

Holding on to Home

Tenancy sustainment in social housing: Key findings



The Holding on to Home study team
December 2024

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What is the Holding on to Home study?

This document presents the key findings of a major study of tenancy sustainment in the social housing sector: the [Holding on to Home study](#), which are presented in a full research report¹. The study, which was conducted between March 2022 and September 2024, pays special attention to the drivers of rent arrears and the financial challenges faced by tenants. It is particularly timely to look at tenancy sustainment because a number of developments have added to the pressures faced by tenants. These include a programme of welfare reforms, particularly the introduction of Universal Credit [UC], and the recent cost-of-living crisis. The study also examines landlords' approaches to tenancy sustainment, paying particular attention to how they communicate and interact with tenants and tenants' engagement experiences. Tenancy sustainment and the drivers of rent payment difficulties are relatively under-researched, so the research addresses important gaps in knowledge.



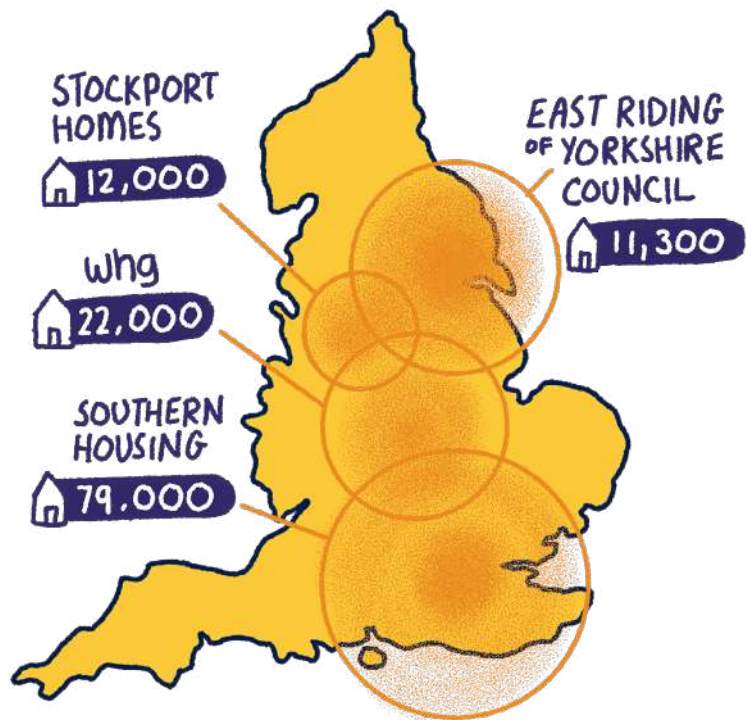
1 Holding on to Home study team (2024) Tenancy sustainment in social housing: Final report from the Holding on to Home study. Available at: <https://holdingontohome.org/final-outputs/>

How did we approach the research?

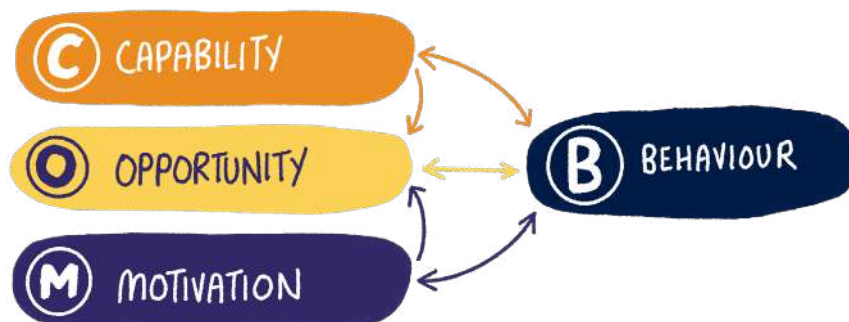
The Holding onto Home study compiled a large scale and comprehensive dataset on tenancy sustainment and the drivers of rent payment difficulties by employing a range of quantitative and qualitative research methods, including: a survey of more than 1,200 tenants living predominantly in neighbourhoods with higher arrears who were interviewed between April and June 2023; in-depth interviews with 67 local and national stakeholders; in-depth interviews with 64 social housing tenants; an analysis of the rent accounts of more than 38,000 tenants; a diary keeping exercise with tenants; and an analysis of more than 100 rent payment/ arrears telephone conversations between case study landlord call handlers and tenants.

