

Encouraging landlords to let to people receiving benefits

Final report
April 2021



In partnership with



Cabinet Office



Centre for
Homelessness Impact

UK's first behavioural trials with landlords



Steps for online trial with landlords



Step 1: Recruitment

NRLA emails members inviting them to participate by sending them a link to the online trial.



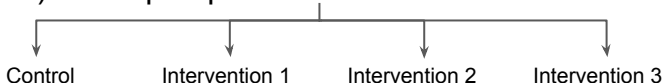
Step 2: Scenario

Landlord participants are introduced to a scenario where they are advertising an affordable property.



Step 3: Intervention

Participants are randomised into groups that each see a different email exchange between them (the landlord) and a prospective tenant or a LA.



Step 4: Questions

Participants state if they wish to continue with the tenant's application. They then enter into the second trial (repeating steps 2-4).

The Behavioural Insights Team (BIT) worked with the Centre for Homelessness Impact (CHI) and the National Residential Landlord Association (NRLA) to test interventions to encourage private landlords to rent to people receiving Universal Credit (UC).

We ran two simulated randomised controlled trials with nearly 2700 landlords from the NRLA looking at the following questions:

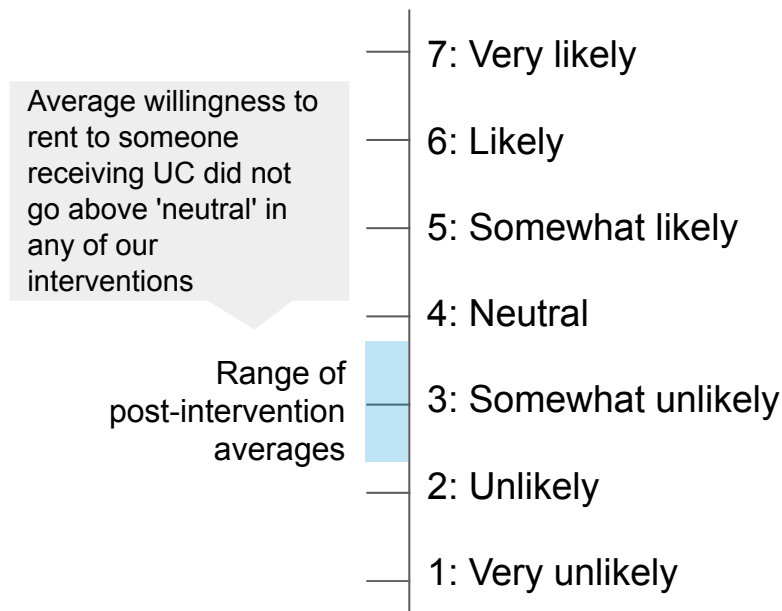
- Does disclosing additional information about the tenant increase landlord willingness to continue with the application of someone receiving UC?
- Which Local Authority (LA) incentives or support programmes are most effective at increasing landlord willingness to rent to someone receiving UC?

We believe these trials to be the first behavioural experiments with landlords in the UK.



Affordability is not the only barrier

Average willingness to rent to someone on UC across all intervention arms in the two trials



In both of our trials, **average willingness to rent to people receiving UC was low** (on average 'somewhat unlikely' across interventions).

The **scenarios we presented in our trials were designed either to be affordable** at the Local Housing Allowance (LHA) rate* **or to compensate landlords for renting at a below-market rent**. This demonstrates that a tenant's ability to afford rent is not the only barrier to overcome in encouraging landlords to rent to people who receive UC. This suggests that factors other than affordability are influencing landlord decisions (for example, competition from other prospective tenants).

Despite an overall low willingness to rent, we found that **incentives were more effective when there was a smaller gap between the LHA rate and market rent**. This suggests that having LHA rates that are closer to market rates contribute to making LA financial incentives more effective.

*LHA is the monetary amount that a person living in a private rented let who qualifies for housing benefit receives to cover their housing costs.



The 'how' of a rent guarantee matters

Section of the APA leaflet

When can a managed payment to the landlord be requested?

- A claimant is in arrears for two months.
- A claimant has underpaid their rent over more than two months.
- A claimant was previously in receipt of Housing Benefit and it was paid to his/her landlord.
- A claimant has experienced:
 - Addiction problems
 - Learning difficulties
 - Debt problems
 - Temporary accommodation or homelessness

FOR MORE INFORMATION, PLEASE VISIT:
<https://www.gov.uk/government/publications/universal-credit-and-you>

Providing information about Alternative Payment Arrangements (APA) did not increase willingness to rent to someone receiving UC. Letting landlords know the council would guarantee rent increased willingness to rent by 0.8 points on a 1-7 scale

Securing on-time rent payments can be a powerful intervention to encourage landlords to rent to people receiving UC, but how it's delivered matters.

Both of our trials introduced landlords to a form of rent guarantee: either a leaflet with information on the circumstances under which a landlord can request that housing benefit is paid directly to them (Alternative Payment Arrangements, APA) or a written guarantee that the LA would cover for late or unpaid rent (rent guarantee). **The APA leaflet did not increase landlord willingness to rent to someone receiving UC. The rent guarantee, on the other hand, resulted in a relatively large increase (0.8 points on a 1-7 scale).**

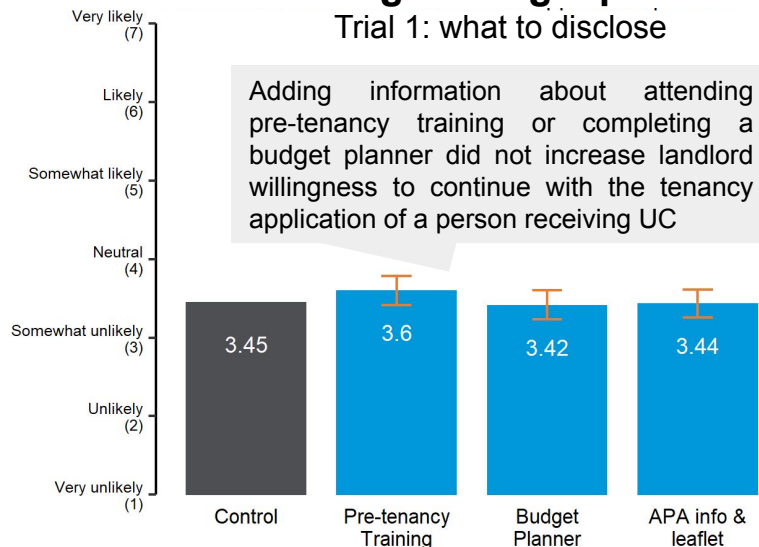
This suggests that **APA are not an effective way to reassure landlords** that they can get paid rent on time, and that alternative rent guarantees (such as those offered by LAs) are more effective.



Common programmes may have little impact

Average likelihood of continuing with application for control, pre-tenancy training & budget planner

Trial 1: what to disclose



Adding information about attending pre-tenancy training or completing a budget planner did not increase landlord willingness to continue with the tenancy application of a person receiving UC

We found that some commonly-used programmes and incentives may not be particularly strong selling points for encouraging landlords to rent to a person receiving UC. For example, we found that:

- Proof of a tenant attending **pre-tenancy training** or completing a **budget planner** did not change **landlord rental decisions**, despite shifting landlord perceptions about the tenant's communication skills (something landlords emphasised as important in our interviews).
- Offering a **damage deposit bond** or a **single point of contact** for landlords only slightly increased willingness to rent compared to no incentive. Interestingly, offering a single point of contact did not increase landlord expectations of LA responsiveness compared to other incentives.

N = 2798
** p<0.01, * p<0.05, + p<0.1, adjusted for multiple comparisons
Errorbars = 95% CI for each treatment effect vs. control
Primary analysis

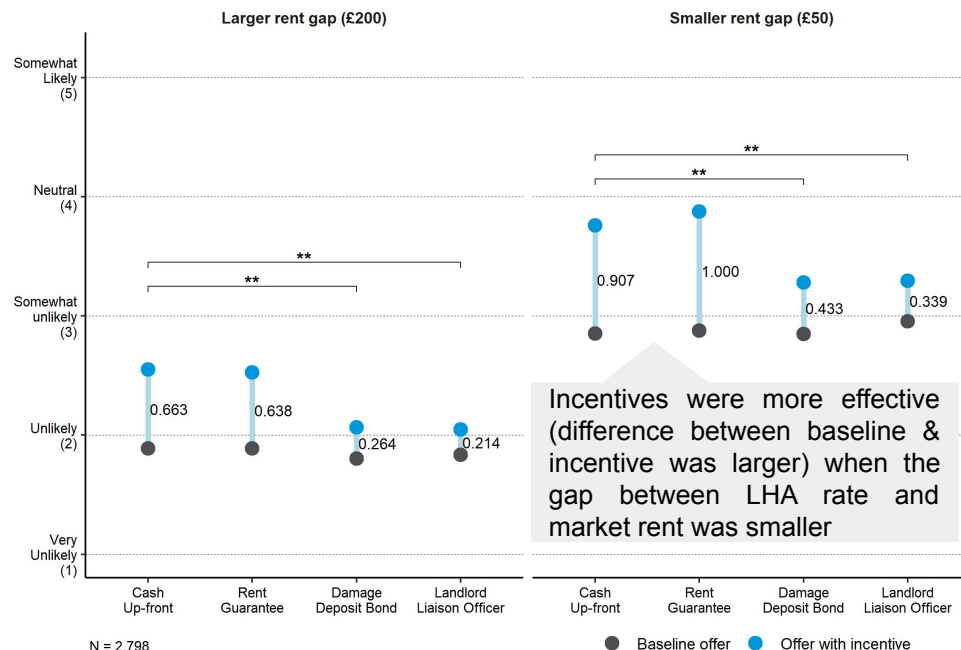
Executive summary

Incentives do more if LHA follows the market



Average change in likelihood of accepting the offer

Average likelihood at baseline & after incentive offer



N = 2,798
** p<0.01, * p<0.05, + p<0.1, adjusted for multiple comparisons
Displayed points represent unadjusted group means
Primary analysis

Participants in this trial were randomly split into two subgroups:

- **Smaller rent gap:** £50 gap between LHA rate and monthly rent
- **Larger rent gap:** £200 gap between LHA rate and monthly rent

The results in each of these groups followed the same pattern as in the whole-sample analysis: cash upfront and rent guarantee were the most effective. However the effects of the incentives were larger for the smaller rent gap. This finding (that incentives are more effective when the gap between market rent and the LHA rate is smaller) emphasises the importance of keeping the LHA rate in line with market rents. Failure to do so may result in LA incentive programmes being less effective.



UC-experienced landlords more likely to rent



Landlords who had experience with renting to tenants receiving UC were **0.5 points more likely** (as measured on a scale from 1-7) to continue with the application compared to those without experience.

