**Creating Successful Shared Tenancies**

 **Annual Report**

**March 2016**



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1. **Introduction**

Since the age threshold for the shared accommodation rate (SAR) was extended in 2012 to affect all those under the age of 35, Crisis has been working to improve access to shared accommodation within the private rented sector (PRS) for vulnerable people in Scotland as well as the sustainability of these housing arrangements. We have produced a range of resources for service providers[[1]](#footnote-1) and delivered training to those looking to set up a service for sharers based on good practice gathered from successful schemes across the UK. Another more recent focus has been on the *management* of shared tenancies, namely improving sustainment rates and looking at the experiences of those engaging with sharing services. It is these areas and the concerns surrounding them as expressed by housing practitioners that informed the structure of our annual sharing conference held in Edinburgh this year (March, 2016).This brief report addresses some of these concerns.

We begin by discussing methods which help to guarantee shared tenancies are sustainable drawing on local case study examples, before looking at the experiences of young people engaged in sharing services in England, detailing some recent research findings. We have also included answers to a number of ‘frequently asked questions’ on supporting sharers, raised by housing practitioners at recent training sessions and events.

1. **Tenancy Sustainment in Shared Housing**

One of the biggest concerns raised by service providers considering housing sharers is the risk that the tenancy will fail. The most successful shared tenancy schemes have impressively high sustainment rates and employ a number of methods in order to achieve this. Five methods for improving tenancy sustainment are listed below:

1. Pre-tenancy training

The majority of shared tenancy schemes deliver some form of pre-tenancy training. Pre-tenancy training is designed to equip prospective tenants with the skills and/or knowledge they require to sustain a tenancy. Schemes usually incorporate an explanation of the legalities of a tenancy so the individual or group are aware of their rights and responsibilities and know what they should expect from their landlord or letting agent. It may also cover budgeting skills, making it more likely that the tenant(s) you are housing will be able to manage their bill payments and avoid getting into rent arrears, thus reducing the risk of eviction.

Acknowledging that it is not simply about sustaining a tenancy but also about living well independently, some pre-tenancy courses offer the chance to build important life skills, for example, cooking on a budget and how to complete basic DIY tasks. Perhaps unsurprisingly, schemes have found that those individuals who have developed these skills are likely to lead healthier and happier lifestyles meaning they are able to take better care of the property, which is of course advantageous to the landlord and improves the chances of tenancy sustainment.

Ideally pre-tenancy training is delivered before a tenant moves into a property, but this is not always possible. There have been cases where it has been delivered ‘in-situ’ at the property once they have been housed. Whilst the disadvantages of doing this may be increased risk of distraction, it does have the advantage of allowing the trainer to cover any practical material using the appliances at the property which can make it more relevant and applicable to the tenant(s).

1. Facilitating matching and replacing tenants

One of the biggest concerns raised by those considering housing sharers is *liability*- the perceived reputational risk to the local authority or the organisation if they place two or more tenants in a property and something goes wrong. Whilst there are methods of matching tenants which can be employed by housing practitioners, Crisis are keen to emphasise that this should always be facilitative in approach and that tenants should always have the final say on who they share with. Matching however, when completed in this way, can be very effective in improving the chances of a tenancy being successful. Schemes often either produce detailed questionnaires outlining personal preferences (e.g. shift patterns, standards of cleanliness) and make suggestions to tenants as to who they should consider sharing with based on their responses or provide opportunities for tenants to get to know each other and match themselves. The latter may involve running a ‘drop-in’ session or something less formal such as a games night where staff can subtly observe the interactions between those attending and make suggestions where appropriate.

Despite the best efforts of support staff, shared tenancies can of course always breakdown. On occasions where flatmates have decided to leave, schemes have stepped in to support the remaining person to find a replacement flatmate to help avoid tenancy failure. This doesn’t necessarily mean that the scheme has to find someone they deem to be suitable and place them in the property. It can mean inviting the remaining tenant back to drop-in sessions, so they can get to know prospective flatmates in housing need first and establish who would like to share with. If the tenant would prefer to find a replacement themselves, it may be useful to help them to think about what they are looking for in a flatmate and encourage them to advertise accordingly. Schemes have also encouraged tenants to reflect on what went wrong in the previous arrangement (if relevant) and how this could be best avoided in the future. Of course, in some cases, this will not be necessary.

