



Improving Access to the Private Rented Sector: A Best Practice Report Scotland 2016

Natalie Dewison

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Our work in Scotland

Crisis, the national charity for single homeless people and UK lead on private renting has been working in Scotland since the 1990s to improve access to the private rented sector (PRS) for those at risk of, or experiencing homelessness.

Crisis run a thriving good practice network for private renting across Scotland, funded by the Scottish Government, which involves sharing, supporting and enhancing learning from rent deposit guarantee schemes (RDGSs). As of 2014 Crisis have also been working with local authorities and third sector organisation to promote existing shared tenancy solutions and facilitate the development of new schemes for sharers. This work is a direct response to changes in the shared accommodation rate (SAR) which now affects the majority of local housing allowance claimants under the age of 35, and the limited capacity and experience within current RDGS to operate schemes for sharers.

Crisis are committed to ending homelessness and work directly with thousands of homeless people each year offering housing, health, education and employment services through our Skylight Centres, one of which is based in Edinburgh. The experience of supporting those who have been made homeless from the PRS, or the PRS has been the solution to their homelessness, ensures Crisis delivers services tailored to the need of our client group.

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Homelessness ends here

Purpose of Report

The purpose of this report is to summarise the services being delivered by some of the highest performing rent deposit guarantee schemes (RDGS) in both Scotland and England and provide practical examples which demonstrate how common challenges related to service provision can be overcome. It is aimed at anyone working within the sector but particularly those looking to improve an existing service. This will contribute to a bank of resources produced by Crisis which draw upon and highlight examples of good practice in using the private rented sector across the UK¹. A brief description of the schemes included within this research project is provided before looking in more detail at some of the services they offer to both tenants and landlords. We then consider some of the challenges these schemes have faced and the innovative solutions created to overcome these, concluding with some general recommendations regarding the improvement of service provision. For ease of reference, the private rented sector will be referred to as the PRS and rent deposit guarantee schemes as RDGS for the remainder of the report.

Background

Crisis has promoted the responsible use of the private rented sector (PRS) for those at risk of or experiencing homelessness for many years. We support schemes throughout the UK which seek to improve access to the PRS, sharing examples of good practice, delivering training and producing a range of toolkits and guides for housing practitioners. Whilst the PRS might not be right for everyone, particularly those with higher support needs, Crisis has sought to demonstrate that with the right support in place, it can be a secure and sustainable option for those in housing need. Rent deposit guarantee schemes (RDGS) have an integral role to play in making this happen. It is often the case that individuals need only light touch support to help them in accessing and/or sustaining a private tenancy, for example those who are on low incomes and simply struggling to find the amount required to make a deposit payment. RDGS provide a lifeline for these people, helping them to avoid the trauma of becoming homeless. Conversely, people with very negative housing histories who have spent years making repeat homelessness applications are, with the support of RDGS, given the advice and support or equipped with the skills and experience they require to live well independently and hold down a tenancy. Crisis are funded by the Scottish Government to support 30 RDGSs in Scotland which created 2675 tenancies in 2014/15, with over 90% of these being sustained for 6 months or more. The Department of Communities and Local Government (DCLG) have also provided funding to Crisis to support 153 local housing projects in England which have helped to create over 10,000 tenancies in the PRS since 2010.

The Schemes

Four schemes were recruited to be involved in this research project on the grounds of having high tenancy creation and sustainment rates and delivering innovative services. In addition to three schemes in Scotland, an English scheme operating in a particularly difficult housing market has been included, demonstrating the many commonalities in the challenges faced by PRS access schemes across the UK. The schemes selected also represent a combination of rural and urban areas and a range of housing markets. It is important at this point to emphasise that PRS access schemes in England and Scotland work in different legislative frameworks when it comes to dealing with homelessness.