Data collection for the study was centred on four case study landlords in England:

- Southern Housing, a housing association with around 79,000 properties in London, the South-East, the Midlands and the Isle of Wight.
- whg (Walsall Housing Group), a large-scale voluntary transfer housing association with 22,000 properties in the Midlands.
- Stockport Homes, an arm’s length management organisation with 12,000 properties in Greater Manchester.
- East Riding of Yorkshire Council, a local authority with 11,300 properties in Yorkshire.



To help make sense of tenants’ rent payment behaviour we employed a model from behavioural science – COM-B. Specifically, we used the ‘behaviour system’ which lies at its heart as a loose framework for the collection and analysis of the data. The system presents behaviour (B) as a result of the interplay between the capabilities (C) of subjects, the opportunity (O) they have to enact behaviours, and their motivation (M)².



2 Michie S, van Stralen MM, West R. (2011). The behaviour change wheel: a new method for characterising and designing behaviour change interventions. *Implement Science*. 6, 42.

What did we find?

Case study landlords' approaches to tenancy sustainment

Our case study landlords, like many across the country, face a number of challenges which have shaped their approach to tenancy sustainment. The current environment was described by one stakeholder as being the “*the toughest it’s ever been...[involving] a whole panoply of different challenges*”. Landlords and national stakeholders highlighted a range of challenges. The most significant one they face is the increasing demand for their services at a time when they are confronted by a number of financial pressures. Our case study landlords have responded to this by implementing cost efficiencies and rethinking how they allocate resources dedicated to tenancy sustainment. Other challenges identified by landlords included: the vulnerability of social housing tenants; the roll-out of UC; staffing challenges; siloed ways of working; and the challenge of reaching tenants who have fallen into arrears.

There was commonality in the tenancy sustainment approaches of the case study landlords. For example, all of them employed dedicated, specialised rent collection and financial inclusion teams, with housing officers’ tenancy sustainment responsibilities being relatively limited and often confined to pre-tenancy and early tenancy support. And all of the landlords highlighted the importance of holding accurate, relevant and up-to-date data about their tenants and had invested in new IT systems. Most tenancy sustainment activity was reactive – that is, concerned with engaging with tenants who accrued arrears. However, landlords did undertake preventative work with some key tenant groups.

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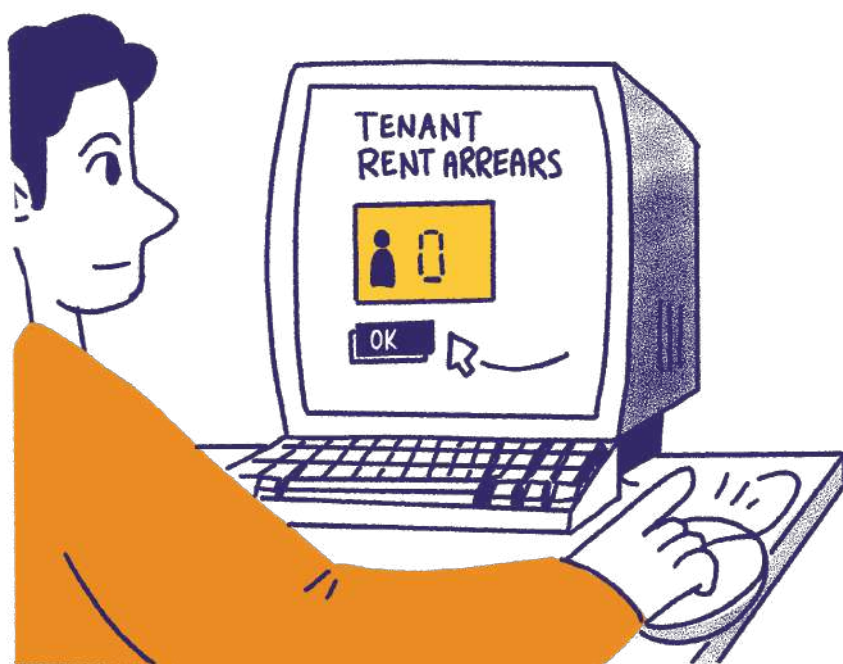
Rent affordability, payment patterns and arrears

Rent arrears are a poor indicator of problems experienced by tenants. Many more tenants were struggling to pay their rent than was indicated by arrears figures. Nine per cent of survey respondents were in arrears while 70 per cent were finding it difficult to pay their rent across a range of measures. There may, therefore, be a significant cohort of social housing tenants who are at risk of rent arrears, or who would benefit from support, but who are not known to be at risk by the landlord. Therefore, rent arrears alone is a poor measure of whether tenants can manage their rent payment and so there is need to rethink how we understand and measure tenancy sustainment.



