

Helping people on low income secure private rented accommodation

It is often very difficult for people on low incomes to secure private rented accommodation. Julie Rugg of the Centre for Housing Policy has completed an evaluation of 161 schemes that provide help with deposits and rent in advance, and with finding reasonable quality accommodation let by landlords willing to have tenants on housing benefit. The study found that most schemes offered valuable help to clients looking for private rented accommodation.

-  **Help with deposits led to low-income households securing better-quality accommodation.**

-  **Deposit guarantees were acceptable to many landlords, although some were concerned about the possibility of losing money because the guarantee did not cover all eventualities.**

-  **Deposit guarantees could persuade landlords to accept tenants who would otherwise be rejected. Where the scheme could arrange for quick payment of housing benefit, landlords were often prepared to consider waiving a requirement for rent in advance.**

-  **For landlords, a scheme's value rested in its ability to vet clients and provide suitable prospective tenants for particular properties.**

-  **Few schemes offered resettlement support to their clients or help to people who had an extended experience of street homelessness. Instead, schemes were fulfilling a preventive role in helping people who might otherwise become street homeless.**

-  **According to clients, help with deposits is the most important assistance that can be given to someone in housing need.**

The issue of access

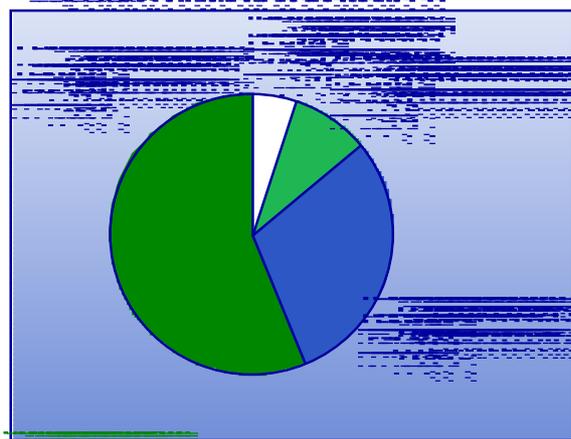
Many obstacles face people on low incomes who want to secure privately rented accommodation. These include the inability to afford the possible shortfall between the rent charged and the housing benefit paid; meeting advance payments of rent and deposits; and the unwillingness of landlords to let to people on housing benefit. Properties are available where these obstacles do not apply, but their condition is notoriously poor. Finding a place to stay which meets even basic standards is therefore difficult.

The policy response to these problems has been the development of two initiatives: accommodation registers, and deposit guarantee and rent in advance schemes. Central government has encouraged the growth of both these types of scheme, in particular through the availability of s73 funding for voluntary sector agencies offering services to homeless people. In 1995 the issuing of a general consent gave further encouragement, by allowing local authorities to set up funds to help with the payment of deposits and rent in advance.

It is widely accepted that this sort of help is important, but there is little information available on the way in which schemes operate. This study examined 161 schemes to discover what sort of services were being offered, and used interviews with managers, their clients and landlords to evaluate service delivery.

Characteristics of schemes

Most of the schemes were set up after 1990, and the majority were operated by voluntary sector organisations (see Figure 1).

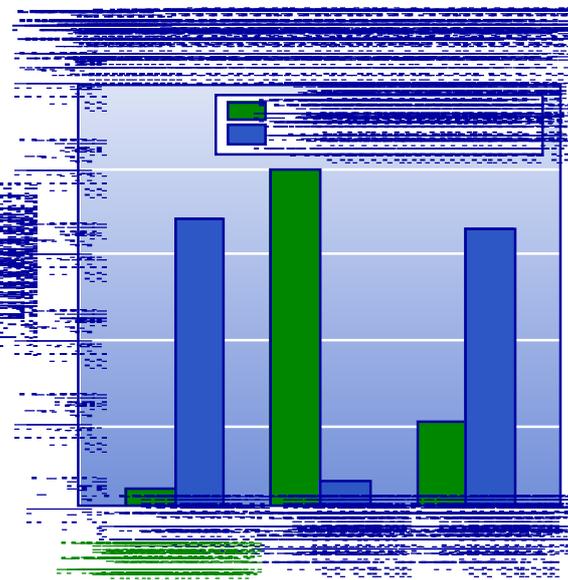


Each scheme usually had a parent organisation that offered a range of services to people in housing need. A typical scheme was one being run by a hostel provider giving help to residents to secure independent move-on accommodation.