In one of our trials, we found that **landlords with experience renting to tenants who receive UC** were more likely to continue with the application than those without experience (0.49 points on a 1-7 scale)

This association is a correlation; it is not necessarily causal. For example, it may be that landlords with experience renting to tenants receiving UC are generally more open to low income tenants, rather than that the experience of renting to a tenant receiving UC causes a landlord to be more willing to do so again in the future.

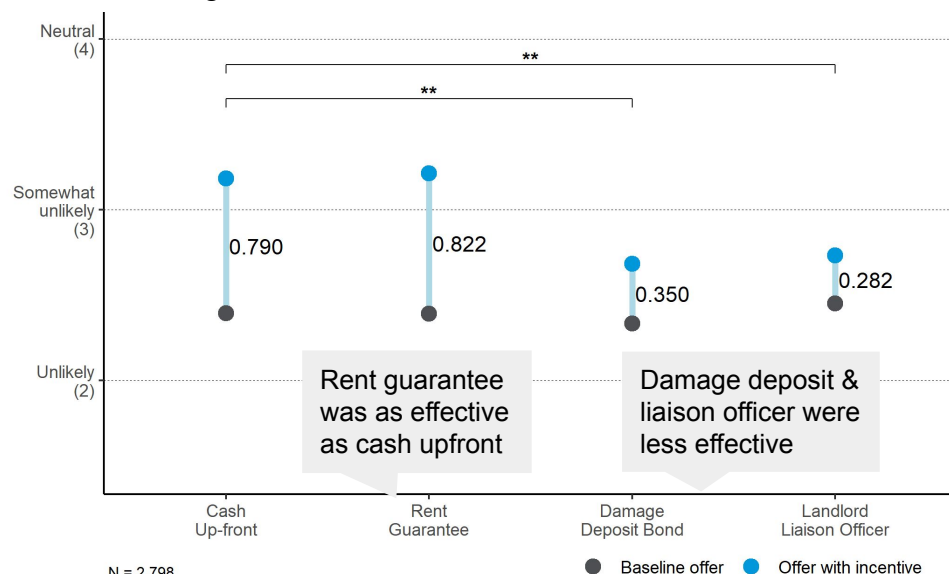
While measuring this causal relationship may be difficult, LA may want to consider whether these insights can be included in targeting which landlords to reach out to or in investing in maintaining existing landlord relationships.



Next step is to understand cost effectiveness

Average change in likelihood of accepting the offer

Average likelihood at baseline & after incentive offer



N = 2,798

** p<0.01, * p<0.05, + p<0.1, adjusted for multiple comparisons

Displayed points represent unadjusted group means

Primary analysis

We found that offering landlords £1,000 in **cash upfront** or offering a **rent guarantee** were the most **effective at increasing landlord willingness to rent at the LHA rate**, while a single point of contact and a damage deposit bond were less effective. However, effectiveness only answers whether an intervention works; it does not consider the underlying cost of delivering these programmes or incentives.

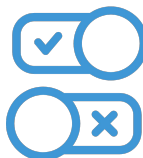
The next step is to work with LAs to estimate 'cost per tenancy' for different programmes and incentives. Understanding cost effectiveness will help LAs decide which programmes are right for them as well as benefits to scaling: for example, providing cash upfront may be considerably cheaper than administering a guaranteed rent programme for smaller LAs.



Recommendations for policy makers



Ensure LHA rates track market rents. We found that LA incentives were more effective at encouraging landlords to rent to someone receiving UC when the gap between the LHA rate and market rent was lower (£50 vs £200). This suggests that the closer LHA rates are to market rents, the more effective LA financial incentives are at encouraging landlords to rent to people receiving UC. LHA rates were re-targeted to the 30th percentile of market rates at the start of the COVID-19 pandemic; our findings suggest that keeping rates pegged to market rents is an important policy lever for housing people receiving UC in the private rented sector.



Offer UC recipients a choice of having the housing benefit portion of their UC payment transferred directly to their landlord. We found that an offer of below-market, guaranteed rent was among the two most effective incentives we tested. Giving UC recipients the option to have their housing benefit transferred directly to their landlord is a structural way to achieve guaranteed rent across England and Wales (the programme already exists in Scotland). This will allow LA incentive programmes to focus on providing additional incentives over and above LHA.



Combine financial incentives and behavioural interventions. Encouraging landlords to rent to people receiving UC is not only a question of bottom line and profits: landlords make judgments about the tenant based on the information they have, and these expectations may be difficult or expensive to overcome with incentive schemes alone. LA housing teams could test combining financial incentives with programmes that aim to reduce stigma against tenants receiving UC. For example, based on our finding that landlords who had rented to someone receiving UC were more likely to rent to the tenant in our trial, LAs may want to try using landlords they are already working with as peer ambassadors to recruit additional landlords to work with them.



Recommendations for CHI

We recommend that CHI consider the following trial ideas based on our findings in this project:

- **Cost-effectiveness trials:** Work with LAs that offer financial incentives and support programmes to understand the cost implications of offers. Use this information to evaluate the cost-effectiveness of existing incentive offers in the field and create 'cost per tenancy' estimates for different types of incentive programmes.
- **Online field RCTs:** Partner with property portals (such as OpenRent, Spareroom, Gumtree, and Help2Rent) to run online experiments testing different combinations of information, incentives and digital architecture to understand how it influences landlord behaviour. This could be bolstered by pre-testing interventions in simulated online environments in collaboration with the NRLA research team.
- **Qualitative research on pre-tenancy training:** Conduct follow-on qualitative research with landlords who participated in the trials to develop a deeper understanding of findings on pre-tenancy training (which we found was effective for some groups but not others). Findings from the qualitative follow up research could be used to run a pilot to see if it is possible to increase the appeal of pre-tenancy training for a broader group of tenants. This could take the form of, for example, a 'landlord designed, LA delivered' pre-tenancy training programme,



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Introduction

Project background and objectives


THE
BEHAVIOURAL
INSIGHTS
TEAM



**Centre for
Homelessness Impact**

Our project aimed to test what works to encourage landlords to let to people receiving benefits



The Centre for Homelessness Impact (CHI) commissioned the Behavioural Insights Team (BIT) to develop and test behaviourally informed interventions to encourage private landlords to let to tenants who are experiencing homelessness* and are in receipt of housing benefits.

A key component of the project was to use robust evaluation methods (such as a randomised controlled trial) to evaluate interventions, given the dearth of robust impact evaluations in the sector. This project is part of CHI's Strategy for 2019-2024 to support data and evidence to be applied in practice through funding causal evidence on what works.

CHI Strategy for 2019-2024



Support data and evidence to be applied in practice



Trials

Our evidence tools show that there is a lack of causal evidence in homelessness. Our ambition over the next 5 years is that by helping to spread effective practices that improve performance, we will help use limited resources better, help more people get served well, and create outcomes-focused environments where innovation can occur.

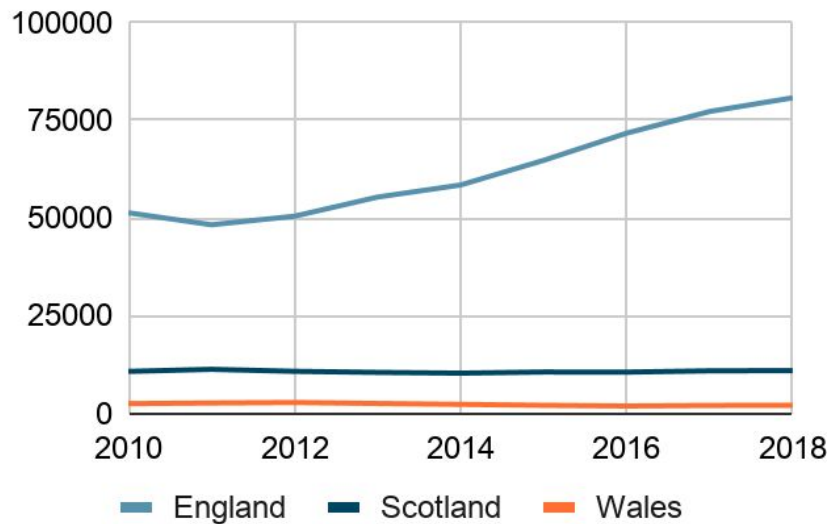
Our first trial will start in mid 2019 and aims to encourage landlords to let properties to people experiencing homelessness. We are also scoping trials in areas such as the reconnection of people who are street homeless, rapid rehousing, and direct cash transfers among others.

*In this document, we use the term 'experiencing homelessness' to refer to people who have approached for support in finding a home, either because they no longer have accommodation (presenting as homelessness) or because they are about to lose their accommodation (presenting as at risk of homelessness)

Rise in temporary accommodation signals that people experiencing homelessness have difficulty finding homes



Number of households in temporary accommodation, 31 March 2010 to 31 March 2018



[ONS](#) (2019)

The number of homeless households in England, Scotland and Wales has remained relatively stable over the past few years (although legislative changes to homelessness duties have meant it is hard to compare data over time).*

However, **the number of people placed into Temporary Accommodation (TA) has risen significantly over the past five years**, driven mainly by increases in England. People are placed into TA when they have not been able to secure a permanent home.

The rise in TA signals the people experiencing homelessness are facing difficulties finding homes. Living in TA is suboptimal for everyone: conditions are often poor for residents and it is an expensive option for local authorities. Supporting homeless households into permanent housing is therefore a key priority.

*See [Annex C](#) for a definition of homelessness as well as an overview of homelessness data in the UK

The Private Rented Sector has a role to play in housing people experiencing homelessness



Private Rented Sector size & role in relieving homelessness

	England	Scotland	Wales
<i>No. of PRS properties</i>	~5,000,000¹	~340,000²	~200,000³
<i>No. of homeless households</i>	~288,000⁴ Prevention + Relief duty	~31,000⁵	~22,000⁶
<i>Share of homeless households placed in permanent PRS accommodation</i>	36% / 22%⁴ Prevention / Relief duty	~5%⁵ Relief duty	40% / 33%⁷ Prevention / Relief duty

Prevention duty: 1 in 3 people in England are prevented from becoming homeless by finding a home in the PRS; this rises to 2 in 5 in Wales

Relief duty: 1 in 5 people experiencing homelessness in England end up being housed in the PRS; this rises to 1 in 3 in Wales

The Private Rented Sector (PRS) plays a significant role in housing those who are experiencing homelessness. Housing people experiencing homelessness in the PRS is becoming increasingly important, as the social housing sector has been unable to keep up with demand.⁸

While the PRS plays a larger role in housing homeless households in England and Wales than in Scotland, the PRS is increasingly important in Scotland's larger cities.⁹

1) [Rugg & Rhodes](#) (2018) 2) [Scottish Household Survey](#) 2019 (2020); 3) [Rent Smart Wales](#) (2020); 4) [MHCLG](#) (2020); 5) [Scottish Government](#) (2020); 6) [Welsh Gov](#) (2020); 7) [StatsWales](#) (2019); 8) [BBC](#) (2019); 9) [Edinburgh City Council](#) (2019)

Private landlords are hesitant to let to people who receive benefits



According to the latest English Private Landlord Survey, half of **PRS landlords in England say they are unwilling to rent to households that receive housing benefits or universal credit (UC).**¹

While there are certainly structural reasons for this, such as the Local Housing Allowance (LHA) rate historically not covering the targeted 30th percentile of the PRS,* there are indications that some of the drivers for this may also be behavioural: research by the Bureau of Investigative Journalism found that half of landlords with a property affordable at the LHA rate refused to let to a single mother who received housing benefits.²

This research indicates that landlords and letting agents may hold beliefs and preconceptions about households who receive housing benefits that are not related to affordability alone.

