

Knightstone Housing

Transforming the business model to invest in communities

Key facts and figures

About Knightstone

- 11,000 - Knightstone homes in the South West of England
- 300 – new properties built every year
- 9 – number of local authority areas in which Knightstone has properties
- 37 – number of local authority areas in which Knightstone had properties prior to recent property swaps

Under occupancy

- 971 – number of households affected by the under occupation penalty at implementation
- 778 – number of households affected by the under occupation penalty in March 2014

Summary



We invest over £2 million per year in our Individual and Community Empowerment service to support residents to make a real difference in their own lives and in their communities.

In the face of austerity and welfare reforms, we're investing more in people and places to ensure our neighbourhoods are great places to live in and to support our residents in the choices they make to improve their lives for the long term.'

Nick Horne, Chief Executive, Knightstone Housing

By the time that the welfare reform plans were finalised, Knightstone had already begun to change their business model to better engage with their communities. They have used the welfare changes as an opportunity to further build and deepen relationships with their tenants. Having quickly assessed the huge impact that welfare reform would have on their business, they established a welfare reform strategy group. Their strategy is now well embedded into their business model. They have reviewed and changed priorities and policies, changed team structures as well as added new posts to directly support people affected. Working with other housing associations, they have been involved in commissioning longitudinal research to understand the impacts of welfare reform on their tenants' work opportunities.

Making welfare work locally

Early strategic planning

As soon as the Welfare Reform Bill completed its passage through Parliament, Knightstone set up a welfare reform strategy group, made up of residents and senior managers from across the organisation, to design and deliver its response to welfare reform. They also developed a separate resident involvement strategy, aimed at including residents in the design of their welfare reform plans. The welfare reform strategy included an emphasis on building strong partnerships, reshaping staff teams, ensuring staff were well equipped to advise tenants on welfare reform issues and reviewing wider organisation policies and procedures.

Commissioning comprehensive research to assess impact and understand needs

Before they were able to get details of which and how many tenants would be affected, Knightstone commissioned Housing Quality Network (HQN) to assess the impact of housing benefit changes and the introduction of Universal Credit on their tenants and rental income. The report identified that over half of their income was 'at risk' from the changes – mostly from the payment changes that would be introduced by Universal Credit. The report gave them a strong mandate for prioritising work on welfare reform.

Knightstone are part of the South West Housing Association Influence and Leadership Organisation (HAILO), an influencing group of housing associations in the south west of England. This group commissioned [The London School of Economics and Political Science \(LSE\)](#) to carry out longitudinal research looking at the impact of welfare reform on 200 residents. The [baseline report](#) was published in March 2014 and highlighted the early impact of changes. They found that tenants had felt the impact of rising costs of living and stagnating or falling incomes, and had started to lose confidence in their ability to manage their finances. Poor health was the most frequently cited barrier to work followed by a lack of suitable vacancies. There were considerable concerns around job insecurity, including low pay, seasonal work, part-time and zero hours contracts. Childcare and poor transport, were also real barriers to work. The research is influencing Knightstone's welfare reform plans for the coming year as they continue to strengthen their objectives around building financial confidence.

Strengthening relationships and sharing learning

In some local authority areas, Knightstone had longstanding partnerships with organisations providing financial education, and debt and benefits, including [Pennywise](#), [Talking Money](#) and Citizens Advice. Knightstone values the independence of their partners and trust their judgement, even for example when they advise a tenant on debt remedies that might affect their collection of rent arrears. They also worked with Barclays and are working with local credit unions to support access to basic bank accounts and budgeting accounts. After learning that new properties were being targeted by loan sharks, they worked with the council's illegal money lending team to commission a community theatre group to create a DVD about loan sharks.

Making welfare work locally

Getting the message out to tenants and customer-facing staff

Knightstone held two interactive resident events aimed at communicating the key welfare reforms but which included games and activities and a chance to meet the directors. They also created and distributed a [film](#) on DVD and on YouTube, and produced colourful factsheets and a quarterly '[Your Money](#)' magazine, which always included the clear message 'we're here to help'.

From the beginning they were clear that for many tenants, nothing could replace direct and personal conversations by expert staff, who could explain the personal implications of the changes. They undertook targeted door knocking and a telephone campaign. From this they were able to gather information about who was interested in moving, and those who were received tailored support from the Under Occupation Officer, a newly created role.

They also provided training for all customer-facing staff to enable them to identify and signpost people to specialist support. This included maintenance staff, as they had access to tenants who other staff had found difficult to reach. When they realised that they were not succeeding in engaging tenants in conversations about Universal Credit they decided to change their approach. They focused on building their tenants' financial confidence and encouraged maintenance staff to identify potential financial difficulties, for example by identifying properties with no heating on in the winter.

