communicating with their tenants, with the use of 'alternative' communication instruments, such as texting and Facebook, being more widespread with younger tenants. Furthermore, as is common practice amongst utilities and service providers, landlords should communicate with tenants using their preferred communication vehicle.

#### **4.4.3. Support**

Previous research has shown that it is the financial circumstances of tenants that is the biggest determinant of tenancy failure, with support being of lower order importance (Hickman *et al.*, 2014). This story is repeated in this study which has found financial precarity to be the most important driver of tenancy failure. However, that does not mean that support does not make a difference - it can and does help

tenants sustain their tenancies (Hickman *et al.*, 2014). There are bundle of issues associated with the provision of support which landlords must pay attention to:

- **What type of support is required?** It is important that tenants receive the 'right' type of support. The support needs of tenants will vary greatly. Some will need help setting up and managing bank accounts and Direct Debits; some will require money management and budgeting advice; and some will need debt advice. Some may also need advice on how to maximise their income from benefits - given the importance of tenants' financial circumstances in determining tenancy failure, it is imperative that landlords do not neglect this important support area.

Finally, it is important that tenants are also offered support to find work. This is because, in the context of welfare reform and a harsher benefit climate, this may be the only way of increasing their income. This view was held by two attendees at the Interactive Feedback Event.

*"The only way to help tenants is to get them into stable employment."*

*"I think what you say about support is right. It helps but it's not the solution. People need more money. So that's what we are focusing on getting people into work. We need to make them work ready."*

However, another attendee at the event was not convinced that finding work would improve the financial situation of tenants because of the paucity of employment opportunity opportunities.

*"We need to increase our tenants' income. But the problem is the work out there is so precarious and so low paid. There aren't the decent jobs out there. So for many tenants, finding work makes things better not worse."*

In a similar vein, another attendee noted, that far from increasing tenants' income, thereby insulating them from tenancy failure, finding work could actually have the opposite effect because of the prevalence of zero hours contracts.

*"The issue of zero hours contracts and going in and out of work. It makes things so difficult for tenants and us."*

One attendee felt that the task of helping tenants to find viable employment was so challenging, particularly in depressed labour markets, that housing associations would have to accept that some could not be helped.

*"I think housing associations maybe have to face up to the fact that we can't influence structural economic issues and that there are some people we simply can't help."*

- **How should support be provided?** The way support is provided is important and affects take-up rates and its impact on tenants. Tenants who request support in practice often do not take it up, with this particularly likely to be the case if the support was provided collectively, through workshops, seminars, or surgeries. However, while personalised support appears to be the most effective way of engaging tenants it is also the most resource intensive way of providing support.
- **Do different people require different types of support and advice?** And do some groups need more support than others? The answer to both questions is an unequivocal yes. In line with the findings of other research, one of the conclusions of this study is that the following groups need more support, as they

are more likely to encounter difficulties sustaining their tenancy: tenants aged 21-25; tenants aged 36-40; younger men; unemployed tenants; and new tenants.

- **Does support need to be 'rationed'? How should this be done?** With landlords support budgets being squeezed by the impact of recent initiatives, they may have to make difficult decisions about rationing the support they provide and who receives it. If this happens, then there is an argument on focusing resource on those groups identified above who appear to be most vulnerable to tenancy failure.

*"I think the issue we will have is resource. Everything you've said makes sense...we do need to work more intensively with tenants... maybe what we will end up doing is working more closely with those tenants with obviously vulnerabilities, like tenants with mental health issues, and those most at risk, like the ones you mentioned."*

- **Who is best placed to deliver support and advice?** And should it be delivered by a support agency? Landlords may not be best placed to provide some forms of support and advice and should look to work with key local support agencies and they may seek to form local support partnerships. But, there are a number of risks with outsourcing support, including the delays that may occur between support being commissioned and provided.

*"You're dead right what you said about support taking four months - it does ages for support agencies to get back. They haven't got the resources and their budgets are being cut."* (Interactive Feedback Event attendee)

Because of increasing budgetary constraints, one attendee at the Interactive Feedback Event talked of his reluctance to work with external support agencies.

*"That's fine in principle, but the trouble is they expect us to do everything. They think we've got loads of money. We haven't!"* (Interactive Feedback Event attendee)

- **When is support required?** While it is important that tenants have access to support throughout their tenancy, it is particularly important it is offered to them as they make the transition to becoming a tenant. At this juncture, attention should focus on two issues: 'educating tenants' about what is to be a 'good' tenant; and setting-up and running a home.

One of the findings of the research is that some tenants do not understand what is required to hold down a tenancy and to run a home, with their naivety (in part) contributing to the failure of their tenancy. It is therefore imperative that new tenants are provided information, advice and support on:

- The responsibilities associated with being a tenant and sustaining a tenancy, including the importance of paying rent (and how to pay it) and looking after their home. Consistent with the housing provider paradigm, an attendee at the Interactive Feedback Event believed that landlords needed to be proactive in terms of responsabilising tenants, encouraging them to fulfil tasks that, in the past, may have been undertaken by the landlord: *"We expect tenants to do more. They need to take more responsibility. We can't be expected to do everything."*
- The consequences of not being a good tenant - losing your home and the eviction process.
- What to do in the case of a tenancy problem, including how to report a repair or anti-social behaviour.

- How to set up and run a bank account, including how to set up a direct debit.
- How to pay bills.
- The mechanics of the benefit system, including how Housing Benefit and Universal Credit work and what to do in the event of a change in benefit/household circumstances.
- Who to contact if they need support, whether provided by the landlord or an external agency.
- What to do in the event of a financial 'problem'.

