

The Commonweal Peer Landlord Model: A Replication Learning Guide

About Commonweal Housing

Commonweal Housing is an independently funded housing based **Action Learning** charity.

We utilise the resources available to us to enable frontline organisations to **develop, establish and pilot new and innovative housing based solutions** for those that have experienced different forms of social injustice.

We aim to **capture the learning from our pilot projects** and to **disseminate the lessons learned**. We encourage and **facilitate replication of successful models** alongside innovative solutions to social injustice, maximising the impact and beneficiaries.

Our mantra remains:

“Delivering projects is good but it is not enough... replication of what we have developed will be the true measure of success for Commonweal.”

This **‘Learning Guide’** captures the key elements of the Peer Landlord model, a supportive shared housing approach supported by Commonweal and tested by two different organisations for the last 5 years. This guide is intended to assist those interested in adopting, adapting and replicating this approach elsewhere to meet the needs of people for whom current housing solutions do not adequately work.

Further details on the Peer Landlord model and the other projects supported by Commonweal can be found at www.commonwealhousing.org.uk

1. Introduction; why Peer Landlord?

Lack of affordable housing in the UK is a chronic issue affecting the lives of millions of people, from rough sleepers to those struggling to find a deposit for their first house. The private rented sector (“PRS”) is increasingly the only option for many people, as access to social housing or ownership diminishes.

For those who are, or at risk of being homeless, even the PRS is barely an option for many reasons, financial or otherwise, which leaves hostels, sofa surfing, a series of failed PRS tenancies, supported housing or even rough sleeping as the likely pathways.

However, a large amount of people who find themselves in this situation are capable of independent living, perhaps with a little extra support and financial leeway. Those who are in or aiming to be in work or education are held back by unstable and often chaotic housing conditions. The Peer Landlord project seeks to address this injustice and plug a gap, providing a good quality, affordable and supportive shared housing option that simply isn’t there otherwise.

2. The Project

The Peer Landlord Project aims to be a financially viable supportive shared housing option capable of adaptable replication elsewhere and by others. The model should cultivate a peer response to some support needs within the house in order to enable the residents to;

- find greater independence
- develop resilience in terms of maintaining engagement in employment, education or training (“EET”)
- develop a stable tenancy

By transferring some key responsibilities, the Peer Landlord model should help delivery partners (in the pilot, Thames Reach (“TR”) and Catch 22 (“C22”) have been delivering the model across 13 properties) to reduce core costs.

At the point of accessing the project it is expected that individuals will be actively engaged in employment, education or training and where not currently working, they will be prepared to actively seek a job or training place - a willingness and ability to continue with whatever progress means for them. It is not a solution for people in need of ongoing intensive support or who are incapable or unwilling to live independently.

Peer Landlord seeks to increase the supply of affordable and supportive shared housing for those lower general needs individuals who are, or are at risk of being homeless, who do not necessarily need traditional supported housing or could be held back in larger hostel accommodation.

3. **Supportive, not supported housing**

Peer Landlord isn’t simply a PRS access scheme, nor is it cheap supported housing. The role of the peer landlord (“PL”), as one nominated individual in each household, is to facilitate, with input from TR and C22, the *supportive* (not supported) nature of this housing solution.

The PL in the property will have certain responsibilities, and will ideally foster a nurturing and supporting environment within the home. The input from the delivery partner is intensive *property management*, as opposed to traditional supported housing inputs.

Example responsibilities of peer landlord	Example responsibilities of property manager
<ul style="list-style-type: none"> • Household bill arrangements • Reporting maintenance issues • Being the primary point of contact with the Property Manager • Taking a lead in resolving minor household disputes • Providing low level advice & guidance to the tenants if appropriate • Other ad hoc inputs e.g. meeting and have some choice, along with their housemates, about possible new tenants 	<ul style="list-style-type: none"> • Income collection and monitoring • Arranging and monitoring arrears management plans • Assisting with benefit claims • Signposting other sources of support tenants may require • Overseeing repairs and maintenance • Acting as mediator if there is any conflict in a property the tenants cannot resolve themselves • Assessing referrals for possible new tenants (i.e. selection).

The result should be a platform for a supportive shared accommodation solution that sits in the gap between supported housing, with hands on support for tenants with higher needs, and the PRS, with a very hands off (or nonexistent, in all likelihood) support structure from the landlord.

4. What we want to achieve

We want to facilitate the replication and adaptation of the Peer Landlord project in a suitable location with the right delivery organisations. We know the demand for affordable accommodation is high in many areas across the country, and in parts of the south east and London, the lack of availability is chronic.

The pilot project structure and set up does not need to be replicated 'as is'. The model is flexible to allow adoption and adaptation depending on the context (market, intended client group etc.) whilst adhering to four key core principles;

- Affordable rent
- A supportive environment that is not cheap supported housing
- Good quality accommodation
- Requiring/encouraging engagement with EET

We want to share our knowledge and learning with other organisations with a view to helping develop other supportive shared housing projects., The ultimate aim is to increase the number of affordable and appropriate housing options available to individuals who are, or are at risk of homelessness and where lack of stable housing may prevent further positive progress in their lives (e.g. young people leaving care).