Dundee Homefinder Service (Dundee, Scotland)

The Dundee Homefinder Service has been in operation since 2006 assisting those with low or no support needs who are struggling to access stable accommodation. They work in partnership with local homelessness organisation 'Positive Steps' and refer anyone found to have higher support needs to them. The area within which they operate is predominantly urban. This service was originally subcontracted out and delivered by a third sector organisation but was brought in-house to be delivered by Dundee City Council in August 2014. The scheme offer paper bonds to landlords which covers damage to properties or loss but not rent arrears. Once a bond is in place, the tenant is expected to pay the deposit to the landlord in small instalments and the landlord in turn is asked to lodge all payments made in a tenancy deposit protection scheme. Staff members source appropriate properties in the PRS and match suitable tenants. They offer a range of other services including affordability checks and mediation support between

tenants and landlords. The scheme created 292 tenancies in 2014/15. The majority of their clients are 'self-referrals' with family and friends contacting them on behalf of the individual requiring support, but they are receiving an increasing number of referrals from the housing options team, social work departments and the NHS.

Fife Keyfund Deposit Guarantee Scheme (Fife, Scotland)

Fife Keyfund is the deposit guarantee scheme funded by Fife Council and managed by a local voluntary sector organisation 'Trust in Fife'. It has been running since 1998 supporting those threatened by or experiencing homelessness into accommodation within the PRS. This service deals with many properties in larger towns and smaller rural villages within the Fife area. Staff members assist clients in identifying suitable properties and match tenants through a sister project called 'Tenancy Share' which supports people into shared accommodation. The scheme originally provided cash deposits but this has since changed to contracts and deposit guarantee bonds equal to one month's rent; this covers damage to properties and loss but not rent arrears. They offer a wide range of services including housing advice and guidance and support with issues relating to anything pertaining to sustaining a tenancy. There were 318 tenancies created by the scheme in 2014/15. They recently measured the sustainment rates of tenancies created in 2013 over a two year period (2014-16) which averaged out at 85% with 43% of tenants remaining in the original private tenancy. The scheme is fully funded by Fife Council and all referrals must come through the housing options team.

¹ A range of factsheets, toolkits and best practice guides can be found at: <http://www.crisis.org.uk/pages/private-renting-schemes.html>

North Ayrshire Rent Deposit Guarantee Scheme (Irvine, Scotland)

The RDGS in North Ayrshire was founded in 2004; it receives full funding from the council and has always been delivered in-house. North Ayrshire is made up of new towns and coastal villages which are popular tourist destinations. The scheme supports those on benefits or low incomes who are unable to pay a deposit payment for a private let. The scheme offers a written bond agreement to landlords for a 6 month period which covers damage to properties and loss but not rent arrears. Tenants are expected to pay the deposit back to the landlord at £25 per month until they have paid the full amount. All payments must be lodged by the landlord in a tenancy protection scheme. Staff members support service-users to identify suitable properties in the PRS and ensure that these meet the Repairing/Tolerable Standard² 238 tenancies were created through the scheme in 2014/15 with a sustainment rate of 90%. All referrals are made through the housing options team.

Thames Reach Greenwich PRS Service (Greenwich, England)

Greenwich Council has been operating a RDGS since 2011 targeting those under the age of 35 who are homeless or threatened with homelessness. Greenwich is a London borough and the Thames Reach Greenwich PRS Service work with landlords who might otherwise find it difficult to let a large family house. The 'priority need' system of dealing with homelessness remains in place in England, meaning that councils have no duty to house those deemed to be outside of this category; this tends to reduce the housing options available to single people

under the age of 35. The scheme offers to set up a written bond for those struggling to access properties in the PRS which covers a fixed level of damage costs and of money owed due to rent. They are sometimes able to arrange rent in advance payments through DHP or the Emergency Support Scheme required by the landlord. The scheme sits within housing and homelessness teams at Greenwich Council. They offer various types of support to tenants and landlords including support sourcing furniture where required and fast tracked benefit payments. All referrals are made through the housing options and support team. In 2014/15, the scheme supported 33 people into shared housing and 2 people into self-contained accommodation. This smaller number of tenancies created compared with the other schemes included in this report reflects a smaller team of staff and a focus on creating shared tenancies.

Engaging and Supporting Tenants

Whilst each of the schemes referred to within this report operate slightly differently, all provide positive and proactive services for those struggling to access housing. The approaches described below are adopted by all four schemes:

Completing affordability checks:

All four schemes complete a thorough financial assessment of prospective tenants to ascertain how much they would feasibly be able to pay each month in rent, accounting for any outstanding debt payments that need to be made. This avoids setting individuals up in tenancies that they struggle to afford and reduces the risk of tenancy failure as a result of rent arrears.

