The role of the private rented sector in preventing homelessness: identifying good practice and the impact of policy change

Final report to the Oak Foundation

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The role of the private rented sector in preventing homelessness: identifying good practice and the impact of policy change

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Introduction

The Oak Foundation has commissioned research into private rented sector (PRS) access schemes that focuses on good practice, as demonstrated through Oak funded projects as well as other successful schemes. Such schemes aim to help homeless people and others in housing need to access and sustain tenancies in the PRS. These include other non-government organisation (NGO) schemes and schemes run directly by local authorities. This research aims to place identified good practice in the context of local housing markets in providing an analysis that highlights successful models and provides clear guidance on the circumstances that lead to success. It is hoped that this will be useful to organisations that are already providing PRS access schemes, as well as those who are considering them, and also to policy-makers, commissioners such social housing providers, local authorities and regional and national governments.

The economic and policy context in which PRS access schemes are operating has been changing dramatically. The housing market is suffering from a lack of finance and affordability problems while the economy is only slowly recovering from a double dip recession. The government has made severe cuts in public spending including the welfare budget. Cuts to housing benefit introduced in the 2010 Budget and the subsequent Welfare Reform Act in 2012 to implement cost savings are gradually coming into force and the effects of these were already beginning to be felt when this research was carried out. Many of these changes have particular implications for PRS access schemes and their clients.

There is also concern that, with local authorities taking an increasing interest in helping people into the PRS, competition for landlords could emerge between PRS access schemes. In response to this the Oak Foundation has commissioned research to demonstrate good practice to those working in the sector or thinking about setting up PRS access schemes. The research focuses on the barriers and challenges presented to PRS access schemes in the changing economic and policy context and highlights potential solutions that are being taken up by some of the Oak-funded schemes as well as those established by other organisations such as the homeless charity Crisis and others.

Methods

The research included a literature and policy review and a series of telephone interviews with PRS access scheme managers and local authorities carried out in January 2013. A face to face discussion was held with Crisis which has received government funding to support the development of PRS access schemes across the UK. The research also drew on some previous analysis conducted to explore the potential impact of some of the recent and forthcoming policy changes. The research looked not only at schemes with Oak funding but also more widely at other NGO and local authority schemes.

Most PRS access schemes aim to find accommodation in the PRS and match it to prospective tenants, offering support to help them move in and in some cases on a longer term basis. An element of tenancy sustainment work is considered critical to most schemes as the ending of PRS tenancies is one of the major causes of statutory homelessness.

A smaller number of the schemes reviewed here had a wider focus, including homelessness prevention, advocacy assistance and campaigning. Three of the Oak supported schemes

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Footnotes:

1 We have used the term “PRS access scheme” throughout this report, as shorthand, but note that many of the schemes focus on tenancy sustainment as well as access.

examined came into this category. Two of them, one in Scotland and one in Northern
Ireland, were advocacy schemes, aiming to prevent homelessness by intervening before a
tenant is evicted, using techniques such as mediation and legal advice. The third scheme
was an innovative project in Wales aimed at ensuring that the direct payment of housing
benefit to tenants does not lead to increased rent arrears by involving landlords and tenants
in credit unions. Payment of housing benefit direct to tenants is due to be rolled out to
the majority of tenants with the introduction of Universal Credit, making this valuable work.
Some of the organisations that run PRS access schemes also undertake work with existing
tenants helping them sustain tenancies.

The context
Access to social housing is constrained and waiting lists are long. Many people are unable to
afford the entry costs to access PRS housing, such as a deposit or rent in advance, even
where Housing Benefit and/or earned income may be sufficient to enable them to afford it on
an ongoing basis. Low income households and those dependent on benefits may also
struggle to find landlords willing to let to them, especially in the more pressured parts of the
country.

Local authorities have a statutory duty to secure accommodation for particular groups of
people who are homeless or at risk of homelessness and in priority need, such as families
with children, young people leaving care, and other vulnerable groups provided that they are
not intentionally homeless. These duties do not extend universally to people from abroad
and subject to immigration control, some of whom may also be ineligible for social housing.
Legal duties towards people who are not in the priority need groups or who are regarded as
intentionally homeless extend only to the provision of advice and assistance to help them
access accommodation.

Shelter (Fitzpatrick et al, 2011; 2012) are conducting a ‘homelessness monitor’ of the
impacts of the recession and policy reforms. Their first report (2011) sets a baseline for
monitoring change and they will revisit the statistics and other evidence over the next five
years. Their first year findings for England (2012) already show an increase in visible forms
of homelessness including the incidence of street homelessness, greater use of bed and
breakfast temporary accommodation including for families with children and an increase in
‘hidden’ homelessness – concealed, overcrowded and sharing households.

A three year qualitative study of housing well-being in the private rented sector (Smith, 2012)
confirms much other literature about the difficulties of accessing the PRS by homeless
people. It finds for example that they often feel forced to accept the first place they can afford
even if it is located far away from their informal support networks, and important features
such as children’s schools.

Lower income households are finding it increasingly difficult to access the PRS. This is in
part because local housing allowance (LHA) was cut in 2011. It had previously been set at
the median of local rents (as determined by the Rents Service and based on the rents paid
by current tenants, rather than the rents of properties currently available for letting). In 2011
this was changed to the 30th percentile and plans were made to increase it only in line with
inflation, rather than the (historically higher) increases seen in actual rent rises. Analysis
carried out at the time demonstrated the impact that this had on reducing affordability of the
PRS (DWP, 2010; Fenton 2010). In the highest priced areas (mainly in London) LHA limits
were reduced further as a result of caps for each property size. Further analysis of and
modelling of the possible impact in London over coming years was also carried out and
raised concerns that London would become increasingly unaffordable to tenants dependent
on LHA (Fenton, 2011).
The government has since limited future increases in LHA to one percent in each of the next two years, which is likely to mean that the gap between LHA and actual rents grows larger, and smaller proportions of the sector fall within LHA limits.

The overall household benefit cap of £500 a week for workless households has come into effect since this research was carried out and is likely to further reduce the ability of larger families and those in high priced areas to afford PRS rents.

In response to the needs of those unable to access social housing, housing charities and others have established PRS access schemes. There is an increasing interest from local authorities in particular which often refer people to them. Many local authorities also run their own schemes. For instance, Birmingham city council has recently announced plans to establish a social lettings agency, hoping to let up to 40 homes a week across the city to households in need. Some schemes run by local authorities are open to all people in need of accommodation, whilst others are restricted to those who, were they to have been formally assessed under the homeless legislation, would be found to have priority needs.

The Oak Foundation has supported some of these schemes by providing funding. It is expected that the scheme will become self sustaining in the future by securing alternative funds. Many such schemes have received support from large national and regional charities or local authorities and in the cases of Wales and Northern Ireland, national governments. In England some national public funding has been provided through a PRS access development programme with funds dispersed by the homeless charity Crisis. The amount of funding is quite small per scheme but as a result of the programme Crisis has wide experience of PRS access schemes and has published several good practice reports. These include a set of key principles that should be followed by all schemes together with a new self-assessment tool to assess whether a scheme is following good practice and to identify any gaps or areas for improvement (see www.privaterentedsector.org.uk for more details).

It is only recently that local authorities have been able to discharge their homelessness duties into the PRS without the applicant’s consent. The latest data available on the extent to which formal homeless duties are ended with the offer of a PRS tenancy dates for the first half of 2013 suggests that this new power has not, as yet, resulted in significant increases in the number of households accepting offers in the PRS and remains at around only one per cent of all households accepted in priority need, around 540 a year (DCLG live table 778).

The main role of PRS access schemes, however, lies within the area of work around homelessness prevention. This has been a growing area of work across the UK over the last ten years and enables local authorities to assist a wider range of households into new accommodation, as well as helping people to remain in their current housing where possible. The rise in homelessness prevention also resulted in a fall in statutory homeless acceptances because many applicants are assisted via homeless prevention services without the local authority having to accept formal homeless duties. The recession and welfare reforms have, however, led to an increase in homeless acceptances between 2010 and 2012, with rates remaining steady in the last year.

Table 1 shows the prevalence of such schemes within the wider context of homelessness prevention and relief.
Table 1: The use of PRS access schemes to prevent or relieve homelessness

<table>
<thead>
<tr>
<th></th>
<th>2009/10</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
<th>% change 2009/10 to 2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Case</td>
<td>As % of</td>
<td>Case</td>
<td>As % of</td>
<td>Case</td>
</tr>
<tr>
<td></td>
<td>cases</td>
<td>all homeless prevention and relief</td>
<td>cases</td>
<td>all homeless prevention and relief</td>
<td>cases</td>
</tr>
<tr>
<td>PRS with landlord incentive scheme</td>
<td>36,200</td>
<td>36%</td>
<td>30,800</td>
<td>29%</td>
<td>27,600</td>
</tr>
<tr>
<td>PRS without landlord incentive scheme</td>
<td>14,500</td>
<td>14%</td>
<td>14,800</td>
<td>14%</td>
<td>1,400</td>
</tr>
<tr>
<td>TOTAL</td>
<td>50,700</td>
<td>1</td>
<td>45,600</td>
<td>0</td>
<td>29,000</td>
</tr>
</tbody>
</table>

Source: DCLG live table 787

As can be seen, assisting people into the PRS – both with and without the use of landlord incentives – is a substantial component of local authorities’ wider work in preventing and relieving homelessness.

Table 1 also shows that the number of people assisted into the PRS has fallen in the last three years, both in overall terms and as a proportion of homeless prevention and relief. The use of landlord incentive schemes appears to have fallen, as the number assisted without these incentives has remained stable. This raises concerns as to why this might be and whether PRS access schemes are struggling in the current economic circumstances. They may also be affected by welfare reform, possibly because landlords are becoming more reluctant to let to households dependent on Local Housing Allowance.