Analysis of rent account data revealed that rent payment patterns fluctuated from one month to the next, meaning that tenants cannot be easily categorised into those who do/can and those who do not/cannot pay their rent. However, once a tenant underpays their rent for two consecutive months, these arrears are likely to become enduring.

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Tenants' financial circumstances

The financial circumstances of the social housing tenants surveyed appeared to be very precarious, with many struggling to get-by.

Analysis of the survey data revealed low income levels, a relatively high proportion in receipt of benefits, with lower than average employment rates (36 per cent were in paid employment) compared with the national population.



For many survey respondents (43 per cent), their household income did not last until their next salary/ benefit payment, one quarter were behind with at least one bill, and use of food banks in the past year was very common (21 per cent).



Many employed tenants surveyed were on casual, insecure or seasonal contracts (31 per cent of employed tenants) and/ or worked part time (42 per cent of employed tenants). The majority (66 per cent) of all tenants had little or no savings.



Tenants interviewed in-depth showed high levels of indebtedness and were often juggling essential bills and outgoings. The financial situation of tenants had become more difficult in recent years due to a combination of cost-of-living increases and real-term reductions in salary due to increasingly precarious employment. Paid work was often not protecting tenants from poverty and rent arrears.

Changes in the (working age) benefit system also appear to have increased the financial precarity of tenants and so contributed to risk of debt and rent arrears. This includes the introduction of UC, particularly the 'direct payment' of the housing costs element to tenants, where tenants are responsible for paying their rent, and the five-week wait for payment at the start of a claim. It was notable that tenants on UC emerged in our modelling of rent account data as more likely to be in rent arrears than those on Housing Benefit [HB]. Modelling of survey data also found that UC claimants were more likely to find it difficult to pay their rent.

Further insight into the drivers of rent arrears and difficulties paying rent

Rent arrears and other debts were primarily caused by tenants' financial circumstances, rather than their capabilities or motivation. This was a clear conclusion to emerge across our datasets, including from logistic regression modelling of survey and rent account data. The financial difficulties experienced by social housing tenants, including rent arrears, cannot therefore be explained with reference to poor budgeting skills, disorganised management of money, or a cavalier attitude to financial obligations. We found quite the opposite in the detailed accounts that tenants provided of their approach to their income and budgets. Many used systems to manage their money, prioritised essential bills such as rent and council tax, and did all they could to maintain rent payments.

Tenants often prioritised rent payments over other essential items, frequently producing unsustainable situations where debts increased and their wellbeing was adversely affected. Many (69 per cent of survey respondents)

In total, 61% had cut back on essentials such as food and heating.

were employing unsustainable strategies such as cutting back on food, incurring other debt, and selling personal items in order to pay their rent. In total, 61 per cent had cut back on essentials such as food and heating, and one in ten had sold personal possessions in order to pay their rent. Others borrowed from friends and family or missed payments on other essential bills.

It is, therefore, lack of opportunity in the COM-B model - specifically, financial precarity - that is driving rent payment behaviour and resulting in tenants finding it difficult to pay their rent. And it is only by increasing the financial resources available to them (i.e. by improving 'opportunity') that they will find it easier to pay their rent and be in a better position to sustain their tenancies.



Logistic regression modelling of rent account data found some populations to be at greater risk of accruing (additional) rent arrears: those with existing arrears, which emerged as a particularly strong predictor; those under the age of 35; non-White-British tenants; tenants whose first language was not English; those who were charged higher rents; those whose benefit was paid to them ('direct payment'); and, as noted earlier, those in receipt of UC.

Landlord/ tenant communications

Engagement between landlord and tenant is a key element in maintaining tenancy sustainment, enabling residents to be offered support, an opportunity to negotiate rent payment arrangements and intervention in advance of a crisis. Analysis of landlords' approaches to engaging with their tenants in relation to tenancy sustainment highlighted three key priorities: holding 'quality' conversations and interactions with tenants; the aspiration to become more visible in local communities; and the importance of ensuring that all tenant population groups are engaged.

