Peer Landlords: testing the concept

A report from Phase one of the model development

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Executive summary

Chapter one: Introduction

This report produces findings from the first phase in the development of a peer landlord approach to shared housing in the private rented sector. The model has been developed by Commonweal, using social investment to procure thirteen three-bed properties. These properties have been leased to two homelessness agencies. Each property has a 'peer landlord' who provides informal support to the two other tenants in the property and acts as a contact point for the property manager.

The project aims to develop an additional housing option for lower-needs homeless individuals – or those at risk of homelessness, countering the sometimes institutionalised nature of supported hostel provision which can foster dependency. Changes to eligibility in local housing allowance (LHA) have increased reliance on shared housing, particularly for under-35s. Access schemes are now beginning to explore a range of 'mediated' shared housing approaches, but effective evaluation has been stymied by the poor availability of whole properties in which to test a sharing model.

Chapter two: The financial and administrative model

Six separate agencies are involved in the delivery of the Peer Landlord model. Commonweal has procured social investment from Bridges Ventures, Trust for London and the Esmée Fairburn Foundation. These agencies have been attracted by the degree of innovation in the proposed model, and the intention of that model to be scaleable and so expand its level of social impact. Six properties have been purchased with social investment capital. A further seven properties have been gifted by Grove End Housing Limited, Commonweal's parent organisation.

The properties are leased to two partner agencies: Thames Reach and Catch 22. These agencies deal with different client groups: Catch 22 focuses on the needs of younger people, leaving care or custodial sentences; Thames Reach offers a range of housing and employment services for homeless people. Both agencies have experienced a culture shift in their involvement in Peer Landlord, in moving away from a supported housing model to one in which housing management is understood to be the core task.

Chapter three: Developing the Peer Landlord principles

The Peer Landlord model includes a number of distinctive principles, making it distinctively different from other shared housing models. The project aims to create 'good homes' through the use of better quality properties in good neighbourhoods, close to transport links. The houses are not standard 'houses in multiple occupation', and include areas for social and communal activity.

The model aims to meet the needs of low-needs individuals, although through this first phase of the pilot there were some difficulties in arriving at processes for effective tenant selection. Support needs may not necessarily become apparent until tenancies are entered into. The partner agencies have each taken a slightly different tack: Thames Reach has begun to replicate private sector housing management in its vetting of prospective tenants; emerging support needs are referred to other parts of the agency. Catch 22, given the younger age of its cohort, is more likely to provide floating support to its Peer Landlord tenants.

Peer Landlord aims to support work and work-readiness in tenants. However, a journey from unemployment to employment is not straightforward and tenants' status could be fluid. This created difficulties as incomes fluctuated, and problems then with rent arrears which any future financial modelling needs to take into account.

The 'peer landlord' role is a principle rather more concrete in conception than in practice. Neither partner agency has, as yet, produced a clear training framework for peer landlords. It is not cost-effective to deliver extended training to a very small cohort, particularly if their work and study commitments might mean only intermittent engagement. Furthermore, neither partner agency was entirely sure about what training it might deliver: there remains in some instances a lack of clarity on what role the peer landlord should play.

The Peer Landlord carries some economic benefits to the client, in offering a rent that is at the LHA level, and where the rent payment includes a savings element. Neither of those principles has changed.

There has been a slight shift with regard to expected length of stay. Initially, it was thought that tenants would be staying in Peer Landlord properties for eighteen months-two years. Changes to the London rental market have created some difficulties in move-on but even so, the stakeholders and partner agencies are now generally of the view that no time limit should be imposed. Peer landlord is effective in its delivery of settled low-cost shared housing.

Chapter four: Delivering a shared housing model

Both projects have used this first pilot phase to develop and test property management frameworks and refine their approach to shared letting. The projects have both arrived at slightly different models, as a consequence of dealing with two different client groups. Catch 22 have tended to institute a higher level of support f or its younger clients, although latterly it has begun to introduce more formalised protocols for tenant selection, rent collection and rent arrears management. Thames Reach have introduced property management practices more akin to letting in the private sector.

Letting shared property presents unique problems compared with the arrangements of 'independent' lets, requiring decisions to be made about the payment of utilities, choosing new tenants that will be acceptable to existing residents, and the management of voids. Again, this first phase has allowed both partner agencies to develop their shared lettings practices, and at the second phase it would be useful to see whether and how far those practices compare in effectiveness to practices evident in sharing in the wider rental market.

Chapter five: Assessing impact

The Peer Landlord model has introduced a range of metrics, collected quarterly, to draw together data that can be used to measure performance. There are problems with the way that the current metrics are framed, and inconsistencies with collection. A review of the current data collection system should be considered as part of the next phase of model development.

It may well be that social investors' expectation of impact are sufficiently well met through evidence of the extreme housing need of scheme clients. In this case, there needs to be clearer and more transparent definitions around 'homelessness' and prevention. It is very difficult to arrive at metrics that are able to capture dynamic and sustained improvement in employment outcomes since economic trends and shifts in the labour market are outwith scheme control. It is perhaps more suitable to consider metrics that indicate where tenants remain settled despite changes in employment and education status.

Effective comparisons with other similar schemes are difficult to arrive at. Evaluation reports do not always collect and present data so that comparison is possible; client numbers may be small; and the schemes may not be using shared accommodation.

Chapter six: Tenant experiences

An estimated total of 67 individuals had tenancies during phase one of the development model. There was an uneven gender mix, as is generally the case with homelessness, with a higher proportion of men. The Catch 22 tenants were all under the age of 24; Thames Reach tenants had mixed ages, with the majority being between the ages of 36 and 55.

Longitudinal qualitative research was undertaken with tenants, and a total of 34 individuals was interviewed. They had come to Peer Landlord by various routes, and many had experiences of rough sleeping before their current tenancy.

The tenant experiences of peer landlord varied substantially. Some did not have a clear understanding of the concept, and equated it largely to being in a hostel. This misunderstanding skewed their expectations of what Peer Landlord offered in terms of support, and in terms of move-on to a social housing tenancy.

Other tenants had a clearer understanding of the objectives of the initiative. There was widespread appreciation of the quality of the property given the level of the rent. This meant that tenants who were not optimistic about their move-on options were satisfied to stay in the properties in the longer term.

There were mixed responses to the experience of being in a property with a peer landlord. Opinions were – as might be expected – dictated by the personal relations between the tenant and the individual acting as a peer landlord. In some instances, the creation of a hierarchy within the tenancy was in itself a source of tension if tenants had not 'bought into' the peer landlord concept.

Peer landlords were not always themselves confident about their ability to act in that role, and felt under pressure if they themselves fell into rent arrears or had employment problems. In a couple of instances, peer landlords abandoned properties without notice.

There was no robust evidence that having a peer landlord 'worked' for tenants. The issue might be more readily explored in the second phase of the model if there is a greater level of partner agency investment in peer landlord training, and where an understanding of the model might be better communicated to tenants. It would be useful to see whether a shared housing model without a peer landlord element might deliver similar or greater proportions of settled tenancies.

Chapter seven: Financial analysis

Financial analysis of the Peer Landlord model in operation at phase one has taken place at two levels. First, assessment has been made of the cost benefit of the intervention as a means of removing and resettling individuals in insecure housing circumstances. It is possible to adapt the Crisis 'Making it Count' model to include projected LHA payments in the Peer Landlord properties, and arrive at an estimated saving to the taxpayer of over £188,000 in a typical quarter, compared with no intervention being in place.

Second, it is ostensibly feasible to consider the cost-effectiveness of the Peer Landlord model compared with other, similar, types of housing intervention. However, on closer analysis there remain substantial differences between these interventions, particularly with regard to the degree of internal cross-subsidy for schemes nested within larger third-sector charities.

Reviewing the Peer Landlord model as a cost-effective, stand-alone model, it is possible to conclude that use of social investment capital to purchase properties may be feasible given a sufficiently large portfolio. There are problems with arriving at exact costings, since neither partner agency was able to supply full expenditure information. In theory, the model offers the advantage of securing a supply of property for use by agencies, and where sharing that property increases rental income to allow for a low rate of return to the social investor. More exact costings could support scaleability, given a larger portfolio.

Chapter eight: Conclusions

The report concludes by reviewing key learning outcomes from phase one of the Peer Landlord model. The Peer Landlord model has been successful in creating a format for investment in shared housing, and where it might be possible to test the scaleability of the approach in terms of management and finance.

The Peer Landlord approach is an improvement on existing shared housing models in terms of property delivery. There is insufficient evidence that its approach to the management of shared housing offers advantages over other approaches, particularly given their greater emphasis on pre-tenancy training.

As yet, the Peer Landlord element is not delivering demonstrable management savings. A lack of formal training for Peer Landlords and a dearth of information on management means that it is not possible to draw firm conclusions on this matter. The issue may be explored in more detail at phase two.

Tenant satisfaction with Peer Landlord as a sharing model is difficult to elicit. However, tenants were clearly satisfied with the quality of the property on offer, which constituted a substantial step away from 'traditional' HMO accommodation and towards more 'homely' and 'home-like' sharing arrangement.

There are multiple learning points from this first phase of Peer Landlord development, which has successfully tested an ambitious initiative. Elements of learning will be incorporated into the second phase of Peer Landlord development.

Chapter One: Introduction

Introduction

One of the virtues of the third sector is a willingness to test innovative solutions to social problems. This report presents findings on the evaluation of the first or pilot phase of the Peer Landlord project, which is now continuing into a second phase. This scheme has used funding from social investors to secure a portfolio of thirteen properties in London, which are leased to Catch 22 and Thames Reach homelessness charities. Each property is let on a shared basis to three tenants, one of whom acts as a 'peer landlord', giving informal support to other tenants and overseeing aspects of property management. This evaluation reflects progress in the on-going development of the peer landlord concept, in the reflexive formulation of good practice.

The introductory chapter of the report provides contextual information on the development of this particular initiative, which throughout will be referred to as the Peer Landlord model. Peer Landlord progresses service delivery in supported housing; in private rented sector access work generally; and in shared housing specifically. The introduction also gives a brief outline of the Peer Landlord scheme as it currently operates, and then goes to discuss the objectives of this first phase and the principal evaluation methods.

Responses to single homelessness

Single people are marginalised in mainstream, statutory responses to homelessness: priority for assistance has been targeted at households deemed to be in higher need. As a consequence, the voluntary sector has been at the forefront of devising accommodation options for non-priority single homelessness individuals.

Hostels

Hostel provision can cover a wide range of housing and funding models, meeting the needs of a variety of client groups.[1] In 2006, it was found that 312 direct access emergency hostels were in operation around the UK, and just over half of those were owned by third sector agencies. These hostels were often defined as being for 'emergency' use, but in actuality only a minority (45 per cent) stipulated a maximum stay period of two years or less. Indeed, just over a quarter of the hostels had no specified maximum stay period.[2] An audit

[1] C. Humphreys, T. Stirling, I. Inkson and A. Delaney (2007) 'A study of models of accommodation and support for young single homeless people', http://gov.wales/statistics-and-research/study-models-accomodation-support-young-single-homeless-people/?lang=en.

[2] Resource Information Service (2006) *Emergency Hostels in the UK: An Analysis of Provision from the Emergency Accommodation Directory,* London: Resource Information Service, 6.

published in 2013 indicated a substantive drop in the number of direct access hostels, to 238. [3]

A number of problems are thought to attach to long-term hostel residency:

- provision is 'institutional': the vast majority of hostels have ten or more beds and 24-hour staff cover;
- rents can include a high service charge to reflect utilities, facilities, support and management costs so creating problems with affordability for working residents;
- support is often geared towards resettlement and tends not to be work-focussed: in 2013, 42 per cent of homelessness accommodation projects reported that fewer than a quarter of residents participated in any work-like activities[4]; and
- a long-term hostel stay is generally regarded by residents as a pathway to permanent social housing.

It could be argued that the institutional and support-oriented nature of hostels fosters dependency, and this provision is not necessarily suitable for homeless individuals with low support needs. Difficulties in gaining and retaining employment have been reported for hostel residents.[5] Furthermore hostels do not constitute a long-term housing solution, and securing move-on accommodation is frequently reported by hostel providers as their biggest problem[6].

Access schemes

Use of the private rented sector (PRS) to meet the needs of single homeless people has been commonplace since the early 1990s. 'Access schemes' arose from initiatives such as accommodation registers and deposit guarantee schemes, which both aimed to ease difficulties with securing private rented accommodation. The principal problems were regarded as being either financial and related to the payments of deposits or rent in advance; or logistic and related to the ability to locate a suitable property with a landlord willing to let to someone in receipt of benefit.[7] Once in a tenancy, housing benefit payments generally met the full cost of the rent provided that the rent itself was not deemed to be unreasonably high.