5. Organisational & financial set up of the original pilot

Set out in this section is a description of the pilot model and how it is structured. It is important to note that detail of the pilot model is provided for general information and background only – future replication models would be adapted to local circumstances.

The Peer Landlord pilot project involved two delivery partners, Commonweal, and a collective of social investors. With half the funding from social investment, half from Commonweal's benefactor, 13 properties were purchased and sit on Commonweal's balance sheet. An annual yield is paid by Commonweal on the properties acquired using social investment.

In turn, Commonweal leases the properties to the two delivery partners at a reduced rate. From there, financial risk sits with the delivery partners, who charge rent around or close to LHA (shared accommodation rate) – the reduced lease price allowing a margin to cover arrears, voids, repairs, staff time and other costs.

Commonweal facilitated the project by bringing together the finance and delivery partners, and undertaking crucial monitoring, evaluation and project management responsibilities thus taking pressure off delivery partner resources.

- Within the current model as set out above, data for the most recent 12 month figures available show a notional surplus per bed space per month of £99.79 and £67.13 for TR and C22 respectively, after the deduction of management input costs and associated overheads. This is before rent payable to Commonweal. In any replicated model, the equivalent rental cost would vary depending on the source of housing (i.e. utilising own existing stock, or procuring from a third party).
- These figures should be seen in context;

- The equivalent costs of supported housing and the cost of interventions for continued homelessness and rough sleeping are high. An equivalent PRS option is likely to be unaffordable.
- There must be a recognition of the risk inherent in the project. The client group involved will be financially vulnerable (little to no savings, irregular and/or low income; often utilising various welfare payments), and so arrears are a feature of this type of project.
- There have been significant issues with the provision of welfare and benefit payments. At any given time a significant proportion of arrears are usually attributable to issues around benefit claims and delays.
- Learning from the project has seen significant strides taken in working towards making the project finances as healthy as possible; we believe, given the accumulated learning from this pilot, that this can be mitigated to a great extent.

6. Impacts & Metrics

The key metrics for the pilot project focused on tenancy sustainability, move on and engagement with employment, education & training. We have seen genuinely positive impacts from Peer Landlord, and believe shared accommodation can be a positive pathway.

- The primary impact is simply offering a pathway, an opportunity for people that wouldn't have existed for them before. With all 13 pilot project properties in the London area, where LHA rates and market PRS rates have diverged significantly, this is a key impact of Peer Landlord.
- We found that this is a key diversion option for some people. Characterised as the right option at the right time, our delivery partners have found that Peer Landlord is a fantastic preventative option if people can be identified before slipping into the usual pathway of hostels or other forms of homelessness.
- Tenants tell us Peer Landlord, providing good quality and affordable housing with a community ethos, enables them to sustain tenancies whilst in low-paid employment. This in turn nurtures confidence, general wellbeing and a sense of self assuredness. Developing a level of resilience for tenants and participants, we often see higher levels of EET engagement in Peer Landlord projects than we do in other housing pathway options.
- Tenants become more self-assured as they get accustomed to dealing with bills, reporting repairs and other aspects of managing a tenancy.
- Homeless people consistently tell our delivery partners that they want to have their own place; Peer Landlord enables people to fully integrate in society, which helps their self-esteem to return. Tenants that have come to the project as care leavers often say the independence and responsibility offered by such a project is something they have craved.

7. Key Learning from Commonweal Peer Landlord pilot project

Five years of this pilot project have given us invaluable insights and learning; what makes a shared housing project such as this work, and what doesn't. This type of project depends to a huge extent on the individuals and mix of tenants in a household, but we have established some key learning that we think should reduce the risk of negative outcomes as far as possible.

Willingness to learn and adapt has been key to the progress of the pilot project. Any future Peer Landlord project would need to adapt to the demands and constraints of the location, delivery stakeholders and client group involved – we see Peer Landlord as a model of principles to be adopted and adapted.

Income collection – the key risks derived from loose income collection management are the build up of arrears and subsequently costly write offs

Selection of tenants – good selection policy is vital to getting appropriate tenants to promote supportive households, and tenants who are willing to engage with the project and with EET.

Understanding the model and what it means to be supportive – if there is confusion over the nature of the model and what it means to be supportive, there is a risk of inappropriate tenant/peer landlord selection and a need for too much management input.

Move on from project – desired outcomes for the project should be thought through and help shape the way the project is set up

From the broad areas of property management and strategic focus outlined above, the following key learning points to pass on for any future projects have been flagged by key stakeholders.

Income collection

There must be recognition of the risk inherent in the project. The client group involved will be financially vulnerable (little to no savings, irregular and/or low income, often utilising various welfare payments), but not qualifying as statutory homeless. This means a vital part of delivering the project is around adequate rent collection, and balancing this with providing a supportive platform.

