Exploring Affordability:
what can housing associations do to better support their tenants?

Katherine Hill, Matt Padley and Juliet Stone

Centre for Research in Social Policy
Loughborough University

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1   Introduction

1.1   Background context

Economic uncertainty over recent years has created a climate in which people living on low incomes are experiencing growing constraints. Over the past decade and times of austerity, stagnating wages and cuts in social security benefits combined with the rising cost of items such as food, energy and childcare, have squeezed household budgets. Furthermore, concerns about the continued roll out of Universal Credit, the affordability of housing, unstable forms of employment, and the rise of in-work poverty, mean an ever more fluid and insecure environment for many low income households.

The precarity and difficulties experienced by low income households are evident for example through increased use of foodbanks linked to issues with the benefit system, in particular Universal Credit, alongside challenging life events and lack of informal support (Sosenko et al., 2019), and the stark reality of 'holiday hunger', and 'period poverty' provoking demands for government response (Forsey, 2017; Government Equalities Office, 2019). Increased levels of unsecured personal debt most acutely affects those on lowest incomes who, relative to their income, borrow more and pay higher interest, and are more likely to have 'problem debt' where the extent of repayments can be a significant financial and psychological burden (Clifton and Gibbons, 2018; Hood, Joyce and Sturrock, 2018). Furthermore, the lack of affordable housing due to the shortage of social housing, and a growing gap between frozen Local Housing Allowance rates (Housing Benefit in the Private Rented Sector (PRS)) and rents mean that many low income households face significant rent shortfalls. The growing challenge of finding affordable housing has been linked to homelessness, families living in temporary accommodation (often for extended periods) and overcrowded conditions (Children's Commissioner, 2019; NHF, 2019; Weekes, 2019).

In this context social housing can be of huge importance to low income households - given its role in providing housing at below market rent on a not-for-profit basis – with tenants valuing the affordability and security (Rees, 2018). However, rising demand has not been met by increased supply, hence people now moving into social housing are likely to be in greatest need, in financial difficulty, facing homelessness or other vulnerabilities (Rees, 2018).

While social housing rents, compared to PRS can be seen as more affordable, it can still account for a significant proportion of a household budget, depending on the amount of Housing Benefit people receive, and how this is paid[1]. Prioritising rent in order to 'keep a roof over your head' is important especially for families with children (Hill et al., 2016) but where household budgets are under strain, keeping up with rent can be difficult, and people can face arrears, get behind with household bills and have to compromise in other areas of need and spending. Household budgets are very finely balanced in low income households, often with no leeway or ability to save, and unexpected outlays or changes in circumstances or benefit payments can tip the balance with serious consequences (Hill et al., 2016; Finch,

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[1]   Many Universal Credit claimants now receive the housing element of the benefit and are responsible for paying rent themselves.

2016; Patrick, 2014, Dearden et al., 2010). Furthermore, people on low incomes can end up spending more due to constrained choices, for example through expensive forms of credit, energy costs, and lack of access to banking or financial services – a 'poverty premium' on essential goods and services that further penalises those already disadvantaged (Davies et al., 2016).

As local authority housing stock has dwindled in recent decades, housing associations have grown to become the major provider of social housing for low income households, who, as outlined above, can often be in difficult financial and personal circumstances and particularly affected by changes in social security provision, and economic insecurity which affect their living standards. Against this backdrop the responsibilities of housing associations can be seen to extend beyond the provision of housing, with an additional role in addressing wider needs for their tenants in social housing. The provision of additional services, or 'housing plus' activities is broad and varies including for example, support with money and debt advice, employment training, digital skills, and community development (Power, 2017). There are mixed opinions about these aspects of support and how these are affected by both the impact of housing associations' budget pressures and the fall out of welfare reform – from reinforcing the housing associations 'social purpose', and tenants' greater need for their support due to gaps in local provision, alongside concerns that these 'discretionary activities' can be vulnerable when having to make efficiency savings (Acis Group, 2018; Hickman et al., 2018).

It is in this context that this research explores the potential opportunities that may be available to provide (further) support to housing association tenants in looking at ways in which household budgets might be eased. The research has been commissioned by Futures Housing Group, a large social housing provider in the East Midlands and conducted by the Centre for Research in Social Policy, an independent research centre based at Loughborough University. The research was carried out with Futures Housing Group tenants and staff in two areas of the East Midlands. While the findings are therefore grounded in this particular context, and centred on this particular housing association, they also have broader relevance for other housing providers and partners concerned with meeting the needs of low income households.

1.1.1   Covid-19

This research was undertaken and completed before the current coronavirus crisis hit the UK. Since the lockdown in the UK was imposed at the end of March 2020, day-to-day life has changed for the overwhelming majority of people. Much of what was once taken for granted and routine has been impacted in unanticipated ways: home life, work life, leisure time, education, transport, and housing have all been affected. Accompanying this, the financial impact of Covid-19 has been dramatic, with many experiencing substantial reductions in income almost overnight and significant increases in the number of households claiming state support through Universal Credit. The introduction of the Government Furlough Scheme may have prevented these income 'shocks' for some employees and the temporary increase in Universal Credit and tax credits will have helped some households to better navigate these uncertain times, but the reality is that the financial consequences of Covid-19 are far-reaching and substantial.