The introduction of the local housing allowance (LHA) created a level of certainty on the maximum level of benefit that would be payable for a particular kind of household in a

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[3] Homeless Link (2013) *Survey of Needs and Provision, 2013*, London: Homeless Link, 9.
[4] *Ibid.,* 26.
[5] J. Hough, J. Jones and B. Rice (2013) *Keeping work: longitudinal qualitative research on homeless people's experiences of starting and staying in work*, London: Broadway.
[6] Homeless Link, *Survey of Needs,* 34.
[7] Julie Rugg (1996) *Opening Doors: Helping People on Low Income Secure Private Rented Accommodation*, York: Centre for Housing Policy.

given location, which meant that tenants and landlords could be more certain that a tenancy was affordable in the longer term. Issues relating to sustainability have come to the fore as cuts to LHA have increased localised mismatches between LHA rates and the market rents. Furthermore, volatility and low pay around the bottom of the labour market create problems: access scheme clients are now more likely to be in work, and are vulnerable to rent arrears as their work and benefit income fluctuates.

At the same time, there has been a shift in expectations with regard to use of the PRS. Initially, renting privately was seen as an interim measure. A six-month tenancy would provide resettlement housing, allowing individuals to recover from a period of homelessness. Access scheme clients still viewed a social housing tenancy or owner occupation as their ultimate objective.[8] Recent policy developments have changed the context for access work. Local authorities may now discharge their statutory homelessness duties through the offer of a twelve-month PRS tenancy. Access schemes are placing an increasing stress on longer-term sustainability of the tenancies being created. For example, the Crisis PRS Access Development Programme granted funding on the condition that schemes should aim to establish tenancies lasting for at least a year.[9]

It could be argued that access work has now changed in tone and nature, and rather than simply setting up tenancies instead aims to create and support a longer-term and innately stable relationship between landlord and tenant.[10] The objective now is less to secure access, and more to act as mediator between the tenant and the PRS and so mitigate some of the risks attached to private renting. In some instances, access work has evolved into 'social lettings' models: schemes acting as letting agents for landlords, as would a commercial operator, but focussing on a lower-income client group. Access work is now more accurately defined as mediation between the tenant and the PRS.

The changes in service delivery and ethos are still not able to counter one of the principal problems for access schemes in London: landlords' unwillingness to let property at or close to the LHA rate. Rents in the capital have rapidly outstripped the LHA rates, increases on which were capped at 1 per cent April 2013. In 2015, London Councils reported that in some parts of London, rents on shared property had increased by over 24 per cent during 2014.[11]

8 Ibid., 91.
9 Julie Rugg (2014) *Crisis' Private Rented Sector Access Development Programme: Final Evaluation Report*, London: Crisis.
10 See eg. J. Donald, J., A. Clarke, A. and P. Quigley, P. (2015) *Making the most of Northern Ireland's Private Rented Sector to meet Housing Need*, Coventry: Chartered Institute of Housing.
11 London Councils (2015) *Tracking Welfare Reform: The Impact of Freezing LHA Rates in London*, London: London Councils.

Shared housing

Access work has traditionally aimed to use single-person properties, since houses in multiple occupation (HMOs) are thought to place younger people at risk and undermine the resettlement of vulnerable individuals. This objective has been undermined by changes in eligibility for LHA, which has restricted the level of assistance given to single applicants under the age of 35. Some exemptions are in place, including applicants under the age of 22 who are care leavers, individuals who have lived in a homeless hostel and received rehabilitation support for a period of three months, and certain defined ex-prisoners. The majority of single applicants for LHA under the age of 35 now receive the 'shared room rate'.

At the beginning of 2014, Crisis began an 18-month programme to fund and evaluate the effectiveness of eight shared housing schemes. The schemes had different approaches to the issue of sharing, and included:

- schemes arranging shares for households in social housing to offset loss to housing benefit following introduction of the social renting spare room subsidy;
- accommodation for single parents in shared accommodation who had visiting children;
- pre-tenancy training and training flats;
- developing a peer mentor model; and
- a lead tenant model.[12]

In the latter two cases, the peer mentor was an individual who had experience of sharing in the private rented sector, and who offered floating support to tenants as a volunteer. The lead tenant project took its inspiration initially from the Peer Landlord model via consultation with Catch 22. Agencies running the lead tenant scheme considered that such an approach might persuade more cautious landlords to consider letting their property on a shared basis. All the shared housing schemes in the programme faced difficulties in securing properties, and so were unable to test their sharing approach.

The Peer Landlord model

A detailed exploration of the Peer Landlord model will be given in following chapters, but it is appropriate to give a brief outline here. Commonweal Housing co-ordinates and has oversight of the model's two distinct elements, and has subsidised the model in order to test its essential principles.

Property procurement

Properties have been procured from two sources. Capital investment from three major social investors has been used by Commonweal to purchase seven three-bed houses, principally in south London boroughs, at an average price of around £240,000. The properties were purchased in areas where partnership agencies were already working. In

[12] Batty, E. *et al.* (2015) 'Evaluation of the Sharing Solutions programme', London: Crisis.

addition, Commonweal has been gifted six additional properties from Grove End Housing Limited, which is a principal benefactor to Commonwealth. The scheme is currently able to accommodate 39 tenants. The properties have been bought into phased use, with the first tenancies starting in Q2, 2011. Tenancies in the last two purchased properties commenced in Q1, 2014.

Property management

The properties have been leased to two homelessness charities: Thames Reach (seven properties) and Catch 22 (six properties), for a set fee of £400 a month. Commonweal, working with Thames Reach and Catch 22, agreed initial objectives for the Peer Landlord model, and established a number of key working principles. As will be seen, these objectives and principles have been tested throughout the first phase of Peer Landlord operation.

Evaluation objectives and methods

The Peer Landlord model is continuing to evolve, and this evaluation reports on a first phase of developments, up to December, 2015. A second phase, operationalising learning from the first years of Peer Landlord, is currently underway. Evaluation included the use of metrics to assess performance outcomes, and data is collected quarterly for each property. It was intended that by the third year of the project, it would be possible to establish:

- whether the PL model could deliver strong outcomes on sustainability in housing and employment, 'which are as good as, or better than, those achieved in self-contained housing';
- the cost-effectiveness of a Peer Landlord model compared with more orthodox support models using traditional revenue streams;
- the rents that could be charged using such a model;
- the impact of property type and location on outcomes;
- the investment needed to 'scale up' the PL model; and
- the profile of service user the model is best able to assist, and possible extension to other socially excluded groups.

Externally, independent evaluation has also been undertaken by academics at the University of York. That evaluation had the following complementary objectives:

- to assess and compare the effectiveness of the model with two different client groups;
- to assess whether the Peer Landlord model is more effective than similar interventions, where robust evaluations exist of similar interventions;
- to assess the benefits to society, including cost benefits; and
- to provide regular feedback on emerging findings to inform development of the model.

This evaluation began early in 2013, some two years after Peer Landlord was introduced, and included interviews with key stakeholders at timed points along the three-year course of the evaluation and interviews with tenants themselves, incorporating a longitudinal element.

Audiences for the report

There are three principal audiences for this report:

- stakeholders within the Peer Landlord model itself, requiring guidance on future development of the Peer Landlord concept;
- social investors seeking to understand the financial model for the scheme, and the measurement of impact; and
- third sector agencies who may themselves be considering introducing a shared housing model.

Structure of the report

The remainder of the report covers the following:

- chapter two outlines the financial and administrative basis of the model;
- chapter three reviews key principles for the Peer Landlord model and how they have evolved over the pilot period;
- chapter four reviews front-line practice in the delivery of a shared housing scheme;
- chapter five considers the evaluation metrics and measurement of impact;
- chapter six addresses the tenant experience of the Peer Landlord model; and
- chapter seven considers the cost benefit of the Peer Landlord model in comparison with other, similar, approaches.

The report's conclusions, in chapter eight, draw data from all chapters to address some key questions for the model, summarising learning outcomes and reviewing possible next steps.

Conclusion

This chapter has introduced the Peer Landlord concept, setting the innovation in the context of a range of interventions targeted at the needs of single homeless households. An increasing stress on the use of the private rented sector has changed the role of the third sector in mediating aspects of the PRS that might militate against effective resettlement. Latterly, and as a consequence both of changes to LHA for single people and pressures in the London housing market, growing attention has been paid to the value of shared housing approaches to meeting housing need. Peer Landlord is a particular type of a shared housing initiative. This report presents findings from an evaluation of the first phase in development of that initiative, dating from the creation of the first tenancy in early 2011.

Chapter two: The financial and administrative model

Introduction

The Peer Landlord model involves three social investors and two service delivery partners, co-ordinated by an additional third-sector agency. This chapter outlines the financial and administrative model of the Peer Landlord pilot, and in doing so indicates why stakeholder and partner organisations became involved, and their views on the operation of the model's financial and administrative framework. Much of this commentary is essential to an understanding of the feasibility of model replication. Note that the information presented in this chapter is based on interviews with stakeholders in the final quarter of 2015, after the scheme had been in operation for over four years.

Commonweal and Grove End Housing

Commonweal is a charitable organisation with a remit to explore innovative solutions to housing problems, particularly for groups that are generally excluded from mainstream housing provision. Commonweal aims to devise models and test them to understand what works with a view to creating a robust and replicable intervention with demonstrable impact. Commonweal is funded by Grove End Housing Limited (GEHL).

Properties have been procured for the Peer Landlord pilot from two sources. Seven three-bed properties were purchased for Commonweal by GEHL. Initially the properties were leased but in 2013 they were gifted to Commonweal, which became – in essence – the fourth social investor. This level of commitment reflected Commonweal's intention to test the model.

An additional six properties were purchased using capital investment from three social investors: Bridges Ventures, Trust for London and the Esmée Fairburn Foundation. This funding has been borrowed for a period of seven years. Commonweal, backed by GEHL, has guaranteed a return on the investment of 4.32 per cent, paid quarterly in arrears. At the end of the loan note term, the capital investment will be repaid from the market value of those properties either through outright sale or through Commonweal buying out the social investors. Any capital uplift will be split between Commonweal and the social investors on a 25:75 basis. The additional uplift is not guaranteed, but the social investors estimate that, in the current housing market, it will reach two per cent.

Thus, overall portfolio development has been boosted substantially by the contribution of GEHL, which has substantially reduced the level of risk in the model from the investors' perspective.

Two partner organisations deliver the Peer Landlord model directly. For Commonweal, it was felt to be important to use charities with different target clients groups, in order to test whether the model worked differently depending on the client group, or was better suited to meeting a particular type of need. Commonwealth leases the properties to the partner agencies for a flat fee of £400 per calendar month per property. The lease agreement transfers responsibility for repairs to the partner agencies.

The social investors

Three social investors have been involved in developing the model: Bridges Ventures, the Esmée Fairburn Foundation and Trust for London. In 2011, at the start of the pilot, social investment in housing interventions was perhaps less commonplace than it has since become. The social investors have been closely involved in first phase of the model's development, in attending quarterly meetings and contributing to the development and assessment of metrics for the scheme.

Each investor institution had a slightly different rationale underpinning its involvement, although some aspects were common to all. In particular they valued:

- the scheme's aim to be innovative;
- the fact that the scheme wanted to create a model that would be scaleable;
- the fact that the client group was marginalised, improving the level of social impact;
- the fact that there were possible outcomes in terms of resettlement and work, which could be measurable;
- the low level of commercial risk, given the involvement of GEHL.

At the end of the first phase of the pilot, there was general agreement that the model had indeed been tested and significant advances had been made in terms of service delivery. It was also felt that the model was still some way towards collating sufficiently robust operational and financial data to create a scaleable model. There was a need to draw out information on performance by appropriate comparator services and initiatives. In addition, there was some concern as to whether the model could be financially viable outside London. Without a guarantee of capital uplift, the rate of return was felt to be low, at 4.32 per cent. Comparable schemes based outside London were needed to be certain that the scheme could work nationally. The social investors also agreed that the model would be attractive to other social investors seeking a low rate of return but where there was demonstrable impact.

Commonweal was regarded by the social investors as an essential element in the Peer Landlord financial model. It was felt that, even after the Peer Landlord model had been tested, there needed to be a conduit organisation that had oversight of service delivery and which would ensure that targets were being met. Without an intermediary, it was felt that charities would be unable to access mortgage capital to develop a portfolio of sufficient size for the model to be financially viable. However, at the final stage of phase one development, Commonweal was considering options for replication without its direct involvement.

The partner agencies

The Peer Landlord model is delivered by two partner agencies: Thames Reach and Catch 22. The two agencies were attracted to the model because of dissatisfaction with common linear routes out of homelessness, where moving into a hostel led to a long wait for social housing. In their view, the lack of move-on options has led to individuals becoming institutionalised and more entrenched in their housing need. The low level of the LHA shared room rate in London meant that independent housing could not be made to work for the majority of low-income under-35s, and sharing was going to be the most likely option. Both agencies wanted to see a sharing model being tested, to gain evidence of what might work.