The extent of local authority involvement in assisting households into the PRS as part of their homeless prevention work varies across the country. Greater use is made of PRS access schemes in London and the south (table 2).
Table 2: Applicants assisted into PRS accommodation as a form of homeless prevention or relief (2011/12³)

<table>
<thead>
<tr>
<th>Prevention and relief:</th>
<th>PRS with landlord incentive scheme</th>
<th>PRS without landlord incentive scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>England</td>
<td>27,600</td>
<td>14,000</td>
</tr>
<tr>
<td>North East</td>
<td>700</td>
<td>600</td>
</tr>
<tr>
<td>North West</td>
<td>2,400</td>
<td>1,300</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>2,100</td>
<td>1,300</td>
</tr>
<tr>
<td>East Midlands</td>
<td>2,000</td>
<td>1,500</td>
</tr>
<tr>
<td>West Midlands</td>
<td>1,700</td>
<td>1,000</td>
</tr>
<tr>
<td>East of England</td>
<td>2,300</td>
<td>1,500</td>
</tr>
<tr>
<td>London</td>
<td>6,400</td>
<td>2,100</td>
</tr>
<tr>
<td>South East</td>
<td>5,000</td>
<td>3,000</td>
</tr>
<tr>
<td>South West</td>
<td>5,000</td>
<td>1,700</td>
</tr>
</tbody>
</table>

Source: P1E data (DCLG live tables)

Types of PRS access schemes

PRS access schemes vary considerably with different aims, client groups and the degree of support provided. They also vary by size, with some very small specialist schemes serving a particular client group in a locality while others are part of larger charities with wider aims and other activities. For some schemes, an important element of their work is around tenancy sustainment, both for new tenants and also for existing tenants who might otherwise be at risk of homelessness.

Aims

There are three key aims of PRS access schemes and individual schemes included in this research focused on one, two or all three of the following:

- Helping homeless people and others with difficulties in accessing housing independently to access tenancies in the PRS
- Helping tenants to sustain their tenancies during the first six to twelve months, or sometimes longer
- Helping other vulnerable tenants in the PRS or other tenures to sustain their tenancies and avoid becoming homeless. This often includes legal advice.

Client groups

Some schemes target specific groups while others accept a wider client base of anyone in need of housing. Conditions placed on receipt of public sector funding sometimes require schemes to take referrals only from certain sources, such as local authority homelessness departments, or probation services.

The government-funded PRS access development programme administered by Crisis requires those seeking funding to state whether their client group is:

- Prevention: non-statutory homeless and those at risk of homelessness but with few support needs
- Move-on: people engaged with homelessness services such as hostels, or services for vulnerable groups such as ex-offenders or those with substance misuse
- Rough sleepers: those who are currently homeless despite service interventions

³ A regional breakdown was not provided by DCLG for 2012/13
The table below shows the different types of homeless clients assisted by schemes run by local authorities and the voluntary sector.

Table 3: Which client groups are assisted by different types of schemes?

<table>
<thead>
<tr>
<th>Scheme provider</th>
<th>Local authority</th>
<th>Voluntary sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Statutory homeless</td>
<td>Sometimes</td>
<td>Sometimes via referral protocols from LAs</td>
</tr>
<tr>
<td>Those who, were they to be assessed, would probably be found to be in a priority need group</td>
<td>Often</td>
<td>Sometimes, via referral protocols from LAs</td>
</tr>
<tr>
<td>Single homeless, not likely to be found to be in priority need</td>
<td>Sometimes</td>
<td>Usually</td>
</tr>
<tr>
<td>Other households not in priority need (eg intentionally homeless families)</td>
<td>Sometimes</td>
<td>Sometimes</td>
</tr>
<tr>
<td>Specialist groups (eg ex-offenders)</td>
<td>Not usually</td>
<td>Sometimes</td>
</tr>
</tbody>
</table>

Many schemes work with more than one client group.

Type of scheme
Schemes tend to fall into the following categories:

- Rent deposit – where a deposit (usually for one month’s rent) is provided for the landlord. This is how many schemes operated at first, but is less common today.
- Rent guarantee or bond – where the deposit is guaranteed to the landlord, but does not actually change hands. This is the most common system in use at present.
- No deposit provided or guaranteed – where landlords agree to let to tenants without the safeguard of a deposit. This approach relies on a high degree of trust between the landlord and PRS access scheme, except perhaps where local housing market conditions mean that landlords are finding it hard to let properties.
- A social lettings agency, where the PRS access scheme operates along the lines of a high street lettings agency, finding tenants for properties and keeping a percentage of the rent in exchange for management services to landlords. Local authorities increasingly run such schemes.
- Private sector leasing whereby the scheme leases the properties from landlords for an agreed period of time (such as five years) and commits to paying the rent for this duration. A lower rent than would usually be charged can usually be negotiated in exchange for the guaranteed income that the landlord will now receive. The difference between the rent paid to the landlord and the rent that can be charged can sometimes be used to (part) fund the scheme.

In addition, some schemes provide the first month’s rent in advance themselves, whilst others have been relying on the Social Fund or Discretionary Housing Payments from the local authority for this, or negotiating with landlords to accept rent in arrears.

Size of scheme
Schemes can also be grouped by size. A large proportion are run only with one or two full time staff members, whilst some have larger teams. Schemes that are attached to or part of
Section 1  Identifying good practice

This section draws on the wider literature to describe the main characteristics of PRS access schemes and to identify what might be considered good practice.

There has been a range of evaluations of PRS access schemes in recent years. This research draws on these evaluations as well as existing identified good practice. In particular, the charity Crisis has produced its own guides and key principles for success (Crisis, 2010). Most recently it has published a toolkit for schemes to assess themselves with a view to increasing their access to funding (Rugg and Pleace, 2013). Research shows that schemes are not always good at selling themselves to potential funders such as Probation Service Commissioners, local authority service commissioners, charitable trusts and individual and corporate donors. The toolkit covers a range of areas where PRS schemes add value in addition to the more obvious benefits and cost savings they provide. This report draws on this and other research, including a recent survey of private sector landlords and their responses to the recession (Reynolds and Smith, 2009).

The Crisis (2012) report of its first round of the PRS access development programme identified the following common elements in the work of the most successful schemes:

- **Knowing the local private rental market** – researching the local housing market and the competition, preparing a viable operational model and making a compelling business case to local landlords.
- **Tenant training** – providing pre-tenancy training and post tenancy support and mediation where required, tapering off as the tenant-landlord relationship becomes established.
- **Recruitment** – having the right scheme workers is crucial as the success and reputation of the schemes depends on the relationships established and maintained with both tenants and landlords.
- **Reputation** – a strong reputation with local landlords may start in formal networks such as landlord forums, but landlords are increasingly recruited through word of mouth as schemes become more established.
- **Flexibility** – the most successful schemes are constantly applying others’ learning and experience to their local markets; they are ready to adapt their services and are already anticipating changes to the housing market in the coming years.
- **Clarity** – being honest with both clients and landlords about what the scheme can and can’t offer so that expectations are managed and neither party is disappointed.
- **Sharing experience and learning from others** – the best schemes tend to be those that enthusiastically share their learning with other schemes and seek support from Crisis when they need it.

These findings are echoed by Luby et al (2012) in a publication setting out good practice for commissioners and providers of PRS access schemes.

**Sustainment of tenancies**

Pre-tenancy training has been widely identified as important in enabling tenants to sustain their tenancy over the longer term. Crisis has suggested the following elements:
Pre-tenancy training
This can take the form of one-to-one sessions or group workshops. These sessions or workshops could include information on:

Finding accommodation
- Finding properties
- Approaching and meeting the landlord
- Viewing the property

Finance (including referrals to appropriate local agencies)
- Budgeting
- Information on managing debt
- Setting up a bank account and direct debits
- Local Housing Allowance (LHA) and paying the rent
- Utilities
- Fuel poverty/energy efficiency
- Other forms of financial support, i.e. Community Care Grants, crisis and budgeting loans
- Welfare benefit income maximisation

Managing your tenancy
- Furnishing your property
- Basic D-I-Y such as how to change light-bulbs, bleed radiators etc
- Basic cooking on a budget
- Responsibilities and appropriate behaviour

It will be beneficial to PRS access schemes to look at partnership working in delivering these workshops particularly with voluntary sector training providers and adult education services.

Source: Crisis Private Rented Sector website accessed 3/2/13
www.privaterentedsector.org.uk/pre-tenancy-training.asp

Within these, however, the report acknowledged that the high demand for housing in London, particularly central London, presented particular difficulties. This was confirmed by the schemes covered in this research.

An important emerging lesson is to ensure that the scheme meets the needs of landlords, not just tenants. AHAS conducted a survey of 232 private landlords (AHAS, 2010) and found:
- Most landlords would like to get some form of rent guarantee or direct payment. Deposit Guarantee Schemes were the most popular and successful means of incentivising landlords to take part in a PRS access scheme.
- Landlords wanted a single point of contact for all their dealings.
- Landlords were willing to pay local authorities for management services provided that these are run efficiently and effectively.
- Landlords felt that a tenant-checking service is a vital part of any PRS access scheme.
- Landlords felt that tenants should be given comprehensive tenant training before they move into their property. Tenants should only be placed when they are ready and they should be given some responsibility and penalised when they act in an “un-tenant-like” manner.
- Landlords would like the right to move the tenant out without a court order when things go wrong or when the tenancy has legitimately ended.
Overall, AHAS (2010) concluded that the success of PRS access schemes is not based on large financial incentives but on the quality of the relationship with landlords. Donald, et al., (2011) reported similarly in Northern Ireland that ‘amateur’ landlords found the rent deposit scheme particularly valuable in terms of the support it brings to tenancy management and concluded that the key to the success of the scheme is striking a balance between the needs of tenants and those of the landlord.

Our own research found that successful practice included a social lettings agency in Bournemouth which charged landlords nine percent commission but offered a range of benefits including fast tenant referral, market rents achievable, high occupancy rates, dedicated Housing Benefit officers, free membership of the National Landlords’ Association (NLA) and access to renovation grants.