1. Providing a key contact

Having a key point of contact for tenants and landlords, a single member of staff assigned to a particular property, can be instrumental in achieving high tenancy sustainment rates. For the tenant, this can mean regular phone calls and visits to the property. It usually allows the dedicated staff member to develop a trusting relationship with the tenant(s) and can make it more likely that they feel comfortable calling to flag up an issue, giving the scheme chance to step in. This is especially important in the early stages of the tenancy, whilst tenant(s) settle into a property and get used to living with one another. It can also make it easier for the relevant staff member to approach sensitive subjects, for example, if it appears that they need to clean more often.

Having a key point of contact, someone they know they can call if there is a problem, has been shown to be a big incentive to landlords letting through shared tenancy schemes. In terms of tenancy sustainment, if a landlord is provided with a key contact, it does seem that they are more likely to flag up issues giving the scheme chance to mediate between the landlord and tenant(s) or negotiate, before things escalate and there is risk of eviction.

1. Set-up support

Staff members working within shared tenancy schemes across the UK have often highlighted that the first few weeks of a tenancy are the riskiest whilst the tenant(s) settle into a new property and adjusts to living with their flatmates. This can be a daunting and stressful process, particularly for more vulnerable tenants, and if they are not appropriately supported at this point, it could result in a loss of confidence in their ability to handle the arrangement or tensions/disputes between sharers, threatening the success of the tenancy. Making sure that tenants have everything they need before moving into the property can be crucial in ensuring they feel settled. It may be possible, for example to refer tenants to local furniture schemes if they are in need of certain items. Staff members working for shared tenancy schemes across the UK have emphasised the importance of tenants feeling at home both in how properties are treated and in feeling settled enough to perceive it as a longer term option. If there are issues paying utility bills because, for example, the property is poorly insulated, there may be grants available which schemes can inform tenants about or even help them apply for.

A number of schemes also facilitate weekly house meetings at the beginning of a tenancy to discuss any issues and encourage tenants to set up ‘house rules’. Ideally, tenants will continue to host these meetings and stick/add to the house rules when visits from the scheme are no longer required. More information on this and other best practice in managing shared tenancies is available in our Sharer’s Toolkit (Scotland) which can be downloaded at: <http://www.crisis.org.uk/pages/sharers-toolkit-.html> .

1. Encouraging independence

Sharing schemes provide valuable support both prior to the tenancy beginning and once tenants have been housed. This often involves helping tenants to make sense of and respond to formal letters, reporting problems to the landlord on the tenant’s behalf and negotiating for example, if repairs are needed. Whilst this level of support may be required at first, it is usually best to encourage tenants to begin doing these things themselves so they can gain confidence handling issues and ideally build a communicative relationship with the landlord.

**Best practice in tenancy sustainment: ‘Tenancy Share’ (Trust in Fife) **

Trust in Fife, who operate one of Scotland’s most successful rent deposit guarantee schemes (RDGS), launched the innovative ‘Tenancy Share Project’ in June 2013.

The project aims to assistyoung people who are found to be intentionally homeless into shared properties within the PRS by equipping them with the skills required to sustain a tenancy and providing them with opportunities to find a suitable flatmate and property.

The local authority refer young people who are homeless or at risk of homelessness through the Local Office Network or ‘Homes 4 Good’ centre (Fife Council partnership) following Fife Council’s Prevention First Process. Prevention First Advisors provide clients with information about the ‘Tenancy Share Project’ and, if appropriate, a referral would be made prior to a face-to-face interview with a member of staff at Tenancy Share. Trust in Fife has converted a building formerly used as a homeless hostel into a ten bed unit (there are ten individual units, a large communal living room and a kitchen).

As part of the programme, residents must complete three information sessions which aim to prepare them for beginning a tenancy (there is an element of flexibility with the delivery of these according to the specific needs of each individual) and these are delivered in one of the communal rooms within the ten bed unit or on an outreach basis. Information sessions cover a range of topics from budgeting and sharing with a flatmate to understanding the legalities of entering into a tenancy agreement. The sessions are open to other young people in Fife requiring this support and participants are encouraged to use this opportunity to find someone that they would like to share with – they have no formal matching process and instead prefer tenants to match themselves.