Property purchase for the scheme was completed with the full involvement of the partner agencies and the social investors. It was decided to buy properties in Greenwich, Southwark and Lewisham, where the partner agencies already had support services in place.

Catch 22

Catch 22 is a national charity that has its roots in eighteenth-century philanthropy, focussing on the links between crime and poverty, with a particular focus on young people. In south London, services include support around issues such as substance misuse and sexual health in addition to supported and independent housing aimed at vulnerable young people. Target groups include young people leaving care, young parents, and young people leaving prison. The overall ethos of Catch 22 is to deliver social value by addressing chaotic lives.

Catch 22 became involved with the Peer Landlord project because of the potential benefits of an option that moved people through to independence from more supported housing arrangements. The option fitted within the organisation's range of services for younger people, and in particular had the potential to increase the range of available properties for this group. In London, single, independent flats are generally not available at affordable rates for younger people.

Overall, Catch 22 felt that involvement with the Peer Landlord scheme has been valuable, but future development was more likely to integrate those properties into their other accommodation schemes with attached support. Catch 22 did not regard the creation of a portfolio of managed properties as a priority for itself as an organisation, but could see advantages in terms of adding this option to existing support projects if further properties were available for lease.

Thames Reach

Thames Reach is a large multi-base charitable organisation that focuses on meeting the needs of rough sleepers in London. The charity has been in operation since the 1980s, and since that time has integrated supported hostels and outreach services. Later developments have included initiatives around pathways into work, and include the opening of the Thames Reach Employment Academy in Peckham in 2013. The officers who are delivering the Peer Landlord project are based at the Employment Academy.

Thames Reach has stepped back from the provision of supported hostels but, during the course of the Peer Landlord pilot, began to develop a property portfolio. For Thames Reach, the Peer Landlord project has demonstrated the fact that it is easier to purchase properties they then manage than it is to secure lettings from the private rented sector. During the course of the Peer Landlord pilot, Thames Reach was given a grant of £500k to purchase six flats, which enabled the charity to employ a full-time housing officer over a two year period. This officer took over management of the Peer Landlord properties in 2014. In December, 2015 it was announced that an additional twenty properties will be purchased as part of the Brokerage and Re-settlement in Lambeth (BRiL) scheme, using £4.2m lent over ten years by L&Q. The properties are aimed at clients with mental health problems moving out of registered care. The management of all these properties and the seven Peer Landlord properties are overseen by the same housing officer.

Success in this area has led to some consideration being given to options for launching a social investment bond as a way of generating further revenue to expand property procurement. Other ideas include moving into property procurement with funding from employers, and to meet the housing needs, for example, of apprentices.

For both agencies, the Peer Landlord model has entailed a culture shift from the provision of housing support to the delivery of housing management. Advocacy models of housing support tend to place the interests and wellbeing of the tenant as a priority. Housing management models are more likely to focus on the sustainability of the tenancy. As will be seen, it has taken time for both agencies to develop effective processes around rent collection and management of rent arrears, and to refine expectations around the amount settlement support each tenant would be afforded.

Conclusion

The current financial model for Peer Landlord rests on the operation of an intermediary agency which in this instance is Commonweal, backed by GEHL. Social investment has been attracted by the degree of innovation in the proposed model and the potential of the model to deliver impact through meeting the housing needs of a vulnerable and marginalised client group. Both Thames Reach and Catch 22 have evidenced learning in their approach to the delivery of shared housing, and see this model as an effective way to secure property for their client groups.

Chapter three: Developing the Peer Landlord principles

Introduction

The Peer Landlord project is a 'high concept' intervention aiming to tackle a complex knot of policy problems. Other, similar types of idea include the deposit guarantee scheme, and 'foyers', which aim to integrate housing and employment support for young people. 'Peer Landlord' comprises a fairly straightforward notion: that people on low income and in housing need might benefit from shared housing, where one of the tenants takes some responsibility for informally supporting the other people in the house.

The Peer Landlord project also incorporates some other core principles which have been tested during the course of the evaluation. These principles include the use of good quality accommodation; that tenants will have low support needs; the housing will develop or support a work ethic; rent payments will integrate a savings scheme; rents will sit at the LHA rate; and the accommodation will meet need in the medium-long term. The chapter will explore each principle, and the degree to which those principles have been tested. The following chapters will reflect on broader management practices, appropriate to any shared housing scheme.

Good quality housing

One of the first principles of the Peer Landlord model was that it should use good quality properties in desirable locations, providing these could be purchased at the target price. It was felt that there would be little value in placing tenants in cheaper properties if they were located in troubled neighbourhoods with limited transport links and employment opportunities, even if doing so might strengthen the financial basis of the model. A study of homelessness and the PRS indicated that poor quality neighbourhoods and the incidence of crime was one reason for high tenant turnover.[13] This alternative approach would contribute materially to tenants' ability to improve their life chances. In the words of one housing worker, 'let's just give them an opportunity to settle...give them a chance'.

The scheme portfolio includes thirteen properties, each costing around £240,000, and all with three bedrooms and a garden. The properties' living rooms have not been converted into bedrooms, as might usually be the case in a house in multiple occupation. The kitchens were big enough for the residents to sit around the table together. This approach constituted a deliberate shift away from a common shared housing arrangement, where a property might be reconfigured to maximise the number of bedrooms, and minimise the amount of 'social' space.

[13] Julie Rugg (2008) 'A route to homelessness? A study of why private sector tenants become homeless', London: Shelter.

In part, it was felt that this strategy would contribute to more positive attitudes towards sharing from residents, who might otherwise view sharing as being innately unsatisfactory. The approach was intended to replicate the more positive conception of sharing that is evident through student houses, where there is an expectation of some degree of communal living, in contrast with living in a room in a house in multiple occupation with strangers and where social contact tends to be minimal.

Through the course of the evaluation there was continual discussion between stakeholders as to the merits of this approach. The disadvantages were thought to include the fact that tenants might be unwilling to move from a property which was better in quality and space standards than a 'typical' HMO with rooms available at LHA levels. It was thought that younger tenants particularly might develop unrealistic expectations of what shared properties might be like, on moving out of a Peer Landlord house. In some senses, resolution of this debate depends very much on project expectations on optimal length of tenancy, and whether the initiative aims to develop long-term housing or to meet short or medium-term resettlement need.

Overall, the advantages were thought to outweigh the disadvantages. For Catch 22 in particular, there was a view that having a good property carried an important message to their client group, who were more used to receiving the lowest possible quality of everything. A better property implied that the clients themselves were valued, and worth this level of expenditure: it built confidence. Other advantages were felt to accrue from the fact that the properties felt more home-like and less institutional, which then contributed to clients themselves feeling more settled and relaxed and therefore better able to focus on employment.

Over the course of the project, all the purchased properties met this principle criterion of being a 'good' house in a reasonable neighbourhood, close to transport links. One unresolved issue related to maintenance of the garden, and where costs should fall in either the supply of gardening equipment or the employment of a contract gardener to tend to all properties. Either approach was likely to increase the service element of the rent.

Supportive not supported housing

From the offset, the intention was for Peer Landlord housing to be 'supportive' rather than 'supported'. Neither partner project saw the model as being suitable for tenants with high support needs, and initially envisaged the scheme as being a 'move on' option for people who had been in supported hostel accommodation or other support and resettlement schemes.

There were two problems with this principle. Both projects found that creating clear pathways for potential tenants to access the scheme was not necessarily straightforward. Catch 22 had initially envisaged a move-on process from its supported hostels, but then lost contracts to supply supported accommodation. This created delays in locating suitable tenants for the Peer Landlord properties. Similarly, Thames Reach found that in some instances individuals who were rough sleeping were capable of sustaining a formal tenancy without a period of 'resettlement' in a hostel.

In both cases, the intention for a formal referral protocol guiding the selection of tenants was comprised in the early stages by the rate at which properties became available. Both schemes were unprepared, and in the pressure to fill room vacancies did not always make good decisions about tenant suitability. Subsequent difficulties with those tenants created long-term problems in some properties which have taken some time to resolve. As the pilot progressed, Thames Reach began to develop a more formal assessment process that matched private sector practices. These practices included securing references from work or from previous landlords and a 'budget check' to ensure that the respondent knew exactly how much they going to have to pay and if they could afford the amount.

A second problem related to definitions of low support need. Partner projects both reported that although they had aimed to house individuals with low support needs, and had improved their processes for making that assessment, in actuality it was only after a tenant moved in that their needs became apparent. For Thames Reach, support issues led to a tightening up management frameworks so that there were protocols in place to formalise responses to certain issues, such as anti-social behaviour. If a particular tenant was having personal difficulties, Thames Reach was likely to refer the tenant to an appropriate support agency rather than deliver support directly.

For Catch 22, there was a tendency to view their role as 'floating support' provider. At the time of the final evaluation interview, Catch 22 still undertook routine visits to properties, although these were less frequent for the more settled properties. To some degree, this approach compromises the initial conception of Peer Landlord as a supportive housing service.

Work ethic and work-readiness

One major principle of the Peer Landlord model was the desire to promote work readiness amongst tenants, and smooth the pathways from unemployment to employment. It was felt that homeless hostels tended to foster dependence, as residents were much less likely to be in work and were surrounded by other tenants who were also not likely to be in work.

Residents' initial degrees of work-readiness varied over the course of the evaluation period as referral processes developed. Some tenants appeared to have fallen into a situation of entrenched unemployment, although these were very much in the minority. Partner agencies were aware where this was the case, and were in a position to make referrals to employment support. In the majority of cases, tenants were involved in work, training or employment although their status could be fluid. Moving between these different states created difficulties and delays, for example, in assessing eligibility for student loans, or applications or reapplications for LHA.

It is probable that work-readiness will constitute a stronger element of the Peer Landlord model in further phases of model development, as the referral process is refined. However, there are inherent insecurities at the bottom end of the labour market in London and in all probability even tenants in secure work may see their incomes fluctuate. In principle, Universal Credit should remove difficulties attached to income fluctuation. In practice, aiming at a 'work ready' group may in fact carry a higher risk in terms of 'technical' rent arrears as bureaucracy fails to keep pace with employment status changes. These problems do not suggest the need for change in the target group but, rather, the fact that financial modelling should take into account the potential for higher levels of bad debt and arrears.

The peer landlord role

The peer landlord is the most distinctive 'idea' of the initiative. In each shared house one tenant is given specific responsibilities to offer informal advice and guidance to other tenants in the property. The responsibilities would be supported through special training, and be rewarded financially (see savings, below). The underlying principle of the Peer Landlord idea is that benefits would accrue to the peer landlord themselves, to other tenants and to the property owner:

- the peer landlord would themselves garner satisfaction and confidence through acting in this role, and be able to use being a peer landlord as a way of improving their employability;
- other tenants, who might have limited experience of living independently, renting, or sharing, would benefit from informal support; and
- the housing provider would benefit from a decrease in management costs since the peer landlord could act as intermediary, in matters such as arranging repairs.

In practice, this essential element of the Peer Landlord model proved to be the most difficult element to evaluate, for a number of reasons. First, it is evident that the Peer Landlord is a rather more concrete in principle than in practice. The original conception of 'Peer Landlord' included a period of peer landlord training for the individual prior to or soon after their movement into a property. One comparator model might be the NVQ Level Three training in advice and guidance, which delivered by the St Giles Trust as part of its peer-based prison intervention.[14] Qualitative interviews indicated that peer landlords themselves were uncertain whether they had been 'trained' , although some mentioned that they had been asked a series of 'what if' questions to test their responses to certain scenarios, and about their general attitude towards sharing.

The partner agencies indicated that it was difficult to deliver 'trained' Peer Landlords to properties as needed. Ideally, as indicated in findings from the Crisis 'Shared Solutions' programme, a peer landlord would receive a level of formal training and move into a property before other tenants and be established in a 'leader' role. In practice, property letting is a far less tidy affair. Shared lettings are rarely entered into as a 'group'. Once established, letting groups are fluid and people move out. As a consequence, the partner agencies sometimes 'appointed' peer landlords from existing tenants within a property, or had properties with no peer landlord in place, or – at the earliest stages of the pilot – appointed 'peer landlords' who themselves had no clear idea of what that meant.

In addition, partnership agencies were not altogether clear how they could resource and fund training work for the peer landlords. It was never the case that a set number of peer landlords was available to train, cost-effectively, in one cohort. If indeed it was the case that there were sufficient numbers, arranging a time was thought to be problematic since so many of the peer landlords were in work or studying. As the evaluation period was coming to a close, one of the partner agencies was making progress in arranging appropriate meetings between peer landlords, and had begun to generate a shared identity in the group.