**London**

Studies have found that PRS access schemes in London faced greater problems because of the high demand for rented housing, and local authorities therefore sought to ensure they targeted those to whom they would otherwise have duties to rehouse. Out of 42 schemes studied by Hoffland and Watson (2007), only 17 worked with single people not in priority need and most of these required a strong local connection to the specific local authority area or were for targeted groups of people only.

Different groups of people have different needs. For example, the issues faced by refugees are different from those faced by families with established roots in an area, or probationers recently out of prison and some charities or projects specialise in tackling the needs of particular groups.

**Particular groups**

*Single homelessness (statutorily homeless)*

Lewisham Hostels Diversion Project (HDP) is a pilot project which uses the PRS to tackle problems of single homelessness. The project (HDP) was developed as a joint venture between the London Housing Foundation, the London Borough of Lewisham and Thames Reach. HDP’s Project Coordinator (employed by Thames Reach) is the primary source of support for tenants during the moving-in process and for the first three months of the tenancy, and is responsible for arranging longer-term support with one of the floating support services in the borough for those tenants who need it.

Landlords are paid two months’ rent in advance from the project’s funds, and this is then repaid to the project from the first instalments of Housing Benefit. Landlords do not receive a non-returnable cash payment; instead, the main incentive to participate in the project is the reassurance that:

- tenants have been intensively assessed by HDP staff
- there is support on hand to help tenants establish their tenancies successfully
- there is a clear point of contact in the event of problems with the tenancy
- a Housing Benefit claim has been established, and
- the first two months’ rent has been paid

Cripps’ (2010) evaluation of the Lewisham Hostels Diversion Project did, however, find a pool of willing landlords who see the housing of single homeless people as a viable business proposition, even without the use of large cash payments.
The landlords that work with PRS access schemes in many areas are a distinct part of the PRS, accepting tenants on Local Housing Allowance (Clarke and Udagawa, 2012).

Ex-offenders

Crisis’ (Luby and Gallagher, 2012) guidance to frontline staff on how they can best support homeless offenders to find and keep a home in the PRS highlights the following key points:

- Particular consideration should be paid to offenders such as recovering alcoholics, abstinent drug users, people with mental health needs, and vulnerable women;
- Refer to private landlords only offenders who are believed to have a reasonable chance of sustaining the tenancy;
- Offenders in the PRS need a set of practical tenancy skills such as budgeting, paying bills, dealing with neighbours/co-sharers, and reporting repairs;
- For those offenders who are under the age of 35 who need to share with others in the PRS, it is particularly important to consider their needs and any associated risks from sharing;
- Offenders also need advice on presenting themselves to prospective landlords when they view the property.

DCLG’s (Penfold, et al., 2009) guide to practice to prevent homelessness for ex-offenders was based on case studies such as Manchester Tenancy Support’s service targeting ex-offenders at risk of losing tenancies. Analysis of these examples identified the following immediate practical support needs to help ex-offenders into independent living:

- assistance with Benefit claims
- provision of ‘moving in packs’ containing toiletries, kitchen items, bedding and food
- help with accessing furnished tenancy schemes or grants to furnish properties
- transport (for example, to the accommodation at the start of the tenancy and/or transport to first appointments with local services)
- registering with a GP.

Longer-term support to help ex-offenders to sustain tenancies involved assistance with the following:

- developing independent living skills to maintain and sustain tenancies (for example, budgeting and housekeeping skills)
- accessing education, training and employment opportunities
- specialist substance misuse and mental health support
- linking in with other sources of support in the community
- family mediation (particularly for young people).

In order to make the relationship between tenant and landlord successful and sustainable, good PRS access schemes should provide (Luby, 2008):

- Financial security for the landlord against rent loss, damage, theft etc.
- A month’s rent in advance and faster processing of Housing Benefit claims
- Minimum standards for property conditions, management practices and tenancy length to increase attractiveness to potential tenants
- Careful assessment of each tenant’s needs to ensure their suitability for independent living
- Support for both landlord and tenants to ensure a successful landlord/tenant relationship

Pawson et al.’s (2007) evaluation of homelessness prevention initiatives for ex-offenders across ten local authorities areas in England identified the key elements of successful schemes which included flexible and client-centred provision, close liaison with key agencies and building in support from other agencies when necessary. The need for timely intervention was also highlighted, as was the need for active promotion of the availability of the service and early contact with clients on referral. To prevent the loss of accommodation, they suggested that actions should be carried out before release from prison, including
assistance with Housing Benefit claims and addressing debt issues such as previous rent arrears.

**Costs of PRS access schemes and savings**

Several studies have tried to estimate the cost savings made by PRS access schemes, by estimating the costs that would otherwise be incurred, for instance by providing hostel accommodation. Based on the total original cost of and the number of tenancies actually created in the Crisis Private Renting Access Development Programme Round 1 Schemes (April 2011 to March 2012), the average cost saving was estimated as £1,400 per tenancy (Crisis, 2012).

Cripps’ evaluation of the Lewisham Hostels Diversion Project, Cripps’ (2010) found similarly that the unit cost saving per tenancy was £1,138, while Ecotec (2008) found an average of around £1,600.

Additional support may be required when working with vulnerable or homeless people. The costs of this additional support will vary from person to person, based on the intensity of support required and the length of time it is delivered. A typical ‘floating support’ service provides around two hours of support per week at a cost of around £50 per week per person. This is equivalent to a total ‘unit cost’ for the first year of the tenancy of £2,900 for those requiring six months of support, and £4,200 for those requiring support for a year. After the first year, costs will reduce to £2,600 per year for support only, if still required (Luby, 2008). Nevertheless, a total cost of £4,200 is much lower than the costs of hostel provision, prison, services provided to rough sleepers across homelessness, and criminal justice and health budgets.

Luby (2008) therefore argues that broadening access of PRS schemes to non-priority homeless people as part of a prevention approach is cost-effective and brings a range of savings. In the London context, these included savings from the use of private rented housing for those moving out of hostels and freeing up supported housing for someone else in need such as those leaving care. The total savings for London authorities were estimated as between £10.54m and £13.75m a year at the time (Luby, 2008).

**Summary**

**What works well**

- Knowledge of the local private renting market
- Screening tenants and choose those who have the ability in sustaining a tenancy
- Tenant training
- Single people not in priority need (i.e., not statutory homeless)
- A single point contact for landlords and tenants – personalised services
- A range of support services for both landlords and tenants
- Some forms of rent guarantee to landlords – no need for a large amount of financial incentive
- Partnership between local authorities and providers of the PRS scheme

**What causes problems**

- Tenants who need intensive support, such as recovering alcoholics and drug users, people with mental health needs and vulnerable people
- Limited PRS stock with rents below LHA levels
• Landlords shy away from tenants who depend on LHA unless they have efficient and effective (financial and personal) support
• The viability of PRS access schemes including growing difficulties in finding properties for those who have been on the waiting list for a long period of time (i.e., those who may lack the ability to sustain a tenancy)
• London because of the high demand for the PRS at the lower end of the market

Problems with the quality of the accommodation was not raised as a major issue in the literature.

Also, whilst it is known that schemes can operate most successfully by focussing on tenants who need less support, little is known about what happens to people who are not helped by the schemes.

Section 2  Implications of welfare reform for PRS access schemes

The coalition government has introduced a range of reforms to welfare and housing which are likely to have an impact on PRS access schemes.

Some reforms have already come into effect, whilst others will do so over the next three years as Universal Credit is rolled out.

Tenants claiming housing benefit (HB) in the PRS usually claim Local Housing Allowance (LHA). There have been limits on the amount of LHA that a household can claim for many years, and changes were made in 2010 reducing LHA limits, as discussed above, but further restrictions have recently been imposed.

Raising the age limit for the single room rate from 25 to 35

Single adults aged under 25 have long been limited in the amount of HB that they can claim to the price of a room with shared facilities (the ‘single room rate’). In January 2012 the age limit was raised from 25 to 35 for new claims, and this change has now been rolled out for existing claimants. People moving on from hostel accommodation, who have been in the hostel at least three months, are exempt.

Data provided by the DWP shows that there were 162,870 single adults under 25 claiming housing benefit in March 2012, most of whom would have been living in shared accommodation (Clarke and Monk, 2012). There were at this time 265,800 aged 25–34, most of whom prior to January 2012 would have been living in self-contained accommodation. If these people were all to seek accommodation in shared housing (because they could no longer afford the self-contained accommodation) there could be a significant impact on the housing market. The rent for one bedroomed accommodation could be expected to fall, particularly at the lower end of the market, whilst the cost of larger homes suitable for sharing could rise. The increased demand for shared housing by single people may also mean that PRS access schemes that focus on ‘non-priority’ groups will increasingly be looking for similar housing to those (often run by local authorities) that focus on priority need groups, many of whom will be families.

Some LAs have responded to the changes by developing shared housing schemes to which they could refer under 35s in housing need, engaging both private landlords and housing
associations in providing and managing this accommodation (Clarke and Monk, 2012). It is too early to report on how this is working as they have only recently been introduced.

**Implications for PRS access schemes**

This reform created a major challenge for PRS access schemes that were previously assisting the 25-34 age group into self-contained accommodation. Only those who are able to pay their rent in full without the use of HB will be able to continue to afford such accommodation. There may also be increased demand for PRS access schemes by 25-34 year olds who are forced to leave their self-contained accommodation as a result of the cuts. PRS access schemes are likely therefore to need a different portfolio of accommodation, including more bedsits and rooms in shared houses and fewer one-bedroom flats if they are to continue to meet demand from single under 35s. This may pose a particular challenge in rural areas. There are also likely to be more management issues in sustaining tenancies in shared accommodation, especially when tenants are vulnerable or exhibit difficult behaviour.