This and other research (Hickman *et al.*, 2014) has shown that the period immediately after tenants move into their home can be particularly critical in terms of the journey to tenancy failure. This is because many tenants do not have the resources to adequately furnish their homes and move into properties bereft of key home start up essentials, such as crockery, a kettle, beds, a sofa, a cooker, and fridge. In addition to having a negative effect on the mental health of tenants, inadequate furnishing impacts on them financially, with the consequences for tenancy sustainability, as they are forced to borrow to finance the purchase of key items.

There are, of course, a number of legal and financial issues associated with landlords providing furnishing homes to their tenants, and the cost of doing so may be relatively high.

*"Furniture is a can of worms. There is an issue about whether you have to give it back or not. And then it's complicated whether its covered by HB or not. And then you've got the problem of it putting off people finding work."* (Interactive Feedback Event attendee)

*"It used to cost us £4.5k to do carpets, furniture and white goods. We're not doing that any more. Now it only costs £1,600."* (Interactive Feedback Event attendee)

However, notwithstanding this, furniture provision is something that landlords should look into, particularly in the context of furniture provider charities increasingly struggling to meet the demand for their services and with decline in funding for grants to cover the cost of furnishing homes.

- **How should the support be configured and packaged?** The evaluation of the Direct Payment Demonstration Projects (DPDPs) found that providing tenancy sustainment support as part of broader, generically-branded tenancy support was more effective than providing finance-specific advice and support (Hickman *et al.*, 2014). One DPDP project area estimated that their general support workers had an engagement 'hit rate' three times greater than money advice workers. This is not a reflection on the quality of the advice offered by these staff, and specialist money advisers have a very important role to play, but in some areas tenants will be more willing to engage initially with general, rather than finance-specific advice or support, even though the issues uncovered may be financial.
- **What is the impact of the support?** Is it making a difference? At what cost? Does it represent good value for money? It is imperative that landlords ascertain the impact of their support interventions, specifically on payment patterns. While there have been some excellent studies into the impact of support, including Evans and McAteer (2011), attention has largely focused on tenants' and landlords' perception of this support. However, one might argue that what

ultimately matters is whether it impacts on payment patterns (or not), regardless of its perceived impact. Whilst not directly a form of support, a good illustration of this point is the use of rent collection text reminders by landlords participation in the DPDP trial. Their use was found not popular with tenants, many of whom found it intrusive, but (reportedly) resulted in higher payment rates.

- **Should landlords provide emergency financial support to their tenants?** As highlighted earlier, for many tenants, under/non-payment of their rent was triggered by an (adverse) event, whether a life event, such as a family illness, or a day-to-day one, such as the breakdown of a washing machine or cooker. Instead of using their rent account as a surrogate bank account, by borrowing from it in the form of underpaying rent, or turning to a high rate loan provider, tenants could be encouraged to borrow from their landlord through some form of an emergency or crisis loan, a practice that some social housing landlords are already employing.

#### 4.4.4. *'Knowing' your customers and suitability of data and IT systems*

It is imperative that landlords get to know their tenants better, given the unpredictability of their payment patterns. It is important that they hold up-to-date and robust information about their tenants, relating to a number of issues, including their contact details, key demographic attributes, and housing and payment 'history'. It is essential that these records are updated on a continuous basis. This is because, as noted earlier, many tenants lead very complex and 'fluid' lives, with their circumstances (and telephone numbers!) changing regularly. Furthermore, this is a complex issue with an ethical dimension. What sort of information should the landlord hold on the tenant? Should this go beyond information to determine the right to tenancy? Landlords need to think carefully about what it is they should know about their tenants by considering: i) exactly what their role is as a landlord, and ii) how much they need to 'know' (and should know) about their tenants' financial circumstances.

Landlords should review their IT and data systems. They should do so to ensure that they are compatible with the new financial landscape confronting them, with its greater focus on rent collection and holding up-to-date and live information about their tenants. The DPDP evaluation (Hickman *et al.*, 2014) and research undertaken by colleagues at Sheffield Hallam University suggests that for most landlords this is not the case - a survey of social housing landlords found that 61 per cent reported that their IT systems needed to be upgraded in light of the roll out of Universal Credit (Green *et al.*, 2015). A similar message emerged from the Interactive Feedback Event.

*"We need to be much better on IT and data and what we know about tenants. We need to know much more about them."*

In the spirit of collecting as many (salient) data about their tenants as possible, data collection should be a task that is routinised across the staff base, and a function that is performed by all staff members who have contact with tenants. While much of this data collection will take the form of traditional data collection, in the form of the collation of information relating to tenants' circumstances, some of it will be concerned with accumulating soft data in the form of staff observations about how they are faring.

For example, a visit to repair a faulty kitchen tap might reveal that a tenant's cooker has broken down, or a routine telephone conversation might reveal a recent life event, like a relationship breakdown. It is this type of soft data that will be vital in any tenancy failure 'early warning system'. Furthermore, the collation of this type of data could alert landlords to broader social problems, a point which was made by an

attendee at the Interactive Feedback Event who felt that it was unhelpful for landlords to place too much emphasis on arrears as a barometer of how tenants are faring in terms of sustaining their tenancies.

*"I visited some tenants last year to find out about their lives. They were paying their rents fine but they were only able to do so by not eating properly; eating crisps and sitting in the dark. So although they looked fine and they weren't in arrears they weren't fine. We shouldn't place too much emphasis on arrears. Arrears is not a good indicator of someone doing well or not. The other thing to remember is that people are really proud. They don't want to get into arrears. And they don't want to ask for help. One man sold his entire record collection so he didn't get into arrears."*

Whatever data systems landlords employ, it is important that they are accessible to all officers that are customer facing.