There was also a great deal of discussion – and no real resolution – to the issue of how much support and training a peer landlord was likely to require. It was felt that peer landlords themselves may require a great deal of support in order to fulfil their own support role. Both the partner projects had contrasting conceptions of training, which changed over time. Conceptions of the responsibilities and roles of the peer landlord have become somewhat nebulous, and largely dependent on *ad hoc* assessment of the abilities of the individual deemed most suitable to fill a Peer Landlord role.

At the end of the evaluation period, both partners had arrived at a largely informal process for selecting peer landlords, and it was still the case that neither had any training in place. Both simply asked likely individuals – either before or after they moved in – if they were attracted to the notion of being a peer landlord, and outlined key responsibilities. These differed for each partner organisation. For Thames Reach clients, a principal objective was for the peer landlord to contribute to the smooth operation of the household, in taking a lead in attending to maintenance issues and acting as a representative of the household on

[14] I. Boyce, G. Hunter and M. Hough (2009) *St Giles Trust: Peer Advice Project: an evaluation*, London: St Giles Trust.

issues such as new tenants moving in. For Catch 22, it was more likely that peer landlords would be asked to fulfil support tasks, such as helping to select new tenants, explaining house rules and dealing with minor repairs. It was also expected that the peer landlord might 'keep an eye' on the mental state and behaviour of other tenants, or pursue issues around rent arrears. Thames Reach deemed this sort of responsibility to be inappropriate.

At the end of the evaluation period, it was evident that both partner agencies viewed the role of peer landlord in a different light. For Catch 22, it was still felt that the role could carry substantial benefits in a shared household of younger people. For the peer landlord themselves, being able to state on a CV that this was a role with some responsibilities might be enough to catch the eye of a prospective employer.

Thames Reach remained uncertain whether they had achieved the right balance: peer landlords are individuals living in their own home, and the role might be regarded as something of an intrusion or perhaps too burdensome particularly if those individuals are in work. There was also some uncertainty about hard outcomes for the peer landlords themselves in terms of demonstrable skills or increased employability. In addition, the possible management savings ostensibly inherent in a Peer Landlord model had not yet materialised. It might be the case that particular tenants could be relied on to report repairs or deal with tradesmen, but those tenants were not always the peer landlord.

Savings

Another core principle of the Peer Landlord scheme was the inclusion of a savings component. Both the partner agency set aside £5 a week from each tenant's rent, or £10 in the case of peer landlords, and these savings were paid back to tenants when they left the property. Payments were generally made out of the partner agency's central fund on advisement from the scheme worker. Where there were rent arrears, these were deducted from the payment.

Little change was made to the savings scheme through the course of the evaluation. There was a great deal of rhetorical support for the principle of the savings scheme, but limited evidence that the scheme had had an impact on tenants beyond its being 'nice' that some tenants were given their savings when they left the Peer Landlord property.

The housing workers were of the view that most tenants simply forgot about the payment, particularly those tenants who had lived in a Peer Landlord property for some time. Tenants themselves were asked about the payment, and opinions were mixed. For some, the savings element was welcome, but had little impact on housing decisions.

Neither partner agency offered any reflections on the way in which the savings scheme might impact on overall model finances from their perspective. The saving scheme reduced rental income by £40 a week, although did create a buffer in cases of rent arrears. If the financial viability of the Peer Landlord model is deemed to be marginal from the partner agency perspective, then perhaps reviewing the savings element might be appropriate.

Rent setting

There has been substantial discussion through the course of the phase one pilot on the level of rent that should be charged to tenants. There was a principal concern that the initiative should be affordable, and partner agencies were clear that rents had to be set at or under the LHA level. Setting the rent slightly under the level would mean that an additional service charge could be set without the tenant being liable to pay a rent above the LHA level.

The level of the rent being set was generally regarded as remarkably good given the quality of the property being offered. One response that was being considered was to use the living room as an additional bedroom in order to maximise the rental income from the property and so increase the attractiveness of the model to private sector landlords. However, this option would run counter to the original conception of the model, as offering a more 'home-like' environment.

Length of stay

The length of anticipated stay in the tenancy has a material impact on defining the purpose of the initiative. Initially, tenants were expected to move after a period of eighteen months or two years, with the project clearly aiming to achieve resettlement. By the end of the evaluation period it was evident that Commonweal and the partner agencies were of the view that tenants could stay in the property indefinitely. Essentially, the purpose of Peer Landlord has become the provision of low-cost, settled shared rental accommodation.

In part, a change in emphasis follows a shift in the housing market since 2011, as rents have increased and the LHA has not kept pace with those increases. This has meant that moving on from Peer Landlord has become more problematic than would otherwise be the case. Nevertheless, the partner agencies were of the view that few tenants would view a room in a shared property as their 'destination' housing option. The formation of new relationships and families, and improving work prospects, meant that tenants would most likely move at some juncture.

It was evident that, in the view of some tenants, any mediated shared housing option felt like hostel living, and that the partner agencies should be expected to assist with move-on into social housing. Through the course of the pilot, both partner schemes had dealt with the issue specifically by holding focus group meetings with the tenants to explain the scheme's intention, and that neither agency would be facilitating a move into the social sector. This was clearly a communication issue, and one which reflected the as yet unfamiliar nature of the peer landlord concept to service uses.

Conclusion

This chapter has reviewed a number of core principles that sit at the heart of the Peer Landlord model, and make this model distinctive compared with any other style of mediated shared housing. These principles have been tested during the course of the pilot, and none have been subject to major revision. However, it is clearly providing to be difficult to operationalise the central concept of a 'peer landlord' in a shared property. There is as yet no clear training pathway for peer landlords, and their roles and responsibilities remain largely *ad hoc* and undefined.

Chapter four: Delivering a shared housing model

Introduction

This chapter gives an overview of the current delivery of the Peer Landlord model as a shared housing model, contrasting the approaches taken by the two partner agencies. The intention of this chapter is to present practice information that will be directly relevant to agencies considering the development of a shared housing scheme or adapting existing accommodation schemes to include a sharing element. Information in this chapter represents operation at Q4, 2015 and was collated through interviews with officers within the partner agencies that had strategic oversight of the project and officers more directly involved in service delivery.

Before summarising activities under key elements of service delivery, the chapter indicates how the portfolio of properties developed over the evaluation period.

Portfolio development and use

As of January, 2016, thirteen properties were included in the Peer Landlord model, each with the capacity to accommodate three sharers. The properties were purchased over a period of three years; with the latest purchases took place at the beginning of 2014. Quarterly 'dashboard' metrics summarise property use over the preceding three months, and information presented here has been derived from that data.

Long periods of staff illness and staff turnover means that some operational information is unclear for two of the Catch 22 properties, where inconsistencies in completing the dashboard information mean that tenants were not always logged 'off' or 'onto' the system. This creates some lack of clarity on the actual number of tenants accommodated by the project. It is estimated that, over the course of this first phase evaluation period – from Q2, 2011 to Q4, 2015 – approximately 67 individuals had tenancies in Peer Landlord properties.

A number of key learning outcomes can be derived from the 'operational' history of the houses in the project. First, one unexpectedly problematic element of the model was the speed with which properties were purchased. Retrospectively, both partner agencies agreed that they had set up tenancies with less preparation than they would ideally have liked. This has led to on-going difficulties in some properties, where tenants were moved in that had higher support needs than was strictly suitable for this type of arrangement; where insufficient attention was paid to the nature of the tenant 'mix'; and where the role of the peer landlord was not clearly understood.

Second, it is difficult to anticipate the level of tenant turnover, which creates some problems with tenant supply, as will be seen later in this chapter. As Table 4.1 indicates, the level of turnover is remarkably various: some properties were clearly more settled than others. It is uncertain how far these data are analogous to the commercial operation of houses in multiple occupation , which is an issue which should be explored in detail in the second phase of the project.

Third, it was evident that it takes time to resolve ‘problem’ houses. In one exceptional instance, a culture of ‘non-payment’ of rent evolved between the tenants, alongside instances of anti-social behaviour. Tenants of this property have gradually moved out, but one remains and has been subject to an eviction order which takes some weeks to follow through. It is felt that until that individual moves out, it is not suitable to move other tenants into the property. The problem has created two long-standing voids in the house.

Table 4.1: Portfolio development: maximum tenant occupancy in the quarter given

Date		Thames Reach properties							Catch 22 properties					
		P1	P2	P3	P4	P5	P6	P7	P1	P2	P3	P4	P5	P6
2011	Q2	2												
	Q3	3												
	Q4	3	1											
2012	Q1	3	3	3					1					
	Q2	3	3	3					1					
	Q3	3	2	3					1					
	Q4	3	2	3						0				
2013	Q1	3	2	3	2	3			uncertain	1				
	Q2	3	3	3	3	3				2				
	Q3	3	2	3	3	3				1				
	Q4	3	2	3	3	3	2			3	3	3	uncertain	
2014	Q1	3	3	2	3	3	3	3		3	3	3		
	Q2	3	3	3	3	3	3	3	3	3	3	3		3
	Q3	3	3	3	3	3	3	3	2	3	3	3		3
	Q4	3	3	3	3	3	3	3	1	3	3	3		3
2015	Q1	3	2	3	3	3	3	3	1	3	3	2	2	2
	Q2	3	2	3	3	3	3	3	1	3	3	3	3	2
	Q3	3	3	3	3	2	3	3	1	3	3	3	3	2
	Q4	3	3	3	3	1	3	3	1	3	3	3	3	2

Numbers indicate maximum occupancy in the quarter given; shaded portions indicate at least one change in the tenant group in that quarter.

Property management

Both partner agencies had experience of supported hostel provision before the start of the project. It became evident, as the Pilot developed, that the Peer Landlord house-sharing model was materially different, and required a substantive culture shift for staff who were more attuned to delivery of housing support. Staffing changes within both organisations have to some degree slowed the process of learning and reflects broader difficulties in securing longer-term funding in the voluntary sector. The current Catch 22 Peer Landlord lead came into post in April, 2015. At Thames Reach, delivery of Peer Landlord also shifted substantially in 2015. The appointment was made of a housing officer with experience of property management in the private sector. This chapter outlines current operational procedure, which has been refined during the course of the pilot.

Peer Landlord within the organisation

Both the partner organisations are large and complex third sector charities, offering multiple services over multiple sites. In both cases, Peer Landlord was one of a number of accommodation services. In neither case was the officer with direct oversight of Peer Landlord employed in a full-time capacity on that project, which – as will be seen – creates substantial difficulties in arriving at a costing for the service. At Thames Reach, overarching responsibility rested with one housing worker; at Catch 22, elements of support were split between two housing workers who worked geographically.

Furthermore, in both cases, elements of Peer Landlord operation were absorbed by other staff members and in some instances subsidised under other service budget headings. For example, finances were generally managed centrally. Thus, in neither case did Peer Landlord operate as a purely autonomous service within the organisation. In particular, both drew financial management support from their organisation's central service.

Referrals

The partner organisations had a slightly different approach to referrals. At the time of the final phase one interview, Thames Reach was in the process of introducing a more formalised approach to tenant selection. The majority of referrals came from within the agency but external referrals were becoming more appropriate. A number of tenants had come through the 'Working Chances' initiative. Whatever the source of the referral, the application process had become uniform.

Similarly, Catch 22 also had no single referral route for the Peer Landlord project. Tenants could come through word of mouth, through Catch 22's other schemes and directly from individuals reading about the project on the organisation's website, although – as with Thames Reach – the process of application was the same irrespective of the referral route.

Application

At Thames Reach, the application process replicated processes that would be in place if the tenant was seeking a property in the private sector. Care is taken to understand the housing history of the applicant, and why they are currently in housing need. Both job and character references are sought, and tenants were asked about their experiences of sharing in the past. These questions are thought to be essential in contributing to the task of selecting the right tenant for the right property, and so improving the chance of tenancies being sustained without rent arrears. These new processes have developed as a consequence of past difficulties where the need to fill a vacancy was overriding the need to be certain about the tenant's ability to sustain a tenancy.

In addition, budget work was done with the tenant, to ensure that the property would be affordable. Where a tenant was likely to receive full LHA, they would be made aware of their responsibility to pay the tenant contribution. Tenants were made aware that they may need to apply for housing benefit, and help was available if necessary. Personal budgeting was regarded as very much the tenant's responsibility. At Catch 22, the fact that the tenants tended to be much younger meant that pre-tenancy budgeting work is given a stronger focus, as was helping the tenant to complete any housing benefit application forms. This might include taking the tenant to the housing benefit office to submit their application in person.