English Private Landlord Survey (2018)



52% & 37%
landlords agents

Unwilling to let to
people in receipt of
Housing Benefit



47% & 33%
landlords agents

Unwilling to let to
people in receipt of
Universal Credit

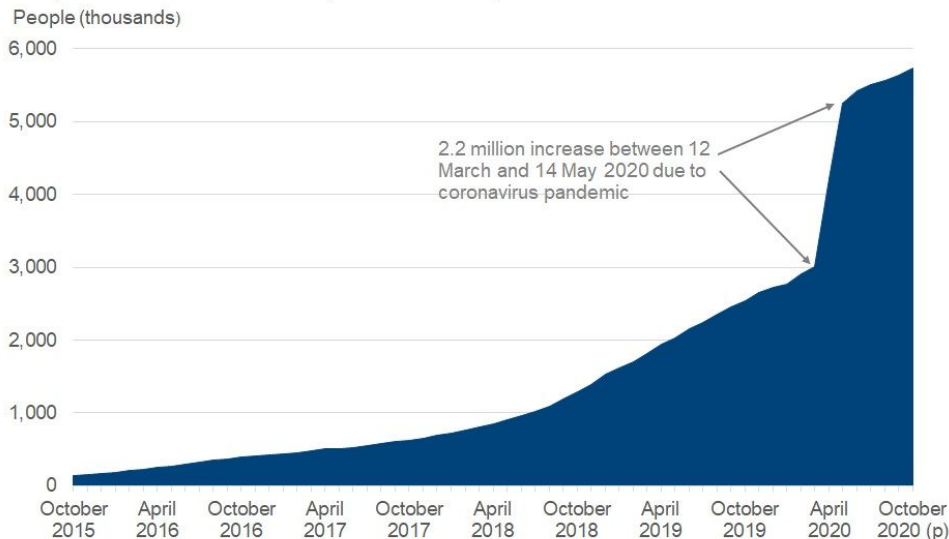
*Local Housing Allowance is monetary amount that a person who lives in the PRS and qualifies for housing benefits receives to cover their housing costs. Prior to the [Government re-targeting the LHA rate](#) to the 30th percentile as part of it's COVID-19 response, less than 15 per cent of accomodation was affordable at the LHA rate in most regions (Chartered Institute of Housing, 2019). See [Annex D](#) for an overview of UC.

1) [MHCLG](#) (2019); 2) [Bureau of Investigative Journalism](#) (2019)

Many people experiencing homelessness receive benefits; this has increased due to COVID-19



People on Universal Credit, Great Britain, October 2015 to October 2020²



Note: (p) provisional. See Stat-Xplore for the full data series.
Source: DWP Stat-Xplore, People on Universal Credit, month
https://stat-xplore.dwp.gov.uk/webapi/openinfo?id=UC_Monthly

Many households experiencing homelessness receive some form of government benefit.¹ Given that landlords are hesitant to rent to people who receive benefits, this may be acting as a barrier to people experiencing homelessness accessing housing in the PRS.

COVID-19 is likely to compound this issue further, as the number of people claiming benefits through UC rose by 2.7 million between March and October 2020, an increase of 90%.² Organisations such as Generation Rent, an advocacy organisation for PRS tenants, have warned that hundreds of thousands are falling behind on paying rent: tenants in the PRS were more likely than homeowners to suffer a loss of income during the pandemic, meaning many have fallen behind on rent payments.³

1) [Crisis](#) (2015); Note that it is not possible to get an exact estimate of the share of people presenting as homeless who receive housing benefit or other benefits, as this is not currently reported; 2) [DWP](#) (2020); 3) [Generation Rent](#) (2020)

LAs help people find homes in the PRS through search support & building landlord relationships



Local Authorities (LAs) have a responsibility (referred to as a duty) to help people find homes. There are not enough properties in social housing to go around, even for those who qualify.¹ This means that LAs, particularly in England and Wales, must look to the PRS to help people find homes. LAs have two main routes in which they help people find homes in the PRS:

- **Supporting the search:** helping the person experiencing homelessness to find a home in the PRS (if this is deemed an appropriate option).
- **Building relationships with landlords:** getting contact information for landlords and agents who are willing to rent their properties to people that the LA is supporting. For many LAs, this includes providing support or incentives to landlords who work with them.

Homelessness duties

LAs in England, Scotland and Wales (and the Housing Executive in Northern Ireland) have a **duty** to **prevent homelessness** (meaning helping people who may become homeless in the near future to stay in their home or find a new one) and **reduce homelessness** (meaning helping people who no longer have a home by finding them temporary or permanent accommodation).

LAs (and the Housing Executive in N. Ireland) also have a duty to find people a permanent home. However, eligibility for this **main duty** differs across the four countries. See [Annex C](#) for an overview of how these statutory duties differ across the UK.

LAs use multiple channels to reach out to landlords



Channels for LAs to reach out to landlords

Website	Most LAs have information about their landlord incentive and/or support programmes on website
Landlord forum	Some LAs have semi regular events with landlords; could be organised by LA or jointly with a local landlord association
Newsletter	Some LAs send a newsletter to landlords. In places with a licensing scheme, this newsletter goes out to all landlords.
Social media	Some LAs used sites such as Facebook to communicate with landlords; however, it is difficult to target landlords specifically.
Traditional media	Some LAs place ads in local newspapers to reach landlords.
Word of mouth	Many LAs mentioned that they identify landlords through those they are already working with .

LAs want to find landlords who are willing to let their properties to people experiencing homelessness.* By having these relationships, LAs can circumvent some of the search process and more quickly place people who are experiencing homelessness into homes in the PRS.

Many LAs reach out to landlords to inform them about the opportunity to work with the LA to find tenants. LAs communicate the benefits of their offer (whether it is finding a tenant quickly, or additional incentives) through a variety of channels, including online and at landlord forums.

*LAs often work with letting agents in the same way that they work with landlords. See [Annex E](#) for an overview of why we are focusing on landlords rather than letting agents in this project and see [Annex F](#) for an overview of our fieldwork methodology.

The support and incentives that LAs offer to landlords differ significantly across areas



Many LAs offer landlords financial incentives and/or support programmes if they rent a property to someone through the LA. These vary in complexity, from paying a set amount of money to the landlord upon signing a tenancy contract, to providing in depth support to the tenant throughout their tenancy. For example, the [Dundee Homefinder service](#) provides a key worker that meets with tenant at four points throughout the first year of their tenancy

Housing offices that work for LAs in and around London that we interviewed mentioned competing for affordable properties in the PRS, with some LAs offering increasingly higher financial incentives. Initiatives such as [Capital Letters](#), which aims to bring LAs together in a shared service offerings, are working to ensure LAs collaborate on, rather than compete for, affordable housing.



Case Study: Capital Letters

[Capital Letters](#) is a pan-London "accommodation procurement and management company" that is co-owned by 17 London Boroughs. Capital Letters aims to serve as a one stop shop mediating between member boroughs and landlords/letting agents to house people experiencing homelessness in the PRS.

Capital Letters helps its member boroughs collaborate on a shared offering to landlords by agreeing on the incentives and services offered to landlords and agents. They also aim to find homes for people as locally as possible, helping, in their own words, "to reverse the trend in out-of-borough and out-of-London placements."

Behavioural barriers



Understanding the target behaviour and behavioural barriers



Centre for
Homelessness Impact

We explored how landlords select tenants & what barriers they face in renting to people receiving UC



To help us design interventions to encourage landlords to rent to people receiving US, we explored the following questions:

1. How do landlords find and select tenants?
2. What are the barriers to landlords renting to someone who receives UC?

We worked with the **the National Residential Landlords Association** (NRLA) to identify landlords to interview to explore these questions.



The National Residential Landlords Association (NRLA) is the largest membership organisation for PRS landlords in the UK with more than 85,000 members.

The association was created from the merger of the Residential Landlords Association and the National Landlords Association in April 2020.

NRLA members range from full-time landlords running property portfolios to those letting only a single bedroom flat.

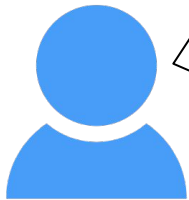


How do landlords find and select tenants?

Landlords are trying to predict which applicant is most likely to meet their desired criteria for a tenant



WHAT LANDLORDS WANT



A tenant who:

- Pays rent on time
- Communicates well
- Keeps the property in good condition
- Stays for a long time

The decision process the landlords go through when they select tenants is similar to the process an employer goes through when trying to hire for a vacant role. In both situations, the decision-maker (landlord or employer) are trying to **predict which applicant is most likely to meet the criteria they are looking for.**

The landlords we spoke to emphasised that they are looking for a tenant who pays rent on time, communicates well, keeps the property in good condition, and, preferably, stays for a long time. Throughout the tenant selection process, landlords are asking questions and collecting data to help inform their prediction of who among the applicants is most likely to fulfill this criteria.

Landlords follow a three-step process to select a tenant; each step helps to inform their decision



Process for selecting a tenant through open search

Step 1: Pre-screening



Tenant responds to a property ad either online or by phone

The landlord responds by **asking a series of questions**, including:

- Why are you moving?
- How will you be paying rent (income source)?
- Who will be living in the property?

Step 2: Viewing



The landlord arranges a **face-to-face viewing** of the property. Landlords use this as an opportunity to decide if the tenant would be a good fit for their property based on a 'gut feeling.'

Step 3: Referencing



The landlord selects a tenant and asks for **proof of income, references and credit checks**. The landlords we spoke to often used a paid-for tenant referencing service.

Landlords adapt the process slightly when working with a LA, as the LA conducts the pre-screening



Process for selecting a tenant through LA

Step 1: Pre-screening



Landlord reaches out to LA letting them know they have a vacant property

The **LA** conducts a **pre-screening** for the **landlord** and selects an appropriate tenant. Some LAs send the landlord information on references, completed tenancy training, and any financial incentives available.

Step 2: Viewing



The landlord arranges a **face-to-face viewing** of the property. Landlords use this as an opportunity to decide if the tenant would be a good fit for their property based on a 'gut feeling.'

Step 3: Referencing



The landlord asks for **proof of income, references and credit checks**. The landlords we spoke to often used a paid-for tenant referencing service.