Staff members engage with local landlords through landlord forums and have links with the local landlord accreditation schemes. Landlords wishing to work with Trust in Fife must ensure that their properties meet all legal requirements and this is checked by a member of staff.

Participants are given advice and guidance identifying suitable properties and normally enter a joint tenancy agreement. On-going tenancy support is provided in the form of regular visits (the number of visits depends on the needs of the individual client). The Tenancy Share Project supports tenants with a tenancy deposit guarantee.

The scheme has created 45 shared tenancies created since April 2013 and the initial findings are that tenancy sustainment rates are comparable with the 90% 6 month sustainment rates of the RDGS.

It is for the reasons outlined above that Trust in Fife have been awarded the title of Crisis’ ‘Private Renting Champions for Scotland 2016’. We have selected two case studies which describe the journeys of five tenants who have been supported through the Tenancy Share programme:

Case study 1:

*Jerry and Allan[[2]](#footnote-2) met at The Valley and moved into a shared privately rented property in December 2014. When Allan secured accommodation with a charity supporting the forces, the Tenancy Share team successfully applied for Discretionary Housing Payment (DHP) to cover the rent from this date and gave notice to the landlord so that the tenancy could be brought to a legal end. They assisted a friend of Jerry’s through the Tenancy Share process, ensuring he completed all three information sessions. He was then accommodated in December 2015 with a deposit guarantee. The tenancy is still ongoing at this time (March, 2016).*

Case study 2:

*Kelly (aged 22) and Rachel (aged 19) were assisted into a shared flat in April 2015 after completing the information sessions and being provided with a deposit guarantee. Both were in receipt of benefits at the time but after settling into the property and having a period of stability, they both successfully gained full-time employment. Gaining employment meant that they were able to pay the deposit off early (December 2015). They struggled with dampness in the property and whilst the Tenancy Share team mediated where necessary, they encouraged them to deal with the landlord directly in order to build relationships. They also had issues with the utilities supplier to the property, so Tenancy Share referred them to a local energy advice project called ‘Greener Kirkcaldy’s Cosy Kingdom’ for help with this and fuel poverty. The tenancy is still ongoing at this time (March, 2016).*

These examples show how ‘Tenancy Share’ demonstrates how Tenancy Share draw on the various methods outlined in the previous section to help ensure the sustainability of the tenancies they set up and that tenants feel prepared and supported. These examples also highlight that the level and type of support required will vary depending upon the individual situations of sharers being housed.

If you would like to find out more about the services being delivered by the Tenancy Share project, please contact Natalie Dewison (Housing Practice Coordinator) at natalie.dewison@crisis.org.uk.

1. **The experiences of people engaging with shared tenancy schemes**

Crisis ran the ‘Sharing Solutions’ programme for 18 months up until March 2015 which supported 8 projects piloting various shared housing models[[3]](#footnote-3). Last year, Crisis conducted focus groups with residents at four of the shared tenancy schemes involved in the Sharing Solutions programme in order to gather their opinions on the services they have accessed. Key findings from these focus group interviews are detailed below:

Pre-tenancy training:

* Many of the residents were very apprehensive about independent living and/or the concept of sharing before becoming involved with the scheme, having never lived in shared accommodation before and expressed how crucial the support they received had been in preparing them for this transition.
* Many residents emphasised how useful the budgeting element of the pre-tenancy training had been, particularly when it came to prioritising bill payments, the cost of living and rent prices in certain areas. It was argued within all the focus group interviews that it would have been helpful to receive some form of pre-tenancy training before leaving school, so they were fully prepared and knew what to expect.
* A few of the residents highlighted that living in supported accommodation, where a flat service charge covers all bills, makes it difficult to know how much to expect to pay for each individual bill when you move into a private property. Knowing to look for a breakdown of the energy bills and how to budget for them, as taught within most pre-tenancy training courses, makes it easier to handle this.