Reshaping business priorities to provide effective support

Income teams were restructured with extra resources put into a new team to focus on preventing and spotting debt early. They adopted a two pronged, 'right rent, right time,' approach to rent collection. This involved stronger support alongside tougher enforcement by encouraging residents to get in credit on their account and pay by direct debit, and refusing partial HB payments for most new tenants.

Moira Harries, Senior Income Manager at Knightstone, who has [written about their approach in the housing press](#), said:

"The need for landlords to get to know their residents is increasingly important. Key information about our residents, like whether or not they have access to useable bank accounts, whether they're digitally savvy and so on, is now collected. This enables us to target advice and support to our residents which is a good outcome – being more aware of our residents' needs helps us prepare for the impact of Universal Credit."

They introduced pre-tenancy affordability checks and support. The Allocations Team undertake credit and income and expenditure checks to assess someone's ability to afford the tenancy. Debt problems identified do not necessarily prevent them from offering a tenancy but enable them to set up direct debits and put support in place from the beginning.

Knightstone created new specialist posts which included an Under-Occupation Officer to help tenants with moving, an Impact and Assessment Officer who uses data and

Making welfare work locally

specialist software to identify residents most at risk of rent arrears. They also expanded their 'Into Work' and financial inclusion teams.

Initially 85 of the 971 households affected by under occupation expressed an interest in moving. By the end of the year 62 households had moved, which is about 6 per cent, the national average. There have been few direct transfers but a 29 per cent growth in mutual exchanges. They identified a number of barriers to moving including: the need for adapted properties, lack of smaller properties, no pet policies and a desire for similar homes very close by.

Myfanwy is the Under-Occupation Officer. She says:

"I assess our residents as low/medium/high need, which takes account of literacy, and barriers to moving and provide them with a tailored service. Some residents just need the information and advice on their options, others I register on homeswapper and help them with removals – organising it as well as some funding. Tenants respond well to me because I'm not an income officer. I have a lower rate of cancelled appointments than other staff. "

One tenant we spoke to had two spare rooms after his wife had left. He had been helped to move to a smaller property close to where he had family and friends. Knightstone provided him with help to move and set up a repayment plan for other costs incurred.

Knightstone's Individual Empowerment Team provides residents with a range of tailored support aimed at supporting aspirations and improving their quality of life, as well as addressing immediate needs. Whilst they mainly cover money and employment, they also help people get involved in their local communities. Engagement with the team has built up and they now have around 80 referrals a month.

"Being a good landlord is about investing in people and communities. We're starting to see the benefits of community engagement. Engaged communities are more likely to pay their rent and talk to us if they need help or support and there's a positive impact on anti-social behaviour and turnover"

Lynette Nigh, Assistant Director (Housing Management and Customer Contact),
Knightstone Housing

Jacqui is a resident who works on Knightstone's Resident Involvement Strategy group. She said:

"Knightstone helped me when my Disability Living Allowance (DLA) had suddenly stopped. I was left wondering if I should eat or pay bills and became quite isolated because I had my mobility car taken away.

"They are so much more than a housing association; I could sing their praises from the rooftops. They can hold their heads high as an example to other organisations."

Making welfare work locally

Reviewing and improving policies and practices

Knightstone encourages continual improvement, for example by setting up a 'golden nuggets' spreadsheet for staff to share things they've learnt. They also introduced mental health awareness training for staff and tools to help them deal with their own stress after identifying a significant rise in psychological distress of tenants.

They have reviewed a number of policies including agreeing a definition of a bedroom which led to the re-designation of eight properties. They also reviewed their allocations policy and are less likely to let properties to tenants who will be under occupying. Knightstone allows tenants to move even when they have rent arrears, so long as they are keeping to an agreed repayment plan.

A number of their other strategies have also been influenced by the welfare reform agenda, for example their Digital inclusion and Into Work strategies are prioritising tenants who are affected by the housing benefit changes or will be affected by universal credit.

Outcomes

Approximately 10% of Knightstone's tenants are affected by the under occupation penalty. Their proactive work on rent collection and tailored support for tenants has meant that their rent collection rate is broadly unchanged at 3.1%. Arrears increased at the beginning of the year but started to come down in the last quarter. 6% of tenants have moved home and no-one has been evicted.

Looking forward

After two years that focused on preparing for welfare reform and supporting tenants who were newly affected by under occupation penalty or the benefit cap, they have now moved on to phase three of their strategy, which focuses more on building longer-term financial resilience.