# Research report
# Tenancy sustainment in Scotland

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# Tenancy sustainment in Scotland

## Summary of key points

In July 2009 Shelter Scotland undertook a survey of councils and registered social landlords (RSLs) on the extent to which social landlords measure tenancy sustainment and what that shows us.  This report has been written by Alexis Camble, Policy Officer for Shelter Scotland (0344 515 2469 or alexis_camble@shelter.org.uk).

- With three years until the 2012 homelessness commitment has to be met, prevention of homelessness is becoming an ever higher priority as a complementary approach to increasing housing supply.

- Tenancy sustainment was highlighted as a key part of local authority homelessness prevention activity in 2007 research.

- Audit Scotland and the Scottish Housing Regulator have both introduced a tenancy sustainment performance indicator to this year's annual statistical returns. However, they have chosen to use different measures meaning that comparison between RSLs and councils is not possible.

- Of the 28 organisations that responded, almost all rated the importance of tenancy sustainment at nine or 10 out of 10.  This is not surprising as those that responded are most likely to see tenancy sustainment as a priority already.

- Three quarters of responding organisations measure tenancy sustainment, with the number of tenants in place after 12 months the most common form of measurement.

- Some landlords also measure tenancy sustainment for specific types of tenants – most commonly households allocated a property following a homeless application and young tenants aged 16-24.  However, it is important that landlords are able to recognise that groups of tenants other than young people and homeless households can be at risk of tenancy failure.

- The tenancy sustainment rate in this survey was 86 per cent, a commendable level, but likely to reflect the best practice in the sector rather than average practice.

- 14 per cent of tenancies starting in 2007-08 had been terminated at the time of this survey, with the majority of terminations occurring six to 12 months after the tenancy began.  Although most terminations occur during this time period, it is important to remember that tenancies will still fail beyond the 12 month mark.  Landlords need to be able to identify other triggers of tenancy failure besides time, such as relationship breakdown and loss of employment.

- The importance of understanding the reasons behind tenancy terminations was highlighted by survey respondents, as well as the need to distinguish between

terminations for positive reasons, such as relocating with a new job or moving in with a partner, and negative reasons, such as eviction and abandonment.

This report concludes with a series of recommendations including: consistent monitoring of tenancy sustainment across the entire social rented sector; benchmarking of performance via Audit Scotland's and the Scottish Housing Regulator's new tenancy sustainment indicators; measurement and analysis of the reasons behind tenancy terminations; and the role of the regulator and the Scottish Government in promoting tenancy sustainment monitoring.

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# 1. Introduction

As the 2012 homelessness commitment[1] grows ever closer, the role of tenancy sustainment activities in the prevention of homelessness is becoming increasingly important. By tenancy sustainment we mean preventing a tenancy from coming to a premature end by providing the necessary information, advice, and support for tenants to be able to maintain their tenancies. From a financial point of view, tenancy sustainment is an important way for social landlords to reduce void levels and avoid the associated housing management costs. Tenancy sustainment can also be, and is, an effective way of preventing homelessness, in particular repeat homelessness.

There is certainly a role for tenancy sustainment activity to play in homelessness prevention work in the social rented sector. The Scottish Government and Convention of Scottish Local Authorities (CoSLA) have identified preventing homelessness as one of 4 joint priorities to fulfil the 2012 commitment.[2] Tenancy sustainment policy and practice should, therefore, be a fundamental part of a social landlord's homelessness prevention work. Research in 2007 highlighted tenancy sustainment activity as the 'largest scale and most effective' means of homelessness prevention amongst local authorities (LAs).[3]

However, this is not just an issue for councils. As the role of RSLs in achieving 2012 becomes increasingly important, the provision of support, advice and assistance to help tenants retain their tenancies should be a priority across the entire social rented sector. However, it is important to remember that tenancy turnover does not necessarily equal tenancy failure. There are a number of positive or natural reasons for a tenancy being brought to an end, such as moving in with a partner, relocating as a result of a new job, finding a more suitable property, or the death of a tenant.