Advance payments

At Thames Reach, it was felt to be essential to secure some kind of advance payment from the tenant prior to the start of the tenancy. The scheme asked for a deposit, and latterly had also required a rent in advance payment. This later requirement was felt to be important in setting up the tenancy as if it were a usual private rented sector tenancy. The rent account is not then automatically in arrears as would be the case if it was set up under local housing allowance. The advance payment also gave the tenant time to sort out their finances before the next rental payment was due. In cases where a tenant was unable to make the first rental payment, the scheme offered a loan which was rolled into their on-going rental payments. It was felt that starting the tenancy not in arrears gave the tenant a psychological advantage, in being in control of their finances and the tenancy.

Meeting with other tenants

Both projects arranged for potential tenants to meet with tenants already living in the property. At Thames Reach, the housing officer called the Peer Landlord and asked them to arrange a meeting with the other residents and the potential tenant, so see if they were all happy. This arrangement was deemed to be successful, particularly since in one instance it was decided by a potential resident that they did not want to move into a particular property. That individual was offered and moved into another Peer Landlord property, but it was felt that their having a choice had avoided the possibility of confrontation further down the line.

Catch 22 took a slightly different approach, in discussing the potential applicant with the peer landlord of that property. A meeting was then arranged between the peer landlord, the scheme worker and the applicant. It was evident that existing tenants might have strong views on the type of tenant they are happy to see moving in, which may then create difficulties where there are long-standing voids. Ideally, the prospective tenant should meet all the other tenants before moving in, but that might not always be the case.

Rent collection and arrears

For Thames Reach, the decision was made to set the rent at just below the LHA rate, with an additional payment of £6 a week to cover water and council tax. The aim was for all rent to be collected via a standing order, and this was the case with all the newer tenants. Some older tenants had made other arrangements, and could be persuaded to change. However, at some juncture, all tenants' rent payments will be made via an automatic bank transfer.

The Thames Reach housing officer received a monthly spreadsheet which indicates where payments have been made. The office chased up missed payments through personal contact with the tenant. A second missed payment elicited a formal written warning. After eight weeks there was a warning that a notice seeking possession will be issued, and that notice is actioned after ten weeks. During all this time, attempts are made to arrive at a rent repayment arrangement. The principal problem with the current practice was deemed to be the initial three-week delay, which meant that arrears may already have started to escalate beyond the tenant's ability and willingness to deal with the debt.

At Catch 22, management of rent accounts was undertaken by another administrative staff member, who liaised with the centralised Catch 22 finance office receiving the payments from housing benefit offices. In some cases, rent payments were still made in person with cash, received at the Catch 22 office. Where an expected rent payment has not been received, a letter is sent out automatically to the tenant, requiring the tenant to propose how they might deal with the missed payment. Inconsistent payments were deemed to be a breach of tenancy agreement and could lead to a termination of the tenancy. It was anticipated that all rent management would eventually be shifted to being a purely administrative task, managed by a single administrative officer.

There were examples of effective working with tenants to manage financial difficulties. For tenants with genuine budgeting difficulties, moving into and out of work or study, attempts were made to arrange repayment plans. However, both schemes thought that it was better to be realistic with tenants than to be sympathetic, and where tenancies were unsustainable financially it was thought best to seek a tenancy termination.

Rent arrears were regarded in some respect as inevitable, although the partner agencies had taken some time to institute effective measures to minimise both the incidence of arrears and amount of arrears accruing. The high level of rent loss in the early months of the first phase was coming under control. Tightening up the process of application was regarded as essential in this regard, not least in identifying tenants who may be 'serial movers-in'. This kind of tenant is in evidence across the rented sector, making up-front deposit and rent payments but then making no other rental payment until eviction processes are in train. It was thought that tight management processes were ineffectual where a tenant suddenly decided they no longer want to pay the rent. For Thames Reach, this has been the case for all tenants in one property, which has meant a substantial and sustained rental loss in that instance.

At the end of this first phase of model development, partner agencies were much clearer with tenants about the responsibility to pay the rent. Both agencies admitted that it had taken some time to move away from a culture of support and into 'management' mode. It was felt by both partner agencies they had clearer protocols in place for accelerating responses to a missed rental payment.

Managing household bills

The partner agencies took different approaches to dealing with the management of household bills. Thames Reach included the water charges and the council tax with the rent, which meant that any LHA payment would not cover the full amount the tenant has to pay to Thames Reach. Amenity bills were covered through key card payments, which totalled around £50 a month. Thames Reach acknowledged that this approach was unusual since in HMOs in the private sector, amenity bills are generally included in the rent. However, it was felt that a key card meant that tenants could choose to budget by restricting their fuel consumption.

Catch 22 took an alternative approach, in adding a weekly amenity charge of £12 to the rent. This strategy dealt with all the difficulties that might attach with the management of a key card: for example, if the card holder went away or there was disagreement as to the level of regular payment on the card. All the utility bills for all the Catch 22 properties are therefore paid by Catch 22, and a judgement is made on whether the £12 has been sufficient after those bills come in. In addition, Catch 22 also pays the council tax for each of the properties. No further information was forthcoming with regard to the bills, so it was uncertain whether or not this approach meant a degree of subsidy from Catch 22 for the utility payments.

Support

The partner agencies also had a slightly different approach to support. For Thames Reach, the expectation was that tenants would not require any support after moving into the property although the fact that the charity focuses on training and work means that some help with employment options is available. The Thames Reach officer commented that the boundaries between 'support' and 'management' are not necessarily well established. Even in the open private market, some tenants may need a degree of 'handholding' as they settle into a tenancy. However, where it is evident that a tenant may require more personal levels of support, then Thames Reach was able to make a referral to another part of the agency; in cases where referrals have been made, then those properties have generally required less 'management'.

There are issues that relating to sharing specifically. For Thames Reach, it is clearly stated that the agency does not expect to mediate between tenants on domestic disputes – for example, relating to cleaning or topping up utility cards. Tenants are told that they must resolve these disputes for themselves, as would be the case in the open market. Once or twice Thames Reach has intervened where there has been a serious breakdown in tenant relations, and swapped tenants between properties.

For Catch 22, management includes regular and routine property visits, once every two or three weeks. The management visits are intended to check on tenants to see if they have any support needs. The visits are likely to be less regular for the more 'settled' houses, or the officer may just call on the phone. It was felt that property visits could be problematic on occasion, particularly in the case of all-female houses, and where the visit from a lone male housing officer might not be deemed appropriate.

Voids

Effective management of voids reduces the incidence of rent loss. Both partner agencies have struggled with effective property management in this regard, largely because voids are difficult to anticipate, and it is not always the case that an appropriate tenant is waiting to move in straight away. An additional time lag might be created where a sharer acceptable to other residents is not immediately forthcoming.

All landlords in all parts of the private rented market report difficulties where tenants simply abscond or leave tenancies with little or no notice, or whose absence from a property takes some time to become apparent. This is the case even in a shared property, if other tenants are working. HMO management is innately problematic: multiple voids are inevitable where it becomes necessary to 'refresh' a property, or introduce essential repairs which might only be possible when the property is empty.

Property repair and maintenance

According to the arrangement made with Commonweal, repairs and maintenance costs valued at £2,000 or below are required to be met by the partner agencies. At this final stage of the pilot, it was becoming evident that some properties – in use since early 2011 – required repairs and refurbishment of central heating/hot water, kitchen white goods and bathrooms. A strategy for dealing with this expenditure has not been put in place, and this has implications for the financial viability of the model. There was concern that one of the properties, in use since 2012, is in need of substantial repair and the partner agency is uncertain how this will be financed. There is some confusion as to whether this will mean rent increases just for the tenants at that property, or rent increases across all the properties. This problem reflects difficulties in understanding portfolio management as opposed to house management.

Moving out

Neither scheme gave assistance with moving out of a Peer Landlord property. In the view of Thames Reach, their tenants were sufficiently experienced so further help was unnecessary. For Catch 22, it was indicated that more work needed to be done to manage expectations on what might be achievable financially, and in terms of quality, for younger tenants moving out of a Peer Landlord property. There needed to be a stronger focus on the 'end game', in thinking through the way that tenants were likely to move out, and ensuring that the tenant has a degree of control over that move, so that the experiences was positive.

Conclusion

It is clear that contrasting approaches have been taken to property management, elements of which have evolved through the course of the pilot period. Both schemes are still dealing with the ramifications of an overly-hasty approach to filling the initial scheme properties. Tenants were not always chosen judiciously, which has in a couple of instances led to acute problems with particular houses being markedly 'unsettled' and difficult to manage. However, the properties have constituted a valuable learning experience. There has been a shift in the tone of property management since the beginning of 2014, as firmer protocols have developed on the selection of tenants, rent payments and management of rent arrears.

Shared property letting is innately problematic, compared with letting individual tenancies in self-contained properties. Management has to include a degree of formalising relationships between tenants on issues such as payment of the utility bills. There are financial challenges with regard to the incidence of voids in shared properties. At the second phase of the model development, it might be valuable to compare shared property management in the private sector, to see whether the Peer Landlord model offers any advantages in terms of minimising tenant turnover or reducing the level of voids intrinsic to shared property.

Chapter five: Assessing impact

Introduction

The Peer Landlord model is predicated on the ability to demonstrate impact, in order to attract social investment. The task of demonstrating impact is challenging when outcomes are sought for a dynamic population. The Peer Landlord project has instituted a system of collecting information to assess impact, and this chapter comments on the approach taken. Data need to be transparent, readily measurable and – most importantly – collated in such a way that robust analysis is possible.

This chapter first considers the performance indicators that were devised by the Peer Landlord model, and considers the evidence of performance against those indicators. The chapter then addresses evidence around similar housing interventions.

Measuring success

The success of the Peer Landlord model is assessed in terms of performance against a number of key performance indicators (KPIs). These have been summarised in Box 5.1.

Box 5.1 Direct impact mission-related key performance indicators	
Headlines	Number of clients housed Number of clients moved on from the project Average rent charged to clients Previous accommodation
Tenancy sustainment	Rent arrears Rent loss Re-lets Responsive maintenance calls Occupancy levels Length of stay – PL Length of stay – tenant Anti-social behaviour Breaches of tenancy agreement
Tenant impact	Tenant satisfaction Employment and education Personal development
Tenant move-ons	Quality Satisfaction Financial incentive

Information on each indicator is collected through more detailed metrics, collated on a quarterly basis. Both partner agencies use the same spreadsheet format, which comprises a single spreadsheet for each property, with each line on the spreadsheet referring to a single tenant. Thames Reach has included all tenants on each spreadsheet, irrespective of whether they are still living at the property although the metrics of past tenants are no longer included in the indicators ; Catch 22 includes only the current tenants.

The metrics include data on:

- tenant demographics;
- tenant support needs;
- tenancy sustainment including rent arrears;
- move-on; and
- derived calculations for the overarching metrics summary.

Each quarter, the data are combined on a single impact dashboard which summarises data for each property on:

- current tenant numbers;
- number of current voids;
- average monthly rent per tenant;
- expected monthly rent per property;
- number of tenants in arrears;
- maintenance spend in the period;
- percentage occupancy in the period;
- average length of stay as tenant in months;
- average length of stay as peer landlord in months;
- average length of stay in property;
- whether or not there has been anti-social behaviour;
- whether or not there has been a tenancy breach;
- the number of former tenants;
- the number of successful move-ones;
- the number of tenants housed to date; and
- the proportion of tenants who were previously homeless.

These metrics are intended to capture key elements of model performance and contribute to an assessment of performance against the key indicators.

Effective data collection

Any data collection method relying on multiple agencies will run into difficulties relating to the inconsistent entry of data. The Peer Landlord project has been in operation since 2011, and staffing turnover has meant that in some instances data are missing or entries are inconsistent. At the end of phase one of the Peer Landlord model development, it is perhaps appropriate to reconsider the data that are essential to the demonstration of impact, and revise the metrics and associated impact scorecard.

Management data

First, it would be useful to separate out essential management data, so that the statistics necessary to the finances of the project are easier to access and apply to the task of risk assessment and scalability.

Data for Q1, 2016 indicate that there were 37 tenants in the 39 tenancies, but the dashboard summary was not able to indicate whether there has been a tenancy turnover in the last quarter. Tenancy turnover creates a void period, but also the incidence of churn in the properties is indicative either of success or failure of the scheme depending on the reason for the tenancy coming to an end.

It would useful to be able to isolate the incidence of voids and their duration over a given quarter, perhaps expressed in terms of the percentage of occupied weeks over a given quarter, such that each property would have 36 occupancy weeks in each quarter. This would more readily enable a count of the number of weeks without rental income, and also pinpoint problems where voids become unnecessarily extended. The current metrics count the incidence of voids but not their duration.