#### **4.5. Key customer interaction points**

As highlighted in Chapter One, one of the objectives of the research is to highlight key interaction points with tenants. Given the unpredictability of tenants' payment patterns, they can take place at any time during their tenancy. However, notwithstanding this, the following points appear to be particular important:

- On receipt of a tenancy application. As noted earlier, because of pressures on their balance sheets caused by a number of recent policy initiatives, housing associations are having to make difficult decisions about their future trajectories. For those that decide (or perhaps, more correctly, are forced) to adopt a 'housing provider' model, then this contact point provides them with obvious an opportunity to mitigate their risk to tenancy failure by not housing tenants whose financial situation is precarious. This was clearly the view of one attendee at the Interactive Feedback Event who noted:

*"I think what we've got to remember is that the duty of care is with the local authority. It's not with us."*

- Transitioning to becoming a tenant. As noted earlier, it is imperative that tenants are 'educated' about being a 'good' tenant and running a home.
- Setting up home and moving in. As highlighted earlier, this is a critical point in a tenancy.
- The early months of being a new tenant.
- When an adverse event occurs. As noted above, for many tenants under/non-payment is triggered by a particular event. If landlords are aware of this event at the earliest possible opportunity, they can work with tenants to ameliorate its impact.

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# Appendix 1: Viridian's secondary data analysis

## Analysis of tenants under 35 years old - focus on eviction and rent arrears

### Introduction

This analysis brings together data from Family Mosaic, Hexagon, Hyde, Viridian and Your Housing Group to identify any trends relating to rent arrears and evictions for young tenants.

Operational data sets covering 49,310 tenants and CORE data sets covering additional details for 8,036 tenants were analysed. A detailed explanation of the sources and methods used is included at the end of this document. There were some issues with the data, which has limited the analysis; however with so many records available the trends identified are still significant.<sup>1</sup>

The analysis focused on which demographic and social variables contribute to the likelihood of:

- Eviction for rent arrears (334 tenants)
- Rent arrears issues (but not having been evicted) (5,319).

For the purpose of analysis having rent arrears issues was defined as anyone with 5 weeks or more rent arrears or over £650 (if no rent data are available).

### Key themes and findings

1. **Younger tenants are more likely to experience rent arrears and/or eviction even when all other factors are taken into account.** This means that the rent arrears/eviction rate for young people cannot simply be explained by factors such as unemployment or low income. In some ways young tenants can be considered to be doubly at risk in that they are more likely to experience some factors associated with rent arrears and eviction, and their age is also a factor in itself.
2. **Blank records/unknown information is consistently associated with an increased likelihood of arrears and eviction.** This suggests there may be trends associated with the relationship between landlords and tenants, including landlords being unaware of tenant needs. It would be useful to use the qualitative analysis to explore whether the level of contact between a landlord and a tenant affects arrears and evictions.

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<sup>1</sup> As shown in SPSS chi-square tests (P<0.05).

- 3. A relationship between rent arrears and increased eviction is not always present.** While having serious rent arrears does increase the likelihood of eviction, the relationship is not as direct for all household types. It appears that households with children and female led households are less likely to be evicted. Further research is needed to understand the extent this is due to decision making by housing providers. Courts do assess vulnerability before evicting tenants, this is likely to reduce risk for some tenants.

### Social and demographic factors linked to eviction and rent arrears

Table A1.1 summarises the analysis, showing the key factors associated with an increased likelihood of eviction or rent arrears, even when other factors are taken into account.

**Table A1.1: Social and demographic factors linked to eviction and rent arrears**

	Eviction	Rent arrears issues
Landlord	Viridian is higher	Viridian and Family Mosaic
Gender	Males and unknown gender/blank	Unknown gender/blank
Age	21-25	21-25 and 36-40 (under 40 overall)
Age at start of tenancy	21-25	Under 35, in particular 16-20 and 21-25 year olds
Housing Benefit	Unknown/blank field	Partial HB and unknown/blank
Household type	Single adult	Larger household types and unknown/blank information
No of children	No significance	Trend is unclear
Number of adults	Single adult	Trend is unclear
Ethnicity	White British tenants are more at risk, alongside tenants where ethnicity is unknown	Black/Black British Caribbean
Disability	Unknown/blank field	Not being disabled and unknown
Property type	Flat (but actually single adult)	No trend
Rent	Paying more than £200 per week	Paying more than £200 per week
Income	Less than £100	Trend is unclear
Employment status	Recorded as other adult, or unemployed	Recorded as other adult, or unemployed
Previous tenure	Temporary housing (but trend is unclear)	Temporary housing or supported housing

The rest of this document explores some of these findings in more detail. It covers:

- Relationship between age and rent arrears/evictions
- Gender
- Household type
- Ethnicity
- Previous tenure
- Housing benefit
- Employment status
- Affordability - rents

- Affordability - income

The next step is to identify how the risk increases for tenants who experience multiple factors associated with arrears and evictions. This could then be used to predict the likelihood that new tenants will experience arrears or eviction.

### Age and rent arrears

Figure A1.1 clearly shows the relationship between age and rent arrears issues, with rent arrears decreasing once tenants reach around 40. Without historic records, it is not possible to predict if the current cohort of under 40 year olds are likely to adopt the same rent payment patterns as older tenants once they reach a similar age.