There are current examples of social landlords in Scotland who have made tenancy sustainment a priority for their organisation. A commonly cited example of a strategic approach is Glasgow Housing Association (GHA) which produced a tenancy sustainment strategy[4] following research commissioned by GHA and Glasgow City Council in 2005 to investigate reasons behind high tenancy failure rates in the city.[5] This strategy and the accompanying action plan raise the question of the performance monitoring of tenancy sustainment rates. A robust monitoring framework will be necessary to ensure that actions are completed on time and that priorities identified in GHA's strategy are delivering the desired improvement in tenancy sustainment rates.

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[1] Under the Homelessness (Scotland) Act 2003, the 2012 homelessness commitment states that by 2012 all unintentionally homeless households in Scotland will have the right to a permanent home.
[2] The 4 joint priorities are joint working, access to existing stock for all housing providers, preventing homelessness and investing in supply.
[3] Hal Pawson et al, (2007), 'Evaluation of homelessness prevention activities in Scotland'
[4] Glasgow Housing Association (August 2007), 'Tenancy Sustainment Strategy and Action Plan'
[5] Heriot-Watt University (April 2006), 'Investigating tenancy sustainment in Glasgow'

It is important that social landlords have an accurate picture of tenancy failure rates within their stock so that tenancy sustainment activity can be developed in accordance with local circumstances. This report will mainly deal with the importance of measuring tenancy sustainment, but will also look at the actual levels of tenancy sustainment in a selection of social landlords.

## 2. Tenancy sustainment monitoring

We take the view that if something is important, such as tenancy sustainment activity, then it is important to measure its impact. The importance of measuring tenancy sustainment rates for social landlords has been recognised by Audit Scotland and the Scottish Housing Regulator (SHR); both organisations have included a question on tenancy sustainment in the 2008-09 annual returns from LAs and RSLs.

Audit Scotland's new performance indicator looks at the proportion of homeless households allocated a permanent council let who remain in their tenancy 12 months later. SHR is asking RSLs to submit data on the number of tenancies commenced during a particular financial year (for example, 2007-08) and how many of those tenants were in situ on the last day of the following financial year (for example 31st March 2009).

It is interesting to note that councils are being asked for tenancy sustainment data for statutorily homeless households only. It is not clear why Audit Scotland and SHR have chosen to use different indicators; this will inhibit comparison of performance across the social rented sector as a whole.

## 3. Survey of councils and housing associations

In July 2009 Shelter Scotland carried out a survey of LAs and RSLs looking at tenancy sustainment data collection across a selection of social landlords in Scotland. This survey was designed to take the temperature of the social sector rather than be a fully comprehensive investigation and the findings presented in this report represent a selection of social landlords in Scotland. This research aimed to find out:

- the importance placed on tenancy sustainment by LAs and RSLs,
- how many organisations currently measure tenancy sustainment,
- what the current data tell us, and
- what gaps or opportunities for improvement there are in current practice.

28 organisations responded to the online survey, of which 11 were councils and 17 were RSLs. This response equates to just over a third of organisations contacted. It is probably reasonable to assume that landlords are more likely to respond if they feel they are active

in sustaining tenancies. So our responses may represent the best of what is going on, rather than being typical. Of course, not collecting tenancy sustainment data does not preclude a social landlord from undertaking work to support tenants to retain their tenancies; however, if tenancy sustainment activity is to be effective, social landlords need to understand the scale of tenancy failure amongst their tenants and the reasons behind tenancies ending.