What are the barriers to landlords renting to someone who receives UC?



Landlords are worried about having a bad experience if they let to someone who receives UC

Barriers to PRS landlords renting to people who receive UC

Capability Knowledge & skills	Understanding of UC. Landlords may not be aware that they can, in certain circumstances, request that housing benefit portion of UC is paid directly to them (for example, if the tenant is more than 2 months in rent arrears).
	Support from LA. Landlords may not feel that LAs provide adequate support if issues arise. This could be due to GDPR (landlords need tenant's consent to get help from LA), capacity issues at the LA, or poor coordination with jobcentres (who support on UC).
Motivation Reflective and automatic decisions	Previous bad experience. Landlords who have rented to a tenant receiving UC in the past may have and an unpleasant experience, either with the tenant themselves or when trying to get support from the LA or the job centre.
	Fear of bad experience. Landlords may not have rented to a tenant receiving UC before, but they may have heard of (or from) other landlords who had bad experiences. Landlords were worried about missed or late payments from tenants not being able to manage finances on a tight budget.
Opportunity External factors in the environment	High demand for affordable lets. High demand and limited supply means landlords have multiple tenants to pick from for affordable properties. This means that, if landlords are concerned that tenants receiving HB won't be able to afford rent, there are many non-HB tenants to pick from instead.
	Financial product conditions. Some buy-to-let mortgages and insurance products prevent landlords from letting to tenants who receive benefits.

Interventions and trial findings



We ran two online trials with scenarios targeting interventions for both an open and LA-assisted tenant search



Trial 1: What to disclose		Trial 2: What support is effective	
Intervention idea	<p>Provide additional information* about prospective tenant who receives UC to see if it increase a landlord's willingness of continue with the tenant's application in a fictional rental scenario. Attachments included:</p> <ul style="list-style-type: none"> • A pre-tenancy training course certificate • A budget planner • A leaflet on alternative payment arrangements 	<p>Offer incentives* to the landlord to see what works to encourage them to rent to a prospective tenant who is being supported by a LA housing team. Incentives included:</p> <ul style="list-style-type: none"> • £1000 cash upfront • Rent guarantee • Deposit bond • Landlord liaison officer 	
	<p>Touchpoint</p> <p>Selecting a tenant through open search</p> <div> <div>Step 1: Pre-screening</div> <div>Step 2: Viewing</div> <div>Step 3: Referencing</div> </div>		
	<p>Barriers targeted</p> <ul style="list-style-type: none"> • Previous bad experience • Fear of bad experience • Understanding of UC 		

*We selected informational attachments and incentives that LAs commonly use (see Annexes [A](#) & [B](#))

We ran two online trials with fictional scenarios targeting interventions for both an open and LA-assisted tenant search



We ran what we believe are the first behavioural trials with landlords using BIT's online trial platform [Predictiv](#).

An **online trial** is a trial that is conducted in a simulated environment. This is as opposed to a field trial, which is conducted in real life. An online trial has several advantages over field trials, including:

- Zeroing in on a key decision points that may otherwise be difficult to measure (proceeding with or selecting a tenant)
- Offering a safe setting to test innovative ideas (no risk of making things worse for service users)
- Results generated relatively quickly and for lower cost when compared to a field trial

For the results of an online trial to translate into real world behaviour (known as external validity), the scenario presented in the online trial needs to match its real world equivalent as closely as possible.



Predictiv is BIT's online experimentation platform that allows running online randomised controlled trials (RCTs) to help organisations find out the best ways to design effective communications, products, and services

We worked with the NRLA to recruit nearly 2800 landlords to participate in two online RCTs on encouraging landlords to people receiving UC. We recruited landlords and ran our trials from July to October 2018.

Half of the landlords who participated in our trials had experience renting to tenants who received UC



Profile of the landlords in our trials

Years of experience	37% 0-10 years	63% 10+ years
Own property under LHA rate	49% No	19% Yes
Rented to tenants who receive UC	48% No	52% Yes
Worked with LA to find a tenant	82% No	18% Yes

Half of the landlords in our trials had rented to a tenant who received UC

We recruited 2,798 landlords who were registered with the NRLA to participate in our trials.

Our participants were about equally male and female, had many years of experience with being a landlord (63.4% of the sample had 10+ years of experience), and had properties across all regions of England and Wales (though only a small minority have properties in Scotland or Northern Ireland). Only 18.7% of participants said that they owned a property under the LHA rate, though 32.6% didn't know. Moreover, 51.9% of our participants had experience with tenants receiving UC and 17.8% said they had worked with an LA to find a tenant

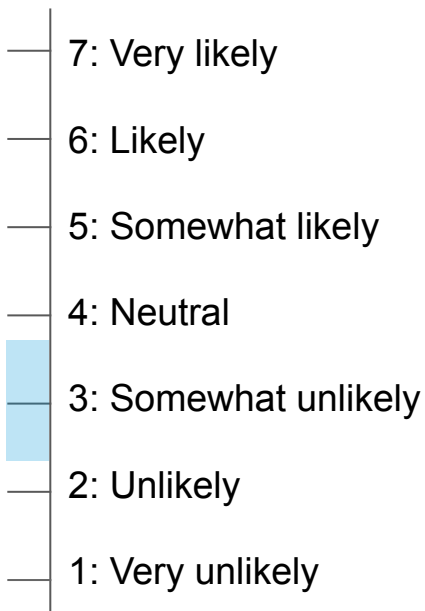
Across both trials, average willingness to rent to people receiving UC was low across interventions



Average willingness to rent to someone on UC across intervention arms in the two trials

Average willingness to rent to someone receiving UC did not go above 'neutral' in any of our interventions

Range of post-intervention averages



In both of our trials, **average willingness to rent to people receiving UC was low** (on average 'somewhat unlikely' across interventions).

The **scenarios we presented in our trials were designed either to be affordable** at the LHA rate or to compensate landlords for renting at a below market rent. This demonstrates that a tenant's ability to afford rent is not the only barrier to overcome in encouraging landlords to rent to people who receive UC.

Our findings imply that **higher LHA rates are not enough on their own to increase the supply of private lets** accessible to people receiving UC. Policy makers and homelessness services should consider additional programmes (such as combining financial incentives and skills building), as well as structural changes to UC to encourage landlords to rent to people receiving UC.

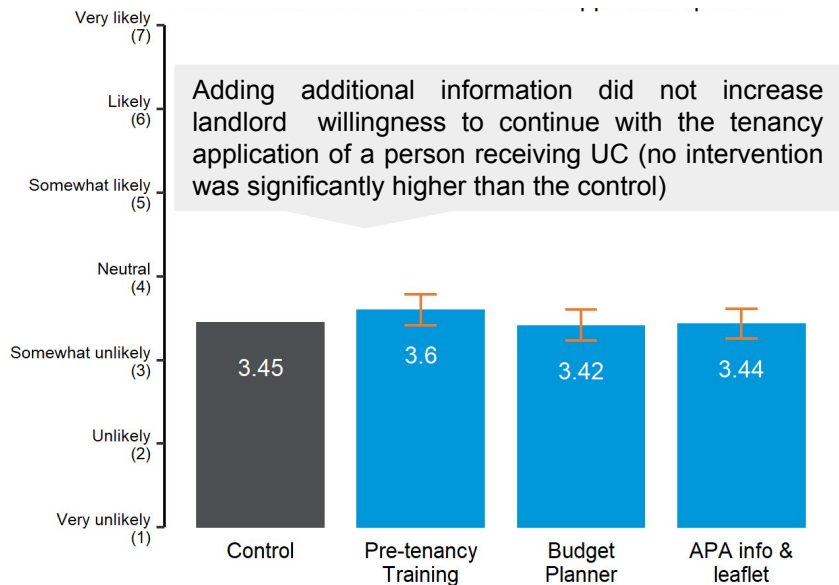


Findings from Trial 1: What to disclose

Giving landlords additional information about a prospective tenant did not increase willingness to rent to them



Average likelihood of continuing with application by intervention arm



N = 2798

** p<0.01, * p<0.05, + p<0.1, adjusted for multiple comparisons

Errorbars = 95% CI for each treatment effect vs. control

Primary analysis

In this trial, landlords were presented with a scenario in which a prospective tenant is applying for a one bedroom property. The property's rent was equal to the housing benefit payment that the prospective tenant was receiving. Landlords were randomly sorted in four groups where they were presented a similar email tenancy application but with different attachments:

- **Control:** No attachment
- **Pre-tenancy training:** Certificate of completion & schedule for a tenancy skills programme
- **Budget planner:** Table of income & expenditure
- **Alternative payment arrangement (APA) leaflet:** Information about APA (where housing benefit can be transferred directly to the landlord)

None of our intervention arms significantly increased landlord willingness to rent to a person receiving UC.

See [Annex A](#) for an overview of our trial design and intervention materials

Changing landlord expectations about tenant behaviour is not enough to encourage them to rent to UC recipients



Effectiveness of interventions at changing landlord expectations of the prospective tenant

Measured on a 1-7 scale from very unlikely to very likely

Pre-tenancy training & budget planner caused a larger increase in perceived tenant responsiveness

Question	Control	Training	Budget	APA
Responsiveness <i>How likely is that they'd get in touch with you if he/she struggles to pay the rent?</i>	4.08	4.50**	4.44**	4.13
Care <i>How likely is it that they'd take adequate care of the property?</i>	4.47	4.68**	4.66*	4.41
Missed payments <i>How likely do you think it is that Mark would miss or be late on rent payments?</i>	4.61	4.51	4.58	4.44*

** p<0.01, * p<0.05, + p<0.1, adjusted for multiple comparisons

In the trial, landlords answered questions about their expectations of the prospective tenant's behaviour. The interventions we tested improved landlord expectations in the following ways:

- **Responsiveness:** larger improvement (0.4 points on 1-7 scale) for pre-tenancy training & budget planner;
- **Care:** smaller improvement (0.2 points) for pre-tenancy training & budget planner;
- **Missed payments:** smaller improvement (0.2 points) for APA leaflet

These shifts in landlord expectations about the prospective tenant did not result in landlords being more willing to rent to a tenant receiving UC, as shown by our overall null result for the trial. This suggests that either we did not shift expectations enough, or that other factors are influencing landlord decisions (for example, competition from other prospective tenants.)

Landlords who had experience renting to tenants receiving UC were more likely to proceed with the application



Landlords who had experience with renting to tenants receiving UC were **0.5 points more likely** (as measured on a scale from 1-7) to continue with the application compared to those without experience.

Some types of landlords were more likely to continue with the tenancy application. The largest associations were:

- **Experience with UC:** landlords with experience renting to tenants who receive UC were 0.49 points on 1-7 scale more likely to continue with the application than those without experience
- **Fewer years as a landlord:** Landlords with 0-5 years experience were 0.46 or 0.59 points more likely to continue with the application compared to those with 5-10 or 10+ years experience, respectively.