**Figure A1.1: Rent arrears issues by age group**

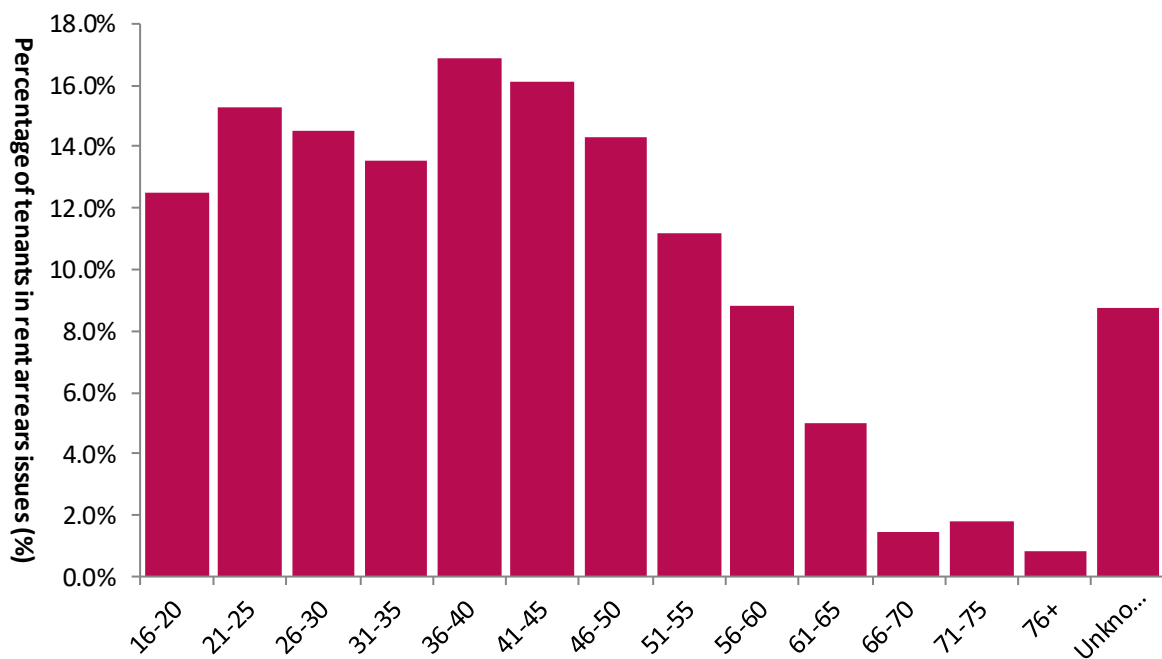
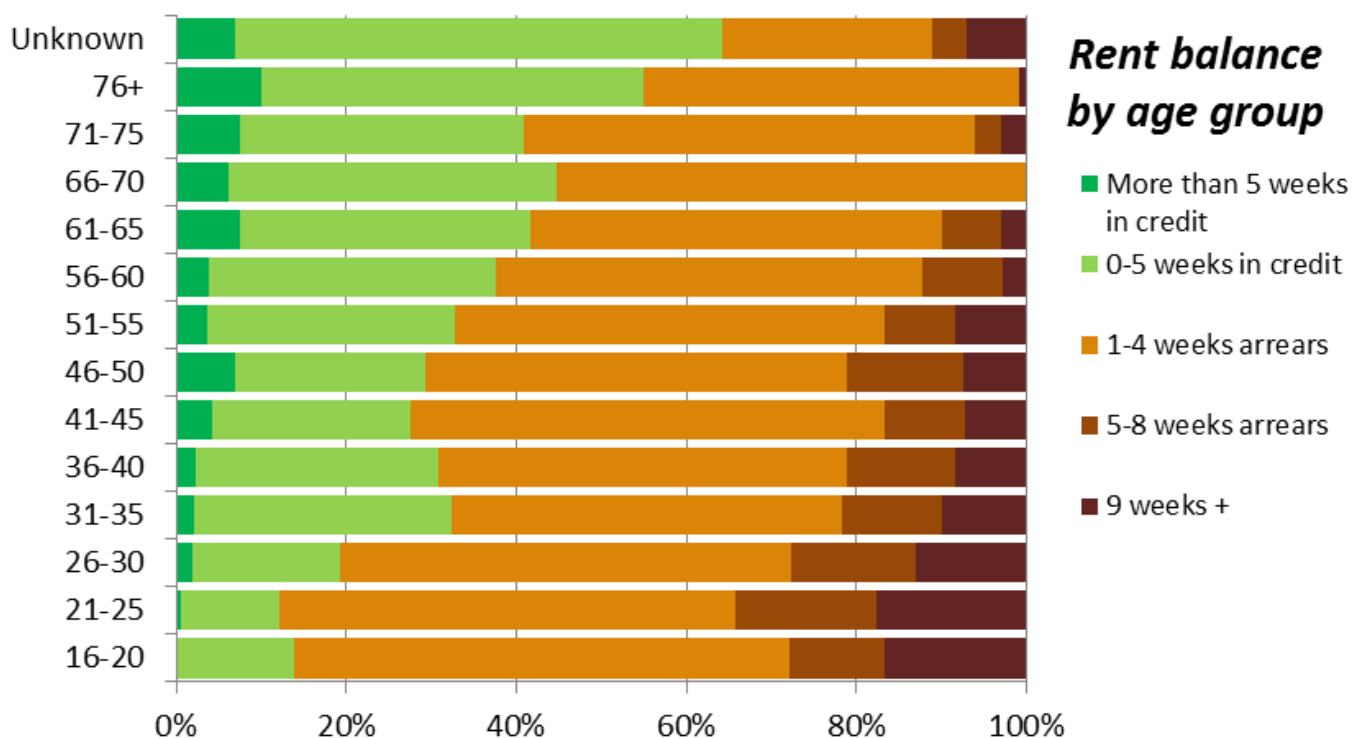


Figure A1.2 breaks down rent balance by age group. It shows the level of very serious arrears for younger age groups, with around 10 per cent of under 35 year olds in 9 weeks or more arrears. It also highlights how few under 30 year olds maintain a positive rent balance with an account in credit.