Set-up Support:

* In general, residents felt that three people worked best in a flat share because it was good to have a third person to offset any tensions that may build.
* There were varied opinions when it came to discussing whether it was better to share with people of the same age and gender or have a mixed house. Some said that they would prefer to share with people of the same age but were generally less bothered about gender and others enjoyed sharing with people of different ages and backgrounds.
* There was strong support for scheduling regular house meetings (set up by staff). It was argued that fortnightly worked best as it was important everyone attended and this was more realistic for people doing shift work. Residents explained that these meetings gave them chance to clear the air before things escalated and resolve issues. A couple of residents also expressed that knowing the meetings were coming up helped to ease their anxiety if they were issues in the tenancy.
* A few of the residents argued that the meetings worked best when someone was running them who did not live in the property.

 *“I couldn’t have done it on my own. I wouldn’t have done it on my own”*

*“I would be dead if I didn’t have that support. [The scheme] has been a godsend to me. I can’t fault them’.*

(Quotes from residents during focus group interviews, Crisis 2015)

Companionship:

* Isolation emerged as a key theme during the focus group interviews, namely how lonely it could be when you lived on your own[[4]](#footnote-4).
* Many residents described how important having the companionship of their flatmates had been and how much they had learned from spending time with different people.
* A number of the residents explained that they actually felt safer living in a shared property, as they knew someone else was around were something to happen.
* It was widely acknowledged within all of the focus group interviews that living in shared accommodation had taught them that every person has different life experiences, skills and contributions that they can bring.
* One of the tenants explained that despite having difficulties with some of the people he has shared with he doesn’t think he would like living on his own as it would be boring and sharing offered new opportunities to meet people.
* Another positive to sharing that was raised by the groups was the ability to build social networks, getting to know people through their flatmates.

*“Shared is better because at least you’ve got someone to talk to”*

(Quote from resident during focus group interviews, Crisis 2015)

Issues:

* A number of those interviewed had trouble organising bill payments when they were each paying individually and described the arguments that could happen when a payment was due. It was generally agreed that having a service charge was a preferable and more practical option.
* Some described how they had become attached to their flatmates and found it very difficult when they moved on.
* The majority of residents felt that they were stigmatised by landlords for being young and in receipt of benefits, even those who were working but receiving some form of benefit payment making it difficult to access properties. It was also raised that landlords were advertising properties just above the LHA rate to ensure their property was unaffordable to anyone in receipt of benefits, limiting the number of properties available to them.

Moving forward:

* Many of the residents have moved on to rent shared properties in the PRS using the skills, knowledge and experience they gained through working with the relevant scheme. Those who have experienced setbacks explained that they have been able to return to the scheme for help and guidance.
* Interestingly, one of the residents who had moved into a property on their own described missing the companionship of the people he had been sharing with.

*“If I didn’t get support, I don’t think I’d be where I am today. I’m moving forward rather than staying in the same place or moving back”*

(Quote from resident during focus group interviews, Crisis 2015)

Crisis will continue to monitor and evaluate the outcomes for those who have engaged with the Sharing Solutions programme to gain a better sense of the longer term impact of the services provided by these shared tenancy schemes. If you would like to learn more about the individual schemes involved in the programme, more information can be found on the Crisis website by visiting <http://www.crisis.org.uk/pages/sharing-solutions-schemes.html> or by contacting Rebecca Derham, Shared Housing Best Practice Officer at Crisis at Rebecca.derham@crisis.org.uk.

1. **Frequently Asked Questions**

***Is the shared accommodation rate (SAR) like to increase any time soon?***

No. It was announced as part of the spending review and autumn statement in 2015 that the local housing allowance (LHA) rate would be frozen for four years from April 2016 to March 2020.

***Does the shared accommodation rate (SAR) impact on social rented homes?***

SAR does not currently apply to socially rented homes, however it was also announced within the spending review that housing benefit within the social rented sector will be capped at the LHA rate as of 2018 affecting new tenancies from 2016 and SAR will apply. The reasoning behind this decision is that it will prevent social landlords from charging inflated rent. It is estimated that those subject to SAR could face a weekly shortfall of £6.22 a week or £323.44 a year. It has been suggested that it may be possible to access discretionary housing payment (DHP) to protect the ‘most vulnerable’ from this change, including those residing in supported accommodation.