Although this research was completed in a very different, pre-Covid-19 period, much of what emerged and is discussed in the report is particularly pertinent in the current climate. Many households will have spent an increased amount of time in their own home during lockdown, highlighting the importance of 'home' to physical, emotional and mental health and wellbeing (Chapter 2). Many will have faced unanticipated pressures on their incomes, for example, through reductions in earnings or increases in outgoings such as food or energy costs, while still having to meet the cost of rent and other fixed outgoings (Chapters 3 and 4). With the closure of schools and changing expectations about working from home or the need to claim various benefits online, digital exclusion has become an even more prominent policy issue and concern (Chapter 5), while many individuals will be looking for work and/or in need of advice and support with financial concerns (Chapter 6). As we emerge from some of the tighter restrictions of the Covid-19 lockdown, it is unclear how soon – or whether – life may return to something that looks and feels more normal. What is clear though is that the issues identified in this research will persist and in some instances may indeed have been exacerbated by the unprecedented circumstances that have marked 2020.

1.2   Research aims

The project aims to identify issues around affordability within the household budgets of housing association tenants and explore ways in which the housing association and partner organisations could potentially respond, helping to support tenants in ways that could make a difference to their budgets, and their ability to meet needs. The research explores:

- Affordability across different areas of household budgets – looking holistically at the range of outgoings people face – to identify where needs are difficult to meet or compromised.
- Where savings could be made for households, or budgets could go further and what could help.
- Tenants experience and awareness of current (housing association and other) services.
- Other areas of need and ways in which housing associations could support households to afford their housing and other costs. This includes suggestions for support or schemes that could be taken forward by the housing association or other organisations, feedback on tenants' views about these potential ideas and what difference they might make in practice for people, financially and more broadly.

The research focusses on working age tenants. This focus was agreed given that working age households are most affected by welfare reform and changes in benefits, including the introduction of Universal Credit, and often have less stable incomes compared to people of pension age. It was also noted that tenants who are in rent arrears are more likely to be in younger age groups.

1.3   Research method

The research was designed as a multi-stage process utilising and drawing together different elements and methods. It was conducted over a ten month period in 2019 and involved two key phases.

1.3.1   Phase One
- Evidence review – a desk-based review of effective practice by housing associations and organisations across the sector in the UK to support their residents.
- Data analysis – analysis of housing costs and household income data at varying geographical levels and comparisons of income and benefit levels with the Minimum Income Standard for different household types.
- Interviews with housing association tenants – 24 in depth, face-to-face interviews were conducted to explore the practical and financial issues facing residents, affordability of key budget areas, choices and constraints on spending, and what can help or hinder managing on a low income.
- Interviews with housing association staff – This included discussions with a range of staff who provide frontline support to tenants, to give insight into their experiences and processes.

1.3.2   Phase 2
- Research seminar with housing association staff – This fed back the findings from the first phase of the research to a range of staff, from senior management to front line roles, and provided a forum for discussion of ideas about what could help tenants. Following the seminar, the research team liaised with Futures to produce a suite of potential suggestions that could be taken forward.
- Focus groups and interviews with tenants – Two focus groups explored tenants' general reactions to the proposed ideas, views about their potential benefit and thoughts about how they might work in practice. This was complimented by a further ten in depth interviews with tenants. These looked in detail at the proposed ideas on an individual basis and at what difference they might make for their household budgets and more broadly.

1.3.3   Sample composition and recruitment
The fieldwork with tenants (two phases of interviews and two focus groups) was divided equally between Amber Valley and Northamptonshire so that both main areas of Futures housing were represented. This included people living in urban, smaller towns and village/rural locations. Participants were from a mix of different household types (male, female, single, couples, single parents, those with different ages of children), with ages ranging from 23 to 59, including both working and non-working households. Most households involved were in receipt of means tested benefits and/or tax credits, and some also received disability related benefits (Personal Independence Payment (PIP)/Disability Living Allowance (DLA)). We also included households with a range of length of tenures, around half of whom had moved into their properties in the last five years – this was important given issues raised around moving costs. In the second phase we specifically

ensured that some participants who were not email users were included in order to discuss issues of digital inclusion.

Recruitment of participants was facilitated with the support of Futures Housing Group including information on their Facebook page and via email and inviting people to contact the research team, as well as direct telephone contact. A few participants came forward after being told about the research by others who had taken part. Interviews were conducted in participants homes and generally lasted 1.5 to 2 hours. The focus groups took place in community venues and lasted 2.5 hours. All participants were offered a token payment to thank them for their time and contribution to the research.

1.4   Housing costs and the impact on living standards

The data presented below provide an overview of housing costs in housing association properties and in the private rental sector, which for many households is the only alternative to social renting. Also included is analysis looking at the relationship between income, housing costs and the impact on living standards. The analysis focuses on England, with an additional spotlight on the East Midlands region. The East Midlands was identified by the Social Mobility Commission (2017) as having the lowest social mobility scores in the country, with low educational attainment, poor transport links and significant rates of low pay.

1.4.1 Rent levels
Figure 1 presents information on social and private rents for the East Midlands and for the Amber Valley and Daventry local authorities for 2017-18. It shows that average rents are lower in the East Midlands region than the average level for England, and within the East Midlands, rents in the Daventry and, in particular, Amber Valley local authorities are below average for the area. It also highlights a bigger discrepancy between social and private rents in the Daventry area.