It may be useful for social landlords to prioritise the collection and analysis of tenancy sustainment data as part of their homelessness prevention activity. In carrying out this exercise we wanted to find out whether the priority attached to tenancy sustainment in policy terms is being reflected in social landlords' performance monitoring. If tenancy sustainment is seen as an organisational priority it is crucial that landlords can assess whether their tenancy sustainment activities are working.
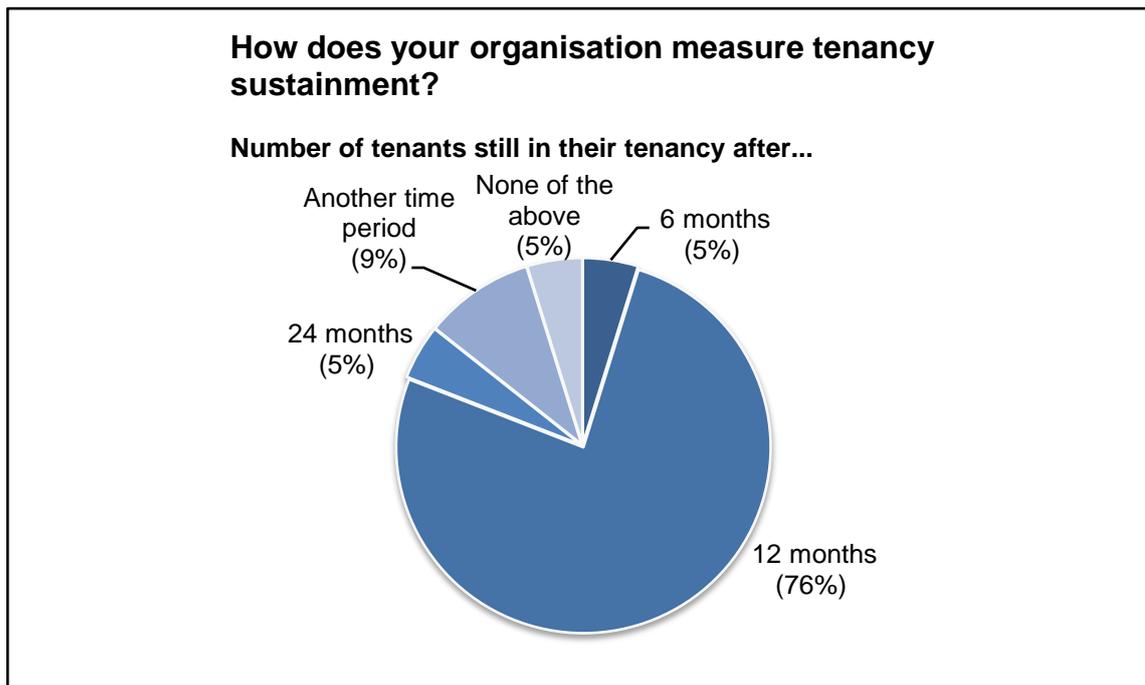
# 4. How is tenancy sustainment measured?

We asked respondents to rate how important they thought tenancy sustainment was to their organisation. Almost all rated it nine or 10 out of 10. This is encouraging but perhaps not surprising in a survey about tenancy sustainment to which is it likely that the most motivated landlords will reply. Of more interest is the extent to which this assumption of priority is backed by other activities which deliver tenancy sustainment and assess its effectiveness.

Three-quarters of responding organisations reported that they do measure tenancy sustainment rates. Again this may not be unexpected as the organisations that responded to this survey may be more likely to view tenancy sustainment as a key part of their work. Of the landlords that do not currently collect data, over half of them did comment on the fact that they are currently working on a tenancy sustainment strategy or a method of data reporting within their organisation. There appears to be a good level of awareness of tenancy sustainment amongst survey respondents; however we cannot assume that this is a reflection of the social rented sector as a whole.

## Types of data collected

As three quarters of respondents do collect tenancy sustainment data, we were interested in whether they are using comparable measurements. This is shown in Chart 1:

**Chart 1**

**How does your organisation measure tenancy sustainment?**

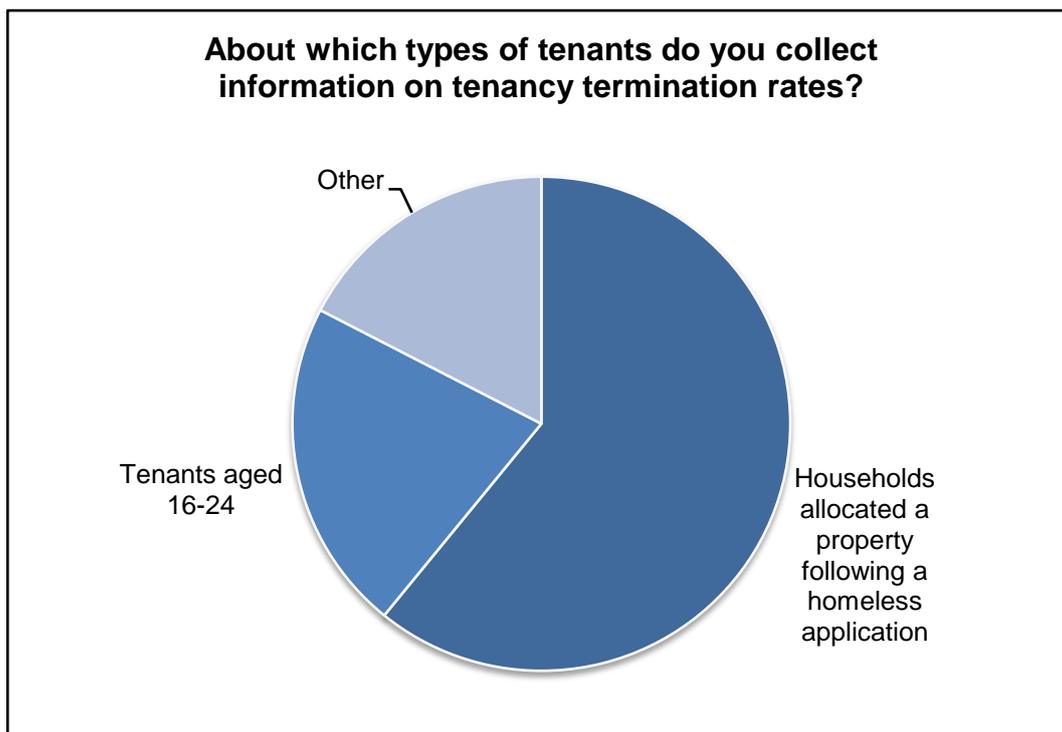**Number of tenants still in their tenancy after...**



The majority of respondents used a 12 month measure, which echoes the time period used by Audit Scotland.  Only one organisation looked at tenancy sustainment on a more short-term basis, measuring the number of tenants remaining in their tenancy after six months.  There were a number of organisations who used the 12 month tenancy sustainment measure as their default time period, but also looked at long-term sustainment including five years after a let was made.  This could suggest that some social landlords use the 12 month measure as their main performance indicator, but continue to monitor how many tenants are still in their tenancies beyond the first year in the property.  It is important to remember, however, that these data do not draw a distinction between tenancies brought to an end for positive or natural reasons and those cases where issues such as debt, addiction or lack of support have resulted in tenancy failure.  We return to this point later.

## Monitoring by household type

Two thirds of responding organisations that monitor tenancy sustainment collect data on tenancy terminations according to the characteristics of the household or tenancy holder. The majority of these landlords monitor tenancies created following a homeless application separately.  This is shown in Chart 2:

**Chart 2**

### About which types of tenants do you collect information on tenancy termination rates?

Other

Tenants aged 16-24

Households allocated a property following a homeless application

Could this be an indication of the focus on homelessness prevention within the social rented sector and the perceived risk of tenancy failure amongst formerly homeless tenants?  The perception of tenancy failure risk may also explain why some organisations choose to collect separate date for young tenants.  Five of the responding organisations measure separate tenancy sustainment rates for both statutorily homeless households and tenants aged 16-24.  Four organisations collect data on 'other' types of tenants.  This information can be split into four main categories; application route (waiting or transfer list), household composition (single person or family), personal characteristics of the tenant (age, gender, ethnicity), and the area in which the property is located.  This shows a few of the additional risk factors, or common themes, identified by some social landlords in terms of tenancy sustainment.