These associations are correlated and not necessarily causal: it may be that landlords with experience renting to tenants receiving UC are generally more open to low income tenants (rather than that the experience of renting to a tenant receiving UC causes a landlord to be more willing to do so again in the future). While measuring this causal relationship may be difficult, LAs may want to consider whether these insights can be included in targeting which landlords to reach out to or in investing in maintaining existing landlord relationships.

Letting landlords know that a tenant has completed pre-tenancy training increased willingness to rent for some



Pre-tenancy training attachments



Landlords who clicked to open these attachments were 0.5 points more likely to proceed. Note that correlation is not causation: it could be that landlords already positive to the training clicked to open at higher rates.

'HOW TO BE A RESPONSIBLE TENANT' is a training course provided by Aberchester City Council to develop an understanding of essential living skills for prospective tenants.	
Training Programme Wednesday, Feb 5th 2020 9:30 am - 12:30 pm: Managing your money Trainer: Patrick Miller <ul style="list-style-type: none">How to budgetPaying my rent on timePaying utilities on timeSaving money 2:30 - 5:00 pm: Relationships matter Trainer: Karen Black <ul style="list-style-type: none">Living with flatmatesSharing is caringKnowing my neighborsBuilding community	
Thursday, February 6th 2020 9:30 am - 12:30 pm: Taking care of my home Trainer: Patrick Miller <ul style="list-style-type: none">Essential repairsMould is the enemyImplementing a cleaning rotaWhen to get in touch with my landlord 2:30 - 4:00 pm: Asking for help Trainer: Karen Black <ul style="list-style-type: none">Struggling to pay my rentSpeaking to my landlordUseful contacts 4:00 - 5:00 pm: Closing remarks and giving certificates	

Although we found a null effect overall for this trial, our subgroup and exploratory analyses found that pre-tenancy training had a small or medium impact on willingness to rent for certain groups. In particular, when:

- I. The prospective tenant explained that they'd lost their job due to the **COVID-19 pandemic** (effect size of 0.3 points on a 1-7 scale); or
- II. The prospective tenant was **female** (effect size of 0.3 points on a 1-7 scale); or
- III. The landlord **clicked to open the attachment** in the email, which only about half of landlords did (effect size of 0.5 points on a 1-7 scale).

Taken on their own, these findings are not enough to recommend pre-tenancy training, given the overall null result. Looking at them together, however, suggests that pre-tenancy training was the most promising of the interventions we tested.



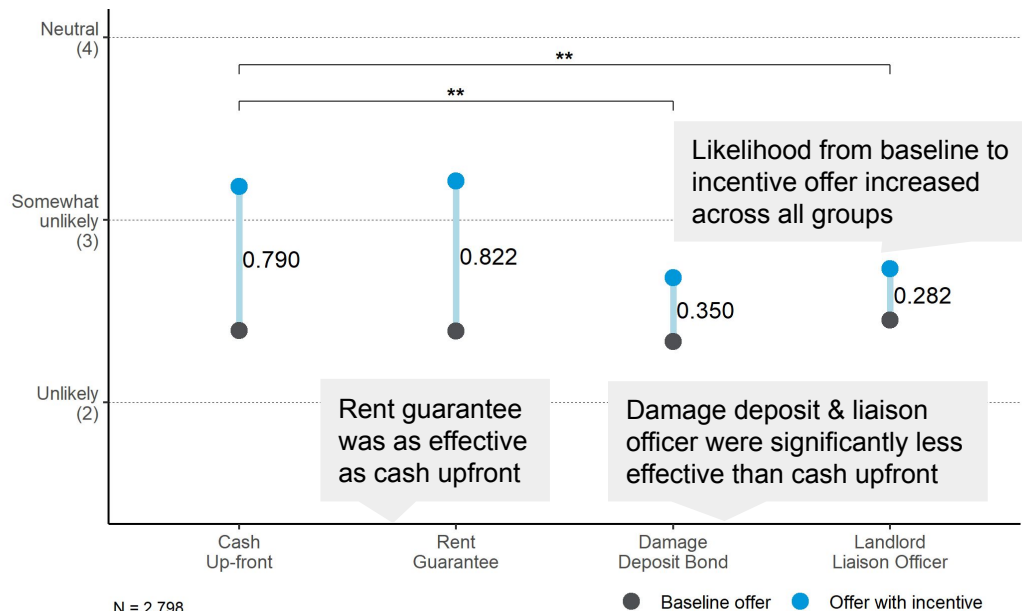
*Findings from Trial 2:
What support is effective*

Offering landlords £1000 cash or a rent guarantee were the most effective at encouraging them to rent to the tenant



Average change in likelihood of accepting the offer

Average likelihood at baseline & after incentive offer



N = 2,798

** p<0.01, * p<0.05, + p<0.1, adjusted for multiple comparisons

Displayed points represent unadjusted group means

Primary analysis

● Baseline offer ● Offer with incentive

In this trial, landlords saw a fictional email from a LA housing team asking about the landlord's willingness to rent below asking rent at the LHA rate to a tenant receiving UC (the baseline offer). Landlords then saw a second fictional email, offering the landlord an incentive to accept the same tenant (the offer with incentive). Landlords were randomly shown one of four incentives.

Offering cash upfront or a rent guarantee both resulted in larger increases in accepting the offer (0.8 points on 1-7 scale). Offering a deposit bond or a liaison officer resulted in increases less than half as large (0.3 points).

See [Annex B](#) for an overview of our trial design and intervention materials

Cash upfront & rent guarantee increased expectations for profit and paying rent on time



Effectiveness of interventions at changing landlord expectations of the prospective tenant

Measured on a 1-7 scale from very unlikely to very likely

Question	Cash	Rent	Bond	Officer
Responsiveness <i>How likely is it that the council would reply to your emails promptly?</i>	3.53	3.58	3.43	3.43
Profit [±] <i>How much profit would you expect to make on this tenancy?</i>	2.97	2.65**	2.44**	2.53**
Rent payments <i>How likely do you think you would be to experience miss or be late on rent payments?</i>	4.62	4.07**	4.7	4.65

Cash upfront increased expected profit & rent guarantee reduced expected missed or late rent payments

Landlords also answered questions about their expectations of the prospective tenant's and the LA's, behaviour (see table to the left). We found that the two most effective interventions also shifted landlord expectations:

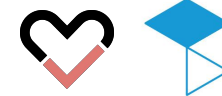
- Offering a rent guarantee had a larger impact on landlords' expectations of missed or late rent payments (0.5-0.6 points on 1-7 scale); and
- Offering cash upfront had a smaller impact on expected profit (0.3-0.5 points on 1-7 scale).

The fact that significant shifts in missed or late payments and expected profits were associated with significant shifts in the likelihood to accept the council's offer suggests that expectations for getting rent paid on time and making profit are key considerations in tenancy decisions.

** p<0.01, * p<0.05, + p<0.1, adjusted for multiple comparisons

± 1-7 scale from far below average to far above average

Offering a landlord liaison officer as a single point of contact did not increase expectations of LA responsiveness



Effectiveness of interventions at changing landlord expectations of the prospective tenant

Measured on a 1-7 likert scale from very unlikely to very likely

Question	Cash	Rent	Bond	Officer
Responsiveness <i>How likely is it that the council would reply to your emails promptly?</i>	3.53	3.58	3.43	3.43
Profit [±] <i>How much profit would you expect to make on this tenancy?</i>	2.97	2.65**	2.44**	2.53**
Rent payments <i>How likely do you think you would be to experience miss or be late on rent payments?</i>	4.62	4.07**	4.7	4.65

Offer of landlord liaison officer did not impact expected LA responsiveness

We had expected that the offer of support from a landlord liaison officer would increase expectations of LA responsiveness, but this was not the case. While we do not know why, possible reasons include:

- Landlords did not believe the liaison officer would be responsive;
- The description we included in the trial was not clear enough; or
- Landlords assumed that an LA that offers financial incentives would be responsive to landlord needs in other areas as well (such as communication).

Our findings suggest that a single point of contact is not the most effective marketing tool for encouraging landlords to work with an LA.

** p<0.01, * p<0.05, + p<0.1, adjusted for multiple comparisons

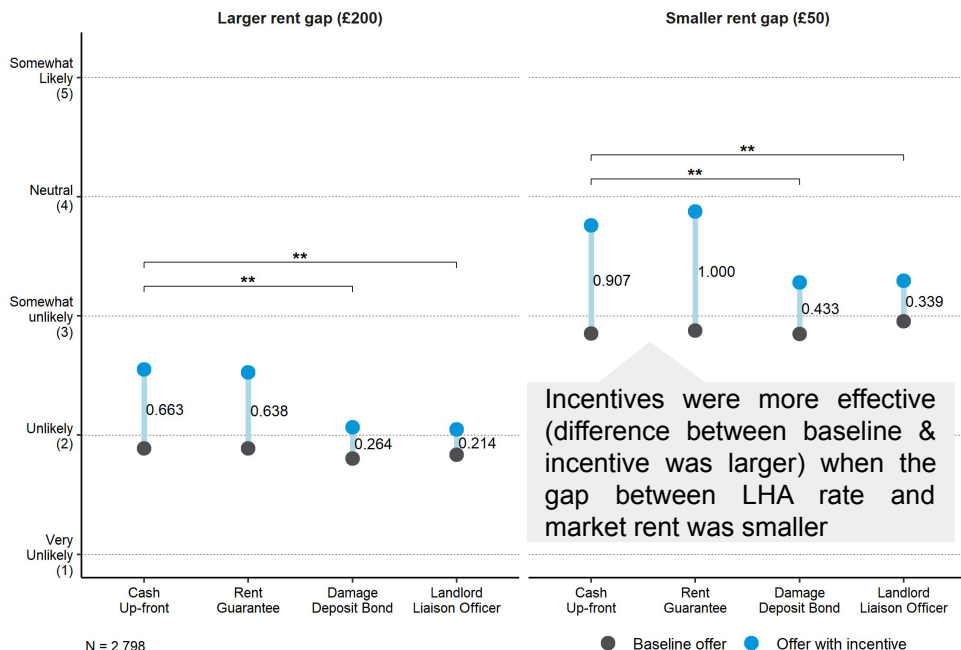
± 1-7 scale from far below average to far above average

LA-offered incentives were more effective if the gap between the LHA rate and market rent was smaller



Average change in likelihood of accepting the offer

Average likelihood at baseline & after incentive offer



N = 2,798
** p<0.01, * p<0.05, + p<0.1, adjusted for multiple comparisons
Displayed points represent unadjusted group means
Primary analysis

Participants in this trial were randomly split into two subgroups:

- **Smaller rent gap:** £50 gap between LHA rate and monthly rent
- **Larger rent gap:** £200 gap between LHA rate and monthly rent

The results in each of these groups followed the same pattern as in the whole-sample analysis: cash upfront and rent guarantee were the most effective. However the effects of the incentives were much larger for the smaller rent gap. This finding (that incentives are more effective when the gap between market rent and the LHA rate is smaller) emphasises the importance of keeping the LHA rate in line with market rents. Failure to do so will result in LA incentive programmes being less effective.