Figure 1   Average weekly rent in 2-bed property, private rented or housing association social rented. 2017-2018

1.4.2   Household income

Although rents are relatively low in the East Midlands (in the UK context), average household incomes are also relatively low in the region, which is likely to reduce the benefit of comparatively low housing costs in relation to living standards. Figure 2 shows the mean, net household income before housing costs for local authorities in England, 2015-2016. As expected, higher incomes are clustered in the South East and lower incomes in the Midlands and North East regions.

Figure 2   Mean net weekly household income by local authority, England 2015-2016
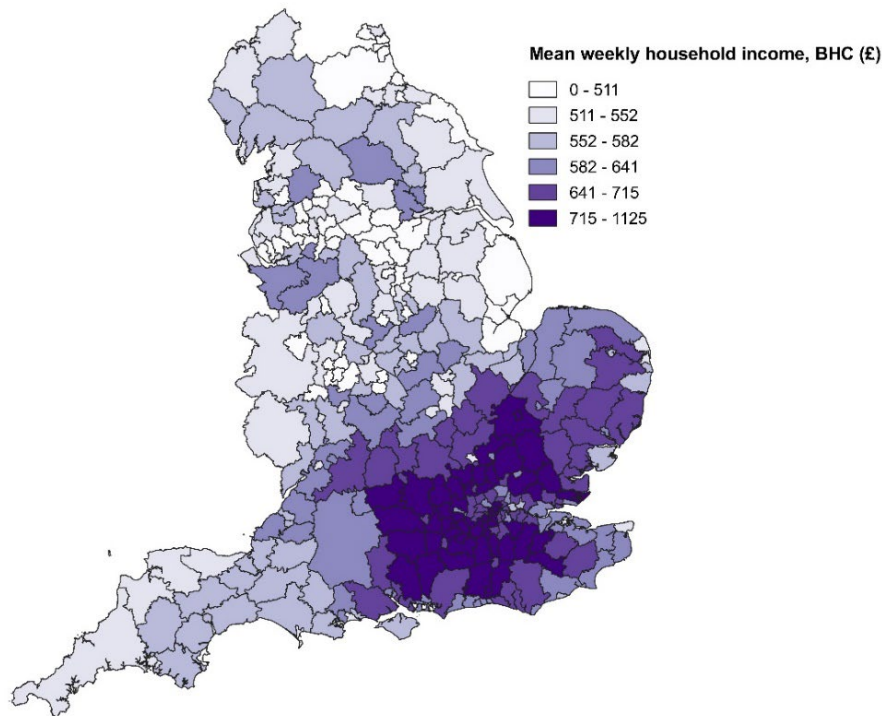
It is in this context that people can be vulnerable to financial hardship. A useful way to measure this is to calculate the proportion of individuals and children who are living below the Minimum Income Standard (MIS) based on their household income. MIS is a benchmark of adequate income based on what the public think people need for a minimum, socially acceptable living standard in the UK.

A range of scenarios are presented below, based on the disposable income each household needs to achieve a minimum socially acceptable standard of living after housing and childcare costs. The Amber Valley local authority in the East Midlands is used as a case study. The single person is living in a one-bedroom property, and all households with children are living in a two-bedroom property. In this region, the average rent for a two-bedroom housing association property is £92.80 per week, and for a private rented property it is £141.50 per week. However, the Local Housing Allowance for a two-bedroom property is currently £103.56 per week. The MIS budgets vary between tenures to account for the fact that carpets and white goods are not provided in social rented properties (the standard budgets are calculated for social housing for all households with children, and for private rented housing for single working age adults).

The figures for households in different working scenarios earning the National Living Wage (NLW) (figures 3 and 4) show that while the single person is very close to meeting MIS if living in a housing association property, their income falls somewhat short if living in the private rental sector. For households with children, they are unable to meet the minimum income for a socially acceptable standard of living even when living in social housing, with a couple where only one partner is working faring particularly badly, reaching only two-thirds

of MIS. In the private rental sector, the situation is even worse, with incomes as low as 53% of MIS.