**Figure A1.2: Rent balance by age group**

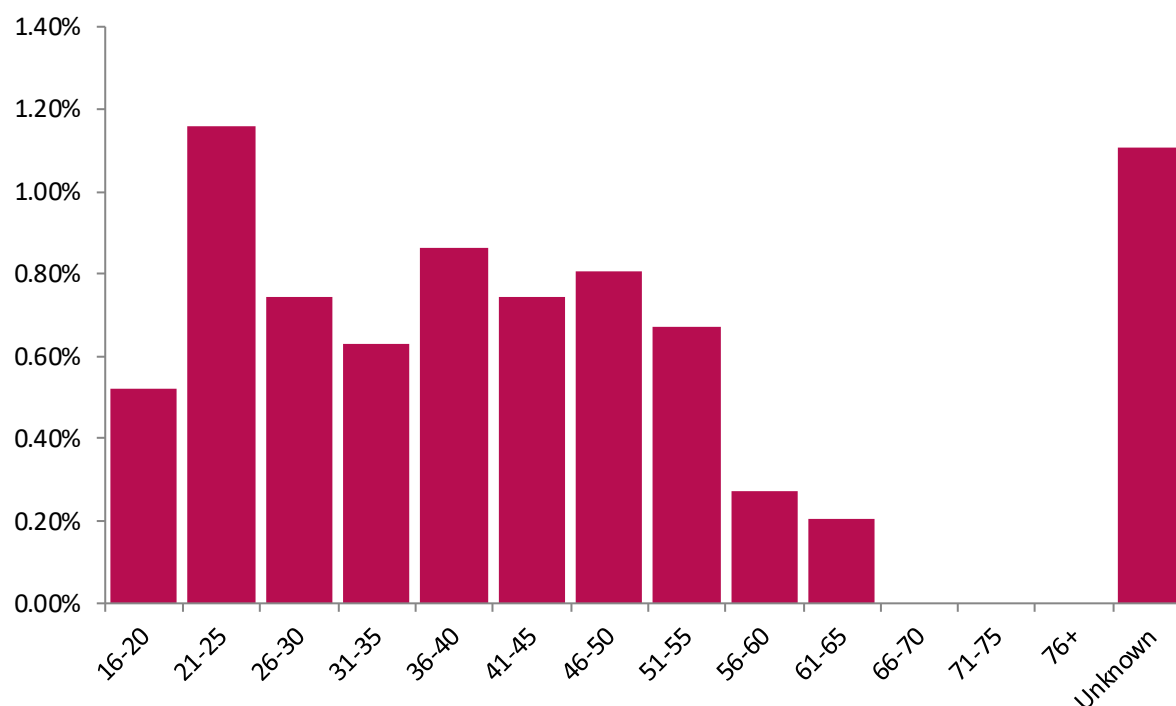


It would be useful for the qualitative research to explore attitudes and behaviours around rent payment, as well as other reasons why young people may find it difficult to maintain an account in credit. A constantly negative balance means any loss in income is likely to lead to arrears actions; further analysis could look into the extent young people are one or two missed payments away from being sent a notice seeking possession.

### **Age and eviction**

Figure A1.3 shows completed evictions by age group, giving a clear indication that the age group most at risk of eviction is 21-25 year olds, with an eviction rate of 1.1 per cent.

**Figure A1.3: Evictions by age group**



### **Household type**

Single adults are more likely to be evicted than other household types; this appears to be inconsistent with which household types are actually more likely to have arrears issues as shown in Table A1.2 below.

**Table A1.2: Household type and eviction/rent arrears**

	Arrears issue (% of tenants)	Evicted (% of tenants)
Multiple adults	9.42%	0.48%
Multiple adults with children	10.58%	0.47%
Single adult	6.03%	0.95%
Single adult with children	7.73%	0.53%
Two adults	4.99%	0.31%
Two adults with children	8.38%	0.41%
(blank)	14.53%	0.66%
<b>Total</b>	<b>8.38%</b>	<b>0.66%</b>

