

Rent-flex trials: Evaluation Partner Invitation to Tender

Introduction

Learning and Work Institute (L&W) is seeking to commission an independent evaluation of its Rent-flex trials project.

The Rent-flex trial scheme is currently in development and will run through to March 2022. The scheme is being conducted in partnership with Optivo, One Manchester, and Metropolitan Housing Associations. The trials will provide selected tenants of these housing associations with the opportunity to personalise their rent payments over the course of a year: paying less rent at times when their finances are tight, and more when things are, relatively, less stressed. Tenants are currently expected to begin on-boarding in June 2020 and the on-boarding phase will last until November that year. All tenants are then expected to spend a minimum of a full 12 months on the scheme.

The overall objectives of the project are to:

- Make it easier for tenants to pay their rent, without recourse to credit use and without cuts to living standards;
- Help tenants to plan ahead and make it easier for them to save; and
- Improve tenant's health and well-being (for example, by reducing stress and anxiety about money).

In addition to these, the trials are exploring the financial benefits of the scheme for landlords: particularly in respect of whether the scheme reduces rent arrears and/or the cost of rent collection.

We are now seeking to appoint an independent evaluator to undertake and report on a range of evaluation activities with tenants and partner landlords to assess the overall effectiveness of the trials and inform future delivery. The activities will include evaluation of (i) the processes involved in the delivery of the trials; (ii) the outcomes and impacts of the scheme for both tenants and landlords; and (iii) an assessment of the costs and benefits of the scheme.

The Tender Process

Bidders expressing an interest should inform damon.gibbons@learningandwork.org.uk by 5pm on 23 March and any questions relating to the tender process or the specification should be e-mailed to the same address and by the same deadline.

Answers to all questions received will be emailed to all parties having expressed an interest in the tender by **5pm on 25 March**.

Full tender responses should be emailed to Damon Gibbons by **5pm on 3 April**.

We will select bidders for interview in the following week and interviews will take place in the week of 27 April at L&W's offices in Vauxhall. A decision is expected in the first week of May with the contract expected to start on 18 May.

The remainder of this document now sets out:

- Further background to the Rent-flex project and the trials;
- The proposed research questions and approach
- Our maximum budget for the evaluation;
- Form of response for the tender; and
- How we will evaluate the tender responses.

Further background to the project and trials

An initial small-scale Rent-flex pilot was conducted in partnership with Optivo Housing Association from January 2017 through to the end of March 2019. This used non-digital methods to on-board 59 tenants into the scheme.

The pilot was focused on working age, 'financially squeezed', Optivo tenants in London and the South East. These were eligible for the pilot if they were:

- Responsible for the payment of at least some part of their rent (i.e. not in receipt of full Housing Benefit being paid directly from the local authority to the landlord);
- Had dependent children, and
- Either had outstanding rent arrears of up to £500 or had been in arrears at any point in the previous twelve months.

The offer of payment flexibility to these tenants was contingent on their engagement with Optivo's existing Money Matters service, which supported them to undertake an annual budgeting exercise and identify the months in which they were likely to face their greatest financial pressures. The Money Matters service also provided advice and support for tenants with pre-existing financial problems: helping them to maximise their incomes and reduce living costs prior to their entry onto the Rent-flex scheme.

The pilot tested out marketing and engagement strategies, on-boarding and support processes, and examined whether the Rent-flex scheme could:

- Make it easier for tenants to pay their rent, without recourse to credit use and without cuts to living standards;
- Help them to plan ahead and make it easier for them to save; and
- Improve their overall well-being (for example, by reducing stress and anxiety about money).

In addition, the pilot explored whether providing rent flexibility to tenants could build trust between tenants in financial difficulty and their landlord: and whether this reduced the need for, and intensity of, debt collection activity if they experienced subsequent problems.

Our evaluation of the initial pilot indicated that the Rent-flex scheme provided many of the tenants with support to maximise their incomes and helped around half to improve their rent payment performance. Most tenants told us that without Rent-flex they would have had to borrow to meet their needs; and that the scheme helped them to feel more 'in control' of their

finances, and less anxious about their rent payments. Some tenants used the scheme to cut their ongoing costs of living; others were able to build up savings, and a few overpaid on other household bills. Wider welfare impacts included better diets; warmer homes, and improved family relationships.

However, some tenants in the pilot were impacted by very negative changes of circumstances during the course of the year, which meant that they were unable to maintain payments in line with their plans. For the trials we are therefore keen to explore how we can better identify those tenants who are most likely to experience problems and ensure these are provided with effective support. Similarly, we are looking to ensure more regular communication with tenants over the year to identify any relevant changes of circumstance and provide support to tenants requiring this; including by adjusting their rent payment plans.

A full evaluation report is available on-line at

<https://www.responsible-credit.org.uk/wp-content/uploads/2019/12/1261-Rent-flex-evaluation-4.pdf>

Evaluation of the current trials

Our interviews with tenants in the initial pilot indicated that around half of these would have welcomed an opportunity to on-board, and update, their Rent-flex plans digitally.