Figure 3 **Relationship between income and MIS for working households, for a one or two-bedroom housing association property in Amber Valley**
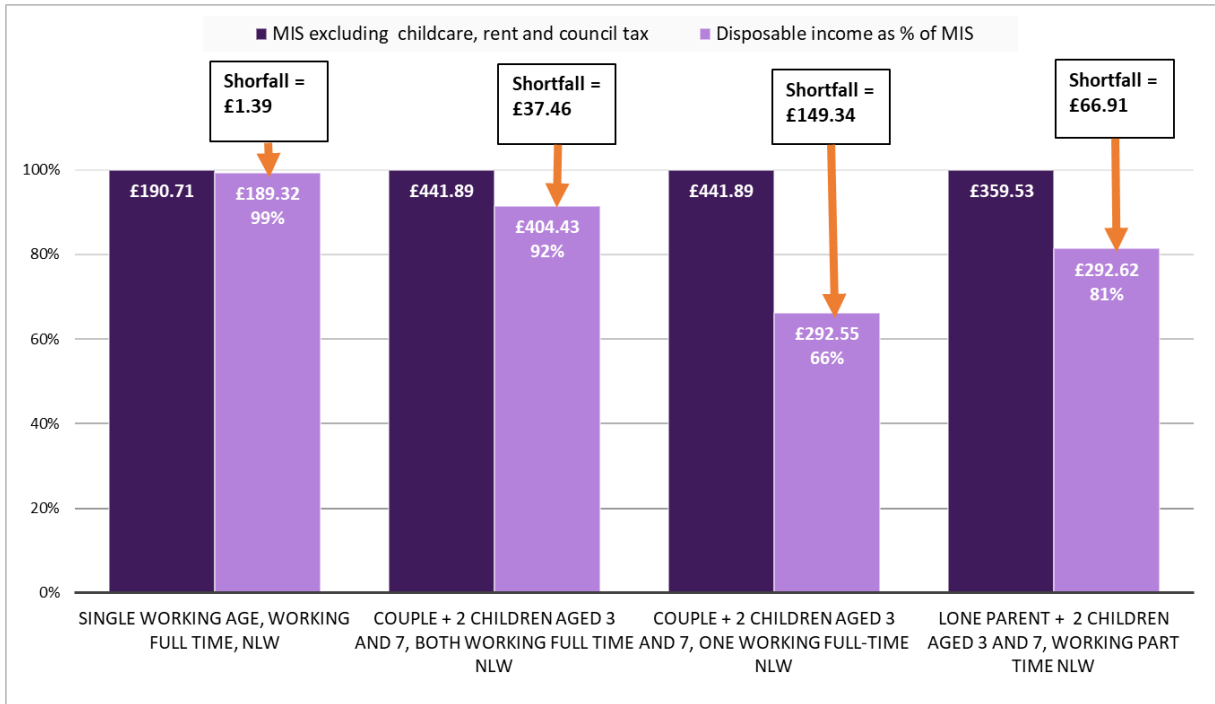
Figure 4 **Relationship between income and MIS for working households, for a one or two-bedroom private rented property in Amber Valley**
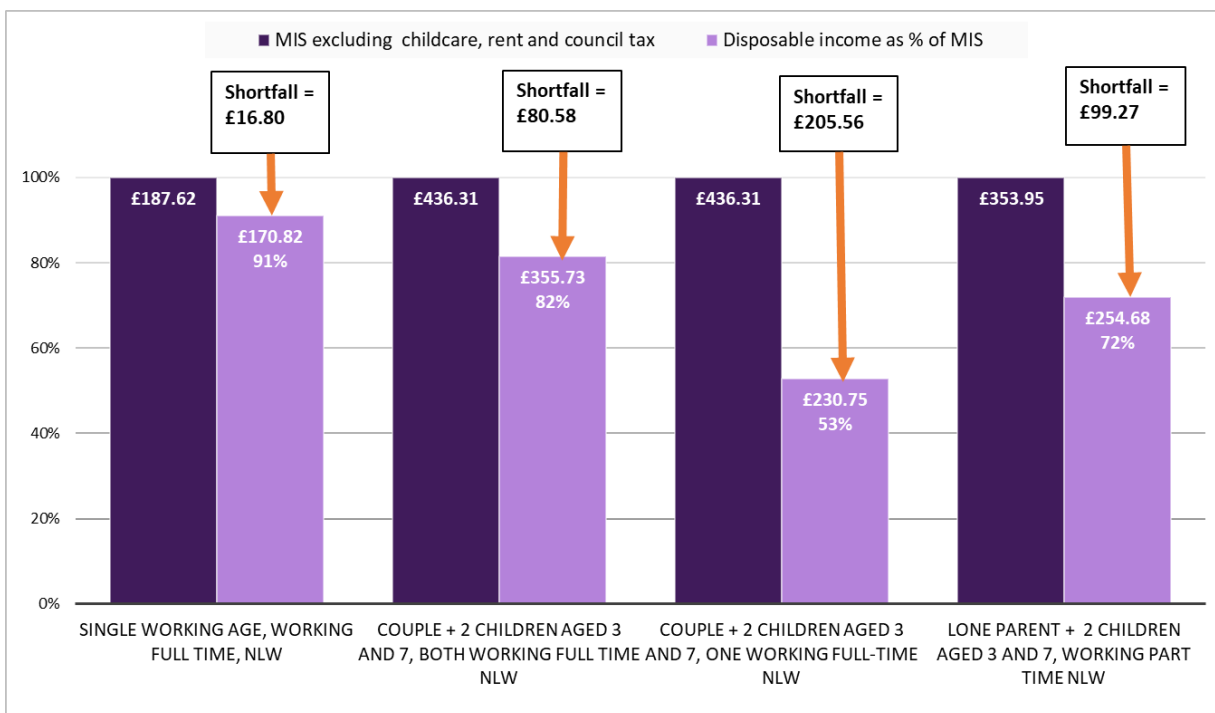
The situation is even more challenging for out-of-work households (see figures 5 and 6); even if claiming all of the benefits to which they are entitled, and assuming their rent is covered fully by Housing Benefit, their disposable income is far from adequate to meet a minimum socially acceptable living standard. Those in private rented housing are again in a worse position than those in social housing. For example, for a single working-age adult, their weekly income of £73.10 from job-seekers allowance would be reduced to £63.23 as their Housing Benefit would not cover their full rent, which exceeds the Local Housing Allowance for the area.