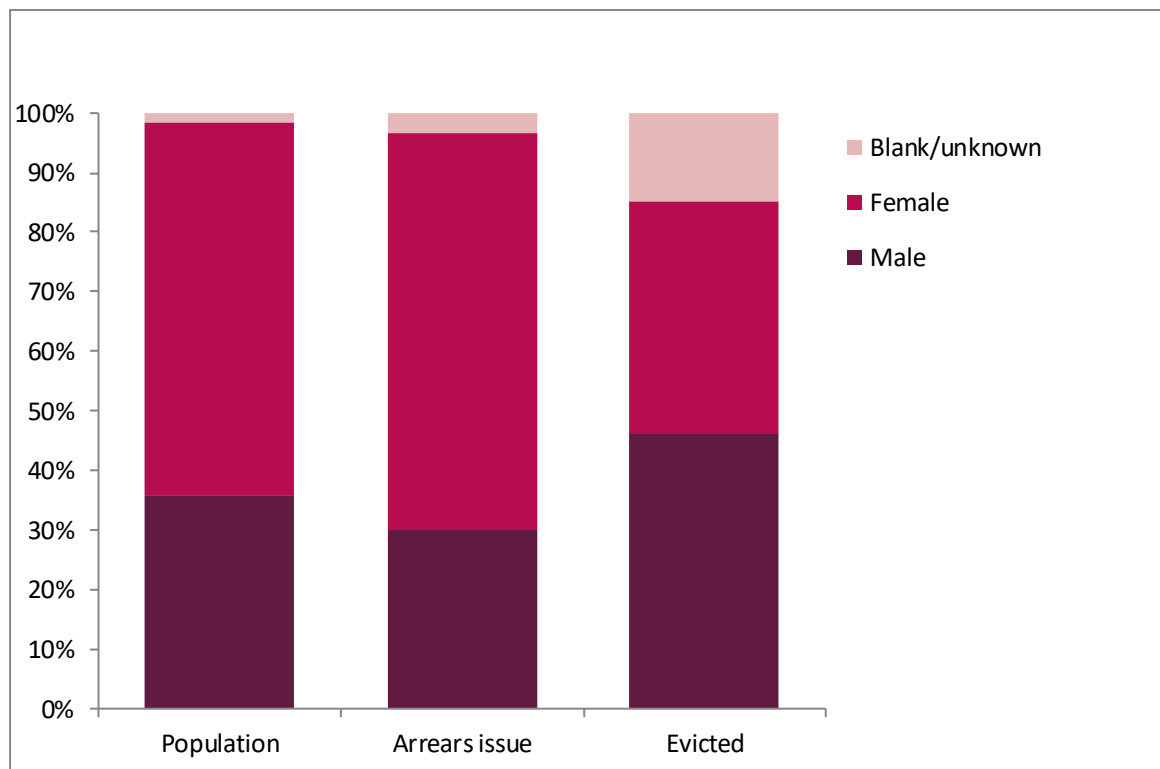
Multiple adult households are typically households where adult children remain living with their parents, or grandparents live in the property rather than shared houses. The difference between rent arrears and eviction rates for different household types shows that having rent arrears is far from the only determining factor which increases the risk of eviction.

### **Gender**

There is a strong relationship between gender and evictions, with men being three times more likely to be evicted; for men the eviction rate works out as around 1.5 per cent of 16-35 year old tenants, while for women the rate is 0.5 per cent.

This trend is present even when factors like household type and number of children are taken into consideration. This gender difference is not related to men more commonly experiencing rent arrears. Figure A1.4 shows that the comparison in arrears issues and evictions with the overall population. While men represent 36 per cent of the tenant population they account for only 46 per cent of evictions.

**Figure A1.4: Gender and eviction/rent arrears**



**Table A1.3: Gender and eviction/rent arrears**

	Population		Arrears issue		Evicted	
	Number	Percentage	Number	Percentage	Number	Percentage
Female	30,896	62.7%	2,604	66.53%	128	39.14%
Male	17,649	35.8%	1,173	29.97%	151	46.18%
Blank/unknown	765	1.6%	137	3.50%	48	14.68%
<b>Total</b>	<b>49,310</b>	<b>100%</b>	<b>3,914</b>	<b>100%</b>	<b>327</b>	<b>100%</b>

### **Ethnicity**

There are some differences in rent arrears and evictions for different ethnic groups, when looking at all ages of tenants. For rent arrears, Black British and Black Caribbean tenants experience higher arrears (around 17 per cent compared to 8 per cent for all tenants). However, this trend becomes far less visible once other factors have been taken into account. The small numbers of evictions mean that providing a full break by ethnicity is not possible, the one key theme is that the eviction rate appears to be higher where there is missing ethnicity information, as shown below.

Ethnicity/eviction rate:

- White British (0.6 per cent evicted)
- BME (0.4 per cent evicted)

- Unknown/not recorded (2.5 per cent evicted).

### **Housing benefit**

Initial observations suggested that not being on Housing Benefit is linked to an increased risk of rent arrears and evictions. However, on exploring the data further, it appears that this was an error. In fact, the key trend is around not having information on whether a tenant is on Housing Benefit. Only a small number of tenants have no Housing Benefit details in their record (3,103), the eviction rate for these tenants is 1.7 per cent, well above the average 0.6 per cent.

There is actually very little difference between tenants on Housing Benefit and those not on Housing Benefit. Tenants on partial Housing Benefit are significantly more likely to experience rent arrears issues (31 per cent of partial Housing Benefit tenants experience arrears issues, in comparison with 11 per cent overall). There may be a need to investigate the extent tenants on partial Housing Benefit are able to make up the shortfall.

### **Previous tenure**

Young people are more likely to have moved into their home from temporary accommodation, 35 per cent of 16-20 year olds' previous tenure was temporary accommodation, compared to 20 per cent overall. There is a minor trend suggesting that temporary accommodation may increase risk of rent arrears. However, the real trend is that tenants who have rented privately before have a much reduced risk of both arrears and eviction. There could be a relationship between previous experience and arrears/eviction.

**Table A1.4: Previous tenure and eviction/rent arrears**

	Percentage of tenants with arrears issue	Percentage of tenants evicted
All other temporary accommodation	19.7%	1.2%
Direct access hostel	15.3%	Not enough data to include
Family or friends	15%	0.9%
General needs	15%	0.9%
Renting privately	7.6%	0%

### **Employment status**

CORE data records the employment status of tenants when the move in, it is clear that being in full time work reduces the likelihood of both arrears and eviction. This trend is still visible even when other factors like income have been taken into account. Being recorded as 'other adult' appears to have the same relationship to arrears and evictions as being unemployed. It is not clear why this category is being used for heads of households.