Conclusions & Recommendations





Conclusions



Affordability is not the only barrier. In both of our trials, average willingness to rent to people receiving UC was low, even though scenarios were designed to be affordable. This demonstrates that a tenant's ability to afford rent is not the only barrier to overcome in encouraging landlords to rent to people who receive UC.



The 'how' of a rent guarantee matters. We found that informing landlords about Alternative Payment Arrangements are not an effective way to reassure them that they will get paid rent on time. A rent guarantee backed by a LA, on the other hand, was more effective.



Commonly-used programmes may have little impact. Sharing proof of attending pre-tenancy training or a completing a budget planner did not change landlord rental decisions. Offering a damage deposit bond or a single point of contact for landlords had only a small impact on willingness to rent.



Incentives go further if LHA keeps up with the market. Incentives were more effective when the gap between market rent and the LHA rate was smaller. If LHA rates are not aligned with market rents, LA incentive programmes may be less effective at encouraging landlords to rent to people receiving UC.



UC-experienced landlords are more likely to proceed. Landlords who had experience with renting to tenants receiving UC were more more likely to continue with the application compared to those without experience. While this is not necessarily a causal relationship, LAs can use these insights to target the landlords they reach out to.



Next step is to understand cost effectiveness. Offering landlords cash upfront or a rent guarantee were the most effective at increasing landlord willingness to rent at the LHA rate. Understanding cost per tenancy will help LAs decide which incentives and programmes are right for them.



Recommendations for policy makers



Ensure LHA rates track market rents. We found that LA incentives were more effective at encouraging landlords to rent to someone receiving UC when the gap between the LHA rate and market rent was lower (£50 vs £200). This suggests that the closer LHA rates are to market rents, the more effective LA financial incentives are at encouraging landlords to rent to people receiving UC. LHA rates were re-targeted to the 30th percentile of market rates at the start of the COVID-19 pandemic; our findings suggest that keeping rates pegged to market rents is an important policy lever for housing people receiving UC in the private rented sector.



Offer UC recipients a choice of having the HB portion of their UC payment transferred directly to their landlord. We found that an offer of below-market, guaranteed rent was among the two most effective incentives we tested. Giving UC recipients the option to have the HB portion of their UC payment transferred directly to their landlord is a structural way to achieve guaranteed rent across England and Wales (the programme already exists in Scotland). This will allow LA incentive programmes to focus on providing additional incentives over and above LHA.



Combine financial incentives and behavioural interventions. Encouraging landlords to rent to people receiving UC is not only a question of bottom line and profits: landlords make judgements about the tenant based on the information they have, and these expectations may be difficult or expensive to overcome with incentive schemes alone. LA housing teams could test combining financial incentives with programmes that aim to reduce stigma against tenants receiving UC. For example, based on our finding that landlords who had rented to someone receiving UC were more likely to rent to the tenant in our trial, LAs may want to try using landlords they are already working with as peer ambassadors to recruit additional landlords to work with them.



Recommendations for CHI

We recommend that CHI consider the following trial ideas based on our findings in this project:

- **Cost-effectiveness trials:** Work with LAs that offer financial incentives and support programmes to understand the cost implications of offers. Use this information to evaluate the cost-effectiveness of existing incentive offers in the field and create 'cost per tenancy' estimates for different types of incentive programmes.
- **Online field RCTs:** Partner with property portals (such as OpenRent, Spareroom, Gumtree, and Help2Rent) to run online experiments testing different combinations of information, incentives and digital architecture to understand how it influences landlord behaviour. This could be bolstered by pre-testing interventions in simulated online environments in collaboration with the NRLA research team.
- **Qualitative research on pre-tenancy training:** Conduct follow-on qualitative research with landlords who participated in the trials to develop a deeper understanding of findings on pre-tenancy training (which we found was effective for some groups but not others). Findings from the qualitative follow up research could be used to run a pilot to see if it is possible to increase the appeal of pre-tenancy training for a broader group of tenants. This could take the form of, for example, a 'landlord designed, LA approved' pre-tenancy training programme,

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Annexes





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Annex A

Trial 1 intervention & trial design



For Trial 1, landlords followed 4 steps to review a fictional email exchange between them and a prospective tenant



Step 1



Enter the trial through a link emailed to them by the NRLA.

Step 2



Read a fictional rental scenario where they are advertising a one-bed property for £500 a month.

Step 3



Read a fictional email exchange between them (the landlord) and a prospective tenant who would like to view the property. In the most recent email, the tenant is answer questions about themselves that the landlord asked in an earlier email.

Step 4



State if they (the landlord) wish to continue with the tenant's application.

Landlords were randomly sorted into four groups and saw either a control email or a one of three intervention emails



Information requested by
landlord at pre-screening

Control	Intervention
<p>Hi Thank you for your response.</p> <p>I'm 35 years old and I have worked in the catering industry for the last ten years. I am currently unemployed and make £950 per month from Universal Credit. I'm moving out as I broke up with my partner and need a new place. I don't have pets.</p> <p>Kind Regards,</p>	<p>Hi Thank you for your response.</p> <p>I'm 35 years old and I have worked in the catering industry for the last ten years. I am currently unemployed and make £950 per month from Universal Credit. I'm moving out as I broke up with my partner and need a new place. I don't have pets.</p> <p>Additional information</p> <p>Kind Regards,</p>

Intervention 1: pre-tenancy training

I've also taken the pre-tenancy training programme offered by the council. Please find the **training programme and certificate attached.**

Intervention 2: budget planner

I've also used a budget planner to balance my expenses with my income. Please find the **budget planner attached.**

Intervention 3: APA leaflet

I've also included information on how to set up direct rent payments under Universal Credit (known as Alternative Payment Arrangements). Please find a **leaflet attached.**

Landlords were also randomly allocated either a male or female tenant, and either no story or a COVID-19 story



- To understand the impact of **gender**, half of landlords across all groups (both control and intervention) received an email from Mark, while the other half received an email from **Lucy**
- To understand the impact of letting landlords know why the tenant is receiving UC, half of all landlords received a **COVID-19 story**, where the tenant explains that they lost their job due to the COVID-19 pandemic. This builds on [previous research](#) that found that highlighting how homelessness is often due to systemic issues **beyond an individual's control** [expanded peoples' definition of homelessness and increased their willingness to engage in activities to address homelessness](#).

No COVID-19 story

Hi

Thank you for your response.

I'm 35 years old and I have worked in the catering industry for the last ten years. **I am currently unemployed and make £950 per month from Universal Credit.** I'm moving out as I broke up with my partner and need a new place. I don't have pets.

Kind Regards,
Mark/**Lucy**

Half of all groups got an email from Mark and the other half got an email from **Lucy**

COVID-19 story

Hi

Thank you for your response.

I'm 35 years old and I have worked in the catering industry for the last ten years. **I am currently unemployed and make £950 per month from Universal Credit. I have been out of work since March due to the coronavirus crisis.** I'm moving out as I broke up with my partner and need a new place. I don't have pets.

Kind Regards,
Mark/**Lucy**

Half of all emails had an additional sentence on losing a job due to **COVID-19**

The first intervention included two attachments: a **pre-tenancy training** course schedule and certificate




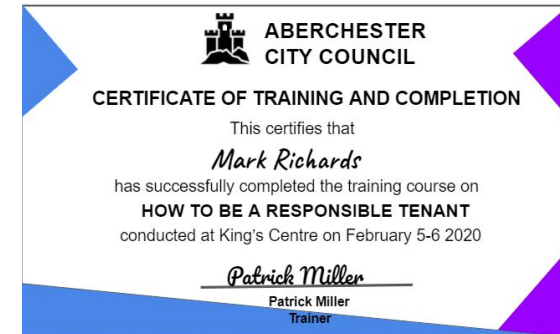
Information attached to email

A **pre-tenancy course** is a training programme offered by some local authorities (e.g. [Manchester City Council](#)) to teach people basic tenancy skills such as:

- Managing your money so you are able to pay your rent and bills on time
- Cleaning and tidying the property
- Performing basic repairs

The aim of this intervention was to address landlords' concerns about **tenants' ability to manage their finances on a tight budget**. In addition, it demonstrated that **the tenant was trained on home maintenance**, a quality highly regarded by most of the landlords we interviewed.

'HOW TO BE A RESPONSIBLE TENANT' is a training course provided by Aberchester City Council to develop an understanding of essential living skills for prospective tenants.	
Training Programme	 ABERCHESTER CITY COUNCIL
Wednesday, Feb 5th 2020	Thursday, February 6th 2020
9:30 am - 12:30 pm: Managing your money Trainer: Patrick Miller <ul style="list-style-type: none">• How to budget• Paying my rent on time• Paying utilities on time• Saving money	9:30 am - 12:30 pm: Taking care of my home Trainer: Patrick Miller <ul style="list-style-type: none">• Essential repairs• Mould is the enemy• Implementing a cleaning rota• When to get in touch with my landlord
2:30 - 5:00 pm: Relationships matter Trainer: Karen Black <ul style="list-style-type: none">• Living with flatmates• Sharing is caring• Knowing my neighbors• Building community	2:30 - 4:00 pm: Asking for help Trainer: Karen Black <ul style="list-style-type: none">• Struggling to pay my rent• Speaking to my landlord• Useful contacts
1	2
	4:00 - 5:00 pm: Closing remarks and giving certificates



The second intervention included a **budget planner** as an email attachment



Budget planners are designed to give users an accurate assessment of their finances to help them plan and make better financial decisions for the future. It also provides a clearer idea on earning and spending and where you might be able to cut costs. Currently, some councils offer tenants free courses on how to use a budget planner to manage their finances (e.g. [Dacorum Borough Council](#), [Hull City Council](#)).

The aim of this intervention was to address landlords' concerns about **tenants not being able to afford the rent or their ability manage their finances on a tight budget**.

Information attached to email

My Monthly Budget					
	August	September	October	November	December
Home					
Rent	500				
Utilities					
Gas & Electricity	70				
Water	35				
Mobile	25				
Internet	25				
Transportation					
Bus pass	55				
Debt Payments					
Credit Card	35				
Miscellaneous					
Groceries	150				
Personal Care	20				
Household Items	10				
Total Income £	£935.40				
Total Expenses £	925				
Total Leftover £	£10.40				

The third intervention had a leaflet about alternative payment arrangements attached



Alternative Payment Arrangements (APA)

are a programme available to tenants receiving UC in England and Wales.* Under APA, the Department for Work and Pensions **transfers the housing benefit portion of the UC payment directly to the landlord**, rather than sending the full UC payment to the recipient. APA are available to help claimants who need additional support, for example, if they have been in rent arrears for more than two months.