Figure 5   Relationship between benefit income and MIS for out of work households, for a one or two-bedroom housing association property in Amber Valley
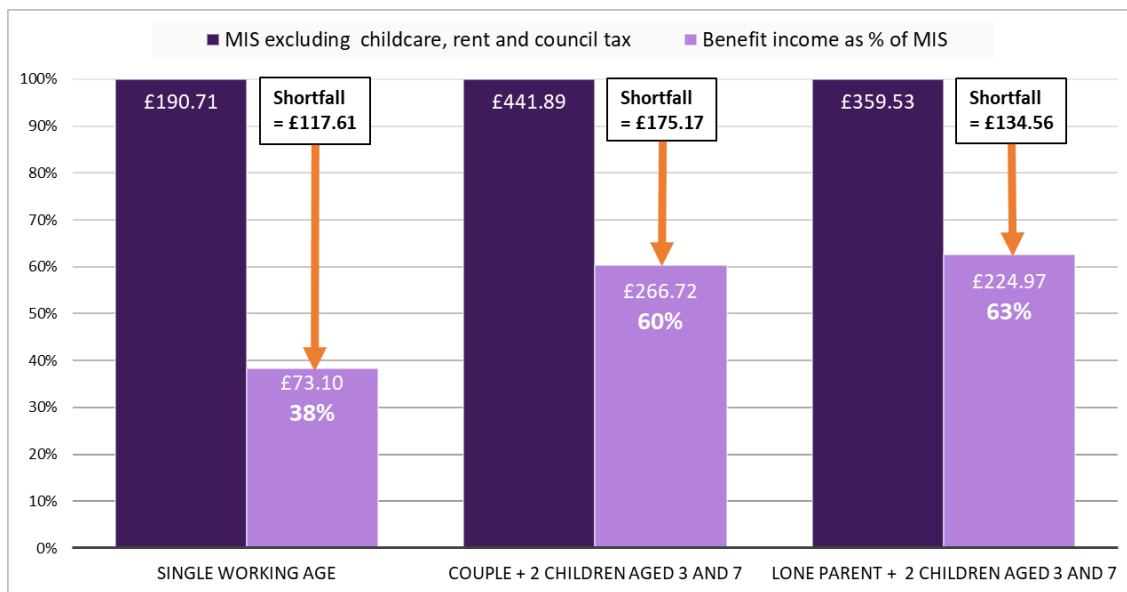
Figure 6   Relationship between benefit income and MIS for out of work households, for a one or two-bedroom private rental property in Amber Valley
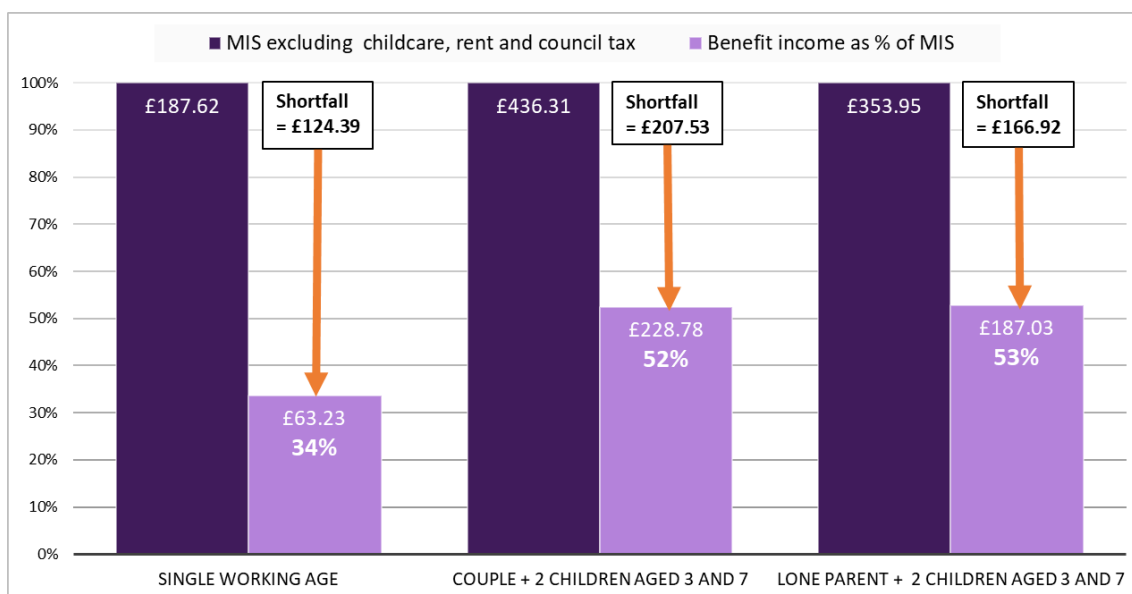
1.5   Underlying issues and how are people managing

The rest of this report focusses on specific themes, but it is useful to first provide a brief overview of the situations of the tenants who took part in the research, the issues that shape their lives and how they manage.

Peoples' experiences and situations were varied – while the research included people who did not feel under financial strain (for example a household with two full time earners and no children), most were just about managing. This often involved constant juggling, compromise and working within a constrained budget. Others were in very difficult financial situations and struggling with large arrears and debt. The reasons behind this related to their household, employment and income situation as well as other factors.