Providing information, advice and guidance:

Housing advice and guidance is provided by all schemes, who try to make sure that individuals are clear about the choices available to them. It is usually the case that staff members working within housing options teams list all of the housing options available to individuals prior to being referred to the relevant RDGS. Something that was raised by staff from all schemes was how closely they worked with the relevant housing options team in order to ensure housing options staff were clear about the services they offer and promote these accordingly; this helps to guarantee referrals are appropriate, avoiding unnecessary stress to clients and the waste of staff time. Staff at all four schemes emphasised the importance of making sure clients are clear about what a private tenancy involves and exactly how the scheme works. They explained that people often do not know anyone living in the PRS, have a negative conception of

it and lack understanding of the potential pros and cons. Investing time explaining everything in full helps staff members to ensure individuals make the right decision for them and are prepared for beginning a tenancy.

Managing expectations:

It was felt by all schemes that those approaching the services were often unclear in terms of the likelihood of them being made an offer for social housing. Having an open and honest discussion and explaining how long they are likely to wait in temporary accommodation, for example, can be an important factor in helping clients to make an informed decision. It was also raised that whilst staff will try their best to find a property to suit the client's requirements, they often had to ask that they be realistic, for example, about the location or style of décor.

Setting minimum property standards:

Minimum property standards are set out by all schemes which have to be met before they agree to work with landlords. This always involved meeting the minimum safety requirements (e.g. electric and gas certificates) and the provision of basic facilities (e.g. fridge, washing machine). All landlords must be either registered³ (Scotland) or accredited⁴ (England) before they are able to participate in the scheme. All of the schemes complete some form of inspection of the accommodation before housing their tenants and assist tenants to identify suitable properties.

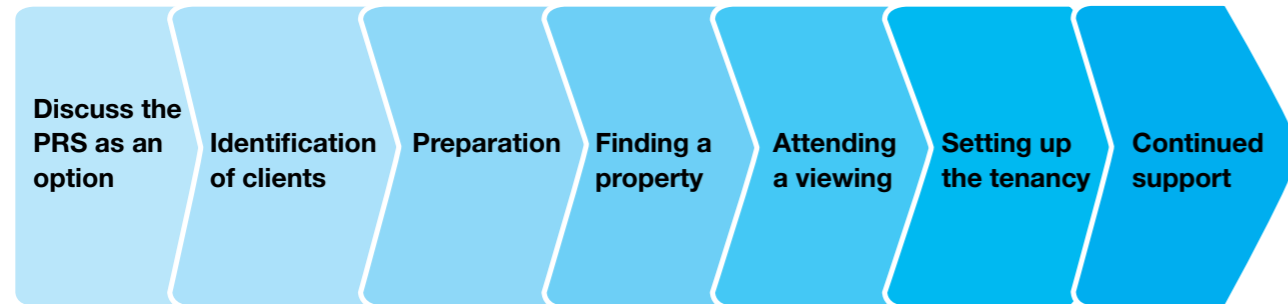
The diagram on the next page outlines the process adopted by staff members at high performing access schemes across the UK when it comes to supporting tenants.

² The Repairing Standard is contained within the Housing (Scotland) Act 2006 and outlines the legal and contractual obligations of private landlords to ensure that a property meets a minimum physical standard. For more information, please visit: <http://www.gov.scot/Topics/Built-Environment/Housing/privaterent/landlords/repairing-standard>

³ Since 2004, private landlords in Scotland are legally required to go through the landlord registration system, which involves successfully completing a 'fit and proper person' test. For more information, please visit: <https://www.landlordregistrationscotland.gov.uk/Pages/Process.aspx?Command=ShowHomePage&Reset=true>

⁴ Landlord accreditation schemes are often run or funded by councils, usually offer guidance and training and aim to support private landlords whilst improving standards in the private rented sector.

Supporting tenants



It is important to emphasise that this is an indicative model; we recognise that this process is not always linear and tenants do not always require every type of support described: The following two sections provide specific examples of the ways in which the four schemes support tenants both prior to beginning and during a tenancy:

Pre-tenancy Support Repayment Plans:

The majority of schemes help tenants to set up repayment plans prior to beginning the tenancy, so that they are able to pay off the bond in small manageable instalments over the duration of the tenancy. Fife Key Fund for example, give tenants the option to pay weekly, fortnightly or monthly depending on what works best for the individual. The RDGS in North Ayrshire encourage tenants to set up an account with the local credit union to help them manage their payments.