We have secured funding to run extended trials with three housing association partner landlords through to March 2022 and these trials will be used to develop a scale-able delivery model for Rent-flex, with a digital platform at its heart. We expect the trials to deliver Rent-flex to a grand total of approximately 1,000 tenants for a full year.

Tenants meeting agreed eligibility criteria will be invited by their partner landlords to the digital platform. This is being developed by our IT partner, Mortar Works, with significant input into the design of the customer journey and user experience from our communications consultants, Well Thought Limited.

The key functions of the platform are:

- To explain the Rent-flex scheme to tenants;
- To help tenants to generate their preferred personalised schedule of rent payments for the year;
- To identify the support needs of tenants;
- To gather baseline demographic and financial well-being information from tenants;
- Communicate the proposed schedule of rent payments and tenant support needs to the partner landlord;
- Receive confirmation of Rent-flex proposals from the landlord and monitor payments received against these;
- Send monthly e-mails to tenants seeking information concerning any changes in circumstance and, if these have worsened, inviting tenants to amend their Rent-flex agreements or seek further help from their landlords; and
- Provide a reporting function to housing association partners and to the Rent-flex project team.

As well as providing the above digital on-boarding platform, the project will be involved in developing a training course for Housing Association staff.

Overarching purpose

The evaluation now being sought will draw on management information relating to the above activities and supplement this with additional research to identify the strength of the 'business case' for the rent-flex scheme to be rolled out across the social housing sector. At this stage, we anticipate that access to rent-flex could be expanded moving forwards by licensing this into the social housing sector via a new Community Interest Company established for this purpose.

Key issues for the evaluation therefore relate to capturing and quantifying (i) the financial well-being impacts for tenants; and (ii) the impacts for landlords. A detailed analysis of the costs and benefits of the scheme is also required.

We are also keen to learn how the processes of implementing the trials can be improved, both from the perspectives of tenants and landlords, and how these may need to change if rent-flex were to be provided on an ongoing basis, rather than be restricted to a one-year trial.

Key audiences for the outputs from the evaluation include the partner landlords and wider social housing sector; Government and statutory agencies with a responsibility for financial well-being (e.g. Money and Pensions Service); possible future funders of rent-flex, including, but not limited to our current funders (JP Morgan Chase Foundation and Barrow Cadbury Trust), and the financial services industry, including both commercial and not for profit providers.

Process evaluation research questions

A key part of the evaluation will be to assess how the processes of Rent-flex operate from the perspectives of both landlords and tenants participating in the trials. In this respect we expect our evaluation partner to undertake qualitative research activities to provide answers to the following proposed questions:

- How has Rent-flex been received by tenants and our partner landlords?
 - How well is the scheme understood and appreciated by tenants and staff involved in its delivery?
 - Which tenants were more likely to take up the scheme, and why?
- How easy has the scheme been to implement/ use?
- What are the tenant views of our brand, communications, and digital platform?
- How well did the digital platform perform its objectives?
- How well did the proposal sign off and tenant support processes operate from both the partner landlord and tenant perspectives?
- How well did we communicate with, and support, tenants over the course of the trials?
- How well have tenants responded to our arrangements for tracking their financial well-being over the course of the year (see outcomes evaluation, below) and what could be done to improve these?

- What difficulties have been experienced by landlords and tenants over the course of the year?
 - How well were these resolved?
 - What improvements could be made?
- How has the scheme safeguarded tenants and landlords against the risk of increased debt, and how could these processes be strengthened?
- How far has the Rent-flex scheme aided greater 'future orientation' amongst tenants and provided them with more control over the lives?
 - Does this extend beyond financial aspects?
- What role has Rent-flex played in reframing the landlord/tenant relationship, and how has this impacted on tenant behaviour (e.g. when experiencing negative changes of circumstances and rent payment problems)?
- What processes were adopted as the trials came to an end to ensure tenants were supported and expectations managed?
- How could the scheme be extended to provide tenants with ongoing access to the scheme (where they expressed their wish to do so)?
- How do landlords and tenants want the scheme to be developed moving forwards?

We welcome thoughts from bidders as to the research questions proposed above and are open to discussion concerning the final framework.

Outcomes evaluation

The digital platform will gather, at on-boarding stage, demographic information and self-reported data concerning the financial well-being of tenants. This will provide a baseline set of indicators. We are currently in the process of finalising these indicators, which will be based, in the main, on questions contained in the Money Advice Service's Adult Outcomes Framework¹.

We propose to ask tenants to update their responses to these questions on a quarterly basis, as well as to report any changes in their circumstances as these occur over the lifetime of the trials. The views of the evaluation partner are sought on this proposal, and they will also be required to verify our analysis of the data from the final framework.