A key issue was low income - as shown in Figures 3 and 5, earnings fall behind needs even where social rents are lower than PRS, with the situation being worse for households relying solely on benefits. For some participants, benefit levels were reduced even further when repayments for Universal Credit advances, budgeting loans, or overpayments were deducted from benefits. Disruption in income from delays or reductions in benefits caused instability and confusion: the wait for Universal Credit, disability benefit reassessments, sudden changes and problems with claims. Often interlinked with this were individual issues where people were experiencing changes and fluctuation in their lives, such as moves in and out of employment, relationship break down, children moving in or out, moving home and health changes. Sometimes peoples' financial commitments were based on their situation before changes took place and their incomes reduced – being 'stuck' in a contract for a mobile phone or car finance for example. Other factors also make a difference to peoples' needs and costs, such as where you live, what facilities or support networks are around, and health and mobility (where they may need a car, or the heating on more).

In terms of managing in such situations, many participants were very organised and disciplined budgeters with well-honed budgeting skills and systems – from writing everything down to using spreadsheets, to shopping around for bargains. Participants also drew on other resources and services – such as using second hand shops, internet selling sites, charities, and food banks. Informal support could be a crucial lifeline for financial, practical and emotional help. However, people didn't always have this fall back, and/or did not want to have to rely on it. Some participants were using their disability related benefits for day to day living – paying bills, buying furniture or things for children - using their PIP to 'survive' rather than for disability related costs. Sometimes people felt they had limited option but to use credit, including high cost loans, credit cards or catalogues. While this helps to spread costs, it generally involves paying more overall, and runs the risk of not managing repayments. However, living on an income which is not sufficient to adequately meet needs meant that people were going without – whether household goods, food, using a car, buying toiletries, cutting back on energy, or doing things with the children.

Given this background, this research seeks to look at particular aspects of tenants' financial situations to explore where there might be areas that their housing association can provide (more) support, which could potentially help affordability and alleviate tenants' budgets.

1.6   Report structure

The remainder of this report is organised thematically with chapters bringing together the findings from each of the different elements of the study to outline the issues raised, potential solutions, tenant reactions and some examples of what difference the suggested ideas might make to individual households. While the main focus is on the financial and budget implications, the study also raised broader implications for people's lives, wellbeing and feelings about their home and relationship with their housing provider. Chapter 2 focuses on what can help tenants in making a home, Chapter 3 covers dealing with large or unexpected costs, while easing pressure of energy and water costs is the focus of Chapter 4. In Chapter 5 we look at potential support with digital inclusion, followed by views about the housing association's money advice and employability support in Chapter 6. Chapter 7 deals with the important issue of sharing knowledge and communication between the housing association and tenants. Finally, Chapter 8 draws together some conclusions and key points from the research.

2   Making a home, not just a property

Moving home can be a costly experience. This is a rare example where social housing can incur greater expense than the private rental sector, as social housing properties are usually let unfurnished and without even basic items such as carpets and curtains. Even if new tenants have furniture and other essential household goods to bring with them, there are some costs such as flooring that cannot be avoided. However, people moving into social housing may be in situations where they do not have these essential items, or the financial resources to purchase them. In this context housing associations could play an important role in moving beyond the supply of an affordable property, to help people make a property a home without incurring high cost. This chapter focusses predominantly on the situations of, and potential support for, those moving into a housing association property, but some of the ideas are also relevant to tenants more generally as people face the cost of replacing essential items.

Participants in the research had often moved into a property with limited financial resources, and sometimes in difficult situations, for example, being evicted from private rented accommodation, leaving a relationship, or moving from temporary or hostel accommodation. People seldom had the opportunity or ability to plan or save to finance a move, and didn't necessarily have the items they needed to set up a home. Key areas of need and costs that participants faced included:
- Costs of flooring, decorating or 'putting right' a property if it was in a poor condition.
- Acquiring furniture and white goods - especially for those starting from scratch or moving from private rented accommodation where white goods are often included.
- Having to pay advance rent and, in some cases, extra rent where there was an overlap between properties.

These could all bring significant costs, and the implications of not being able to cover these meant that people had to use expensive credit, borrow or accept help from family or others, or 'go without'. Participants spoke not only of the discomfort and practical difficulties this entailed, but also the 'embarrassment' and upset of not having a decent home.

It is unsurprising then, that this was the area that participants in this study viewed as most important when discussing ways that their housing association could potentially make a difference. Our review of evidence also highlighted this as a key area with examples of support from housing providers through furniture recycling schemes, options to rent furniture/appliances, partnership/signposting to local charities or schemes, and existing carpets and curtains being cleaned and 'gifted' to incoming residents. Housing association staff taking part in this research also suggested constructive potential ways forward. The two main strands of potential support that emerged from our research involve the provision of flooring and décor, and help with obtaining essential furniture and white goods.

2.1   Help with providing flooring and reasonable décor

Moving into and living in a property with inadequate flooring and decoration was one of the most costly and emotive issues for participants and the area they felt should be prioritised for potential support. It was seen as a 'hidden cost' and negative aspect of moving into social housing, that could mean a stressful start to people's tenancies, financially and more broadly. Enabling people to move into a property with carpets/flooring and a basic level of décor was overwhelmingly considered *the* idea that would make the most difference to tenants – to move into a home rather than a 'shell'.