The aim of this intervention was to address landlords' concerns about **tenants not paying rent on time**. In addition, it **informed landlords the specific circumstances under which landlords or tenants in England and Wales can request APA**.

Information attached to email

Universal Credit key facts <ul style="list-style-type: none">• Universal Credit is a benefit payment for people in or out of work.• Universal Credit replaces some 'legacy benefits' such as:<ul style="list-style-type: none">◦ Housing Benefit◦ Child Tax Credit◦ Income support• Universal Credit is paid directly to claimants who are expected to manage their own budget.• If the claimant gets help with their rent, this will be included in his/her Universal Credit payment – the claimant then will pay the landlord.	What if claimants cannot manage their single monthly payment? <p>APPLY FOR</p> <p>ALTERNATIVE PAYMENT ARRANGEMENTS</p> <ul style="list-style-type: none">• Alternative Payment Arrangements (APA) help claimants to pay housing costs of Universal Credit as a <u>managed payment</u>, meaning that the DWP pays the housing benefit portion of Universal Credit directly to the landlord.• APA may be considered at any point during the Universal Credit claim.• Either the claimant or landlord can make this request.	When can a managed payment to the landlord be requested? <ul style="list-style-type: none">• A claimant is in arrears for two months.• A claimant has underpaid their rent over more than two months.• A claimant was previously in receipt of Housing Benefit and it was paid to his/her landlord.• A claimant has experienced:<ul style="list-style-type: none">◦ Addiction problems◦ Learning difficulties◦ Debt problems◦ Temporary accommodation or homelessness <p>FOR MORE INFORMATION, PLEASE VISIT: https://www.gov.uk/government/publications/universal-credit-and-you</p>
--	--	--

*In Scotland, people receiving UC have a choice as to whether they want the housing benefit portion of their UC payment to be transferred directly to their landlord (applies for both the private and social rented sectors).

We created fictional tenant and rent scenarios based on what a single person receiving UC could afford



Fictional tenant scenario presented to landlords as part of an email exchange in Trial 1

I'm 35 years old and I have worked in the catering industry for the last ten years. I am currently unemployed and make £950 per month from Universal Credit.

We wanted our tenant scenario to be representative of the following groups:

[People experiencing homelessness](#)

Single adult households make up 60% of prevention + relief duty cases; they are also more likely to need to find a home in the PRS. About 70% are men & the rest women.

[People receiving UC](#)

More than 65% of UC claimants are between 25-49 years old, and UC claimants are evenly split between men & women.

We then used the [Turn2Us benefits calculator](#) to calculate the UC payment that Mark/Lucy could expect

Fictional rental scenario presented to landlords at the start of Trial 1

*Imagine that **you are advertising a one-bed property for £500 per month** and receive an email from Mark/Lucy who wants to view your property. You respond to the email by requesting further information about him/her. You then receive an email in response.*

We presented landlords with this fictional rent scenario in which they were asked to imagine they were advertising a property at £500, as we had calculated that Mark/Lucy would receive £138.8 per week at current LHA rates for Manchester. We checked that it was possible to find a one-bed for this rent by entering Manchester postcodes into the [OpenRent](#) calculator.

A person with lived experience of homelessness review our materials, including the budget planner



Budget planner attached to email

My Monthly Budget					
	August	September	October	November	December
Home					
Rent	500				
Utilities					
Gas & Electricity	70				
Water	35				
Mobile	25				
Internet	25				
Transportation					
Bus pass	55				
Debt Payments					
Credit Card	35				
Miscellaneous					
Groceries	150				
Personal Care	20				
Household Items	10				
Total Income £	£935.40				
Total Expenses £	925				
Total Leftover £	£10.40				

Once we had [calculated](#) our fictional tenant's UC payment (£233.75 per week or at least £935 per month), we used research from the [Joseph Rowntree Foundation](#) and the Money Advice Service's [budgeting tool](#) to set the amounts for our budget planner.

A person with lived experience of homelessness reviewed the budget planner (along with other intervention materials). Based on their comments, we adjusted the transport section of the budget planner from having car related expenses to focusing on public transport. We calculated the cost of a monthly bus pass on the [Transport for Greater Manchester website](#).

Annex B

Trial 2 intervention & trial design



For Trial 2, landlords followed 6 steps to review a fictional email exchange between them and a LA housing team



Step 1



Enter survey through link

Step 2



Read a fictional rental scenario where they (the landlord) are advertising a one-bed property

Step 3



Read a fictional email from a LA housing officer asking them (the landlord) to consider renting their property to a person receiving UC at below market rent

Step 4



State if they (the landlord) want to rent the property to this person being supported by the LA

Step 5



Read a follow-up email from the LA **offering an incentive** to re-considering renting to the same person

Step 6



State if they wanted to rent the property to this person

Landlords were first shown an email from the LA (control); they were then shown one of four intervention emails



Control (first email)

Dear landlord

We are looking for a one bed flat for Tom, a 45 year old shop attendant. His previous landlord raised the rent and therefore he's looking for a new place to live. Tom is currently out of work and receiving Universal Credit.

We are aware that you are advertising a one bed flat at River Rd. for £850 per month. However, the housing portion of Tom's Universal Credit is £650 per month, which doesn't cover your full rent. Would you consider renting your property to Tom for £650 per month?

Looking forward to hearing from you.

Kind Regards,

Jane Smith
Housing officer



Would you
rent your
property to
this
person?



Intervention (follow-up email)

Dear landlord

With regards to my previous email, I wanted to let you know about our landlord incentive scheme.

Offer

Kind Regards,

Jane Smith
Housing officer

Intervention 1: Cash upfront

We are offering you a **£1000 up-front cash payment** in return for a 12 month assured shorthold tenancy (AST) with a monthly rent of £650.

Intervention 2: Rent guarantee

We are offering you **guaranteed rent** paid directly to you on a monthly basis in return for a 12 month assured shorthold tenancy (AST) with a monthly rent of £650.

Intervention 3: Deposit bond

We are offering you a **£650 bond** in return for a 12 month assured shorthold tenancy (AST) with a monthly rent of £650. The bond is a written guarantee from the Council that we will cover damages to the property which can't be classed as fair wear and tear up to the amount of the bond.

Intervention 4: Landlord liaison officer

We are offering you support through our **landlord liaison officer** in return for a 12 month assured shorthold tenancy (AST) with a monthly rent of £650. They serve as single point of contact between you and the council. They can support you and answer any questions you may have about the tenancy or benefits system.



Would you
rent your
property to
this
person?

Landlords were also randomly allocated either a large or small rent gap



Our control email included a scenario in which the landlord was asked whether they would rent at below market rent to a tenant who received UC. We varied the scenario based on the size of the rent gap, the difference between the rent that the landlord was asking for and the housing benefit portion of UC (LHA amount).

We varied the size of the rent gap to mimic the range of scenarios across England:

- The smaller gap (£50) was based on LHA and rental properties in Grimsby (area with among the lowest LHA rates).
- The larger gap (£200) was based on LHA rates and rental properties in London (area with among the highest LHA rates)

We used the [OpenRent](#) calculator to ensure our market rent amounts were realistic for these areas.

Control (first email)

Smaller gap = £50

Dear landlord

We are looking for a one bed flat for David, a 45 years shop attendant. His previous landlord raised the rent and therefore he's looking for a new place to live. Lucy is currently out of work and receiving Universal Credit.

We are aware that you are advertising a one bed flat at River Rd. for £550 per month. However, the housing portion of Tom's Universal Credit is £500 per month, which doesn't cover your full rent. Would you consider renting your property to Tom for £500 per month?

Looking forward to hearing from you.

Kind Regards,

Jane Smith
Housing officer

Larger gap = £200

Dear landlord

We are looking for a one bed flat for David, a 45 years shop attendant. His previous landlord raised the rent and therefore he's looking for a new place to live. Tom is currently out of work and receiving Universal Credit.

We are aware that you are advertising a one bed flat at River Rd. for £850 per month. However, the housing portion of Tom's Universal Credit is £650 per month, which doesn't cover your full rent. Would you consider renting your property to Tom for £650 per month?

Looking forward to hearing from you.

Kind Regards,

Jane Smith
Housing officer

The first intervention offered landlords £1000 **cash up-front** in exchange for signing a tenancy agreement



In cash upfront incentive schemes, councils offer a **sum of money for signing a tenancy agreement with a prospective tenant.**

Our desk review of LA incentives found that this incentive and rent guarantee are the most popular offered by London boroughs for signing one year assured shorthold tenancies.

The aim of this intervention was to address **landlord concerns that the tenant would be late or miss rent payments as well as concerns about the profitability of renting at below market rent. .**

Example of councils with cash upfront incentive schemes

CROYDON
www.croydon.gov.uk



The second intervention offered a **rent guarantee**, meaning the LA would cover any late or unpaid rent



In rent guarantee incentive schemes, councils offer a **written guarantee to the landlord that they will cover for late or unpaid rent.**

In our fictional scenario, the rent guarantee ensured that the landlord would be paid a below market rent that matched the LHA rate. In exchange, the landlord would accept the lower rate as rent. However, in the real world this can vary. For example, the rent guarantee offered by [Oxford City Council](#) can be up to £103 a month above the LHA rate.

The aim of this intervention was to address **landlord concerns that the tenant would be late or miss rent payments.**

Example of councils with rent guarantee incentive schemes



ISLINGTON



OXFORD
CITY
COUNCIL



The fourth intervention offered a **deposit bond** which could be drawn on to cover costs a landlord incurs



Example of councils with deposit bond incentive schemes

In the deposit bond incentive schemes, councils offer **bonds to cover any costs a landlord may incur during the course of the tenancy**. For example, [Isle of Wight Council](#) offers a damage bond of £2,000 per tenancy for any damage exceeding fair wear and tear.

The aim of this intervention was to address **landlord concerns about the tenant not taking adequate care of the property**.



The fourth intervention offered a **landlord liaison officer** as a single point of contact for the landlord



A landlord liaison officer is a **dedicated resource that acts as a single point of contact for private landlords who need support with a tenancy.**

In our interviews with landlords, several emphasised that LA housing teams are often stretched thin and it was difficult to identify who to go to for help if they had an issue.

The aim of this intervention was to address **landlord concerns about not receiving enough support from the LA when they required guidance.**

Example of councils with landlord liaison officers



Annex C

Defining homelessness in the UK





Defining homelessness in the UK

Determining how many homeless people there are in the UK is a complex question. This is because homelessness is devolved, meaning that England, Wales, Scotland and Northern Ireland set their own homelessness policy, and therefore, set their own definitions for who counts as homeless. Different definitions also result in different statistics, as who gets counted as homeless depends on when and how policy makers have decided to provide people with services.

In general, when policy makers refer to the homeless population, they are referring to people at risk of homelessness and people experiencing homelessness. They will often refer to people sleeping rough separately. Homelessness statistics do not include asylum seekers, as the Home Office (rather than local authorities) are responsible for their housing needs.