**Changing the LHA limit from the median rents to the 30th percentile and changes to the method of uprating LHA**

The Rent Office uses a Broad Market Rental Area (BMRA) to calculate the level of Local Housing Allowance (LHA) payable to eligible applicants. LHA was previously calculated at the median level of rents in the BMRA. This has been reduced to the 30th percentile, meaning that only 30% of properties within the BRMA will be affordable to households claiming HB, rather than half. This change has had the greatest impact in high-priced areas in inner London (Clarke and Monk, 2012).

BMRAs are generally larger than local authority districts, and many districts fall across more than one BRMA. This means that whilst some districts may find most of their rental sector is within LHA limits, others will find that almost no housing falls within the limits, because the cheaper parts of the BRMA are in other districts.

LHA limits used to be updated annually in line with actual rent levels. The government announced in 2012 that from April 2013 they would instead rise in line with the CPI, a measure that has historically been lower than rent increases, meaning that the LHA would be likely to cover fewer than 30% of properties in the sector in the future. The recent Autumn statement however, goes further than this and has stipulated that LHA will rise only by 1% from April 2014, which will mean that it is likely to fall further behind rent rises.

**Implications for PRS access schemes**

The operation of BMRAs across local authority boundaries already poses a major difficulty in areas where almost no accommodation falls within the limit and schemes must look outside their district in order to find accommodation within the LHA limits. The reduction from the median to the 30th percentile, and further reductions in real terms as the LHA falls behind actual rent levels are likely to further restrict the availability of accommodation within LHA limits.

The extent to which the LHA falls behind actual rent levels depends in part on what happens to overall market rent levels. It also depends on the proportion of the market that the LHA sector comprises. In areas where a large proportion of households are dependent on LHA, rents could fall in line with LHA levels, as landlords may have no other choice of tenant. In other areas, where housing-benefit dependent tenants form only a small proportion of the market, LHA levels are likely to fall further behind actual rent levels.
PRS access schemes will need to be flexible about the areas in which they operate, which may involve forging new relationships with landlords, local authorities and voluntary sector agencies in new locations. Tenants who move to new local authorities may find that they lose their local connection with their previous area, which could place them at a disadvantage if they want to access social housing in the longer term. PRS access schemes must also compete successfully with other groups seeking accommodation at the lower end of the rental market (such as students) if they are to operate successfully within the LHA limits.

Local Housing Allowance Caps

Upper limits to the amount of LHA that can be claimed have been imposed since April 2011 for new claimants, and was phased in for existing claimants over 2012. Weekly housing benefit is limited to:

- £250 for a one bed property
- £290 for a two bed property
- £340 for a three bed property
- £400 for a property with four or more bedrooms

Local Housing Allowance is normally set at the 30th percentile of market rents in the BMRA but will instead be capped at these levels in expensive areas. Only London has BMRA s in which the 30th percentile of rents are above the HB caps.

Table 4: BMRAs affected by the HB cap

<table>
<thead>
<tr>
<th>Broad Rental Market Area (BRMA)</th>
<th>Current weekly LHA limit (*= capped)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 Bed</td>
</tr>
<tr>
<td>Central London</td>
<td>£250*</td>
</tr>
<tr>
<td>Inner North London</td>
<td>£250</td>
</tr>
<tr>
<td>Inner East London</td>
<td>£250*</td>
</tr>
<tr>
<td>Inner West London</td>
<td>£230</td>
</tr>
<tr>
<td>Inner South West London</td>
<td>£225</td>
</tr>
<tr>
<td>Outer South West London</td>
<td>£201.92</td>
</tr>
</tbody>
</table>

Source: VOA, March 2012

Implications for PRS access schemes

The implications of the HB caps are quite localised. There are currently no areas outside London where they affect the rents. In inner London, however, they pose a major challenge to PRS access schemes, which will need to be flexible about the areas in which they operate and consider increasing activities in outer London areas if they are to find accommodation for their clients within the LHA caps. There is evidence that this is already happening in several boroughs. For example, Croydon has housed 60 households in the private sector outside London.

The Localism Act

The Localism Act brought in a range of new powers and duties for local authorities. Of particular concern to PRS access schemes is the change implemented in November 2012 when local authorities were given a new right to discharge their homelessness duties to statutory homeless households by offering them accommodation in the PRS. They were previously allowed to do this only with the applicant’s consent.
To help ensure that the accommodation is sustainable, the tenancy must be for a minimum of 12 months and the local authority must have carried out checks on the landlord.

**Implications for PRS access schemes**

Not all local authorities will choose to make use of their new rights, but those that do are likely to need to make greater use of schemes to facilitate access to the PRS. This will mean a greater requirement for accommodation with a minimum tenancy of at least 12 months. Local authorities may need to become more closely involved in PRS access schemes in order to carry out the required checks on landlords and ensure that the offers made are reasonable in order for them to discharge their homelessness duties.

**The household benefit cap**

The total amount that an out of work, working age, household can receive in benefits was capped from April 2013 in four London boroughs and throughout the rest of the Britain (but not Northern Ireland) from July 2013 (DWP, 2012a). The cap was set at the median income for a working family of £500 per week for families and couples and £350 for single people. Most out of work benefits are included in the cap, though households including someone who is disabled or being cared for, and war widows and widowers, are exempt. Support costs are not included in the cap. There is also be a grace period for households who have been in work for at least 12 months and lose their job. They are not capped for the first 39 weeks.

Tenants in high rent areas and larger families are the two main groups affected. Previous analysis drawing on data from the DPW on benefit levels for different sizes and compositions of households estimated that amounts that would be left for rent after basic living costs have been met for different sizes of households:

**Table 5: Amount left for weekly rent by property size**

<table>
<thead>
<tr>
<th>Size of property</th>
<th>Estimated living costs of household</th>
<th>Household benefit cap</th>
<th>Amount left for rent</th>
<th>Existing LHA cap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room only</td>
<td>£63.63</td>
<td>£350</td>
<td>£286.37</td>
<td>£250</td>
</tr>
<tr>
<td>1 bedroom</td>
<td>£91.23</td>
<td>£350</td>
<td>£258.77</td>
<td>£250</td>
</tr>
<tr>
<td>2 bedrooms</td>
<td>£223.70</td>
<td>£500</td>
<td>£276.30</td>
<td>£290</td>
</tr>
<tr>
<td>3 bedrooms</td>
<td>£264.43</td>
<td>£500</td>
<td>£235.57</td>
<td>£340</td>
</tr>
<tr>
<td>4 bedrooms</td>
<td>£451.66</td>
<td>£500</td>
<td>£48.34</td>
<td>£400</td>
</tr>
</tbody>
</table>

Source: Clarke and Monk (2012)

As can be seen, single people and childless couples renting rooms in shared accommodation or one bedroom properties are largely unaffected by the household benefit cap, because if their rent was that high their LHA would already have been reduced to bring it below the LHA cap (£250). Families with three or more children or in more expensive areas, however, have seen their benefits reduced to levels that will leave them little left over to pay rent unless they can make substantial cuts to their other living costs.

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4 This would be the cap for a single person. Couples would have a larger cap and therefore more income with which to pay their rent.
Implications for PRS access schemes

The implications of this particular element of welfare reform for PRS access schemes are likely to be confined to schemes that work with families. Single people and childless couples are largely unaffected. The impact will be felt most strongly in London (Navigant Consulting, 2011).

Council Tax Benefit reform

Council Tax Benefit is currently available to all households on low incomes, via a national scheme. Most tenants claiming benefits are able to claim 100% of the council tax in benefit, so pay nothing themselves. From April 2013, local authorities have been given control of their Council Tax Benefit scheme and can decide who is eligible for a discount, though they have been banned from imposing any changes to the amounts paid by pensioners. The funding available to them to run their schemes is 90% of what was previously used to fund the Council Tax Benefit, meaning they must make cuts of an average of around 20% to the benefits paid to working age claimants (as around half of all Council Tax Benefit goes to pensioners).

The funding for this, and other council services, is not ring-fenced however, so councils can choose if they wish to preserve existing levels of Council Tax Benefits and make savings elsewhere.

Housing benefit cuts for social tenants who under-occupy their homes

Termed the ‘Removal of the Spare Room Subsidy’ or ‘Bedroom Tax’, these reforms came into effect in Britain (but not Northern Ireland) from April 2013. Housing benefit is cut for working age social tenants who are deemed to have more bedrooms than they require.

The reforms are not likely to have an immediate or direct impact on PRS access schemes as they only affect social tenants. They are likely to have increased demand for one bedroom properties within the social sector, as a result of downsizing and tighter allocation rules (CCHPR and Ipsos MORI, 2013). This may make it harder for single people to access social housing and which may increase the number of single people seeking support from PRS access schemes. A similar reduction in need from families requiring three or four bedrooms may be seen as they may find it easier to access social housing.

Social Fund and Discretionary Housing Payments

The Social Fund was previously a ring-fenced financial resource available to local authorities to provide grants and loans to people in hardship for one-off costs such as furnishing a new home. This could include help with a deposit to access the PRS.

The government has removed the requirement on local authorities to use the funds for this purpose. Local authorities may continue to offer the Social Fund, if they choose, but under budgetary pressures they may choose not to, or to restrict its scope.

However, there have been increases in Discretionary Housing Payments that local authorities may also be able to use to assist households to access the PRS. Local Authorities have for many years had a fund of money, supplied in part by the DWP, which they can use to make discretionary payments towards housing costs for households in receipt of housing benefit or Council Tax Benefit.
The payments can be used to cover rent in advance, or one-off costs such as removals. They can also be used to make up a shortfall between the assessed level of housing benefit and the rent level.

The government has substantially increased the amounts allocated to local authorities as part of the welfare reform measures. However, much of this is required to assist those affected by the housing benefit cuts for under-occupying social tenants, and for those newly affected by the Cap. Local authorities have discretion over the use of the fund and are not obliged to help any particular group of households, though the government has specified that some of it is intended to support those affected by the welfare reform measures. It is too soon to know how the increased DHP is being used by local authorities.