Most schemes offered similar packages of

services. However, key differences emerged according to whether the parent organisation was a local authority or in the voluntary sector, and if the scheme offered help with deposits.

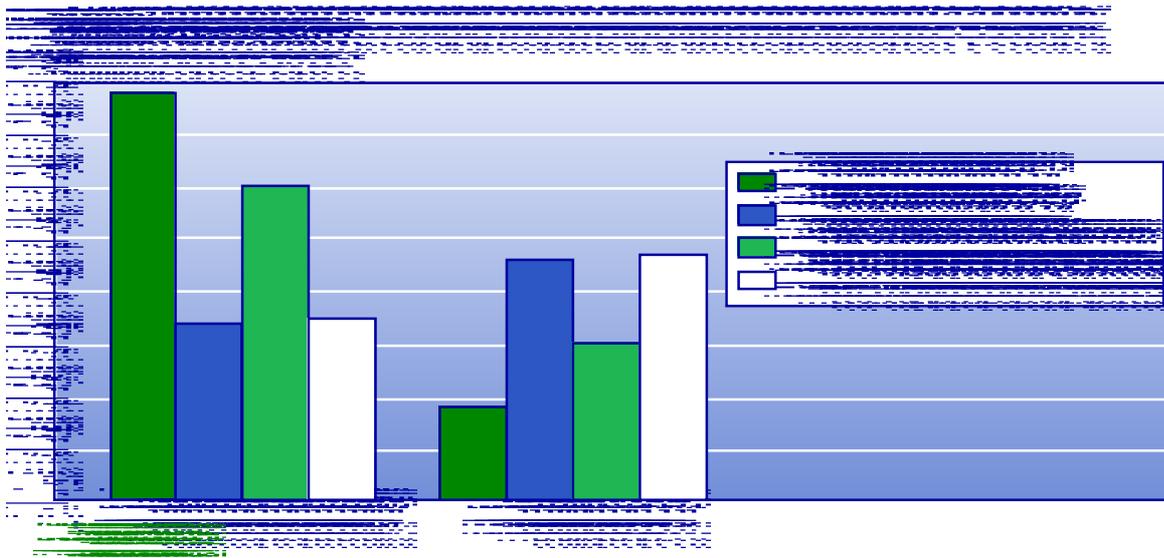
- Seventy-seven per cent of local authority schemes did not have difficulty with securing long-term funding. By contrast, 83 per cent of voluntary schemes considered finding long-term funding to be a problem.
- Voluntary sector schemes helped nearly twice as many clients as local authority schemes each year.
- Local authority schemes and voluntary sector schemes restricted their help to different client groups. Figure 2 shows the proportion of schemes which helped only under-25s, statutorily homeless people and non-statutorily homeless people.



- Local authority schemes found it easier to secure accommodation: only one-third of these schemes thought that the limited supply of accommodation in their area was a problem. By contrast, 85 per cent of voluntary sector schemes considered this a serious difficulty.
- Local authority schemes and schemes offering help with deposits placed more of their clients in self-contained accommodation. Voluntary sector schemes, and schemes not giving financial help with deposits, were often reliant on rooms in houses in multiple occupation (see Figure 3).

The kinds of help offered

The report defined three groups of scheme services: help finding somewhere to live, including vetting landlords and properties; help with deposits and rent in advance payments; and helping the client to settle in once they had moved. The way in which schemes



performed each of these three broad tasks varied considerably. Schemes' understanding of the local rental market and the needs of clients tailored the services that were offered.

Help finding somewhere to live

Help with finding somewhere to live could include putting together a register of landlords or list of vacancies. Some schemes did not keep a formal list, but helped their clients by looking through the newspapers with them, and taking them to see properties. Either type of help usually entailed the scheme making some checks on both the landlord and the quality of the property. Most important, schemes also ensured that the property would be suitable for the client. After matching the tenant with an appropriate vacancy, most schemes also helped to set up the tenancy by negotiating the rent and checking the tenancy agreement.