References:

Dundee Homefinder service complete a full assessment of client's housing histories over the previous 5-10 years, identifying any breaks in tenancies and the reasons for these. This helps staff to ascertain what type of support would be most helpful to the

individual and reduce the chances of tenancy failure. Staff members support clients to gain appropriate references, contacting previous landlords, employers or organisations with which they have been involved. This has been especially important to those who have a negative housing history.

Tenancy Packs:

Staff members at the RDGS in North Ayrshire have put together tenancy packs for all the tenants housed through the scheme. This pack contains all of the paperwork they require related to their tenancies i.e. AT5, tenancy agreement, inventory and details their rights and responsibilities. Information is also provided on relevant local services, for example, the local credit union and furniture recycling centres. This pack is given to the tenant on their first visit to the property.

Pre-tenancy Training:

Thames Reach Greenwich PRS Service have a structured pre-tenancy training programme that they ask prospective tenants to complete prior to beginning the tenancy, where it is felt to be needed. This covers a range of factors including understanding the legalities of a private tenancy to budgeting; this is designed to equip tenants with all of the skills and knowledge required to sustain a tenancy⁵.

In feedback given to the scheme, landlords have stated that pre-tenancy training does act as an incentive because it is reassuring to know clients are 'tenancy ready'.

Condition Reports and Inventories:

Fife Keyfund encourage landlords to draw up an inventory for each property prior to moving someone in and send a copy of this to the landlord shortly after the beginning of the tenancy, as a reminder of the agreement. Dundee Homefinder Service inspects the property and compiles a 'conditions report' which is agreed with the landlord; this also takes account of style and décor.

Ongoing Tenancy Support Tenancy Visits:

All of the schemes make regular visits to the properties throughout the 6-12 month tenancy, giving the tenant the opportunity to flag up any issues or concerns. The frequency and point at which these are completed varies however between schemes. The RDGS in North Ayrshire for example, reduced the number of visits they make (now visiting at the 3 and 6 month period) as feedback from tenants suggested the original approach was too invasive. They try to ensure that the same staff member completes all visits to help build trusting relationships with tenants. This is done to help make tenants feel more able to raise concerns and makes it easier for staff if they need to ask tenants for example, to clean more frequently. Fife Key Fund meanwhile, recently introduced additional monthly contact with landlords and tenants after the beginning of a tenancy as this was found to be a 'high risk' period whilst the tenant settles. This gives an opportunity to review and be proactive in regards to any perceived issues.

Consultation:

Staff members at North Ayrshire RDGS conduct questionnaires on a sample of their tenants every month; responses are collated, recorded and used when the service is

reviewed. A senior member of staff also visits properties to gain more detailed feedback from tenants about the way in which the scheme worked for them and how their particular officer dealt with any issues or problems. Staff emphasised that they are quick to adapt their services based on the responses given by clients (e.g. reducing the number of visits made to properties as detailed above).

"Thank you for taking the time to help me and for making my new house feels like home"
(Tenant supported by North Ayrshire RDGS)

'Dundee Homefinder staff were brilliant and sourced a fantastic family home for me and the kids close to where my family stay. They arranged everything with the landlord and helped the moving in process go so smoothly. I'd never have got a flat in this area without them'
(Tenant supported by The Homefinder Service in Dundee)

'I was referred to Fife Keyfund after separating from my wife and had to leave the marital home. The council waiting list meant it would have been over a year's wait for appropriate housing and I needed to start from scratch. I managed to secure a private let with the staff's assistance within a few weeks of being referred. I always found the staff to be very professional, helpful and knowledgeable. The ability to save up your deposit is an excellent opportunity to safeguard your home.'
(Tenant supported by Fife Keyfund)

⁵ Crisis developed a comprehensive pre-tenancy training package called 'Renting ready', which is being delivered by councils and third sector organisations across the UK. This is a flexible resource made up of a number of modules which can be delivered to pairs, groups or on a one-to-one basis. For more information about this, please contact natalie.dewison@crisis.org.uk

Engaging and Supporting Landlords

One of the most biggest challenges raised by staff working on RDGSs can be engaging local landlords, namely because of the negative perception often held of those on low incomes/in receipt of benefits as a 'high risk' rental group. The four schemes involved in this report have had great success in this area. When asked about the best methods of doing this, the factor most emphasised by all interviewees was knowing their landlord offer and finding opportunities to promote it.