**Implications for PRS access schemes**

It is likely that some local authorities will choose to restrict the scope of the Social Fund to save money. This may include reducing the availability of assistance to households to access the PRS, such as help with deposits and money to help furnish a new home. PRS access schemes may want to focus on using furnished accommodation if their clients were previously relying on the Social Fund to purchase furniture. It is possible that discretionary housing payments may plug some of the gap, although there will be a lot of calls on this limited fund.

**Universal Credit**

Universal credit is a new benefit that will replace existing out of work and in-work benefits for working age tenants.

Universal credit was introduced in the Greater Manchester and Cheshire region in April 2013 as a pilot exercise. It was due to be rolled out to six further authorities in October 2013 but this has only gone ahead in Hammersmith and Fulham. It was introduced in Rugby and Inverness in November and is expected to roll out to Bath and Harrogate in February 2014 and Shotton in March. In all of these pilot areas claims are restricted to single adults who are British citizens aged between 18 and 60 with no dependents. They must not be homeless or living in supported or temporary accommodation.

Migration of people already on benefits whose circumstances do not change is planned to be complete by 2017 when 12 to 13 million tax credit and benefit claims will have been transformed into 8 million households receiving Universal Credit by 2017. However it is not known whether the delays affecting the pilot areas will mean that this programme is also delayed.

Universal credit replaces Income Support, income-based Jobseeker’s Allowance, income-related Employment and Support Allowance, Housing Benefit, Child Tax Credit and Working Tax Credit to create one simplified benefit with a single taper of around 65p in the pound as claimants’ incomes increase. It consists of a basic personal amount with additional amounts for disability, caring responsibilities, housing costs and children.

The intention is to improve work incentives and simplify the benefit system, rather than to reduce benefits. Most claimants will receive around the same amount as present, but in a single payment. For those who will lose, transitional arrangements will cushion their payments whilst their circumstances remain unchanged.

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One important change is that for most claimants, the payment to cover housing costs will be made to them, rather than to their landlord. Payments are also planned to be made monthly, rather than fortnightly as at present. The government is currently undertaking a pilot study in six local authorities to establish how best to achieve this\(^6\). Much of the pressure on government to allow tenants to have their rent paid direct to their landlord has come from social landlords and the DWP has already indicated that it will be possible to maintain payments direct to landlords for claimants who are vulnerable, though the ways in which this will be defined, and whether private landlords and social landlords will be treated in the same manner has not yet been made clear. The pilots have been extended to the end of 2013 in order that lessons can be learned on how best to move to direct payments and which groups will need to remain having their rent paid to their landlord.

**Implications for PRS access schemes**

The main concerns with Universal Credit surround making the payments, on a monthly basis, to tenants themselves rather than the landlord, and uncertainty over how well the tenants will manage to pay their rent (Policis, 2012). Landlords need to be confident that the tenants will pay their rent in order to rent to tenants on LHA, unless they have no other choice of tenant. The early lessons from the demonstration pilots suggest that about a quarter of tenants had to be ‘switched back’ to payments to the landlord, and only a few of these wished to be ‘switched forward’ once their arrears had been repaid.\(^7\)

**Section 3: Strategies, solutions and models**

The environment in which PRS access schemes are operating is fast-changing. This research sought to understand the current and newly-arising challenges that face the schemes, along with emerging good practice to take their work forward.

Overall there were three key issues that limit the capacity of PRS access schemes to help more clients. These relate to:

1. Supply of affordable private rented housing
2. Supporting clients
3. Funding the scheme

This section reviews the challenges posed by each of these three elements and explores strategies, solutions and models that have the potential to meet them.

**Supply of private rented housing**

This was by far the biggest difficulty faced by the London schemes, although it was also an important issue elsewhere.


**Challenges**

In most parts of the country, but especially in London, demand for housing exceeds supply. This pushes up rents and allows landlords to choose from many prospective tenants for their properties.

**Finding accommodation within LHA limits**

Most people who turn to PRS access schemes to help them find accommodation are intending to rely on housing benefit to pay their rent. This means that they must look for accommodation within the limits set for local housing allowance (LHA). As discussed above, the proportion of accommodation available within these limits varies between areas and can be very low in the more expensive parts of a Broad Market Rental Area, or when rents have increased since the LHA was set.

Our research found this to be a problem particularly in London where there were entire boroughs where the housing benefit caps mean that there is virtually no accommodation within LHA limits, at least for certain sizes of properties. Landlords in these desirable locations would be unlikely to let their properties at LHA rates if they can obtain a much higher market rate from another tenant, challenging the government’s assumption that lowering LHA rates will result in lower rents. The increase in supply of PRS accommodation in the last few years has been matched by an increase in demand from better-off households and would-be owner occupiers unable or unwilling to purchase homes in the current housing market, leaving the poorest households as squeezed as ever into the bottom end of the market.

Outside of London in less pressured areas such as the Midlands and Northern Ireland, the market is not so buoyant. PRS access schemes operating in these areas reported that landlords have been willing to reduce rents when LHA rates fell, as they did not have a ready supply of potential tenants who are able to afford the rent themselves.

Concern was expressed, particularly in relation to PRS leasing schemes and those that work solely with priority need households, that increasing the scale of these schemes could have a negative impact on the supply of PRS accommodation available to non-priority need households, especially those on low incomes or dependent on LHA. Increasing the scale of PRS access schemes does not increase the overall supply of housing, and may not increase the number of properties available to low income households to a great extent, as it could potentially divert landlords away from letting direct to tenants.

**Delays at the start of new schemes**

Most schemes were overly optimistic around the number of clients they would assist in their first year of working. Scheme designs initially underestimated the time required to recruit staff and set up new projects. In particular, recruiting landlords and building up good relations with them is the aspect of their work that takes the longest to build up. This means that schemes generally found no shortage of clients but an inadequate supply of accommodation, particularly as they were getting started.

**Landlords’ perceptions of tenants on benefits**

Tenants who rely on housing benefit to pay their rent are not generally perceived as the most attractive tenants to landlords because of possibly delays in processing benefit claims, and hence rent arrears, and because it is assumed they will be at home for most of the day.
and therefore will cause more wear and tear on the property than tenants who are out at work all day.

Again, this issue is most pronounced in the high pressured areas where landlords have a greater degree of choice over potential tenants.

The Prime Minister’s announcement in June 2012 that he would like to look at withdrawing housing benefit from under 25s did not result in any formal policy or consultation exercise, but nevertheless provoked debate at the time of the research and a great deal of uncertainty for landlords. PRS access schemes reported that some landlords were now anxious about letting to under 25s who depend on housing benefit in case this is later withdrawn, leaving them with a tenant unable to pay their rent and expensive eviction costs.

**Shortage of shared housing**

Changes in housing benefit rules mean that the single room rate has been extended to single people aged up to 35 where before it only applied to those aged 25 and under. This has increased the demand for shared housing. Singles in the 25-34 year old age group are a key component in the client group of most PRS access schemes. Some schemes focus mainly on hostel-move on (whose 25-34 year olds are exempt from the single room rate) but many others seek to house people without them having to live in hostels first. The changed legislation has therefore presented a major challenge for them, affecting the portfolio of housing required to meet their clients’ needs, as well as forcing some existing clients to move to shared housing. Schemes also reported that some clients, such as those with a history of drug or alcohol abuse or mental health problems, have difficulty sharing and need more support in order to manage living with others. Other groups identified as sometimes having difficulty sharing, unless they can choose who they live with, include those from religious minorities, vulnerable teenagers and gay and lesbian people.

Schemes reported that landlords who were not already providing shared housing were reluctant to convert their properties because in many cases this would mean they become Housing in Multiple Occupation (HMOs) which have to comply with more arduous legislation (fire doors, mains linked smoke alarms).

The shortage of shared accommodation within LHA limits is particularly acute in London. This is largely because the LHA rate for shared accommodation is a great deal lower than that for studio accommodation. The landlords who deal with the LHA market are aware of this and are reported to have been converting much of their stock to studio accommodation to take advantage of the higher rates. This has led to difficulties in placing under 35s, with one London scheme reporting a reduction in the proportion of under 35s they house from 40% of their clients to 25% over the last year.

This situation is less pronounced outside of London where most of the housing stock is composed of houses with two or more bedrooms. Nonetheless it was also reported in Cardiff and Birmingham.

Many shared houses operate with the tenants jointly responsible for paying the rent. Tenants are often groups of friends who choose to live together, and landlords permit them to choose a new housemate whenever someone leaves. PRS access schemes reported that their clients did not generally make attractive housemates due to a history of drug or alcohol abuse, mental health problems and/or being out of work and therefore at home all day. In a competitive environment (such as London) where existing tenants in shared houses are spoiled for choice, they tend to choose other people to move into any vacancies. PRS access schemes therefore depended upon housing that is let as bedsits, with separate tenancies and where the landlord has responsibility for filling each room separately. This
entails a management commitment and cost to the landlord, again making it less attractive for landlords to let their property in this way.

Some PRS access schemes reported a drop in the availability of shared housing, thought to be related to the introduction of tighter regulations on Houses in Multiple Occupation (HMO) in many areas. There was speculation that complying with the requirement to provide fire doors deterred landlords as it was cheaper to turn a larger property into self-contained flats rather than comply with HMO licensing requirements.

**Accommodating larger families**

The other element of welfare reform that has already affected the workings of some PRS access schemes is the household benefit cap, which was due to come into effect soon at the time of the research. Schemes were anxious to avoid placing families in places they will not be able afford once the cap came into effect.

Most PRS access schemes work predominately with single people and smaller families (such as single parents with just one or two children) and are therefore unaffected by the cap. Those who work with families, however, were concerned that it was going to be difficult for them to source accommodation for larger families without work that will be affordable within the cap.

**Competition between PRS access schemes**

There was perceived competition for landlords between different PRS access schemes in some areas. This is something that Crisis have tried to tackle in allocating funding by restricting it to schemes operating in different areas. Nevertheless some schemes operate over a wide area and other voluntary sector schemes operate alongside local authority access or leasing schemes. Local housing allowance limits also mean that some schemes must look outside of their local area for accommodation, thus straying to areas where other schemes operate.