Those tenants in most need of support from landlords (i.e. those in arrears) are the least likely to seek it out. Anxiety and stigma were found to be the greatest barriers to communications for this group.

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Our analysis of telephone conversations between landlord call handlers and tenants found that the most productive discussions between them about rent were based on principles of: shared responsibility; both call handler and tenants taking ownership of problems; working together in a partnership to address challenges, rather than avoiding difficulty; and call handlers proposing mutually beneficial non-directive solutions.



Summary of recommendations

For social landlords and professional housing bodies³

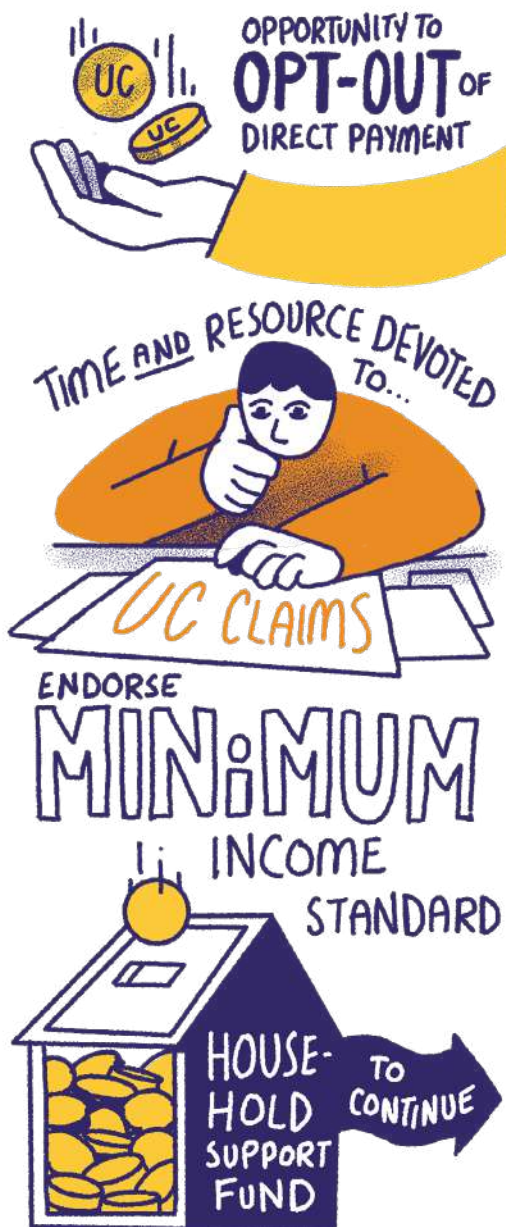
- Landlords should develop tenancy sustainment strategies that focus on the priority areas of: generating accurate, relevant data; maximising tenant incomes; and improving communications and engagement.
- Landlords should prioritise improving data collection and systems to support early tenancy sustainment intervention. It is vital that landlords are able to identify tenants at risk of arrears and who need support to maintain their tenancy.
- When developing interventions to improve rent payment levels, landlords should focus on activities that maximise tenants' income, rather than those that seek to improve motivation and financial capabilities.
- In the context of scarce resources, it is crucial that landlords, in the words of one of them, "make every conversation count". Every contact with a tenant is an opportunity to identify tenancy sustainment risks, and to better understand tenants. Tenancy sustainment should be the responsibility of all staff and it is essential that information systems are integrated.



- The research has highlighted the importance of the quality of interactions between landlords and tenants, and so landlords need to make every effort to provide tenants with agency and voice in all aspects of the services they receive.
- Training for staff who have direct contact with tenants about their rent should incorporate the lessons from our conversation analysis, which identified approaches that created significant barriers to communication, and identified effective approaches that resulted in discussions concluding positively for landlord and tenant.
- Landlords should critically assess how they understand, define, and measure tenancy sustainment, developing a broad understanding which encompasses a range of measures relating to the health, quality and liveability of that tenancy.