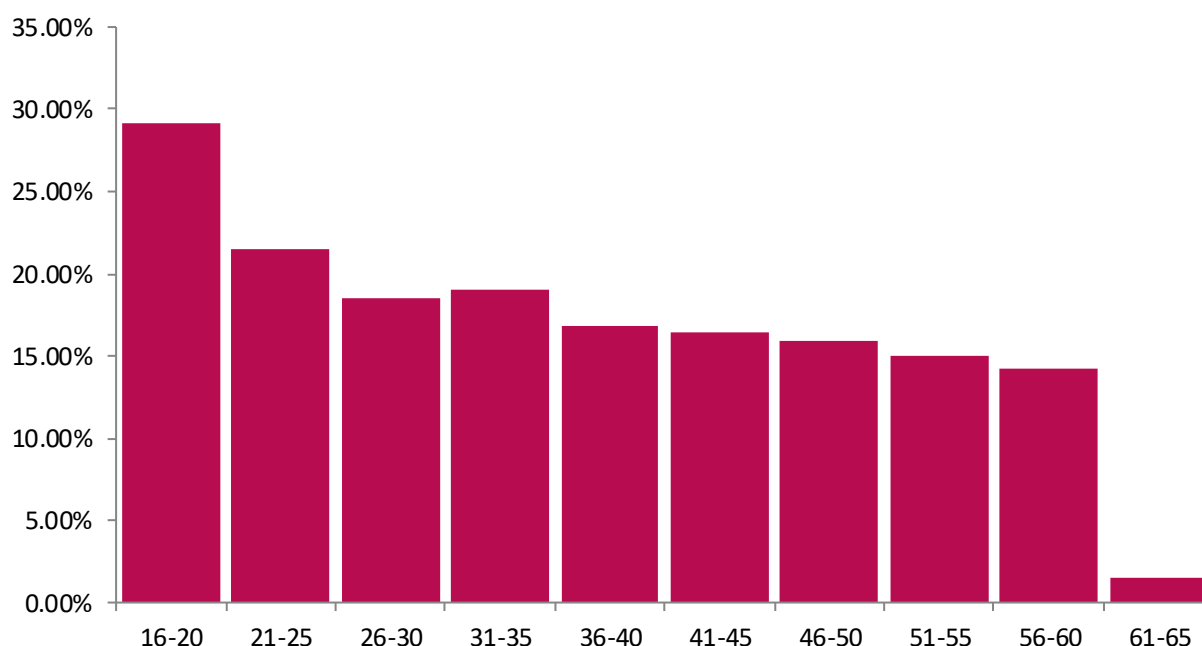


**Table A1.5: Employment status and eviction/rent arrears**

	Percentage of tenants with arrears issue	Percentage of tenants evicted
Other adult	24.5%	1.9%
Jobseeker	20.6%	1.8%
Government training scheme	18.1%	Not enough data to include
Part time work	15.9%	0.7%
Full time work	13.2%	0.3%
Sick or disabled	11.4%	Not enough data to include

Young tenants are far more likely to be unemployed when they start their tenancy. Figure A1.5 shows the proportion of new tenants who state 'jobseeker' as their economic status. It shows that almost 30 per cent of tenants aged 16-20 are unemployed. This means the risk associated with unemployment is disproportionately experienced by young people.

**Figure A1.5: Percentage of new tenants who are Jobseeking**



**Affordability - rents**

Tenants with higher rents (over £200 per week) are more likely to experience rent arrears and eviction, as shown below.

Weekly rent/eviction rate:

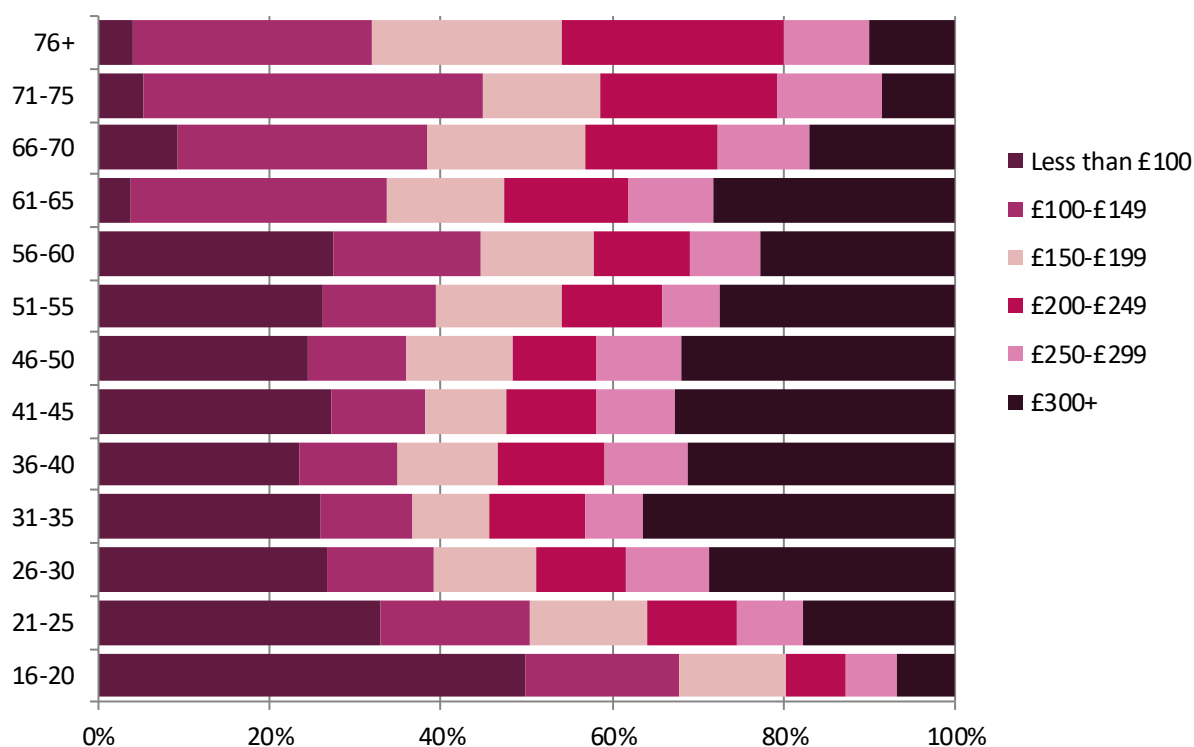
- Blank/no data 0.9 per cent
- Less than £100 per week 0.6 per cent
- £100-£149 per week 0.6 per cent
- £150-£199 per week 0.8 per cent
- £200+ week 2.7 per cent

Only a very small proportion of tenants under 35 have rents higher than £200 per week (around two per cent), however, there are questions around the affordability of these properties.