Local authorities’ role in facilitating access to the PRS has been increasing over the last ten years, via Housing Options services in response to restricted access to social housing and increased demand from households in need of accommodation. This role is increasing further now that recent legislative change allows them to discharge their statutory duties by offering accommodation in the PRS.

Our research found that in terms of referrals of clients there were generally good relations between PRS access schemes operating in nearby areas. Schemes often differentiated themselves by focusing on families, or singles, or by only taking those with a local connection to their borough, and clients were referred on to more suitable schemes where necessary.

In terms of local authority schemes, however, relations were not always so good. Some NGO schemes reported that they heard via their landlords that schemes run by their local authority, or a neighbouring local authority, had been offering better deals and cash incentives to landlords to accommodate their own clients: “I’ve had that just this morning. A landlord rang me and said that [neighbouring local authority] are offering me £300 a month on top of LHA. How are you going to match that?”

In all cases, this was the first that the NGO scheme had heard of this new offer, and in one case the offer was denied by the local authority alleged to have made it, making it hard for schemes to establish whether the landlord is telling the truth or not. Schemes generally felt confident that once they had established good relations with their landlords, they were
unlikely to leave, but were less confident in their ability to attract new landlords in the face of increased competition from other schemes.

**Best practice**

**Recruiting landlords**

PRS schemes engage closely with private landlords. This included not only recruiting them in the first place but providing them with services such as information about their rights and duties, reassurance that clients were thoroughly assessed, vetting their properties for quality and alerting them to funds to improve their property such as energy saving grants. Many schemes focused on the needs of landlords and offer a lettings service, often in conjunction with management services.

Schemes employed a wide variety of methods of recruiting landlords. These included participation in landlord forums, the National Landlords' Association, and a great deal of legwork looking in shop windows and local advertisements. Raising the profile of the scheme overall was a key feature of the more successful schemes with large numbers of clients. This was easier for those with a shop front presence, or large national bodies behind them, but some smaller schemes had succeeded in building up a local reputation. Large numbers of part-time volunteers and fundraisers played a useful role here for some schemes. Landlords were sometimes attracted to the schemes because they wanted to help house homeless people, though they did also expect to let their property for a market rent.

Most emphasised that word of mouth was central to getting their scheme known, and that landlords would talk to one another, spreading information (good or bad) about the scheme. Most emphasised that it took time to build up good links and the time required to recruit landlords was one of the main reasons why many schemes helped fewer people in their first year than they had hoped.

Most schemes worked mainly with larger landlords with extensive portfolios. Amateur landlords were generally reported as being more nervous of benefit recipients, and found it less worthwhile to invest energies in understanding the operation of the housing benefit system, given their small number of properties. Some schemes were, however, aware that new landlords were still emerging. For example, in Glasgow it was suggested that ex-Right to Buy properties, which may be inherited by reluctant landlords, might be potential properties. Amateur landlords were reported as being more interested in private sector leasing schemes which remove all letting and management responsibilities from the landlord in return for a charge or a discounted rent.

**Establishing good relationships with landlords**

Key to landlord acceptance of benefit recipients is to ensure that the scheme is working for the landlord not just the tenant, even though the tenant’s housing problems are the main reason for the scheme. Successful schemes emphasised how they saw their role as working with and for the landlords just as much as the tenants, ensuring their needs were met and concerns addressed. A professional approach to finding tenants was required.

In some housing markets, charging landlords a ‘tenant finding fee’ was good practice, though this may not work in high pressured areas where there are real difficulties in recruiting landlords even without a fee. Some successful examples of charges to landlords were reported however, including one in London.
Staff skills required for dealing with landlords are often different from those required from working with tenants and as a result many schemes separated these two activities to play to their staff’s strengths. Schemes stressed the importance of seeing their role as being as much about helping the landlord as helping the tenant and having staff whose key objective was to ensure that the landlords’ needs were met was a good way of achieving this.

Landlords value a professional service. They like to have a named contact at the PRS access scheme whom they trust and know they can pick up the phone to whenever they need. A key part of developing trust lies in assessing tenants thoroughly and ensuring that they are able to sustain a tenancy. Most of the LA schemes reported that they rejected clients with high support needs or who posed too high a risk, in the interests of preserving good relationships with landlords, crucial to the scheme’s ongoing success.

Building up a stock of shared housing

Landlords need to increase their supply of shared housing in order to meet the needs of singles under 35 who depend on LHA to pay their rent. This can involve working closely with landlords to help them meet any requirements of HMO legislation. A leasehold model whereby the PRS access scheme rents the property in its entirety from a landlord, and then sublets the rooms separately can be a solution in some areas, though the financial viability of such a scheme depends upon the market rate for properties and the LHA limits for shared accommodation.

People aged 25-34 years old moving on from hostel accommodation are exempt from the single room rate limit to LHA. Some PRS access schemes already worked with this client group, and one was trying to get their scheme classified as equivalent to hostel accommodation and their clients therefore exempt from the rules. It is unclear as yet whether this will be accepted by the local housing benefit offices/DWP.

Good practice examples

Giving landlords what they want

| St Giles Trust, an NGO funded by two local authority partnerships, Crisis and internal funding, felt that the most successful aspect of its scheme was its ‘really good relationships with landlords’. They keep casework and landlords separate so that landlords and tenants both feel that they have someone ‘on their side’. By introducing this set up, they felt they had improved their service significantly: ‘It’s much better now’. |

Cefni lettings in Wales has developed a social enterprise providing services for landlords. The enterprise, ‘Marigolds Mawr’, provides decorating and cleaning services to landlords at market rates. These services were provided as part of the Cefni lettings package to the private landlords on its books.

Good relationships with other schemes

Building up good relations with the local authority, and with neighbouring local authorities can help reduce competition between schemes.

| Spear, operating in Richmond, have learnt that close working relations with the local authority are worthwhile. When they first set up they did experience the local authority competing for the same landlords, but after working closely with the council and taking referrals from them, this no longer happened. |
Some schemes had managed to build up good relationships with private rented access schemes that deal with a different client group as properties can be passed between schemes, especially if the client groups they work with differ in their requirements. However, this is more difficult today than it was in the past given that the majority of single people are now looking for shared accommodation, which may mean they are competing with families for (rooms in) similarly sized properties.

Z2K in Westminster, which targets families, reported good relations with Freshstart in the same borough, which helps single people. If Freshstart were offered one bedroom flats or bedsits not suitable for families, they passed them over to Z2K and equally when Z2K came across properties suitable for families they notified Freshstart. Z2K reported that several of the landlords with whom they had built up good relationships had initially come via Freshstart.

One potential solution is for large organisations to operate schemes across several areas, or even an entire province, as happens in Northern Ireland at present. An alternative option, which could work within the English model, would be for organisations already running PRS access schemes to tender to run schemes in neighbouring districts and/or to expand their work to cater for new client groups within their existing area.

St Giles Trust hold separate contracts for providing a PRS access scheme to different client groups including those referred by several neighbouring local authorities and prisoners on release. They employ specialist caseworkers working with the clients of each scheme but their work with landlords operates as one unified scheme avoiding any duplication or competition for landlords.

Ensuring clients can afford their accommodation

Families with three or more children in London and with four or more children elsewhere were the most likely soon to be affected by the household benefit cap, if they were out of work. Schemes were working carefully to identify which of their current tenants and prospective clients will be affected. In some cases they are able to help the family to claim disability benefits to which they are entitled, and in other cases to find work and therefore be exempt from the cap. If neither of these were possible, and the family was not already a tenant, the schemes were generally referring them back to the local authority in the hope that they will be able to access social housing instead as the lower rents leave a greater allowance for living expenses below the cap.

Flexibility around where and how to house people and managing expectations

The cuts to LHA rates have meant that people who depend on LHA are able to afford a lower quality of housing than was previously the case. Both staff and prospective tenants need to be realistic about where they can reasonably hope to live, and in what kind of housing.

In some parts of London it is no longer possible to find accommodation within LHA limits so prospective tenants must look further afield. Schemes working in these areas emphasised the importance of blunt communication with clients about what they could realistically expect.

Z2K report that it is virtually impossible to house homeless people in Westminster because of a lack of properties within LHA limits, and they do not waste time trying to do so. They, like the local authority itself, house most people outside the borough and instead develop relationships with private landlords in outer London boroughs such as Lewisham.
Locally-based schemes did however report some difficulties in supporting clients who move long distances. Several schemes spoke of the difficulties in offering any face to face support if the support worker would have to spend most of the day travelling. Good practice in this area is to work closely with support agencies (and possibly other PRS access schemes) in the areas in which the client is being housed, so that the support can be delivered locally. Alternatively, only placing clients with low support needs, and offering support largely by phone or email would improve efficiency.

There is also a need for close work with tenants who are now limited to the single room rate schemes report having to manage expectations of clients who expect to be able to live alone. In Northern Ireland it was reported that the LHA rates for one and two bedroomed homes were so close that single people were already in two bedroomed homes in some cases, and were now trying to move someone else in with them as their LHA now only covered the costs of a room. Providing tenancy training for tenants focusing specifically on getting on in shared housing is seen as beneficial for many of those affected. Issues were reported from single fathers who were reluctant to move to shared housing as they feared they would lose contact with their children.

In some high pressured areas, schemes were looking at whether two people could feasibly share a one bedroom flat, and considered it viable as long as there was a separate kitchen and a living room which could be used as a second bedroom. One scheme was even considering shared bedrooms as a temporary option for young people who would otherwise be on the street.

Spear in Richmond were experimenting with a model whereby young single people shared rooms with each other, whilst being assessed for their future needs. They considered that this could work as long as they were carefully matched.