## Are some tenants less likely to sustain their tenancy?

The survey responses discussed above indicate that some social landlords view certain tenants as less likely to sustain a tenancy. However, to what extent can this perception be justified?  Research on tenancy sustainment rates in Glasgow found that tenancy failure rates were no higher for homeless households than for those housed via the waiting list.[6] In this case the early termination of tenancies was a problem for the majority of tenants and not just ex-homeless households.  Similarly, this research found that in Glasgow

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[6] Hal Pawson et al, (2007), 'Evaluation of homelessness prevention activities in Scotland'

tenancy failure is not exclusively an issue for young tenants. This is not to say that there isn't a high tenancy failure rate amongst young people, but that the early termination of a tenancy is certainly not a problem confined to tenants under 25 years of age. So although it is not only young tenants who terminate early, perhaps the perceived risk of tenancy failure and homelessness for tenants within this age group may also explain why landlords choose to measure rates of tenancy termination for young tenants separately.[7]
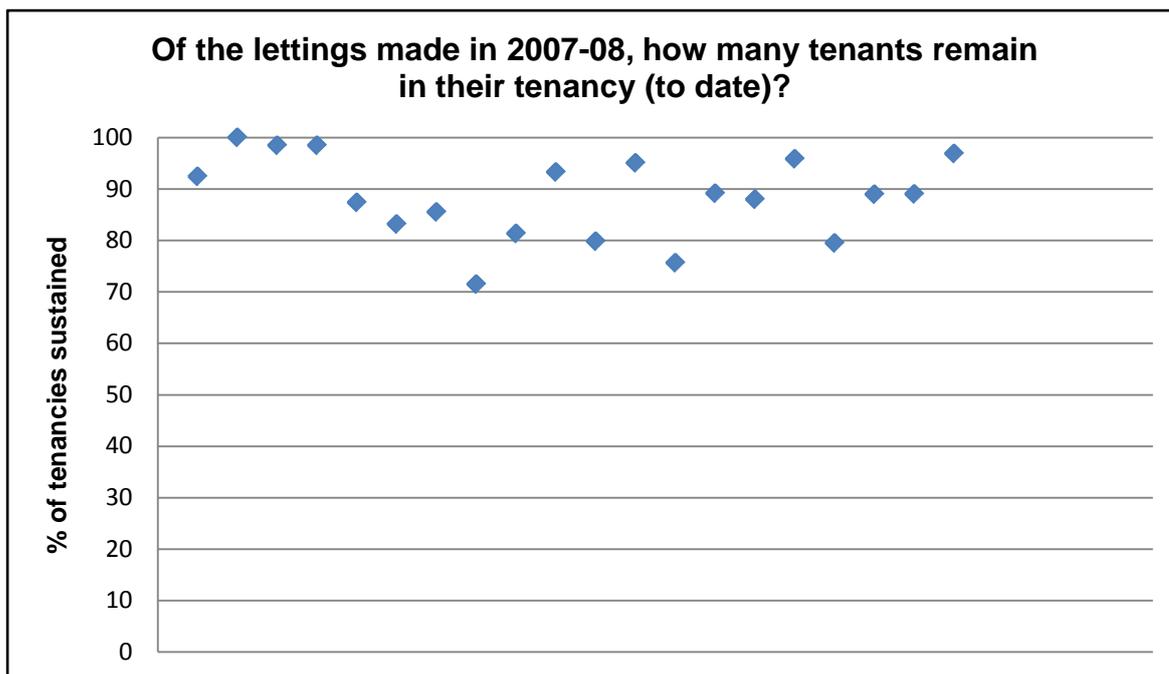
Collecting data on different types of tenants may help to identify which groups have high rates of tenancy failure; however, should the reasons behind these tenancy terminations also be recorded to give a complete picture of tenancy failure within certain groups of tenants? Could this information then be used to inform a social landlord's tenancy sustainment practice?

# 5. The current picture of tenancy sustainment

In this report we are mainly interested in how tenancy sustainment is measured; however, we have collected some data on what these measurements are and what the latest tenancy sustainment rates are for our selection of landlords. Chart 3 shows the proportion of tenants who moved into a property during 2007-08 and were still living in that property when this survey was carried out. The rates vary widely from landlord to landlord, but the average is 86 per cent.