Types of homelessness in the UK

- **At risk of homelessness:** a person who may become homeless in the near future (e.g., they've been served an eviction notice).
- **Experiencing homelessness:** a person who does not have permanent accommodation (e.g. they are living on a friend's couch).
- **Sleeping rough:** a person who sleeps on the streets (or non residential buildings such as sheds).



Overview of UK statutory homelessness duties

Local authorities (or the Housing Executive in Northern Ireland) are responsible for providing advice and information to everyone eligible and at risk of or experiencing homelessness.* Responsibilities differ when it comes securing a home:

- In England, Wales & Northern Ireland, the LA or Housing Executive must house all people who are priority need and unintentionally homeless.**
- In Scotland, the LA must house everyone
 - The unintentionally homeless need to be housed in permanent accommodation
 - The intentionally homeless need to be offered short term accommodation.

A detailed overview of statutory homelessness duties are included on the next page.

*Eligibility depends on your [immigration status](#); people that need a visa to enter and exit the UK are generally not eligible. **Unintentionally homeless means through no fault of their own. Someone who engaged in anti-social behaviour may be deemed intentionally homeless.

Definitions of priority need

	England	Wales	N. Ireland
Pregnant women	✓	✓	✓
Families with children	✓	✓	✓
People with support needs (e.g. learning disability)	✓	✓	✓
16-17 year olds	✓	✓	
Young people at risk of exploitation	✓ (18-21)	✓ (18-21)	✓
Care leavers	✓	✓ (18-21)	
Veterans	✓	✓	✓
Prison leavers	✓	✓	✓
Victims of domestic violence	✓	✓	✓
People who lost homes in disasters (flood, fire, etc)	✓	✓	✓



Detailed overview of homelessness duties

	England	Wales	Scotland	Northern Ireland
Responsible body	Local authorities	Local authorities	Local authorities	Northern Ireland Housing Executive
Prevention duty	Work to prevent homelessness if person expects to become homeless in 56 days. Required to develop a personalised housing plan.	Work to prevent homelessness if person expects to become homeless in 56 days.	Work to prevent homelessness by assessing person's housing options (help they stay where they are, consider move the PRS or a social rented tenancy)	Provide advice on housing
Relief duty	Take reasonable steps over 56 days to help person who is homeless find accommodation. Required to develop a personalised housing plan, but not to provide housing.	Take reasonable steps over 56 days to help person who is homeless find accommodation. Not required to provide housing.		
Interim duty	House people who may be homeless + priority need in TA while they await assessment	House people who may be homeless + priority need in TA while they await assessment	House people who may be homeless in TA while they await assessment	House people who may be homeless + priority need in TA while they await assessment
Main duty	House people within 56 days who are unintentionally homeless & priority need	House people within 56 days who are priority need (+ for most LAs, unintentionally homeless)	House people who are unintentionally homeless + offer short term tenancy to intentionally homeless	House people who are unintentionally homeless, priority need & have not had any 'unacceptable behaviour' + offer TA to priority need + intentionally homeless

Annex D

Overview of Universal Credit





Housing benefits and universal credit

Since 2018, anyone applying housing or other welfare benefits in the UK applies for Universal Credit (UC). If approved, the UC recipient will receive a single payment at the end of each month, covering all relevant benefit payments. Two key changes as part of the UC reform have had a significant impact on people who live in rented accommodation and landlords:

- **Housing benefit paid to UC recipient:** Prior to UC, landlords received their tenants' housing benefit payment directly from the LA. Under UC, housing benefit payments are bundled with other benefit payments (for example, job seekers allowance) and paid into the tenant's account at the end of the month. This means the tenant is responsible for managing their finances and ensuring that rent, which may be owed weekly instead of monthly, is paid on time.
- **UC is paid after a 'five week wait':** UC is assessed and paid in arrears, on a monthly basis and in a single payment. Once people have raised a claim, their personal circumstances are assessed to calculate the amount of UC they can get. This first assessment period starts on the date that the claim is made and lasts one calendar month. Claimants receive their first payment usually 7 days after the end of the first assessment period. UC is then paid on the same date each month. The delay between making a claim and receiving first payment, known as the ['five week wait'](#), has seen many renters (in both the private and social rented sector) fall into arrears. Once in arrears, it is often difficult to both manage rent payments and pay off existing arrears, often resulting in further debt.

Annex E

Role of landlords & letting agents





Landlords vs letting agents

There are two main players involved in finding, selecting, and managing tenants in the PRS: landlords and letting agents. The landlord is the owner of the property, and the landlord may employ a letting agent to help with different aspects of finding, selecting and managing tenants. A typology of different types of landlords is presented on the right.

We decided to only focus on one of these two groups in the project, given that the barriers and incentives facing landlords and letting agents were too distinct to combine them into one project. We decided to focus on landlords because they legally have the final say in who lets their property, even if they outsource this decision (the 'absentee' & 'property manager' typologies.)

Landlord typology by use of letting agent

Type	Finding	Selecting	Managing
Complete DIY			
Select & manage			
Property manager			
Absentee			

Landlord

Letting Agent

Annex F

Fieldwork methodology



We spoke to policy makers and front line staff to gain insight into homelessness support



We interviewed national government bodies, Local Authorities (LAs), third sector organisations and interest groups to gain insight into the support offered to people experiencing homelessness and landlords.

In particular, we wanted to understand:

- How LA housing teams help people experiencing homelessness find homes in the PRS;
- How LAs reach out to and communicate with landlords;
- What LAs offer landlords to encourage them to rent to people experiencing homelessness.

Organisations we interviewed

National government bodies



Local Authorities



Other stakeholders



We interviewed seven landlords from the NRLA about finding and selecting tenants



We held seven semi-structured interviews with NRLA landlords between February and March 2020. The interviews consisted of four main sections:

1. Finding a tenant:

- Understand how landlords advertise their properties
- Reasons for targeting a particular population
- Understand how long the process takes

2. Selecting a tenant:

- Factors influencing the selection of tenants
- Understand what and how information from prospective tenants is reviewed

3. Previous experience with HB tenants:

- Understand the barriers and incentives to renting to people receiving HB
- Understand when in the process a landlord knows that a tenant receives HB

4. Interaction with local authorities:

- Understand the support given by local authorities

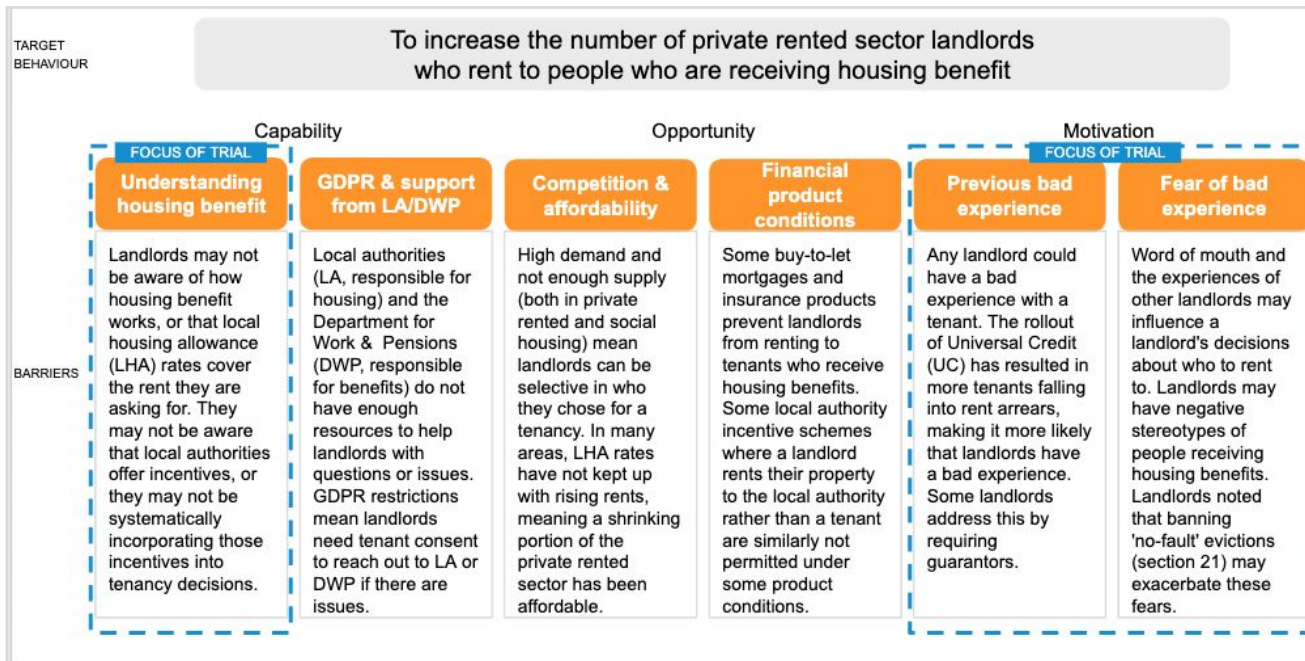
Sampling strategy for landlord interviews

For our qualitative interviews with landlords, we wanted to speak to landlords:

- **From different regions of England** (primary sampling criteria);
- **Who had worked with LAs in the past as well as those who had not** (secondary sampling criteria).

We managed to speak to landlords representing these groups. The group of landlords we interviewed also included a range in terms of gender, property portfolio (less than or more than 10 properties), and having current tenants who receiving housing benefits.

Based on our fieldwork findings, we identified several barriers to landlords renting to people receiving benefits



COM-B model of behaviour

The model implies that a particular behaviour will occur only when the person concerned has the **capability** and **opportunity** to engage in the behaviour and is more **motivated** to enact that behaviour than any other behaviours.

Capability refers to a personal attribute that makes a behaviour possible or facilitates it.

Opportunity is an attribute of the environment that makes a behaviour possible or facilitates it.

Motivation is the mental process that drives and directs the behavior.

Annex G

Population validity



The location of landlords in our trial is similar to landlords registered with the Tenancy Deposit Protection Scheme



Primary location of landlords in our trial vs landlords registered with the Tenancy Deposit Protection Scheme

	TDS	Our trials*
London	24%	20%
South & East	40%	37%
Midlands	14%	17%
North	22%	20%

There is a question of how representative the landlords who participated in our trials are of the general landlord population. Understanding whether the landlords in our trial were representative of the general landlord population will help us contextualise the generalisability of our trial findings.

There is little data on the characteristics of the PRS landlord population in England and Wales. The most [comprehensive data available in England](#) looks at landlord location and portfolio sizes based on registrations with a Tenancy Deposit Protection scheme. Unfortunately, due to a technical issue, we were unable to collect data on the portfolio sizes of the landlords participating in our trials. However, a comparison of the geographical spread of our sample to the landlord population represented in the Tenancy Deposit Protection Scheme shows that there's an overlap between their data and the landlords in our trials.

*This does not sum to 100 as 5% of landlords selected Wales as their primary location



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