### Affordability - income

There is a limited trend suggesting that tenants on incomes lower than £100 per week are more likely to experience eviction. At the same time, tenants on higher incomes (more than £300 per week) are far less likely to experience either evictions or rent arrears. CORE data show that younger tenants are far more likely to be on low incomes (50 per cent of new tenants aged 16-20 have incomes lower than £100 per week), this means that low incomes are likely to disproportionately affect younger tenants.

**Figure A1.6: Weekly income by age group**



The use of intermediate rents is growing in the social sector and there are some potential issues around affordability for young people to explore.

### Concluding comments

Young people appear to be more likely to experience some of the factors associated with the risk of rent arrears and eviction. Their age is also a factor that appears to increase their risk even when other factors are taken into account, it would be useful for the qualitative research to explore whether life experience affects rent payment and eviction risk. Young single men are clearly the highest risk group for eviction, even though they are not necessarily the most likely to experience rent arrears, it would be useful for the qualitative research to explore whether there is a difference in how young single men are treated by housing providers and the courts, and whether there are any behavioural characteristics which exacerbate the risk of eviction.

## Appendix - Sources of data and methods

It draws information from the following sources:

- Operational data covering tenant records ( records)
- DCLG CORE (COntinuous REcording) data as recorded when a tenant first moves into a property (8,036 records).

DCLG CORE data are recorded by housing providers when a tenant first moves into a property, it covers 2010/11 to 2014/15. The operational data provide a snapshot of customer information as held on the housing providers' databases.

All landlords provided data on tenants aged 18-35. Hexagon, Viridian and Your Housing Group also provided data on tenants of other ages, giving some comparative information.

### Issues with the data

Bringing together several different databases presents challenges. There are a number of issues with the data, including different types of recording, missing data, date issues and difficulties in linking CORE data back to tenant records. This means the numbers in this document should be treated with caution. However, the information may be helpful in identifying some trends or relationships to explore through qualitative interviews.

### Focus on evictions and rent arrears

The analysis focuses on which demographic and social variables contribute to the likelihood of:

1. Eviction for rent arrears
2. Rent arrears issues (but not having been evicted)

For the purpose of analysis having rent arrears issues is defined as anyone with 5 weeks or more rent arrears or over £650 (if no rent data are available). This distinction removes the majority of people who pay their rent in arrears on a monthly cycle. Evictions for anti-social behaviour were excluded from the analysis, but evictions where the reason was unknown were kept in.

SPSS was used to produce chi-square cross tabs exploring any relationships between the different variables. Further analysis was then carried out using binary logistic regression to explore what factors were still linked to an increased chance of rent arrears or eviction once other variables are taken into account. For example living in a flat appears to be closely related to being evicted, when in fact household type (being a single adult) is actually the factor that is linked to eviction, and household type correlates very closely to property type.

All of the results highlighted in this document were shown to be significant by SPSS ( $p < 0.05$ )

### Eviction rates - all tenants

A total of 334 evictions were analysed; the overall eviction rate is about 0.7 per cent or around one in 150 tenants. Eviction rates do vary slightly between housing provider with Viridian having a higher eviction rate.

**Table A1.6: All tenants: evictions**

	Percentage of tenancies ending in eviction	Number of evictions analysed
Family Mosaic	0.9%	53
Hyde	0.5%	29
Viridian	1.2%	25
Your Housing Group	0.6%	227
<b>Total</b>	<b>0.7%</b>	<b>334</b>
<i>Eviction rate 16-35 year olds</i>	<i>0.8%</i>	<i>157</i>

A total of 5,319 current tenants were considered to have rent arrears issues.

**Table A1.7: All tenants: rent arrears**

	Percentage of tenancies with rent arrears issues	Number of tenancies with rent arrears issues
Family Mosaic	17.2%	965
Hyde	13.9%	422
Viridian	14.9%	316
Your Housing Group	10.2%	3,616
<b>Total</b>	<b>11.5%</b>	<b>5,319</b>

## Appendix 2: Breakdown of respondent characteristics

Table A2.1: Breakdown of respondent characteristics

		Count	Percentage
Area	London	16	48%
	Midlands	3	9%
	North West	8	24%
	South East	6	18%
Housing association	Family Mosaic	7	21%
	Hexagon	9	27%
	Hyde	4	12%
	Viridian	4	12%
	Your	9	27%
Gender	Male	11	33%
	Female	22	67%
Age	16-24	13	39%
	25-34	16	48%
	35-44	3	9%
	45-54	1	3%
Household size	1	13	41%
	2	11	34%
	3	3	9%
	4	4	13%
	5	1	3%
Employment status	F/T employment	8	26%
	P/T employment	6	19%
	Unemployed - seeking	8	26%
	Unemployed - not seeking	2	6%
	Long-term sick/disabled	6	19%
	F/T education	1	3%
<b>Total sample</b>		<b>33</b>	<b>100%</b>