1. Tenants must be made aware of the importance of making rent and bill payments on time from the very start, as well as advised on what to do if they lose an income source.
2. There must be a PRS style approach to income collection and monitoring, with clear guidelines and processes on how to deal with arrears. This needs to be balanced with a willingness to work with tenants to help them through periods of arrears – resilience and sustainable tenancy are key aims for Peer Landlord as well.
3. Needing to be proactive with benefit claims. This means actively assisting tenants with claims when needed, and ensuring tenants are making the right claims at the right time. Links with local authority / DWP contacts would be useful. We found that a comprehensive 'handbook' taking people through the process, outlining what information is needed for claims and highlighting the many pitfalls, is very useful.
4. Other projects have stipulated employment as a pre-condition in an attempt to prevent arrears. Peer Landlord has not done this, recognising that for many, lack of stable and secure housing is a crucial barrier to finding stable employment.
5. Licences are an appropriate form of tenancy agreement, as they enable the provider to mitigate the risk of inappropriate selection to a greater degree. Assured tenancies have led to very large write offs in the past where a tenant who initially appeared suitable proved not to be.

Selection of tenants

Tenant selection is a key area of focus for a shared housing project such as Peer Landlord. Of course, appropriate selection requires documented selection guidelines, but ultimately the knowledge of relevant staff in making selections will be crucial. Key learning from this pilot project is;

1. There should be autonomy of tenant selection – i.e. the delivery organisation should not be compelled to select a tenant who would be inappropriate for the project, nor should a tenant who does not see the project as appropriate for them be forced into it.
2. There must be allowance for the fact some tenants may have emerging needs. Selection isn't a precise science and there must be plans in place to deal with the impact of selecting tenants who may need a bit of extra help, or are even inappropriate for such a project.
3. A key to the selection process is ensuring people understand, or 'get' the information that is shared with them before/during interview. This is in relation to their responsibilities to the house and other tenants, and the financial responsibilities involved (working with tenants to review their budgets, incomings and outgoings, and how they will manage is particularly useful)
4. Input from other tenants is useful – e.g. allowing existing tenants to have a say on who they'll be living with, as is usually the case in the PRS – for getting the tenant mix right.
5. Care must be taken to strike a balance with voids. Getting selection right is fundamental to the project success, and filling beds for the sake of filling beds has proven to be a recipe for trouble. But we must be mindful of the impacts of being too fastidious with selection criteria, namely expensive voids. Balance is key.

Peer model & what it means to be supportive

The peer landlord role and supportive platform remains an identity that differentiates the model. The role itself, aside from a set of practical responsibilities, requires a willingness to work with the delivery organisation to provide a supportive platform, and act as the 'door to the house'. The actual manifestation of the role will naturally vary from house to house. Ideally, the role should help foster a nurturing environment. Delivery organisations found that a house with a 'good' peer landlord was generally much easier to deal with. In turn, the model seeks to keep provider input more limited to intensive property management, with other forms of support available if needed – a safety net - but not as a first port of call.

1. Stakeholders should be clear about expectations and responsibilities from the start. There was some confusion over the nature of the role, and its interaction with the delivery organisation. The role should be a set of responsibilities with one tenant acting as the door to the house for the property manager, aiming to reduce burden on staff time.
2. Care must go into selecting the right peer, or nurturing said person when they emerge organically
3. For this pilot project, pre-tenancy training was envisaged as a part of selection for all tenants. Due to limited turnover, resources (management costs), and tenant availability this wasn't being done in a *traditional* training sense. Other organisations with other set ups may wish to approach this differently but it is a cost to factor in.

4. Training for the peer role should be available over time. This doesn't have to be training in traditional sense, but extra support and interaction from delivery organisations to impart knowledge and skills to go with their added responsibility, e.g.
 - a. Becoming a contact for benefit claims/expert on process
 - b. Guidance on conflict resolution
 - c. Learning from visiting contractors when they do DIY/household upkeep tasks

Move on from the project

For this pilot project tenants were not given a move on time limit - resilience of tenants and sustainability of tenancies was a desired impact. A by-product of such time limits can often be a need for much greater support as people get near the deadline, and such extra resource demand would put excess strain on limited staff time. Different delivery organisations are likely to have differing views on this issue.

1. Sustainable tenancy may provide a better financial platform for the project, require less intensive support to help facilitate move on, and wouldn't leave people with the distressing prospect of being forced out if they struggle to secure new accommodation.
2. Incentive to move on is likely to be heavily dependent on location. The south east and London PRS markets (and welfare changes for younger people) can make move on extremely difficult – it is often, simply, too expensive.
3. The pilot project has demonstrated the need for good quality long term options rather than, or as well as, a purely transitional model.

For further information contact Matthew Wale – Peer Landlord Project Development Manager 020 7199 8394 or visit our website www.commonwealhousing.org.uk