2.1.1. Flooring – participant experiences

As is usual in social housing, apart from the kitchen and bathroom, most participants in this research did not have decent flooring in the rest of the property when they moved in. In a few cases some carpets had been left from a previous tenant which helped enormously, but this was unusual with little evidence of a systematic process in place to facilitate this. Paying for flooring had longer term implications for several participants who had funded the cost through credit cards which they have not managed to pay off or had taken out loans incurring significant interest, with repayments eating into already tight budgets. Some participants were able to borrow or were given money, generally from their family, to fund it. Others, however, had to manage without carpets/flooring in some rooms at least, affecting their comfort and wellbeing, and a few delayed moving into their property. Peoples' experiences, needs and costs very much depended on the condition of floors when they move in. For example, where a new build or renovated property had clean or new floor tiles in the living room, people felt more able to manage. In contrast some participants who had moved into a property with unclean or exposed concrete or floorboards felt this could cause difficulty, especially where they had young children and were worried about implications for their welfare - this could contribute to the pressure to pay for flooring, and concern where they could not.

2.1.2   Décor - participant experiences

Participants who had moved into a new build property or occasionally one that had been redecorated, were happy with the 'fresh' state of décor, which meant they could move in without the need to do anything. In contrast, others had moved into properties with bare uneven plaster, holes in the walls, mess from repairs, ripped wallpaper and stained ceilings. The poor state of décor meant that people had to spend time and money not only decorating, but repairing or 'putting right', where able. Several delayed moving in while they cleaned and did what they could to make the property more 'habitable'. However, for those without funds to cover these costs, the necessary DIY abilities, or someone to help, the effect of having to live in such an environment was demoralising.

2.1.3   Potential solutions

Meeting the need for flooring

Participants thought that the idea of having suitable flooring when people move in would make a huge difference, financially, practically and in terms of helping to make the property a home. Three potential ways of meeting this need were:

- *Properties supplied with flooring by the housing association*
  Participants felt that an ideal scenario would be for a property to be have a basic level of carpet/appropriate flooring throughout before tenants move in.
  - Some suggested offering options of cheap carpet or vinyl, maybe in a small selection of neutral colours. However, most felt that if it was provided for free then people would accept it, regardless of the colour.
  - Some participants felt it would be reasonable to expect to pay towards the cost of flooring, for example through an addition to rent. It was noted that in this case people might have greater expectations about the choices being offered.

- *Passing on flooring left by a previous tenant*
  Participants felt strongly that new tenants should be given this option where flooring is in reasonable condition, rather than decent carpet or even laminate being 'ripped out' (see also below).

- *The housing association negotiating a discount for tenants with local carpet suppliers*
  This received some support as finding a cheap source of carpet had been difficult for some participants. It could also potentially provide more choice. Information could be provided in advance to enable people to organise and get an idea of cost before they move. If offered with instalment options it would avoid a large, potentially prohibitive up front cost.

Meeting the need for reasonable décor

There was clear agreement among participants that being able to move into a property which was clean and painted would make a really positive difference, both in relation to costs and feelings about their home. Suggestions here include:

- *Providing properties with a basic standard of décor*
  Participants' wanted to be able to move into a property with smooth plastered walls. This would enable people to just decorate rather than have to 'put right'. Ideally, walls would be pre-painted, for example in magnolia (as in new build properties), saving money and time, and making it a more comfortable environment from the offset. It was felt that this scheme would be particularly helpful to people who can find it hard to make repairs or decorate themselves, for example single parents with young children, parents who are working, and those who are less able to engage with DIY.

- *A 'decorating voucher' or moving grant*
  A few participants had been given a voucher in the past which had helped with the cost of materials, but tenants moving more recently reported that they had not received this type of support. There was agreement that this would be helpful if offered to people as an option. However, it was recognised that not everyone is able to do DIY, and may have to pay someone to decorate. In this context, decorating properties directly would be more valuable. The provision of a 'moving grant' was also proposed that could be used to fund a wider range of essential moving costs including van hire, carpets, furniture etc.

- *Making good repairs*
  This applied to ongoing tenancies, as well as when people move in. Participants felt that the housing association should help with the cost of 'putting right' when there had been problems in the property, such a leaks (that are not the fault of the tenant) which have left ceilings and walls needing redecorating or even flooring replaced.

2.2   Furnishing a home - help with accessing white goods and furniture

Furnishing a property is another key cost that people face when moving in, and support to help ease the pressure of acquiring furniture and white goods was identified by participants as the second most important area of need. As they noted, people moving into social housing may not have the essential items they need but often lack funds to buy these – examples included participants who were setting up home for the first time, had left a relationship, been living in a refuge or hostel and had nothing, or moved from private rented accommodation where some goods had been supplied. Participants felt that support would help avoid 'starting off on the back foot' – this included having to borrow, buy on credit, rely on others, or go without essential items, and would 'take the panic out of moving'.

2.2.1   Potential solutions

Meeting the need for essential items
Several ways in which housing associations could potentially provide support for tenants needing essential items were raised – and could be seen as working together, rather than either/or scenarios.

- *Passing on items from outgoing to incoming tenants*
  There was very positive support among tenants and staff for a systematic way of passing on or 'gifting' items from an outgoing to a new tenant. Participants in this research had seldom been offered this opportunity, but felt it was a 'fantastic' idea that they would have used. Indeed, there was some dismay and upset where people were aware that decent items had been 'dumped' which could have benefitted someone moving in. In one case this had happened after a tenant had been told that they would be left carpets and other essential goods but found the property stripped bare. Alongside the cost saving is the convenience of goods already in place which is useful to those without transport and could potentially help people move in more quickly. The idea also appealed in terms of environmental concerns and avoiding waste.
  - This could help with a wide range of items from furniture, white goods, and carpets, to sheds and smaller items.
  - The scheme would require in-depth involvement from housing association staff, for example organising an inventory, liaising with incoming/outgoing tenants, and PAT testing electrical goods.
  - Participants did not expect there to be charges involved, given that items were being passed between tenants.