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[7] Hal Pawson's 2007 research on homelessness prevention in Scotland includes a chapter on youth homelessness prevention by local authorities. These prevention activities are based on the assumption that some young people may be more vulnerable to homelessness because they have not yet developed the skills necessary to sustain their own mainstream tenancy or are care leavers and classed as vulnerable. This perceived vulnerability to homelessness is likely to be the reason behind the separate measurement of tenancy sustainment rates for young people by some social landlords.

**Chart 3**

**Of the lettings made in 2007-08, how many tenants remain in their tenancy (to date)?**

% of tenancies sustained

That, on average, 86 per cent of tenants are still in place is high by anyone's account. Of course, the respondents to this survey are likely to be those organisations which prioritise tenancy sustainment and these results are therefore unsurprising. Whilst we are not seeking to detract from the positive efforts of these landlords, it is important to recognise that this practice is unlikely to be typical of the whole social rented sector.
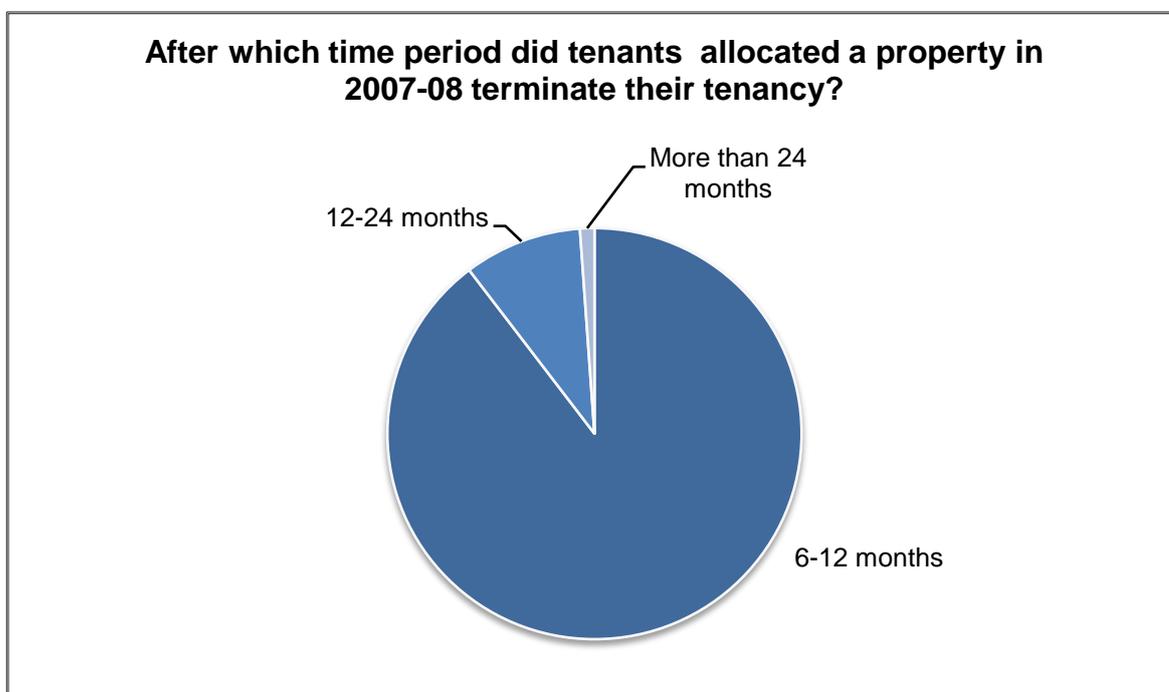
## 2007-08 tenancy terminations

As well as asking social landlords for the proportion of tenants retaining their tenancy, the survey asked for more detail on those households which have terminated their tenancies. As shown in Chart 4, overall 14 per cent of tenants allocated a property in 2007-08 have since terminated their tenancies, with the majority of terminations occurring six to 12 months after the allocation of the property. The low proportion of terminations occurring more than 24 months after the allocation of a property is to be expected as only tenants whose tenancies began in the first quarter of 2007-08 could have been in situ more than 24 months on at the time of the survey. It would be useful therefore to investigate whether the proportion of terminations occurring more than 24 months after the start of a tenancy has increased by the end of the current financial year.