Information around rent arrears is difficult to define, given the payment of LHA in arrears and the fact that many of the earlier tenancies started with rent in arrears. Total rent arrears per property are perhaps a less useful representation of activity than the percentage of tenants overall in rent arrears. This information is indeed collected as part of the metrics, and for Q1,2016 indicated that thirteen of the thirty-seven tenants were in rent arrears. An essential subset of information here would be the number of tenants who were successfully reducing their arrears payment, perhaps through a management plan, and the number whose arrears were still accumulating.

The dashboard usefully collects information on the maintenance spend for each property in the last quarter, which contributes to an overall financial assessment of the total property portfolio.

Tenant data

Tenant data is a little more problematic. In order to assess social impact, it might be thought necessary to be able to demonstrate improvement in the prospects of clients who use the service. In the case of the Peer Landlord project, this aim is difficult to meet. The metrics collect data on the proportion of tenants in each property in education, employment or training. It might be expected that this percentage should be high, given the fact that the scheme is addressed to the housing needs of individuals who are working, or are at least 'work-ready'.

Furthermore, the employment, education and training status of tenants fluctuates over time. This is evidenced both from the metrics and from qualitative interviews with tenants, who have moved in and out of work and between work and study. This might be expected in the case of younger people, and of people at the bottom end of the labour market. At the very least, this housing option should deliver a stable 'safety net' for people whose working lives may not necessarily be characterised by steady progression. Here, impact data may rest less on the demonstrable work or employment outcomes for tenants and more on the successful management of employment uncertainty perhaps through minimising the incidence of rent arrears.

Interviews with social investors indicate that a strong indicator of impact is the fact that the scheme deals with individuals in extreme housing need or with high levels of vulnerability. The data collect three separate pieces of information on housing circumstance, including whether or not the tenant was previously homeless; their previous accommodation; and the reason for the loss of that accommodation.

More detailed metrics include an assessment of support need, which relies to a large degree on the judgement of the officer completing the metrics form. A better approach, summarised on the combined dashboard, counts the number of individuals who were previously homeless, or who have left care. Neither fact is a particularly useful indicator of current support need, but do stand as a robust and readily countable marker of exclusion and marginality providing a timescale and some basic definition is provided, particularly with regard to homelessness. In both instances a percentage of the global total of tenants rather than a house percentage count would be a better indicator of impact.

The metrics collate information on the incidence of anti-social behaviour and on tenancy breaches. Definition and measurement are problematic, and in both instances there are problems with arriving at an appropriate comparator or target. It would be perhaps more useful to collate information on the number of tenancies ending during the last quarter, and the reason why those tenancies have come to an end. Following the practice developed in the Crisis Private Rented Sector Development Programme, it might be possible to class reasons as being positive, negative or 'neutral', to enable some cross-initiative comparison.

Impact based on current metrics

Although it might be appropriate to change the current metrics, it is appropriate to consider what might be gleaned from current impact measurements. First, it is evident that the Peer Landlord project is having a substantial impact in offering a material improvement to tenants' housing circumstances. Of the thirty-seven current tenants, eighteen had been living in hostels or refuges before moving to a Peer Landlord property, and seven had been rough sleeping or sofa-surfing. Other tenants were in insecure housing situations, or were facing homelessness as a consequence of relationship breakdown with their family. Twenty-three of the tenants had experienced homelessness.

Peer Landlord also aims to deliver positive work outcomes, but these are more difficult to assess. There are some inconsistencies with the data collection which create problems with longitudinal analysis of the metrics. However, it is possible to compare tenants at Q1, 2014 and Q4, 2015 on a very basic level. There were nineteen tenants who lived in Peer Landlord properties for the entire period from Q1, 2014 to Q4, 2015. Twelve of the tenants had what might be considered a steady and/or improving status between the two points: seven were in part-time or full time work at those two points; three had shifted from part-time to full-time work, and another tenant had moved from unemployment to full-time work. Another tenant had moved from part-time work into full-time education.

Seven of the tenants had fared less well: three were unemployed at both points; two had moved from full-time work to unemployment; and two others had moved from either training or part-time work to unemployment.

There were thirteen tenants who were in Peer Landlord properties at the first metric point, but no longer living there at the second. The data are patchy, and it is difficult to draw firm conclusions from their experiences. However, two of the working tenants left for generally positive reasons, but the remainder were either evicted for rent arrears or no information was available.

Overall, therefore, numbers are too small to be able to draw firm conclusions from the data which might suggest that Peer Landlord is having a positive impact on settling tenants and contributing to their ability to either retain employment or improve their employment status.

Comparator schemes

The data are insufficiently robust to attempt an exact comparison of outcomes versus other types of similar scheme, if that information had been available. Evaluation reports do not always include the same types of data; metrics are not defined transparently; and client user sizes can be too small to draw robust conclusions.

The Crisis Private Rented Development Programme funded 152 schemes, specialising in homelessness prevention, move-on from resettlement and hostels and rough sleepers and including both young people and ex-offenders as distinctive specialisms. As such, it constitutes a useful comparison example. The Programme's funding arrangements were based on schemes meeting their funding targets through the creation of six-month tenancies, with a financial incentive for meeting a further sustainment target of tenancies lasting at least twelve months. The report did not include full analysis of the positive and negative reasons why scheme tenancies came to an end.[15] This information would have been helpful in providing, at the very least, comparative data on the proportion of tenancy failure that might be anticipated with this client group. A 2009 evaluation of the Cyrenians Flatmates Scheme offers a better comparator, but the client number was likely to be less than 20 over its three-year funding period.[16]

[15] Rugg (2014), *Crisis' Private Rented Sector Access Development Programme,* 27.
[16] Frontline (2009) *Evaluation of the Flatmates Scheme: Final Report for Cyrenians*, Edinburgh: Cyrenians.

Another possible comparator is the Broadway Real Lettings access scheme. An evaluation of this scheme's operation between October 2005 and December 2008 found that 87 per cent of the 117 clients over its evaluation period maintained their tenancy; seven per cent had negative moves and six per cent positive moves. The Peer Landlord scheme does not compare favourably, since just over half of its 67 tenancies ended during the evaluation period, and at least fifteen of those were for negative reasons.[17] However, the Broadway Real Lettings scheme is placing people in independent single accommodation rather than in shares, which are – as the last chapter indicated – innately problematic.

Conclusion

Social investors require evidence of impact. This means that collected data have to produce robust evidence of improvement and progression. Staffing problems in the first two years of the Peer Landlord project created some difficulties around the consistent collection of data, and the current metrics are not yet framed in such a way that it is straightforward to present a picture of effective management or of tenant progress. Using the metrics as they stand at present, it is clear that the majority of current tenants using the Peer Landlord scheme have experienced extreme housing need. However, data around tenancy sustainment indicate some problems with tenancy turnover.

[17] Broadway (2009) *Private lives: the experiences of formerly homeless people resettled into the private rented sector by Real Lettings*, London: Real Lettings, 8.

Chapter six: Tenant experiences

Introduction

The original intention of the scheme was to address the needs of people who were homeless, or at risk of homelessness, and who had low support needs. In practice, this objective was not necessarily straightforward to fulfil and, as has been seen, it has taken some time for effective protocols to be developed around tenant selection. This chapter reports on the demographics of Peer Landlord tenants. The chapter also considers whether Peer Landlord offers a distinctively kind of letting arrangement for the tenant, and tenant opinions on the concept of having a peer landlord.

Tenant demographics

The metrics can be used to analyse demographics for the 67 tenants of the Peer Landlord project (see Table 6.1). The two partner agencies have different client groups, with Catch 22 focussing on a much younger age cohort: all their tenants were aged between 18 and 24. The Thames Reach client group tended to be older. Twelve of their tenants were aged 35 or under, and twenty-five were between the ages of 36 and 55. Three of the tenants were aged over 56; ages for two tenants were not noted on the metrics.

The gender split across all 67 clients was uneven: 45 were men and seventeen were women. Gender was not noted for five clients. Eight of the thirteen houses had a mixed gender population during the course of phase one development, as this approach was generally felt to be preferable by the two partner agencies.

Table 6.1 Property details, tenant demographics and outcomes

Property code	Operational from	Gender mix	Number of tenants		Housing outcomes			
			T	PL*	Positive move-on	Negative move-on	'Neutral' move-on	Information not available
TR/1	Q2, 2011	Mixed	10	5	1	3	1	2
TR/2	Q4, 2011	Mixed	7	1		4	1	3
TR/3	Q1, 2012	All-male	4	2		1		
TR/4	Q4, 2012	Mixed	8	2		2	2	1
TR/5	Q1, 2013	All-male	4	2		4		
TR/6	Q4, 2013	All-mall	3	1				
TR/7	Q1, 2014	Mixed	4	1				1
C22/1	Q1, 2012	Mixed	4	2				1
C22/2	Q4, 2013	Mixed	7	1				4
C22/3	Q4, 2013	Mixed	3	1				
C22/4	Q4, 2013	All-female	4	1				1
C22/5	Q4, 2013	Mixed	5	1		1		1
C22/6	Q1, 2014	All-female	4	1	1			
			67	21	2	15	4	14

Source: Quarterly returns, qualitative interviews, up to Q4, 2015. Note that two tenants swapped from one house to another, and have been counted at their final residence only. *Number of tenants who have acted in the role of PL.

The tenant experience of Peer Landlord

Fifty-two qualitative interviews were undertaken by Centre for Housing Policy staff during the course of the project, spread over the course of the evaluation: 24 took place before Q1, 2014 and 28 after that time. Interviews took place in each of the properties in the Peer Landlord project. In total, 34 Peer Landlord project respondents were interviewed: of these, 20 were interviewed just once, ten twice and four three times. Longitudinal interviews were spaced roughly a year apart. Fifteen of the interviews were with respondents who at some time had acted as peer landlords.

The small nature of the cohort, living in just thirteen houses, precludes the discussion of any single tenant in detail since confidentiality would be compromised. However, it is possible to explore reflections on experience under a number of thematic headings.

Housing need

The tenants came to the Peer Landlord via a variety of routes. Examples of respondents' previous housing arrangements included:

- sofa-surfing, and heard about Peer Landlord whilst volunteering at a homeless charity;
- living at the bottom end of the PRS in a house in multiple occupation, and struggling to pay £250 a week for a room;

- living in a YMCA with 200 other people, wanting access to a kitchen;
- sleeping rough, and heard about Peer Landlord via an outreach team;
- relying on night shelters, as a homeless asylum-seeker;
- sofa-surfing on release from prison;
- sleeping rough and using nightshelters, following relationship breakdown;
- sleeping rough at an airport;
- living in a supported hostel following a relationship breakdown with parents.

Some tenants had evidently had experiences of rough sleeping in the past, if not at the time of their first contact with the Peer Landlord project, and the majority were circling around insecure housing options in hostels and night shelters. Some expressed difficulties in securing privately rented property, in being unable to afford the deposit or the rent, or indeed of finding somewhere with a landlord willing to let to someone reliant on LHA.

Understanding the concept of Peer Landlord

Tenants did not always have a sound grasp of the Peer Landlord concept. In part, this could be explained by the fact that some tenants did not have good English language skills and others were dealing with mental health issues. Some evidently considered Peer Landlord accommodation to be some kind of hostel.

Other tenants had a clearer understanding of the way that Peer Landlord aimed to work, as it contrasted with their experience of being in a hostel. The issue of independence was mentioned by some tenants, who regarded the accommodation as being most suitable for people who did not need a great deal of support. However, in some cases, tenants did still expect that the parent organisation would be more strongly involved, either through setting up initial meetings with the other tenants, or through regular meetings or contact once tenancies had started.

Attitude towards the peer landlord

Tenants' views on the idea of a peer landlord were very much predicated on their opinion of the person acting as a peer landlord in their house. A mismatch between expectation and delivery could create tensions.

For example, there were difficulties where a tenant expected the peer landlord to deal with issues such as minor repairs, but where these were not being tended to. There was a sense in which the peer landlord was 'not doing their job', and in some instances respondents felt that they themselves were really fulfilling that role. Tenants did not always buy into the concept of another tenant having some higher level of responsibility, and indeed resented the presumption that the peer landlord had some sort of authority in the household. On occasion, the fact that someone in the house was a peer landlord was in itself a source of problems.

Finances

Many of the tenants reported problems with their own personal finances. Some had fallen into rent arrears quite quickly, and views on the matter varied. Some tenants were fairly relaxed about being in arrears, and did not feel under pressure to make arrangements for repayment. Others felt rather more stressed about being in debt, and thought that the parent organisation should have been more proactive in helping them deal with the issue when it first arose.

Problems were reported in paying for utililties, where a key card was being shared between tenants. Voids in a property meant that one or two tenants were bearing a household amenity bill normally split between three, and this was not necessarily welcomed. In one tenant's view, it would have been preferable for the amenity payments to be added to the rent. This was also the case where other tenants simply did not pay their share of the bill. In one house, one of the residents spent more time at their friend's house, and so refused to make a bill contribution since, in their view, they did not spend enough time in the peer landlord house.

