Supported Rent-Flex: emerging insights and findings
About ‘supported rent flexibility’

• Supported Rent Flex (‘SRF’):
  • Provides social housing tenants with budgeting advice to help them identify likely pressure points in their finances over the course of the year; and
  • Offers to help tenants manage these by agreeing a personalised schedule of over and underpayments on their rent account.

• The intention of the project was to test whether:
  • Rent flex reduces the need for people to borrow;
  • People are financially better off as a result;
  • Are better able to pay their rent;
  • Start to become ‘future orientated’; and
  • Rent-flex benefits the landlord through reduced rent collection costs – even where unexpected changes to income and expenditure occur.
Overview of main processes

• Targeted to social housing tenants with dependant children, and who have a previous history of rent payment problems;
• Engaged tenants with a short e-mail survey and offer of entry into a prize draw;
• Asked whether they are interested in rent-flex;
• Allocated respondents who expressed an interest into either the rent-flex or a control group;
• Provided the rent-flex group with an offer of payment flexibility, and both groups offered support from the existing Money Matters Team within Optivo;
• Rent-flexers then taken through an annual budgeting exercise to calculate the months when rent flex is needed, and an agreement put in place;
• Rent-flexers also surveyed at the start, and after at least six months, to assess impact;
• Additional qualitative interviews and quantitative analysis undertaken as part of the impact evaluation.
Engagement and recruitment

• 300 tenants responded to the surveys, and stated they were interested in rent-flex.

• However, only 59 (from a possible 150) took up the offer when this was made to them.

• Although very few tenants rejected the offer of rent-flex once this was explained to them, we had severe difficulties getting them to speak to us. This was despite intense marketing activity, including text, post, and e-mail messaging.

• Not surprising – even of those who signed up to rent-flex 41% told us that they avoided answering the phone or opening post ‘all of the time’ because they were worried about being chased for money they owed. A further 34% did so ‘quite often’ or ‘sometimes’.

• We did manage to speak to several initial ‘non-responders’. These were mainly worried about the flexibility on offer as they didn’t want to get into rent arrears, but some were also receiving high levels of Housing Benefit, so it wouldn’t provide much help. Others told us the message needed to be clear that they didn’t have to overpay initially.
a short chat with Selina about rent-flex could help you have a happier christmas

“
I work hard for the money I earn, but managing it was my weak point. Meeting up with Selina and talking things through changed my mindset, I joined rent-flex and opened a credit union account. I am looking forward to Christmas without panicking - that makes a big difference.
Rent-flexer in Greenwich

Rent-flex is free easy to set up helps you manage your money

Rent-flex is an agreement with us that can help you manage your money.

It allows you to overpay or underpay your rent each month depending on your circumstances, rather than paying in equal instalments.

This means you can either rent-flex immediately and avoid having to take out expensive short term loans. Or plan ahead and rent-flex in any month you choose, paying less at Christmas for example.

have a chat with Selina to get started:
0208 726 8637

Optivo Building 3060, Conforth Drive, Kent Science Park, ME9 8PK
Rent-flex has helped my family and myself tremendously. I had a but now, pay later agreement from an electrical shop which was due in September 2017. Thanks to rent-flex we were able to pay it off without any interest being added.

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Optivo Building 10003 Conforth Drive, Kent Science Park, ME9 8PK
a short chat with Selina about rent-flex could help you pay unexpected bills

“ I’m really delighted with the help that I received. I was struggling to top up my gas and electricity and I was being chased for an unpaid water debt. I responded to a text message and Selina called me. I can’t express how happy I am.
Rent-flexer in Plumstead

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Setting up the rent-flex agreements

• Once engaged, people were asked about current financial problems and provided with immediate support around these.
  • Over £50,000 in additional income was sourced. This included a wide range of benefit awards and grants sourced from charities;
  • Advice was also given to help people switch to better utility deals and access half price water rates;
  • Where needed referrals were also made to other Optivo support – for example, Community Services who could help people move into work.

• Although people placed in the control group were advised about the Money Matters service none of these made contact, indicating that rent-flex helped Optivo reach a group of tenants who would not otherwise have sought their help.

• Rent-flexers were taken through *an annual budgeting exercise* to determine when they faced greatest financial pressures. This was typically Christmas and over the summer holidays.

• A rent-flex agreement was put in place which clearly showed the amounts they were expected to pay in each month.
francis, welcome to rent-flex the clever way to pay your rent

rent-flex a big idea!

Thank you for joining Optivo’s new community of rent-flexers!

By flexing your rent payments you can now over-pay and under-pay at different times of the year so that you can meet your other monthly commitments without the need to take out any expensive loans.

• Have a buffer for when unexpected bills appear
• Plan for when you may have to reduce working hours
• Reduce spending on rent when you may have expensive months e.g. back to school or birthdays
• Reduce stress and worry

And, if you build up a big enough balance on your rent account, you can even take a whole rent-free month later in the year.

By using rent-flex to help plan your finances you could do some things that would otherwise be difficult to afford.
what you have agreed to:

Your current rent is:
£601.31 per month

Based on what you've told us about your finances we've agreed your personal rent-flex plan as follows:

You will start your rent-flex agreement on:
1 August 2017

You will make 11 monthly payments of:
£665.77

Your rent-flex month will be:
December

when your rent payment will be:
£0.00

Of course, you still pay your total annual rent of £7,323.72, but you don't have to pay it in equal instalments like before, leaving you spare money when you have said you need it most.
What to expect from us:

We are here to help. If you have any questions you can contact the rent-flex team, Selina and Suleman on 0208 726 8673, or email rentflex@optivo.org.uk.