Each of the schemes offer slightly different services but all:

- Save landlords the time and cost involved in both advertising a property and void periods
- Provide a key point of contact for landlords which provides reassurance and is found to be more successful than financial incentives
- Provide important information to landlords regarding their rights and responsibilities through leaflets and factsheets

Many of the services provided to tenants detailed in previous sections, for example conducting ongoing tenancy visits to flag up any issues, are naturally advantageous to landlords. Listed below are some specific examples of how the four schemes have engaged and supported local landlords:

- **Dundee Homefinder Service:** make sure that a staff member contacts landlords on a monthly basis and (where necessary) write warning letters to tenants when bond repayments have not been made. They also invest time carefully matching tenants to landlords/properties, trying to satisfy any specific requests.

- **Fife Keyfund:** produce an e-bulletin which is sent out to all of the landlords they work with, keeping them up-to-date with relevant information and any changes in legislation. Having been established since 1998, the scheme benefit from the strong reputation they have built with local landlords over the last few years and continue to gain business through word-of-mouth.
- **North Ayrshire RDGS:** has access to the housing benefit screens. This means that they can investigate housing benefit applications and chase up information that is required to enable the claim to be processed. They can also check why a housing benefit payment has not been made (e.g. a sanction). Staff members have also compiled a database logging the dates on which all relevant safety certificates expire on each property (e.g. gas/electric, EPC, landlord registration). Landlords are lettered by the team to let them know when their safety certificates are due for renewal.
- **Thames Reach PRS Service:** has strong links with the housing services department, so they are able to fast track housing benefit payments to ensure rent is paid quickly and there are no back payments that landlords should be aware of. They also encourage landlords to join local landlord associations, offering to pay the membership fee as an incentive.

In terms of **promoting** services to clients:

- All four schemes attend or have attended local landlord forums and events. This gives staff members the opportunity to engage with local landlords, keep up-to-date with any issues and promote their services. Staff members raised

that listening to any reservations held by landlords about letting to their client group put them in a better position to tailor their offer and/or ease concerns.

- Dundee Homefinder always makes sure they have an exhibition stand at the landlord forum meetings hosted by the Private Rented Sector Services Unit (PSSU) at Dundee City Council. The PSSU make sure these meetings are useful to landlords, providing relevant updates related to legislation and inviting local services to speak and as a result experience high attendance. Dundee Homefinder takes advantage of this opportunity to promote their services.

'I wanted to write to tell you how delighted we are with the excellent service we are receiving from the Homefinder team. They all work so hard to find suitable tenants for the properties. The team go above and beyond what is expected and in doing so relieve stress from prospective tenants. Your staff are so professional and compassionate. Credit where credit is due, it's only right that you hear what great work the team do week after week.'
(Landlord using the Homefinder Service in Dundee)

Overcoming Challenges

All four schemes involved in this report have experienced challenges faced by many RDGS. In most cases, it seems the schemes have been strengthened by overcoming these difficulties. A few examples of how schemes have adapted their services to overcome issues are detailed below:

- **Dundee Homefinder Service:** The Homefinder Service struggled briefly with the conditions of properties that were being offered to them by local landlords, some of which failed to meet the most basic health and safety requirements. They had to be clear with landlords that they could not place their clients in any property that did not meet specific standards. In one case, they refused to house a tenant until the landlord agreed to replace the fridge which was found to be faulty. They now make it clear to landlords for the very beginning that they are able to save them the time and costs involved in advertising a property and offer ongoing tenancy support but that they will not compromise on standards. They have since seen a marked improvement in the condition of properties.
- **Fife Keyfund:** Fife Keyfund began to receive a number of inappropriate referrals with individuals simply looking for financial assistance and not threatened with homelessness or in need of the other services they offer. It also became apparent that those in housing need in more rural areas were not aware of the scheme. They have therefore made an active effort to target the service at those who need it most by engaging with other voluntary organisations, churches and local services in a wide range of areas both in the towns and more rural locations. They decided to stop advertising the scheme so widely and adopt a 'targeted'

marketing technique, being careful about where they decided to place posters and leave leaflets. The current financial climate also challenges the organisation to adapt to the ever changing client group and stay current with the needs of both service users and landlords. Although Fife Keyfund advertises externally through social media, any other agencies referrals have to be made through the local authority.