**Supporting clients**

**Challenges**

In addition to helping their clients to access the PRS, some schemes specialised in helping them to sustain their tenancy over the longer term. Sustainment is important because if it is not working the tenant will simply become homeless all over again. These schemes often targeted particular groups, and provided training in a range of domestic skills including regular rent payments, budgeting and managing incomes. While their clients may present challenges in terms of behaviour, the schemes had developed experience and good practice to enable the support to be provided successfully.

However, many schemes were initially set up on the idea that the majority of their clients would be low support. In practice they found that they were in demand from clients who are more vulnerable than expected, increasingly presenting with mental health problems, drug and alcohol misuse and criminal records.

This means that they required more time input from staff than envisaged. Staff described occasions when they had invested much time in sorting out a property for a vulnerable client only to have them change their mind or simply fail to turn up, a source of frustration to both staff and landlords.

In some cases this lack of co-operation may be due to the schemes taking local authority referrals of people who really wanted social housing, and not the PRS. Some schemes
described their clients as “priority need”, meaning that they were families or other vulnerable adults who would be owed a full duty by the local authority were they homeless. However, they were almost all referred to the schemes without having made a homeless application. This is a common practice that enables local authorities to help them as form of homelessness prevention, rather than having to formally accept homeless duties that are owed. This has the effect of reducing the numbers formally recorded as homeless. Some such clients failed to engage with the scheme in the hope that they will then be owed a full duty by the local authority and so able to access social housing. Schemes were optimistic that the incentive to fail to engage for this reason should reduce in areas where local authorities are making use of their powers to discharge duties into the PRS, once applicants are aware of this new option.

In other cases, the lack of engagement is likely to be a result of the client’s chaotic lifestyle, especially if schemes are working with street homeless people. Some schemes preferred their clients to move to a hostel temporarily whilst they worked with them on finding a longer term option, but acknowledged that this didn’t suit everyone.

Concerns were also expressed in the London context that it was harder to place vulnerable people outside the borough. Some particular groups (such as ex-offenders and people fleeing domestic violence) may benefit from longer distance moves. Others (such as people with mental or physical health problems) are more likely to find that such a move disorientates them and parts them with local support networks. Schemes that provided ongoing support also found it much more expensive if staff have to travel long distances to meet clients or sort out problems with landlords.

**Best practice**

**Use of volunteers**

Most of the PRS access schemes we spoke to made use of volunteers. A few schemes had started up solely run by volunteers, though all now employed at least one paid staff member and used volunteers alongside them.

Schemes varied in their views on which tasks could be best carried out by volunteers, with some using them for support work with clients, and others using them for scouting around looking for properties. The overall conclusion would seem to be that if volunteers are to be used for assessing and supporting clients, they need considerable training and support themselves. In some cases it may be more cost-effective to have at least the initial assessment carried out by experienced staff. Although potentially good at finding adverts for properties, most schemes sought to confine the further liaisons with landlords to their paid staff in order to offer what landlords would see as a professional service. Fundraising is also something carried out by volunteers for some of the voluntary sector schemes.

The volunteers working for PRS access schemes were very often people who had been through the scheme themselves, and several schemes offered volunteer placements to people directly coming out of prison or other institutions. This has the dual benefit of providing support to clients from someone who they can relate to, and also proving useful work experience for people who may be vulnerable themselves.

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**Effective use of volunteers**

Vision Housing targets ex-offenders and was established in 2007 in South London by the current Managing Director who herself had recently come out of prison and had firsthand experience of the difficulties faced by ex-offenders finding a home on their release. She started to build relationships with landlords and achieved remarkable
results in a short time using volunteers who had also been ex-offenders to deliver the service. This use of volunteers was combined with giving them training and vocational qualifications. By 2013, Vision had eight paid staff and seven volunteers.

Landlords are initially found by volunteers who take phone numbers from shop windows, newspapers etc. Paid staff then phone them, meet them and seek to challenge any fears they may have around housing ex-offenders.

Assessing and addressing support needs

Schemes need to ensure that they assess support needs carefully and only take on people who are likely to make a success of their tenancy. This does mean that they need to “cherry-pick” clients to some extent. However, not to do so would jeopardise relations with landlords and the availability of housing for future tenants. Finite staff resources also mean that it can be necessary to ensure that the number of higher support clients in the scheme is not too large at any one time.

Ensuring that tenants understand their rights and duties from the outset is also helpful, and increasingly schemes were providing pre-tenancy training for clients who have not held a tenancy before. For higher need client groups, referral to other services is important to provide longer term support. For the highest need groups, referral to supported accommodation at least for the short-term whilst working with other organisations to help them meet their long-term needs may be the best option. This was becoming more difficult in the face of local authority cuts to supported housing budgets.

Many schemes were quick to mention, however, that they were keen to give clients a second chance where possible and didn’t automatically exclude people for having ever had rent arrears or been evicted, as long as the client’s current behaviour and attitude was positive.

Good practice

Several schemes provided some kind of pre-tenancy training, although none of them were as extensive as suggested by Crisis (see above). Usually it amounted to explaining tenants’ rights and responsibilities including appropriate behaviours, the importance of budgeting and paying rent on time, and provision of other information such as sources of affordable furnishings and where to get help with problems.

Most schemes offered support to tenants for a period of time, usually six months, during which time a scheme officer would visit the tenant to check that things were going well. However, some schemes offered a simpler services focussed on tenants with no or low support needs who simply needed help in accessing housing. These schemes would not accept clients likely to need ongoing support and would instead point them to another source of help.

One way of ensuring that clients with high support needs who present themselves in an expensive area can sustain a tenancy in a new area is to make strong links with services in areas of cheaper housing. Nevertheless, some schemes working with vulnerable households in London, such as Z2k were very concerned about specific families who have mental health problems who they feared would be at severe risk if they are forced to move out of the area.
**Funding the work**

**Challenges**

_Funding to operate the PRS access scheme_
Oak funding was deliberately designed as seed finance, to enable a new scheme or a new service to get off the ground with the expectation that within three years they will have established other funding sources and be self sustaining.

Schemes were currently reliant on funding from a range of sources including local authorities (and Local Housing Partnerships), the Refugee council, Crisis, Oak, other philanthropic trusts, the probation service and local fundraising efforts. Those holding Supporting People funds to provide hostel accommodation were also expected to use some of those funds to support move-on, which could include supporting the PRS access scheme. Schemes based within larger organisations were generally able to make use of free office accommodation and/or had some of their overhead costs covered from internal sources.

Funding from statutory sources was generally tied in with a commitment to assist specific client groups or take referrals from statutory agencies.

_Funding rent deposits and rent in advance_
Most landlords require a deposit and the first month’s rent in advance when the let a property. Schemes have previously been helping their clients apply for the social fund for the rent in advance, but this was becoming much more problematic, creating difficulties.

**Best practice**

_Funding the scheme’s running costs_
Some of the schemes interviewed for this study were experimenting with models of seeking to reclaim their costs by charging landlords and/or local authorities. However, most felt that it was already so difficult to find landlords that it would not be viable to charge them. Local authorities could be asked to pay per referral taken as an alternative or complementary route to funding the service directly. However, the only scheme that was currently charging reported that the fee charged did not currently cover the costs of a placement.

**Charging local authorities**
St Mungo’s PAL scheme for hostel move-one provides support for single people and childless couples in London. It has a payment by results contract with the East London Housing Partnership which is a sub-regional grouping of local authorities. They also have a contract with the Partnership to find landlords.

Most funding sources for the running costs of schemes were time-limited, but schemes did not generally have any long-term options for self-funding other than obtaining funding from local authorities. Whilst some local authorities were keen to use PRS access schemes for non-priority homeless applicants and others in housing need, some were under considerable pressure to accommodate the families and other priority need groups that approach them for help, and therefore likely to seek to restrict the focus of PRS access schemes that they fund to helping just these groups.

A leasehold or social lettings agency model offers potential to meet the needs of some landlords and tenants. Leasehold schemes undertake to pay the rent regardless of whether...
the property is let or not, and to carry out basic ongoing maintenance and management work, whilst a lettings agent model offers management services, equivalent to a high street lettings agency, in exchange for a small proportion of the rental income.

Social lettings agency
Worcester council's scheme, 'City Life Lettings', which was operated by a housing association, offered three types of service. The 'bronze service simply finds a tenant and pays housing benefit direct to the landlord. It is free of charge. The silver service provides a range of property management services for a charge of £170 per tenancy, while gold is a complete management service costing £150 plus eight percent of the monthly rental income.

These models only work where properties can be sourced for an amount significantly under the LHA limit. Otherwise, the management costs cannot be funded from LHA and the scheme therefore requires significant financial input. This is not currently possible in London, though in other areas, such as the West Midlands, it such schemes are financially viable. The leasehold model poses the largest financial risk however, and is difficult for small charities to undertake.

There may be ways in which schemes can put in stronger cases for funding. The Crisis toolkit aims to assist with this process. Successful schemes had also sought funding from a wide variety of sources including local authority service commissioners, charitable trusts and private and corporate donors.

Schemes had a variety of different approaches to enabling clients to meet the costs of accessing PRS accommodation.

Deposits

Very few schemes actually handed over a deposit to the landlord, but many did offer a rent guarantee or bond, ensuring that should the tenant fail to pay their rent or damage the property, the landlord could draw on it. The difficulty with this approach is that the number of clients who can be assisted at any one time is limited by the size of the liability that the organisation can take on. Most of the Oak schemes were fairly new so did not yet have large numbers of clients housed and hence had not yet hit a constraint on their activities from this direction. In order to go on helping people into the PRS, schemes do need to ensure a sustainable solution to offering bonds or deposits.

One option is to encourage the tenant to save a little money each week so that after a period of time (eg six months) they have enough to put the deposit in themselves and therefore enable the scheme to formally withdraw its support. This has the advantage of enabling the tenant to move on to other accommodation in the future without the need of the PRS access scheme. Saving their own deposit was reported to be most feasible for families, especially if they had money such as child maintenance payments on top of their benefits. Schemes reported that single people on benefits struggle to put aside any spare money.