³ See also: Holding on to Home study team (2024) Promoting Tenancy Sustainment: guidance for social landlords. Available at: <https://holdingontohome.org/final-outputs/>

For national policy makers



- Central government should rethink its approach to the implementation of UC in England and Wales. Specifically, it should: provide tenants in England and Wales with the opportunity to opt-out of direct payment as is offered to tenants in Scotland; and abolish the five-week wait for a first payment of UC.
- The migration of the final cohort of claimants onto UC will see landlords devoting even more resource to supporting UC claimants with a likely adverse effect on their costs and income (as arrears rates potentially rise) and, in turn, their business plans, in doing so, impacting on their ability to build new homes. It is important that this is recognised by government and regulators when assessing the performance of social housing landlords.
- We urge the Government to take a new approach to ensuring a decent standard of living for all, and endorse the Minimum Income Standard,⁴ which should be operationalised to inform benefit rates and the national minimum wage, alongside measures to provide greater security within the labour market.
- The Household Support Fund⁵ has played a vital role in supporting tenants to get-by, financially, and to sustain their tenancies. It is, therefore, imperative that the fund continues beyond April 2025 when, unless it is extended again, it is due to end.⁶

4 The standard was developed by researchers at the Centre for Research in Social Policy at Loughborough University, who were funded by the Joseph Rowntree Foundation: <https://www.lboro.ac.uk/research/crsp/minimum-income-standard/>

5 <https://www.gov.uk/cost-living-help-local-council>

6 In September 2024, it was announced that the programme would be extended by six months: <https://www.gov.uk/government/news/government-support-extended-to-help-struggling-households-with-bills-and-essential-costs-over-winter>

What were the study's objectives?

- To understand tenants' rent payment behaviour.
- To identify the factors that impact on tenants' ability to pay their rent, paying particular attention to identifying those that result in rent arrears accrual.
- To identify which population groups were most likely to experience difficulties paying their rent, highlighting the impact of a range of socio-demographic factors.
- To examine the impact of welfare reforms, and UC, in particular, on tenants' ability to pay their rent.
- To explore the impact of the cost-of-living crisis (especially) and COVID-19 pandemic on tenants' ability to pay their rent.
- To understand landlords' approaches to tenancy sustainment.
- To explore how landlord/ tenant communications impacts on tenancy sustainment, in doing so, exploring the impact of the use of digital technologies on tenants' ability to pay their rent.

What did data collection and analysis involve?

- 22 in-depth interviews with representatives of national and regional stakeholder organisations, including: national tenant and landlord bodies; relevant charities; a lender to social housing landlords; support agencies; and national organisations representing particular communities (women, disabled people, black and minority ethnic tenants).
- 45 in-depth interviews with case study landlord officers, including both senior manager and front line staff, and partner organisations.
- Documentary and secondary data analysis.
- Rent account analysis. The study team analysed tenant rent accounts provided by three case study landlords. Rent accounts are electronic records held by landlords that record rent payments and charges on a tenancy, akin to a bank statement. Records for 38,456 tenants were included in the analysis.
- Tenant survey. Some 1,213 tenants of three case study landlords - East Riding, Southern Housing, and Stockport Homes – were surveyed. The survey was not designed to be representative of the social rented tenant populations of England or the case study landlords included in the survey. And the selection of the neighbourhoods where interviewing took place was purposive (areas with higher arrears rates, larger UC/ HB populations, and in one case study, larger ethnic minority populations, were targeted).
- 64 in-depth interviews with tenants who had taken part in the tenant survey. The study team interviewed tenants in a range of different circumstances and those from key demographic groups represented in the survey sample.
- Solicited tenant diary keeping exercise - four tenants completed diaries about their rent payment experiences.
- Analysis of rent payment/ arrears telephone conversations between call handlers from two case study landlords and tenants. Some 140 call recordings were analysed by the team using the research technique, conversation analysis.

The Holding on to Home Study Team

The team comprised: Paul Hickman; Kesia Reeve; Maddy Arden; Laura Kilby; Emma Bimpson; Martin Lamb; Laura Kilby; Tony Manzi; Beth Speake; Peter Thomas; and Ian Wilson.

Acknowledgements

The authors would like to give special thanks to the many tenants who gave up their time to take part in the study and to the participating case study landlords, Stockport Homes, Southern Housing, whg, and East Riding of Yorkshire Council. We are also indebted to our partners in the research, Qa Research, who conducted the tenant survey, the Chartered Institute of Housing and HQN. We would also like to thank Catherine Dennison at the Nuffield Foundation, and members of our Tenant Steering Group and Advisory Group, for their thoughtful and considered feedback throughout the research. This publication was designed by Nifty Fox. This project has been funded by the Nuffield Foundation, but the views expressed are those of the authors and not necessarily the Foundation. Visit www.nuffieldfoundation.org



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DOI: 10.7190/h2h.2024.9113866259