***How else will young people be affected by the announcements made within the spending review?***

The Government also announced that they would be removing the entitlement of housing benefit (or the housing element of Universal Credit) for 18-21 year olds from April 2017. There will however be a number of exemptions including young people deemed to be ‘vulnerable’ and those who may not be able to return home to live with their parents.

***What happens with council tax in shared housing?***

If tenants are on separate tenancy agreements, the landlord is liable for the council tax but if it is a joint tenancy, the liability falls with the tenants. Many housing practitioners have raised that this means most landlords prefer tenants to go onto a joint tenancy and are usually unwilling to consider separate agreements, meaning tenants are responsible for making the council tax payments. A major concern with setting up joint tenancies, is that one of the tenants could abandon the property, leaving the remaining flatmate(s) to cover their part of the bill. There are a number of ways that schemes across the UK have successfully alleviated some of these issues. These are listed below:

* Making sure that the number of tenants going onto a joint tenancy is manageable when it comes to splitting the bill payments. The more tenants living in a property, the more confusing it will be to calculate how much each person owes and difficult it is to ensure everyone pays there proportion on time. It also increases the likelihood of someone leaving and the other tenants having to pay more to cover shortfall. An ideal number of tenants would be two or three.
* Supporting tenants when it comes to establishing any council tax reductions they may be eligible for. This can be confusing and subject to change, so it is crucial they remain on top of this to ensure the property remains affordable and avoid the risk of falling into debt.
* If tenants are on a joint tenancy and one person leaves, supporting the remaining person to apply for any discretionary funds offered by the local council could help them to cover the cost of the full council tax bill.
* It may be possible to negotiate with landlords so that they cover the council tax bill, highlighting the cost savings made by having a constant supply of tenants (and thus no void periods) or ongoing tenancy management support.
* One of the best ways to avoid issues when it comes to paying council tax bills on joint tenancies is making sure all tenants are provided with a breakdown before signing an agreement of the bills they will be expected to pay and ensuring it is affordable to all. In some cases, it may also be helpful to provide some form of training to help tenants improve their budgeting skills, helping them to manage their monthly payments once they have moved in.
1. **Next steps**

Crisis has successfully received funding from the Scottish Government to continue the work we have been doing to support the creation of successful shared tenancies. Over 2016/17, we will be working with local authorities and third sector organisations across Scotland, providing the following services:

* Setting up visits to the ‘Tenancy Share Project’ in Fife for those interested in finding out more about the services being delivered by Crisis’ Private Renting Champions for Scotland 2016.
* Delivering training sessions aimed at local authorities and third sector organisations looking to set up a service for sharers, drawing on best practice from successful schemes across the UK. A more advanced training package is offered to those looking to improve an existing service.
* Providing one-to-one support to those developing or reviewing a service for sharers.
* We will continue to produce factsheets, toolkits and guides as well as conducting research focused on sharing on a housing option. Keep an eye on our website for these and for other important updates: <http://www.crisis.org.uk/pages/in-scotland.html>

If you are interested in any of the above, please contact Natalie Dewison (Housing Practice Coordinator) at natalie.dewison@crisis.org.uk or by phoning **0131 209 7719** (direct).

1. A number of factsheets, toolkits and guides can be found by visiting our webpage on the Crisis website: <http://www.crisis.org.uk/pages/in-scotland.html> [↑](#footnote-ref-1)
2. In order to protect the identities of those involved, all names included within the two case studies are pseudonyms. [↑](#footnote-ref-2)
3. For more information on the Sharing Solutions programme, please visit: <http://www.crisis.org.uk/pages/sharing-solutions-programme.html> [↑](#footnote-ref-3)
4. Recent research conducted by Crisis of 506 homeless service-users found that people experiencing homelessness were more than three times at risk of experiencing loneliness and isolation than the general population. It also explored the damaging impact these experiences can have on individual’s lives in the longer term. The full report can be found at the following link:

<http://www.crisis.org.uk/data/files/publications/LonelinessReport_FINAL.pdf> [↑](#footnote-ref-4)