We’ll monitor your payments against this plan and let you know how you are doing by e-mail every month.

We’ll also send you tips on how to save money and boost your income.

And we will keep you informed how other residents who are Rent-flexing are doing and share their experiences of how rent-flex is helping them deal with their finances.
what we expect from you:

Please register on our MyPortal website, where you can see how you are doing. It’s easy to do just go to: https://myaccount.amicushorizon.org.uk/ssauth/register

We know that things don’t always go to plan. If you’re having any difficulties, we can always adjust your rent-flex agreement to help you get your finances back on track.

We would ask you not to enter separate arrangements with people you owe money to without checking with the Rent Flex team first.

Just let us know as soon as you can about any problems you are having and we’ll do everything we can to help.

If you feel you need to change these payments for any reason get in touch.
Agreements were updated to respond to changes...

Your current rent is: £601.31 per month
Based on what you’ve told us about your finances, we’ve agreed your personal rent-flex plan as follows:

You will start your NEW rent-flex agreement on: 1 August 2017

You will make 11 monthly payments of: £665.77
Your NEW rent-flex month will be: December
when your rent payment will be: £0.00

Of course, you still pay your total annual rent of £7,325.72, but you don’t have to pay it in equal instalments like before, leaving you spare money when you have said you need it most.
The position of rent-flexers at the start of the scheme

- Average monthly rental liability (not covered by HB): £379.87
- Average amount of rent arrears: £232.63
- 50% of our rent flexers told us that they ‘always’ ran out of money before the end of their pay cycle, and a further 29% did so ‘most of the time’
- 41% ‘regularly’ used credit to buy food or pay for other essential items because they ran out of money
- 64% were worried about money and debts ‘all of the time’ and 58% reported that their physical or mental health was ‘very much affected’ by this.
What did they use rent-flex for?

• “I used it for Christmas. I used to be that person who would get into debt in December, and then in January you’re so depressed and broke. But this year I went into the new year quite smoothly!”

• “We needed a car for my partner to get to work, so we were to sort out the insurance, renewed in October. And we were able to take the kids away in the half term. So we were able to do things with kids more.”

• “Used it for Christmas, and paying off other things I needed to pay. Some debts were also cleared: I had a Provident loan so I just paid that off.”

• “When I had my rent free month it was the best thing that could ever happen for me and my children. I used the money to take them on holiday. How long had it been? Phew, it’s a long time! The last time we had a holiday was when my daughter was 4-5, so 11 years!”

• “In August, school uniform, P.E kit, stuff like that. In December I used it mainly for gas, and new clothes for my daughter. And I had extra left over in January which was good until she went back to school. Also, to help with the cost of Christmas.”

• “Avoiding debt at Christmas!”
Did people keep to their agreements?

In most cases, yes they did!

• Overall, as at 31st March 2018, rent-flexers had agreed to pay a total of £147,657. They have actually paid slightly more than this - £148,231.

• In contrast the control group has under-paid on their contractual rent by 5.25%.

• Two thirds of rent-flexers are paying at least their agreed amounts compared to just 45% of tenants in the control group.

• And rent-flexers who are struggling have mainly been easier to contact and discuss these issues with. In most cases, problems are due to changes in Housing Benefit entitlement resulting from variations in working hours.
What difference has rent-flex made?

How often do you run out of money before the end of the week or month?

- Always
- Most of the time
- Sometimes
- Hardly ever
- Never

- **Start of rent flex**
- **After at least 6 months**
Do you or your household ever use credit to buy food or pay for other necessary items because you have run short of money?

- **Yes, regularly**: 50%
- **Yes, sometimes**: 10%
- **No**: 90%

Start of rent flex

- **Yes, regularly**: 40%
- **Yes, sometimes**: 10%
- **No**: 50%
How often do you worry about money and any debts?

- All the time
- Quite often
- Only sometimes
- Never

Start of rent flex or After at least 6 months?
To what extent is your physical or mental health affected by money worries?

- Very much affected
- Affected to some extent
- Not at all affected

Start of rent flex: After at least 6 months
In their own words...

• “Rent-flex has helped us get in front of other bills; so we’re ahead rather than behind...The kids wouldn’t have had as much as they did. In previous years we’ve got into debt at Christmas, so it kept us out of that.”

• “Without Rent-flex I would have had to take out loans to pay for my daughter’s school uniform. I’ve started seeing things differently: how to manage without loans. I would just live on loans, pay one take another; it was very depressing for me. Now I’m planning ahead, and I can see an end to the loans.”

• “I want to stay on Rent-flex forever! Even though we went on holiday and I still used my overdraft last year, I only went into it by about £150. Before Rent-flex I would go over the £250 limit up to about £350 and I would get charged on top of it.”

• “I think it’s brilliant. It’s a great scheme. I got my friend to get in touch about it. She want to go on it too.”
What next?

• Completing the full evaluation for Money Advice Service
• Optivo committed to future roll out
• Some change in systems needed before that can happen and other organisational considerations
• CfRC and the team seeking to expand the trial with new partners
  • Honing our support offer to enable potential partners to implement easily;
  • Common branding, marketing and ongoing communication materials for rent-flexers
  • Longitudinal evaluation needed
• Contact damon.gibbons@responsible-credit.org.uk for further information