An alternative is to seek other sources to underwrite the deposits or bonds for a longer time period. Some schemes have successfully drawn on local authority’s discretionary housing payments for this purpose.

A third option is to negotiate with landlords to take tenants without a deposit. Some schemes had been successful at this, even in London. It was found that landlords do really appreciate having someone they can contact at the scheme if necessary, and once they’d built up some
level of trust would be prepared to continue letting properties without requiring a deposit. Concern was expressed that this system could be undermined by competition between schemes, or even by landlords from different schemes talking with one another and becoming aware that some schemes did guarantee deposits.

Reigate and Richmond YMCA run a bond guarantee scheme for two different client groups – families in priority need, referred by the local authority, and people not in priority need, funded by Crisis. They consider that the low claim rate on the bonds is the most successful aspect of the scheme, as they work with clients to save up for their own deposit. The bond is in place for six months, during which clients save a little each month so that the bond can be replaced by a cash deposit. This allows the funding to be recycled to help other clients. The need to save gives people a greater incentive to look after the property. The scheme is very successful with families, but singles find it harder to manage on benefits.

Cardiff Bond Board run a bond guarantee for single people not in priority need. The scheme reports that good relationship with local landlords enable them to offer a bond of just £250 in most cases. These landlords are prepared to wait for the LHA to be sorted out, foregoing rent in advance. A few landlords require a further £50 rent in advance as well as a bond, to show goodwill. By contrast, letting agents were reported to be asking for a bond of £450 as well as rent in advance and a management fee which together can total £1,200 which homeless and low income people cannot pay.

Rent in advance

Landlords normally require the first month’s rent in advance, whereas LHA is paid in arrears. Again, schemes took a variety of approaches to solving this difficulty.

Many have previously been making use of the Social Fund, a funding stream administered by local authorities for a variety of purposes, one of which is to help people into accommodation by lending them the first month’s rent in advance. The Social Fund however has been abolished in its current form and replaced by discretionary schemes, the design of which is devolved to local authorities. Whilst some appeared to be retaining rent in advance, others were cutting this strand of work. There was also a great deal of confusion amongst PRS access schemes as to exactly what is available in each area. Staff reported frustrations around spending time helping people apply unsuccessfully for the fund, and are unsure what replacement (if any) there was to be in each area in which they worked. This was especially difficult for schemes operating across many different local authority areas, each with different policies.

A few schemes, with statutory funding sources, had been able to access resources directly from local authority housing partnerships to assist with rent in advance. Some schemes expected the client to find the first month’s rent in advance, and those working with low need client groups reported that many were able to do this via relatives or from their last month’s housing benefit payable on their previous home.

Other schemes were successful at least some of the time in persuading landlords to take tenants without the rent in advance, though all reported that this was difficult and that landlords were reluctant to do this unless they were otherwise unable to let the property.
Conclusions

Barriers and challenges
PRS access schemes face many challenges in today’s climate. These include:

- There is a severe shortage of accommodation within LHA limits in some areas, and this is particularly acute in central London.

- Core funding for PRS access schemes is an ongoing problem as there is a lack of long term options outside of local authority homelessness sections.

- Clients face difficulties in paying the first month’s rent in advance. The social fund used to help with this but at the time of the research PRS access schemes were unsure of the extent to which local authority schemes would replace this.

- Local authorities are likely to seek to make greater use of the PRS in the future, given the constraints in supply of social housing and their increased rights to discharge homelessness duties to the PRS. They may however seek to limit access to such schemes to households to whom they owe statutory duties, or at least have a local connection.

- Restricting 25-34 year olds to the shared accommodation rate is the biggest welfare reform measure facing PRS access schemes at the current time, altering the balance of properties required and in some areas reducing schemes’ abilities to help single people under 35.

- Persuading landlords to let their accommodation to groups of single sharers is time-consuming for scheme staff, and managing such accommodation also takes more time from both landlords and scheme staff.

- Looking to the future, the introduction of Universal Credit payments directly to tenants is a big concern in some areas such as London, but less so in others, particularly the North and Scotland.

- The overall benefit caps mean that schemes cannot generally work with large families any more in many areas (defined as three or more children in London) so unless they are working or claiming disability benefits.

- Schemes are generally reliant on funding from charitable sources or local authorities. This can be either in the form of a grant, or payment by results. The time taken to establish a new scheme however means that the cost-effectiveness of services is reduced without long-term secure funding streams.

- The high competition seen in the PRS in most areas, together with tightening limits on LHA means that it is difficult for schemes to self-finance. Charging landlords for the service offers little potential in the present rental market.

Good practice: strategies, solutions and models

This research has uncovered many examples of good practice in response to these emerging challenges. This includes:

- In areas where there is some differential between LHA limits and the amount of rent that can be negotiated for a longer lease on a property, leasing schemes offer the
potential to give greater security of tenure to tenants, whilst also creating at least some of the funding for the schemes from the differential in rents charged and paid. They may have particular benefits for local authorities rehousing statutory homeless households into the PRS as they could guarantee security of tenure for at least a year, and fulfil the other requirements for checks on landlords and the properties more easily.

- Social lettings agencies offer potential, again most strongly where there is some differential between the rent that landlords will accept for their properties, and the amount that households dependent on LHA can afford to pay.

- Schemes in London need to respond creatively to the lack of accommodation within LHA limits and accept that their clients will often have to compromise on housing standards. Whilst it is hard after over a century of improving housing standards to accept a drop, most people would prefer to share a one bedroom flat between two, live in a box room or even share a bedroom than be on the streets.

- The LHA caps have made some areas of central London unaffordable to people on housing benefit, and the only sensible response to this environment is to house people further away.

- Encouraging tenants to save a small amount each week to repay the first month’s rent in advance that was lent to them and/or the deposit ensures that the tenant can access future accommodation without assistance, and enables recycling of the scheme’s resources.

PRS access schemes in England are generally small-scale and localised in nature. This helps them to respond to the very different housing markets throughout the country, but it does mean that in some areas, there is competition between schemes for landlords. Competition between schemes will benefit landlords (who are able to shop around for the best deal) but will increase the costs for schemes, and thus reduce the number of people they can afford. Good practice in avoiding competition for landlords includes:

- Co-operative and close working arrangements between schemes operating in the same area.

- Larger scale schemes running across wider areas, as currently happens in Northern Ireland. This would reduce the scope for competition between schemes over landlords, though could also reduce schemes’ ability to respond creatively to meeting needs.

- Where an out of district move is necessary, developing systems for referring clients on to the schemes that already operate in a new area rather than trying to support them at a distance. The people best placed to support a client to settle in a new area are the staff already based in that area, both in terms of the practicalities of visiting the client, and having knowledge of local services. Some schemes were restricted by their funding arrangements to taking clients only with a local connection. However, they did not own the PRS accommodation in their authority, and could not force landlords to let them their accommodation. Taking clients from elsewhere may be a better option than refusing to do so, and facing competition from other schemes offering landlords financial incentives to let to their clients.
Conclusions

There is clearly no obvious single strategy or solution that will work in the face of the forthcoming challenges – not least because we do not yet know the full outcome of the welfare reforms. It is also clear that what works in one type of housing market will not necessarily work in another – and here London stands out as facing particularly severe problems.

However, some potential models did emerge from the findings. While some of those interviewed for this study expressed concern about public sector leasing schemes, largely because they were perceived as reducing the potential supply of PRS property for non-statutory homeless, examples of successful schemes in Glasgow, Belfast and Cardiff appear to work quite well alongside the work of the PRS schemes.

Among the lessons learned were that volunteers could be add a great deal to a scheme if given appropriate training and support. Separating the work of supporting tenants from that of working with landlords had also proved a successful aspect of many schemes, as these elements required staff with different skills and focus. This type of good practice could continue under the changing welfare regime, enabling scarce resources to be stretched further, while always ensuring that volunteers are not exploited or used to carry out work that should really be done by the local authority or skilled service providers.

Overall, PRS access schemes are piloting a range of approaches and responding well to the challenges posed by welfare reform. The situation in London is more difficult, but nevertheless schemes are looking to the future to develop the work that they do. PRS access schemes have grown over the last ten years and look likely to continue to do so, despite the challenges that are posed by welfare reforms.

Areas for further research

The research highlighted several areas where the outcome is not known or fully understood. These were:

- Those aged 25-34 years old who have previously been living in a hostel are exempted from the single room rate. It would be useful to explore whether schemes respond to this exemption by focussing more on this client group. It would also be useful to know whether single people in this age group are trying to access hostels for the required length of time in order to access self-contained accommodation in the future.

- The extension of the single room rate to the 25-34 age group means that larger numbers of people are now restricted to this type of accommodation. It would be useful for PRS access schemes to have a better understanding of whether there are particular challenges in living in shared housing for certain client groups. Women, religious minorities and gay people were all mentioned in the course of this research as having difficulties in some cases, but this would merit further investigation to establish whether it is more widespread.

- The regulations that permit local authorities to discharge their duties to statutory homeless households into the PRS only came into effect in late 2012. Future research could usefully explore the extent to which these powers are being used, and what impact they are having on PRS access schemes already in place.

- Concerns about the quality of accommodation used for PRS access schemes were not particularly highlighted by this research. LHA cuts are however forcing PRS access schemes to focus on the very bottom end of the market. Concerns over quality may therefore be an issue of increasing importance in the future.
There was a variety of practice in terms of charging landlords and/or referral agencies. A small-scale qualitative study such as this cannot establish the extent of different financial models, though it has noted the importance of responding to differing market conditions. Further research could usefully pinpoint best practice in this respect, which would be particularly helpful in the light of concerns voiced about the local authority practice of paying landlords to house their clients and thus diverting funds from other PRS access schemes.

Tenancy sustainment is likely to become of greater concern to schemes, given intention that payment to cover rent will be paid directly to tenants rather than landlords under Universal Credit. Monitoring the impact of welfare reform on PRS access schemes would seem a valuable exercise.
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