Peer landlord and home

As might be expected, tenants' views on the property varied depending on their previous housing experiences. For example, for younger people who had moved from the parental home, a peer landlord may be 'home' but did not necessarily feel homely. However, for the most part, tenants were very pleased with the property and the quality of the rooms on offer.

Location was an issue for a surprising number of tenants. Many were grateful that they had secured settled accommodation, but it was located away from friends or family, in an area with which they were unfamiliar, or a long way from work. At least two of the interviewees left their Peer Landlord tenancy because it was too far away from their place of employment.

Peer Landlord and work

There was not always a strong sense that being in a Peer Landlord property made a material difference to a tenants' ability to sustain work or willingness to seek work. Property location set a geographic boundary for the search for work: one tenant lost their job because it was simply too far to travel; another was actively seeking to move out and live closer to their job.

Moving out

Tenants had mixed plans when it came to leaving the property, and these generally fell under three headings. First, there were a number of tenants who had reviewed their employment and housing options, and who had concluded that it would be highly unlikely that they would be able to afford to live in the private rented sector. One tenant reckoned that he would be able to achieve £12.50 an hour in the kind of work he was seeking but, even so, would not be able to secure a property he could afford. These people regarded their Peer Landlord tenancy in a semi-permanent light and were not necessarily unhappy given the low rent level.

Second, some tenants were still seeing Peer Landlord as a process through which it might be possible to secure a social housing tenancy. There remained a notion that staying in a Peer Landlord property equated to staying in a hostel and so would accrue 'points' which meant that, eventually, a social housing tenancy would be offered providing the stay was long enough. For some tenants, therefore, bidding for a social property constituted the only route out. In one instance, there was a firm expectation that the partner agency would secure a housing association flat for the tenant at some juncture.

Third, some tenants thought that they had not been fully informed about the likelihood of progression through a Peer Landlord property and into independent accommodation. A couple of respondents thought that they should have stayed longer in insecure housing and 'held out' for a social tenancy. They felt trapped in the Peer Landlord scheme, and thought it unlikely that they would ever be able to move.

Being a peer landlord

Not all the individuals who were assigned the role of 'peer landlord' were entirely clear about what this might entail. This confusion was more likely to be the case in the earlier properties, pre-2104, when management of the project was less formal than it later became. A couple of tenants accepted the role of peer landlord without being clear about their responsibilities, and later regretted the decision. There was a feeling that, if the peer landlord role was formalised, and included training, then tenants should be paid to attend the training sessions.

This kind of opinion underlined inconsistencies in partner agencies' commercial and management expectations around peer landlord activity. Informal 'oversight' by a peer landlord might require less training but offer little in the way of management saving. More formal oversight would require some level of training, and payment to attend training sessions might be expected.

For the tenants that were more aware of the responsibilities that might attach to being a peer landlord, there was variety in opinions as to what the role entailed. Some saw the task as principally functional, in being a 'first point of contact' should anything happen. Others knew that it was expected that they would offer some level of support, but being able to offer that support was predicated on other tenants needing help. One peer landlord tenant reported that the other tenants in the property were in work. He himself had difficulty in finding work and had fallen into arrears, and so did not feel that he was in a good position to advise anyone.

Only one of the respondents who was a peer landlord reported that they felt that they had benefitted from the role. In this instance, the individual had undertaken a good deal of volunteering work in the homelessness sector and regarded his role as a 'keyworker' rather than a peer landlord. However, this development did not necessarily have a positive impact on other tenants in the house, one of whom wanted to move because of the other tenants' erratic behaviour and non-payment of bills. Pressure to sort out problematic aspects of sharing could be felt too keenly by peer landlords. In a couple of instances, they had themselves simply moved out without notice, after tension had built up with other tenants about their peer landlord role.

Was peer landlord 'working' for tenants?

Table 6.1 indicated that rather more tenants moved out for 'negative' than for 'positive' reasons. Negative reasons related largely to rent arrears, but there were also incidents of abandonment. It was evident that, for some tenants, peer landlord was not a suitable housing environment given their level of support needs. Arriving at a good fit between tenants is difficult and, as earlier noted, a level of support need might only become evident after a client moves into a property. Furthermore, clients' experience is not static: support needs might change. Partner agencies were clearly finding it difficult to achieve a balance between 'hands-off' management and overly-intrusive support. Financial difficulties were clearly one area where tenants felt that partner agencies could be more proactive.

Problems in peer landlord properties arose as would arise in any shared property: tenants occasionally fell out about money, or each other's friends or partners. Sharing could also be a more positive experience than was anticipated. Some tenants also reported enjoying each other's company, sharing meals and feeling safe and secure. Neither situation is unique to the Peer Landlord project.

Evidence that the Peer Landlord concept was working purely on its own terms is not necessarily robust. However, tenants did seem largely to agree that the scheme offered good quality accommodation at an affordable price. Many felt not unhappy at the prospect of remaining in their Peer Landlord tenancy for the foreseeable future.

Conclusion

It is not easy to generalise about residents' experience of the Peer Landlord model. Satisfaction with living in a shared house with two strangers will very much depend on personal relationships with those other residents, and how those relationships develop over time. It might be argued that in some instances, the fact that one of the tenants was construed as a peer landlord created tensions within the house: the very act of imposing a hierarchy led to problems. On occasion, when a peer landlord had moved out and no other peer landlord was immediately appointed, a peer landlord-type 'figure' simply emerged. In many shared housing situations, a spokesperson tends to evolve without any intervention. It would be useful to see whether and how far an identical shared housing model without a peer landlord might deliver a similar or greater level of success in terms of settled tenancies.

Chapter seven: Financial analysis

Introduction

The principal purpose of the Peer Landlord model has been to test its effectiveness and scalability as a homelessness initiative. This chapter offers a financial analysis of the model, undertaken from a number of different perspectives. The chapter first considers evidences of the financial impact of the model as a housing intervention which aims to remove individuals from an expensive cycle of housing insecurity. To this end, the chapter will use the Crisis 'Making it Count' model. The chapter will then outline the most likely comparator models. As will be seen, it is difficult to arrive at cross comparisons across a range of model types, since reporting on those models rarely – if ever – includes detailed financial accounting. The chapter concludes by considering whether the Peer Landlord model is financially self-sustainable as it currently stands.

The cost benefit of the Peer Landlord model

It is possible to arrive at an estimate of the cost benefit of the Peer Landlord model by comparing likely trajectories for clients where there had been no intervention, with the taxpayer cost Peer Landlord. The cost benefit model is based on a model developed for Crisis, and used to assess possible taxpayer savings through funding access schemes, which aim to accommodate people in the private rented sector.[18]

The model uses two costing headings: housing cost and support needs (see Box 7.1). The model is based on estimated costs of housing, health and crime outcomes for individuals over a three-month period, in the event of their housing needs not being met.

[18] Julie Rugg and Nicholas Pleace (2013) *Making it count: value for money and effectiveness indicators for use by private rented sector schemes*, London: Crisis.

Box 7.1: Assumptions underpinning the Making it Count assessment tool

Housing circumstances

At risk
This is a client who is housed more or less adequately but at risk of losing that accommodation without help. This costing assumes that the help is not given, and the client then loses their settled accommodation within the next two weeks, 'sofa surfs' for two weeks after that, then spends two weeks in emergency B&B accommodation (£194 a week), and the remaining six weeks in a hostel (£518 a week).

Street homeless
This client will have no direct housing costs, but will be using a day centre for three days a week (£77.80 per day) and a night shelter two nights a week (£74 per night).

B&B
Client assumed to be living in a B&B for three months, at a rate of £194 a week.

Hostel
Client assumed to be living in a supported hostel for three months, costing £518 a week.

Client need

Clients with low-level support need
People capable of setting up and maintaining a tenancy without on-going support or with very minimal support, but needing monetary assistance with bonds/rent in advance and/or advice on their benefit entitlement and their tenancy rights. Their non-housing costs are deemed to be nil.

Clients with medium-level support need
People who have found it difficult to sustain a tenancy in the past and may have had some experience of homelessness. These people will need help in setting up a tenancy and would benefit from medium-intensity support to sustain a tenancy, with support deliverable by the scheme perhaps through the use of volunteers. The cost here is for one floating support visit costing £78 each week.

Clients with high-level support need
People who have had chaotic housing careers and who need regular, professional high-level support intervention from the scheme and/or from specialist agencies including mental health, drug and alcohol services. Without settled circumstances in which to deal with support needs, this group will perhaps use A&E in lieu of access to GP services and we calculate that, given the poor health amongst this group, there will be two visits in a three month period at a cost of £147 each visit and being hospitalised once at a cost of £3,015. Also, it is estimated that these clients will be involved in at least one incident of common assault, at a cost of £1,750.

Table 7.1: Estimating cost benefit of Peer Landlord model: typical quarter, n.37 residents

Gross Cost Saving, Housing				
Housing circumstances of current clients (n.37) prior to Peer Landlord tenancy				
	Cost to society per quarter	Number of clients in that category	Overall cost	
At risk	£3,496	10	£34,960	
Street homeless	£4,577	7	£32,038	
Hostel	£6,216	19	£118,104	
B&B	£2,328	1	£2,328	
Gross cost saving, per quarter, housing:			**£187,430**	
Gross cost saving, non-housing				
Client support needs				
Low	£0	26	£0	
Medium	£938	8	£7,488	
High	£5,059	3	£15,177	
Gross cost saving, per quarter, non-housing			**£22,665**	
LHA payments across Peer Landlord portfolio				
LHA payment @ 100 per cent unemployment			£53,798	
Tenant contribution *				£32,278
Total LHA costs			**£21,519**	
			Savings	LHA Expenditure
Gross cost savings, per quarter, housing			£187,430	
Gross cost saving, per quarter, non-housing			£22,665	
LHA costs				£21,519
Total saving for taxpayer in a typical quarter, n.37 residents			**£188,575**	
Note: this estimate is based on figures produced for the 'Making it Count' tool. *Tenant contribution is based on one quarter of tenants being in receipt of full LHA; 30 per cent of tenants in part-time work and making a partial contribution, of one half the rent; and 45 per cent of tenants in full time work and capable of covering their entire rent.				

The costing exercise indicates that the Peer Landlord project is likely to be saving the taxpayer, in a typical quarter, £188,575, compared with this intervention not being in place.

Comparator models

It is suitable to consider cost benefit in further detail, by comparing the Peer Landlord model with other, ostensibly similar, interventions. Table 7.2 indicates five suitable comparator models which are similar in one or more essential regards.

Supported hostels

These hostels are managed a range of third sector agencies and local authorities, and meet clients with a range of support needs. Third sector agencies either provide the hostels directly, or lease them from other housing organisations, such as housing associations. Hostels are variable in size, and range from smaller 'home-like' units to larger and more institutional-style hostels. Hostels generally have a 24h staff presence and, in addition, key or support workers may be arranged for tenants depending on their level of need. Hostels are generally construed as transition houses, with the objective being to move tenants into a longer-term tenancy in social housing or – increasingly – in the PRS. Hostels do not necessarily have an employment objective for tenants. A style of hostel which would be directly comparable with the Peer Landlord would be a small supported resettlement hostel run by a third sector agency, leasing a property from a housing association, used for homeless people, with perhaps four-six residents. Costs of management are generally met through a combination of homelessness funding streams and specific support grant.

Access scheme

Access schemes are also operated by local authorities or third sector agencies. The schemes procure property from PRS landlords at a rate at or close to the LHA level. For single, non-priority households, schemes generally secure rooms in HMOs, which may contain other individuals unknown to the client. The access scheme generally aims to support the tenancy, giving advice and information to both the tenant and the landlord. The housing objective is to secure a property that is financially sustainable for the tenant over the long term. Support into work can on occasion be an objective for an access scheme, but not always. Access schemes operated by third sector charities fund their activities through grants, donations and local authority contract work. Access schemes that sit within larger organisations, for example, housing associations, are likely to cross-subsidise the work.

Access scheme: shared

A second type of access scheme aims to create and support shared housing arrangements. Again, these tend to be operated by third sector organisations, procuring property from the PRS. Shares are generally small, and include two individuals who will have been given extended pre-tenancy training before moving in together. Again, the housing objective is to create long-term sustainable tenancies, and again support into work is not always a core principle. Financial support for shared access schemes is similar to that for 'standard' access work.

Social lettings agency

Social lettings agencies are a style of access scheme which enters into an arrangement with landlords to let and manage their property for a fee, and then arrange the letting of that property to individuals in housing need. The social lettings agency then supports the tenancy as would a standard access agency. The intention is to provide long-term, sustainable tenancies. A social lettings agency may use fee income charged to landlords to subsidise its property management.