By monitoring the length of time tenants sustain their tenancies before termination landlords should be able to identify those time periods where the risk of tenancy failure is greatest. Although this information will not explain the reasons behind each tenancy termination it may be useful to inform tenancy sustainment practice, for example having a

longer programme of settling in visits if a lot of terminations occur after 12 months. There is certainly a case to be made, however, for data monitoring to be supported by a qualitative measurement of the underlying causes of each tenancy termination, both positive and negative.

It is important to remember that there are a range of triggers for tenancy termination other than the length of time that a tenant has been in a property. These include a loss of employment, relationship breakdown, or ill health. A qualitative measurement of the reasons behind each tenancy termination, and subsequent identification of any emerging patterns, may be used by social landlords to inform future tenancy sustainment practice, including the support offered to tenants.

**Chart 4**



**After which time period did tenants allocated a property in 2007-08 terminate their tenancy?**

More than 24 months

12-24 months

6-12 months

# Tenancy sustainment and previously homeless households

When asked whether there were differences in tenancy sustainment rates between the different groups of tenants, most respondents indentified some variation. A slightly lower rate of tenancy sustainment was identified for homeless households. Respondents highlighted the vulnerability of some homeless households, including addiction and mental health needs, and relationship breakdown as reasons for a small proportion of homeless households terminating their tenancy prematurely. The location of a property was identified as another factor contributing to early terminations by previously homeless

tenants. One RSL respondent did raise the issue of tenants housed via a section 5 referral from a local authority being more likely to terminate a tenancy early, with property location identified as the main reason for termination. Limited stock turnover and resulting pressure on tenants to accept an offer of a property outside of their area of choice are seen as having a negative impact on the likelihood of a tenant sustaining his/her tenancy.

Although some homeless people do have chaotic lifestyles, should social landlords be working to ensure that any new tenant has support needs properly assessed and that any necessary support is in place from the beginning of the tenancy? Responding organisations only reported minor variations between tenancy sustainment rates for homeless households and mainstream applicants, echoing the findings of the 2006 research in Glasgow.[8] Would it therefore be reasonable to suggest that social landlords should not focus tenancy sustainment work solely on households allocated a property following a homeless application?

### Young tenants at greater risk?

In addition to statutorily homeless households, young tenants (particularly those aged 16-24) were identified as another group more likely than average not to sustain their tenancy, despite research in Glasgow concluding that early tenancy termination is not exclusively a problem for young tenants.[9] No definitive reason for the social landlords' view was suggested by the survey responses; however young tenants were highlighted as a group where a tenancy is likely to be ended for positive reasons, with the mobility of young people for employment opportunities given as an example. It is therefore important that landlords are able to distinguish between positive and negative reasons for a young tenant ending their tenancy. This raises the question of the extent that social landlords are able to distinguish between positive and negative reasons for a young tenant ending their tenancy. This raises the question of the extent that social landlords are formally monitoring the reasons behind each tenancy failure, or whether this tends to be based on anecdotal evidence.

# 6. Suggestions for future action

We asked respondents for their general thoughts and suggestions on the monitoring of tenancy sustainment across the social rented sector. One organisation suggested that Audit Scotland's new indicator would allow useful comparison between local councils. Other respondents expressed an interest in how other organisations were measuring tenancy sustainment. A number of landlords who do not currently collect data did state that they were currently working on a tenancy sustainment strategy and related data monitoring framework. The key theme of the responses to this question, however, was

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[8] Heriot-Watt University (2006),'Investigating tenancy sustainment in Glasgow'
[9] Heriot-Watt University (2006)

that just collecting quantitative data was not enough and that the reasons behind a tenancy ending need to be recorded and analysed.