In addition, we will also be tracking a number of key metrics with regard to the trials, including: take up rates; the ways in which tenants used their Rent-flex (including the amount of Rent-flex used, the patterns of use over the year, and the purposes to which this was put); and individual rent account balances.

Again, we require the evaluation partner to input into the final design of these metrics and to verify our analysis of this data. However, we also require the evaluation partner to conduct qualitative work with a representative sample of tenants to explore the impacts of Rent-flex in greater detail. We wish to work with the evaluation partner to develop this impact assessment framework and the topic guides for tenant interviews, which should be capable of informing a *future wide-ranging Cost Benefit Analysis* for the scheme².

¹ For further details see <https://www.fincap.org.uk/en/articles/adults-outcomes-framework>

² For further clarification, we are not expecting the evaluation partner to conduct a calculation of the Social Return on Investment as part of this contract but we do expect that the methodology adopted for the outcomes evaluation to help us design an appropriate methodology for such an assessment

Cost benefit analysis

The evaluation partner will be responsible for providing a cost-benefit analysis of the Rent-flex scheme. To do this, we expect quantitative analysis to include the following:

- Analysis of actual costs of the Rent-flex trial and the estimated costs of expansion of the scheme, per tenant, moving forwards; and
- Analysis of the direct cash-value benefits of the scheme per tenant, in respect of (i) rent arrears performance; (ii) any reductions in the cost of rent arrears recovery activity; and (iii) direct financial benefits for tenants (e.g. those achieved by the budgeting support provided to tenants by Housing Associations)/

In addition, we would also like to explore with the evaluation partner possible future opportunities to co-design and test a suitable methodology to estimate the cash-value of financial well-being improvements for tenants. This will be used to inform future discussions with potential commissioners³. Although this work would not fall within this contract, we are keen to select a partner with the knowledge and skills to contribute to this aspect of future evaluations moving forward.

As the potential benefits of the Rent-flex trials are a combination of financial benefits for both tenants and landlords, and potential savings in resource costs and gains to individual wellbeing which flow from these financial improvements it will be important to set out these various benefits without any double counting. Hence, it will be important for the evaluation partner to clearly set out the metrics they would use for assessing the value for money of the Rent-flex trials.

Evaluation requirements and budget

The successful applicant will be responsible for:

- Advising on the most appropriate methodology to evaluate the impact of Rent-Flex;
- Developing appropriate research tools;
- Undertaking fieldwork;
- Providing regular updates to the Rent-Flex project manager and Project Management Board;
- Producing a final report summarising the research findings, written in plain English (report design and printing costs will be paid for separately and are not included in the budget stated below); and
- Producing a visual representation of the findings, for example a PowerPoint slide pack and/or infographic.

Our maximum budget for this work is £36,000, excluding VAT.

moving forwards. For example, we expect the outcomes evaluation to identify the proportions of tenants who can attribute some form of improvement in health and other well-being domains to the Rent-flex scheme, and to gather some further details regarding the main types of improvement experienced.

³ As part of this work we will be undertaking a review of existing frameworks including the HACT Social Value Calculator.

Form of response

Your proposal should be submitted in Word, using Arial font sized 11. It should be no longer than 15 pages in length and describe the approach you would take to meet the evaluation requirements described above. The tender submission should include:

- Relevant and recent experience of your organisation on similar pieces of work. We are particularly keen to hear about previous research and evaluation your organisation has done in the social housing sector and/or in respect of financial inclusion and well-being. This section should also detail your experience of providing clear, concise, reports for the types of stakeholders identified earlier in this brief.
- A detailed methodology, with a full description of the recommended methods, making it clear how these contribute to achieving the aims and objectives of the evaluation and will answer the research questions set out in this document. This should include details of any proposed sample sizes to be achieved when conducting qualitative research and the methods to be employed. This section should also include any limitations identified in the approach and other methodological options that have been considered and rejected.
- An assessment of the main risks and challenges for the evaluation of the Rent-flex scheme, and the steps you will take to manage and mitigate these. In this section, bidders should also specify the ethical, safeguarding and consent considerations / protocols that will apply.
- A timetable for carrying out the work, highlighting key milestones and deliverables.
- A list of staff who will be involved in the evaluation, with a brief description of their relevant experience and their role in the project. Please identify the project manager and explain how you will work with us. If you are planning to work with subcontractors, please indicate this here.
- A full breakdown of costs for completing the work, including day rates for each member of staff and any expenses associated with the research, such as travel. Please note that the total budget amount should be quoted excluding VAT.

Evaluation of tender responses

Learning and Work Institute staff will evaluate the submitted proposals. Evaluation criteria, in no particular order, are as follows:

- Appropriate and relevant research methodology;
- Feasibility of recommended approach and timescale;
- Track record of similar evaluations and/or research;
- Relevant research skills and experience; and
- Value for money.

Whilst we have not formally weighted these criteria, we advise bidders that our primary consideration is to obtain a high quality and robust evaluation.