'Real Lettings'

The Real Lettings Property Fund (RLPF) is a property investment fund set up in 2013 and administered by the social investment company Resonance, which channels social investment funding to property purchase (Real Lettings Property Fund, 2014; Real Lettings Property Fund, 2015). The RLPF was set up with substantial capital investment totalling £16.5m from social investors and including the L&Q Foundation and Esmée Fairburn Foundation.[19]

The Fund leases the properties to St Mungo's, Broadway and builds on their long-standing access scheme which has for some time aimed to secure longer-term leases from landlords.[20] Broadway leases schemes from the fund for a five-year period, during which time the charity takes full responsibility for letting and management, and absorbs all risk associated with voids, arrears, bad debt and property maintenance. Lettings are arranged through 'Real Lettings', which is St Mungo's Broadway's social lettings agency. Investors are assured a 'commercial risk-adjusted return'. In its first year, the Fund acquired 58 properties and had accommodated 23 tenants; in its second, these figures had risen to 12 households and 233 adults and children.

The Real Lettings approach benefits from control of housing supply, at a price and quality suitable for the project; and building a financially viable property portfolio that offers the prospect of long-term capital gain for investors in addition to rental yield

A substantive difference rests in the Peer Landlord model focus on property suitable for house shares. The RLPF has increasingly concentrated on the purchase of two-bed flats suitable for small families, and the supply of property suitable for use by local authorities as temporary accommodation.

[19] Real Lettings Property Fund (2014) *Real Lettings Property Fund Social Impact Report: First Year 2013/14*, London: Real Lettings Property Fund; Real Lettings Property Fund (2014) *Real Lettings Property Fund Social Impact Report: Second Year 2014/15*, London: Real Lettings Property Fund.

[20] Broadway (2009) 'Private lives: the experiences of formerly homeless people resettled into the private rented sector by Real Lettings', London: Broadway.

Table 7.2 Alternative models

	Supported hostel	Access scheme (traditional)	Access scheme (shared)	Social lettings agency	'Real Lettings'	Peer landlord	
Client group	Low-high need	Low-high need	Low need	Low-high need	Low-high need	Low-medium need	
Property procurement	House leased from social landlord	Secured from the PRS	Secured from the PRS	Secured from the PRS	Purchased via a social investor fund	House purchased by social investor	
Housing form	Variable size properties; licenses	Usually room in variable-sized HMO	Usually 2-bed share	Variable, depending on client group	One-two bed properties	Shared 3-bed house	
Management	By partner agency	By PRS landlord	By PRS landlord	By social lettings agency	By partner agency	By partner agency	PL delivers low-level management and support
Meeting the costs of management	Grant	Grant, donation	Grant, donation	Grant, donation and management fee	Rental income	Rental income	
Tenant support	24h supervision; additional floating support	Floating support by access scheme	Floating support by access scheme	Floating support by social lettings agency	Floating support by partner agency	Limited floating support by partner agency	
Housing objectives	Transition to PRS or social housing	Long-term sustainable PRS tenancy	Long-term sustainable PRS tenancy	Long-term sustainable PRS tenancy	Long-term sustainable PRS tenancy	Long-term sustainable PRS tenancy	
Employment objectives	Support into work not always an objective	Support into work not always an objective	Support into work not always an objective	Support into work not always an objective	Support into work not always an objective	For PL: demonstrable skills For tenants: work-oriented environment	

Financial comparison

Arriving at any level of financial comparison across these different types of housing intervention is highly problematic. There have been across-the-board attempts to arrive at robust costings for homelessness services and interventions.[21] One common conclusion is that the variety of funding sources and the fact that local authorities and third sector agencies do not take a consistent approach to accounting mean that comparator work would not necessarily be robust.

[21] See, for example, A. Evans (2012) 'Shelter Scotland: Funding the Homelessness Service. Final Report', available at: https://scotland.shelter.org.uk/__data/assets/pdf_file/0020/570413/Research_report_-_Funding_The_Homelessness_Service.pdf.

Table 7.2 indicates that although there are a number of interventions that are ostensibly similar to Peer Landlord, the financial arrangements differ substantially. For example, supported hostels are able to access higher levels of subsidy than would be available to clients in a standard access scheme. Only the social lettings agency and peer landlord schemes aim to derive some of their income through actual lettings. In all the third sector schemes, the level of cross-subsidy is opaque. Third sector organisations do publish annual financial statements, but these are insufficiently granular to allow for detailed costings comparison.

For example, the Crisis Private Rented Sector Development Programme was predicated on the operational activities of access schemes across the UK, which indicated that a single access worker, costed at £40,000, was capable of supporting 40 tenancies a year, working with lower-need tenants. Working with clients in higher support-need categories might reduce the overall client target figure. Beyond this overall framework, the evaluation did not present any further costing for access work.[22] Similarly, the Broadway Real Lettings access scheme indicated that it cost £5,400 to house a client, broken down in terms of management costs and overheads (£1,000), property procurement and landlord incentive (£1,600) and assessment and resettlement workers (£2,800). The costings do not indicate how long resettlement workers might be expected to engage with the client, and indicated that 'floating support' is integrated into its model, which makes it more cost effective.[23]

In presenting good practice guidance for access work with young people, Gallagher, *et al*. indicated that the work was reliant on a 'critical mass' of resources from other parts of an organisation.[24] Essentially, cross-subsidy is inevitable for any large-scale third sector organisation, which means that transferring the model into a 'private' setting is likely to be problematic.

The social investment model

The issue of property procurement constitutes the biggest difference between all the comparator schemes noted in Table 7.2, but also the most crucial. Evaluations of access work generally stress the difficulties faced in procuring property from the PRS. An evaluation of the Crisis 'Sharing Solutions' programme indicated that schemes had tended not to progress as a consequence of the inability to secure entire control of single properties for shared use. Landlords were unwilling to wait for all tenancies in a shared

[22] Julie Rugg (2014) *Crisis Private Rented Sector Access Development Programme*, 9.
[23] Broadway (2009) 'Private lives', 7.
[24] Jackie Gallagher, Jane Luby and Janet Clark (2012) *Working with the private rented sector to tackle youth homelessness: a good practice report*, London: Crisis, 32.

property to come to an end, so that a scheme could introduce sharers who had all gone through their sharing training.[25]

The social investment model offers two substantive advantages. First, property is procured specifically for access scheme use. Houses for the Peer Landlord model were purchased at an average price of around £235,000 including legal costs. Social investors are paid 4.32 per cent annually, which Commonweal funds from its lease income. An element of subsidy remains, in the lease income raised from properties gifted by GEHL. A return of 4.32 per cent across the entire portfolio of properties would require a lease payment more than double the current rate, which might not necessarily be sustainable. However, even just a slight increase in portfolio size, up to 18 properties, might create sufficient gains to make subsidy unnecessary.

A second advantage is that under the Peer Landlord model, partner agencies receive rental income. In this instance, the average rental income across all thirteen properties is £14,098 a month. The rental income has been enhanced by the use of a sharing model, which increases the level of income per property compared with letting to a single household as is the case under the Real Lettings approach.

The cost of leasing properties from Commonweal has been set at £400 per month per properties, or £5,200 over the entire year. Table 7.3 gives a simplified breakdown. The partner agencies were unable to provide detailed costings for management of the Peer Landlord pilot. As a consequence, Table 7.3 gives a simplified estimated annual cost. These costs do not include every element of expenditure, and expenditure on repairs and maintenance is likely to increase as the portfolio depreciates.

In theory, the partner agencies should be able to maintain its Peer Landlord properties as a self-funding element of operations on the current model of funding. Lack of available data from the partner agencies on costings precludes further analysis.

[25] E. Batty, I. Cole, S. Green, L. McCarthy and K. Reeve (2015) *Evaluation of the Sharing Solutions Programme*, London: Crisis.

Table 7.3: Simplified Peer landlord management costings

Income			
Average rent per room	£361	3 rooms per property	£1,083
Annualised			£12,996
Properties in portfolio		13	£168, 948
		Total rental income	**£168, 948**
Partner agency expenditure			
House tenant savings, annualised			£3,120
Bad debt *Calculated at 12 tenancies a year across the portfolio, with a loss of three month's rent in each case*			£12,996
Voids *Calculated at one month void per property a year*			£4,693
Repairs and maintenance *Calculated at £1,000 a year per property*			£13,000
Lease *£400 payable to Commonweal a month per property*			£62,400
Staff time *Presumed that officer @ £40,000pa is able to manage 60 rooms a year; proportional cost given the portfolio size*			£25,974
		Total expenditure	**£122,183**

Conclusions

This chapter has explored the cost-benefit and costs of the Peer Landlord model in operation at phase one. As a housing intervention, the fact that the project moves people from unstable, chaotic and expensive housing circumstances and into settled housing means that its return on social investment is demonstrably good.

The Peer Landlord model offers a number of advantages over comparable alternative homeless interventions. Social investor involvement in the purchase of properties for low-cost lease to partner charitable agencies deals, ostensibly, with the biggest problem facing all access schemes, which is the supply of low-cost property. There is some concern that the model is operating with a level of subsidy given the current portfolio size. More exact costings could support scalability, given a larger portfolio.

Chapter eight: Conclusions

Introduction

The Peer Landlord model has provided an extended example of practice-based, reflexive learning. Commonweal has developed and tested a 'high concept' homelessness innovation: peer landlord support for shared tenancies within housing funded by social investors. This final chapter considers some key learning outcomes from the process, and considers future development.

Does the Peer Landlord model deliver housing?

The Peer Landlord model does deliver housing, which is a principal problem for existing access schemes. The fact that the Peer Landlord model is in operation in London is appropriate, since demand for lower-cost rental is increasingly marginalised in a pressurised housing market. Operating in London also offers attractions to social investors, since any residential property investment in London is unlikely to make substantial losses.

Social investment interest in residential property available for rental is likely to increase. An as yet untested element of the model is its feasibility outside the capital, in a slower housing market. Pressurised 'hotspots', for example, in the south west and south east, and in – for example – university towns should perhaps be explored.

Delivery of housing is predicated on social investors perceiving that their investment is delivering impact. Some review of impact measurement and metrics might be appropriate at this stage, both to highlight areas of success and to help pinpoint management difficulties needing further development.

Does the Peer Landlord model deliver demonstrably 'better' shared housing?

The Peer Landlord model is an improvement on existing shared housing models, in its mode of property delivery. There is as yet insufficient evidence that its sharing model offers advantages over other sharing approaches. It may be that models with a more intensive pre-tenancy training programme for all tenants could work be more effective.

It would be appropriate to consider setting up 'tester' shared houses without a peer landlord element, to see whether and how far this intervention makes a material difference to levels of tenancy settlement.

Are there measurable management savings from the Peer Landlord approach?

At present, there is no evidence that having a peer landlord offers measurable management savings. Neither partner agency has produced robust accounts for the period of the evaluation that give a clear indication of management costs. Any demonstrable savings would have to be set against the cost of peer landlord training and on-going liaison with those individuals. It is clear from tenant feedback that investment in peer landlords themselves is needed before monetisable return can be expected.

Are there clear indications of tenant satisfaction?

The Peer Landlord model has, by definition, accommodated tenants who were in extreme housing need. In these circumstances, tenants themselves are not best placed to comment on the particularities of service delivery: for the most part, they simply want to get settled, and get on with their lives. Any shared housing circumstance will succeed or fail on the willingness and ability of tenants to get on with each other. These facts create problems in arriving at any robust assessment of overall tenant satisfaction.

The Peer Landlord model has clearly indicated that tenant satisfaction was most clearly expressed with the quality of property on offer at the LHA rate. Being happy with the accommodation that is offered at an affordable price makes it much more likely that tenants will settle and their employment prospects will improve. It may be that the Peer Landlord approach has been overly complex in its intent: perhaps tenant satisfaction is better served in the offer of more 'homely' and home-like shared accommodation which is a more palatable and sustainable option than sharing with strangers in a HMO.

Learning from the pilot

There are multiple learning points from the pilot, at a practice level and a financial level. At this stage, and with the prospect of scalability, it is recommended that, at phase two:

- the model be tested outside London;
- a key element of the model to retain as essential is a commitment to the quality of the property;
- the model should test a housing share without a peer landlord;
- the model should be tested by a long-standing access scheme to see how far more experience in property management may result in a more robust financial model;
- there should be a continued focus on meeting the needs of marginalised, homeless clients to ensure that the model meets the demand for impact, as required by social investors.

Conclusion

Shared housing is a growing component of the private rental market, and the development of a range of shared housing services for low-income households is essential. This project has demonstrated that channelling social investment funding into shared housing management is a cost-effective approach, and offers a number of advantages over existing models of service provision where there is an intent to offer mediated housing. The value of the peer landlord element needs further evidence to be robustly demonstrable, and this should be delivered at the second phase of model development.