There is a need to distinguish between tenancies that end for positive or natural reasons (such as moving in with a partner, moving to a new area for work, or the death of a tenant) and those which are actual failed tenancies (including cases of eviction and abandonment, or where adequate support has not been provided to the tenant). The general feeling seems to be that although the proportion of tenancies sustained is a useful 'can-opener' there needs to be further analysis of why tenancies end. A further comment suggested that a tenancy sustainment measure should only include tenancies that have ended for negative reasons to provide a more accurate picture.

# 7. Conclusions

Although this survey only covered a selection of social landlords in Scotland, it can give an indication of what is currently happening in the social rented sector with tenancy sustainment performance monitoring. Tenancy sustainment has a high profile amongst survey respondents, but this does not always translate into consistent performance measurement within all organisations. Three quarters of responding organisations do collect data, with the majority opting for a 12 month measure. Rates of tenancy sustainment within these organisations are relatively high. On average 86 per cent of tenants allocated a property in 2007-08 were still in place at the time of the survey, which may suggest that the organisations responding to the survey are likely to be those who already have good tenancy sustainment policy and practice in place.

Of those tenancies that were not sustained, the majority of these terminations occurred six to 12 months after the start of the tenancy. Homeless households were the most likely group of tenants to have separate tenancy sustainment monitoring, although responding organisations reported only slight variations between tenancy sustainment rates for homeless households and mainstream tenants. Tenancy sustainment rates for young people were also recorded separately by some landlords; however young people were also identified as a group often terminating a tenancy to relocate for employment reasons. This highlights the need for an understanding of the reasons behind a tenancy being brought to an end and a distinction between positive and negative reasons for a tenancy being terminated.

# 8. Recommendations and potential for further work

Tenancy sustainment activity is an effective way of preventing homelessness and the collection and analysis of tenancy sustainment data should be prioritised as part of a social landlord's homelessness prevention work.  The selection of organisations in this survey has highlighted that not all social landlords monitor tenancy sustainment amongst their tenants.  The collection of tenancy sustainment data needs to be consistent across the Scottish social rented sector to ensure that all landlords are able to properly evaluate the effectiveness of their tenancy sustainment practice.

The sharing of good practice and benchmarking performance with other landlords via Audit Scotland's and SHR's new tenancy sustainment indicators should also be encouraged.  However, whilst these new indicators are a positive step, they also raise a number of questions. Why has Audit Scotland chosen to collect data solely on homeless households and is there scope for an additional indicator to measure tenancy sustainment rates for all households?  Furthermore, it is unclear as to why both bodies are not using the same measurement, which would allow comparison between councils and housing associations.

As already discussed, there is a need to look at the causes of tenancy termination in more depth and to differentiate between tenancies ending for positive or natural reasons and those cases ending due to lack of support, debt problems, or relationship breakdown. This may be difficult to record via standard annual performance returns, but there is certainly a case to be made for individual social landlords routinely monitoring and recording the reasons for each tenancy termination.  An analysis of the reasons behind terminations may alert social landlords to areas where more support for tenants is needed; for example, through establishing better links with local authority welfare and benefits teams to help support tenants experiencing loss of employment or long term ill health.

It may also be useful for landlords to analyse the reasons for tenancy termination amongst different groups of tenants, particularly those that a landlord sees as less likely to sustain a tenancy. The importance of understanding the causes of tenancy failure was a key point made by a number of respondents to Shelter's survey.  Perhaps there is a case to be made for an investigation of how many social landlords actually undertake formal qualitative measurement as part of their tenancy sustainment monitoring and what this looks like in practice.

An important question remains as to how the profile of tenancy sustainment monitoring can be raised within the social rented sector.  There was interest amongst survey respondents about what other organisations were doing in terms of tenancy sustainment,

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which suggests that, for some landlords at least, there is an appetite for sharing of practice, and potentially joint working. The new statutory performance indicators may mean that even those organisations for which tenancy sustainment monitoring is not a priority will have to ensure that they have the systems in place to record how many tenants remain in their tenancy a year after allocation. In addition, the Scottish Government should give clarity to councils as to what they should be measuring in terms of tenancy sustainment and how this should be done, and SHR should make tenancy sustainment monitoring a priority within the new inspection regime.