Help with advance payments

Help with deposits could include offering services to protect the client's own deposit payment, such as making out inventories; negotiating with the landlord to reduce or waive the requirement; cash loans given to the landlord on behalf of the client; and issuing deposit guarantees. Two-fifths of schemes offered guarantees, which varied considerably in such aspects as the eventualities covered and the level of maximum payments.

Schemes often connected help with housing benefit and assistance with rent in advance since most landlords were willing to waive this advance payment if the scheme could guarantee that the housing benefit application would be processed quickly. A few schemes gave help with rent in advance by paying the rent until the housing benefit cheque came through.

Tenancy support

Most schemes offered to visit clients after the start of the tenancy, to ensure that they had settled into the new property. Schemes did not consider this sort of visit to be resettlement work: referrals were made to another agency if clients needed this sort of help. Instead, schemes ensured that the client had settled into the tenancy. Help given could include moving possessions, giving advice on budgeting, and liaison with the landlord on the issue of repairs. Tenancy support was also given to the landlord, including advice on letting and housing benefit applications. Often the scheme kept in touch with the landlord during the tenancy.

Clients

Clients were often unaware of help that had been given to them by the scheme. For example, schemes may have helped with advance payments by directing clients to landlords they knew would not ask for deposits or rent in advance. For clients, key services were:

- the vetting of properties;
- help with housing benefit, particularly assistance with completing the form and dealing with large shortfalls;
- help with moving possessions and getting furniture for unfurnished tenancies;
- help given with deposits, even if it included the client having to make some financial contribution. This help was considered by many clients to be the single most important service a scheme could offer to someone in housing need.

Some clients with limited experience of private renting said that they valued schemes' continued visits. However, most clients did not feel the need for extended visits after the start of the tenancy. For many clients, the most important aspect of the scheme was its ability to support them in the short term through what was evidently a stressful time.

Landlords' views

There was a clear split between landlords with experience of letting to people on housing benefit, and landlords unused to dealing with people on low incomes. Landlords with housing benefit experience valued schemes for their ability to supply tenants. This type of landlord tended not to want help with housing benefit applications, or any type of tenancy support. Landlords unused to dealing with housing benefit were more appreciative of help with the process of application. In particular they favoured the scheme that paid rent until the housing benefit cheque came through. This type of landlord also wanted schemes to continue checking on the client after the start of the tenancy. For all types of landlord, a scheme's vetting of clients was considered crucial.

Most landlords charged a deposit. Many favoured the idea of guarantees, although landlords at the bottom end of the market tended to prefer cash since they asked for smaller amounts and had a high turnover of tenants. Guarantees in these circumstances were considered too bureaucratic. Some landlords who had had guarantees expressed dissatisfaction. Some had lost money through having a guarantee which had not covered rent arrears or professional cleaning services.

Conclusion

Helping people to secure private rented accommodation is not a solution to rooflessness. However, it is a valuable preventive measure enabling clients to avoid having to move through a series of insecure housing situations, and so risking rooflessness in the process.

Schemes often tailored their work according to the characteristics of the local rental market and the needs of the clients they were dealing with. Flexibility, rather than following a set of rigid processes, was often the most suitable response. Most help constituted a valuable, and valued, way of dealing with the difficulties clients faced in attempting to secure accommodation in the private rented sector. Giving financial assistance with advance payments was particularly important. This sort of help eased the search process, because clients then had access to a larger choice of better quality properties.

About the study

The evaluation was based on a postal survey of 161 schemes that helped people in housing need to secure access to accommodation in the private rented sector, in tenancies intended to last for at least six months. Eleven schemes were chosen as case study schemes, and in each case an interview took place with the manager. Interviews were also conducted with 39 clients and 43 landlords who had dealings with five of the case study schemes.

Further information

The full report, *Opening Doors: Helping people on low income secure private rented accommodation*, is available from the Centre for Housing Policy, University of York, Heslington, York, YO1 5DD. Telephone 01904 433681, price £10. For further information contact Dr Julie Rugg at the Centre for Housing Policy, University of York, Heslington, York, YO1 5DD. Telephone 01904 433689; fax 01904 432318; e-mail jrl0@york.ac.uk.

Related Findings

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- 134 Unemployment and housing tenure (Dec 94)
- 144 Private tenants and restrictions in rents for housing benefit (May 95)
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