- **North Ayrshire RDGS:** have seen a recent reduction in the number of referrals they have received. The Common Housing Register, Universal Credit and the Shared Accommodation Rate (SAR), have contributed to the decline in numbers. Staff members have been persistent in promoting the scheme, distributing leaflets in local services such as post offices and GP surgeries. The RDGS is also based in the same office as the housing options team, so they are able to make sure that clients understand what a private tenancy involves and have all the relevant information they need about the scheme in order to make an informed decision.
- **Thames Reach PRS Service:** work with a number of 'accidental landlords' who are new to the lettings market and have little or no experience of performing the role. A number of the landlords have expected the Thames Reach staff to take over full management of the property. They have had to communicate clearly with landlords reminding them of what was agreed in the contract in terms of the services they provide and emphasise that landlords are still ultimately responsible for their properties. They have worked hard to support landlords who lack experience to ensure they understand their rights and responsibilities and where necessary pay membership fees to encourage those landlords to join local landlord associations.

'HMOs can work, but only if as a landlord you are more "hands on". Don't expect to sit somewhere and collect money without any effort.'

(Quote from a HMO landlord using the Thames Reach PRS Service)

Recommendations

- Ensure that those working within the housing options teams (or equivalent) have a thorough understanding of the PRS and the services you offer, so they can promote these to clients. This may involve making an active effort to complete in-house training, share information and communicate more regularly with housing options (or equivalent) staff.
- It is important to provide as much information as possible to service-users in a clear, open and honest manner enabling them to make an informed decision about the best housing option for them.
- One of the biggest determinants of tenancy failure can be a tenant's financial situation. The schemes involved in this report all complete rigorous affordability checks with their tenants to ensure that rent payments are manageable. They also set up repayment plans to assist them in paying the deposit back which acts as a stepping stone, enabling them to use this to make deposit payments in the future.
- RDGS have valuable services to offer landlords. Attending local landlord forum meetings and events can provide opportunities to listen to any concerns they may have and put schemes in a better position to tailor their offer. Hosting a landlord forum which provides attendees with relevant and useful information, across all areas of landlord's interests can

be a good way to guarantee uptake and used as a chance to promote the RDGS.

- Establishing a key point of contact for both tenants and landlords can be crucial in engaging both parties. Not only does it enable staff members to build relationships with tenants, who are in turn more likely to feel comfortable flagging issues, it can also be reassuring to a landlord who knows who they can call if something goes wrong.
- The schemes involved in this research report have worked hard to make sure they record outputs (such as tenancy creation and sustainment rates) and compelling case studies which they have to hand whenever they need to evidence the value of their service and the impact it has on individual's lives. Crisis have developed a financial modelling tool called 'Making it Count' which allows schemes to demonstrate that their services are value for money and result in savings to the public purse. This is a simple excel sheet which takes account, for example, of the cost to public health services if a tenant with support needs had not been assisted through your scheme⁶.
- The four schemes have faced a number of challenges common to most RDGS, but have been unafraid to react to these issues and adapt their services accordingly. The most successful RDGS appear to be those which actively review their services through client questionnaires and visits in order to gain important insight and then use this information to guide change.

⁶ For more information on the Making it Count tool, please visit: <http://www.crisis.org.uk/pages/making-it-count.html>

About Crisis

Crisis is the national charity for single homeless people. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change.

Our innovative education, employment, housing and well-being services address individual needs and help homeless people to transform their lives. We measure our success and can demonstrate tangible results and value for money.

We are determined campaigners, working to prevent people from becoming homeless and advocating solutions informed by research and our direct experience.

We have ambitious plans for the future and are committed to help more people in more places across the UK. We know we won't end homelessness overnight or on our own. But we take a lead, collaborate with others and together make change happen.

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