- It was recognised that the benefits of this scheme would vary depending on the condition of property contents and outgoing circumstances of the previous tenant.
- Participants agreed that the scheme should be offered to all tenants, and not means tested to avoid stigma and divisiveness.

- *Recycling and redistributing unwanted items*
  An extension of this scheme could include the housing association taking away and storing unwanted essential goods and redistributing them to incoming or existing tenants who need items. Participants felt that this type of scheme would have been useful to them over the years particularly for essential white goods. Several noted that the cost of items from some charities was now quite high, and saw this as a more affordable alternative.
  - People felt that it would be reasonable to pay something as they would want items to be clean and electrical items tested and in useable condition, but expected the cost to be relatively low.
  - Housing association staff felt this type of scheme would be manageable to set up, with the suggestion of joint working with existing schemes also mooted.

- *Information and signposting to local organisations providing second hand items*
  There was mixed awareness among tenants about existing schemes providing second hand goods locally. Participants agreed that the housing association should provide information about local providers and direct or refer tenants to relevant organisations. A few participants who had moved from hostel or temporary accommodation had been supported by a third party to access a grant or second hand goods which had been vital when moving in with nothing. Among others, some were aware of and had contacted local schemes, although this had not always been successful; others had no idea what support was available.
  - Information about local provision should be given to people *before* they move in to allow time to make arrangements – it was noted that some local charities have a wait for delivery.
  - Reminders/updates about local provision would also be useful for *all* existing tenants so they are aware of cheaper options and can avoid expensive credit when replacing items.
  - Liaison may be necessary from housing association staff if people have difficulty accessing the local scheme, and providing a discount or 'voucher' could make it more accessible.

- *Support to provide white goods / furniture*
  A 'next step' on from helping people to access second hand goods, was the idea of a scheme where tenants could buy new and reconditioned white goods and furniture via the housing association or partner organisation, with the cost spread out and either added to rent or paid separately. People felt this could apply to new and existing tenants, and the idea received cautious support with benefits and risks raised.
  - Tenants could see the benefits of such a scheme: for spreading costs rather than facing a large upfront outlay; as an alternative to using high cost sources of credit; useful for those unable to access credit; and felt paying a bit more with

the rent could be helpful as they 'wouldn't have to think about it'. It could be an affordable way to get new white goods which are guaranteed, rather than second hand goods with no comeback – bringing longer term peace of mind.

- – However, concerns were raised (among tenants and staff) that it could risk people taking on more repayments than they could afford, and it would have to be carefully managed as people moving in might be tempted to 'jump at the chance' of getting a range of new items. There were also queries about the consequences of not paying, and whether this could affect peoples' tenancy if the scheme is provided by the housing association.

2.2.2   What difference could these potential solutions make / have made to tenants?

A range of examples highlight the difference the ideas put forward in this chapter could make to new and existing tenants.

Reduce direct costs – more money in the budget

- As noted earlier, carpets can bring significant costs, from hundreds to over a thousand pounds, hence providing flooring throughout a property could make a huge difference to those struggling to cover such costs. One participant noted that it would have meant not having to 'scrounge around' for a year, cutting back on treats or activities for the children, in order to save £250 to carpet the lounge and stairs. Another said that if she hadn't had to spend £170 on carpeting (just the stairs and child's bedroom) she could have used it on curtains or cushions, rather than relying on hand-me-downs – to make it feel more like her home – something she just can't do at the moment. Similarly, someone was gradually buying carpets for a whole house but this left no money for furniture or white goods and meant making do with what she had been given.
- Providing smooth, plastered walls would reduce decorating costs, as people could more easily and cheaply give a room 'a lick of paint'. Several participants spoke of having to plaster walls when they moved in, using bucket loads of filler, or paying someone to do the work: '*They did the damp proofing, so why didn't they plaster the walls so that we could just paint the walls white when we moved in? The walls are that bad that you have to wallpaper them*'.
- Paying less for affordable second hand items could mean not having to fund large outlays from an already tight budget. Even where people had saved to buy white goods outright it severely restricted their living standards – living on '*beans on toast and plenty of pasta for a couple of months*'. In another case someone moving in with nothing bought all their white goods second hand, but still paid £50 per item which on top of second hand furniture costs resulted in living on sandwiches for a week during this initial period.
- The idea of the housing association providing a reliable yet affordable source of white goods seemed helpful in the short as well as longer term, as buying second hand electrical items from sources such as Facebook or eBay involved a degree of risk, they were not necessarily cheap and may not last. One participant had to replace a newly bought second hand tumble dryer not long after moving in as it broke down.

Avoid having to take out loans, accrue debt, use credit
- Support with carpets would have meant one participant not having to take out a budgeting loan of £600 to carpet her lounge, stairs and children's bedrooms. Her income from benefits was reduced over the next year to repay the loan, further stretching her already strained budget. In another case, the cost of carpets added to credit card debts which became unmanageable. Here if carpets had been provided for free or with low cost repayments it could have saved tenants money and reduced stress.
- One single parent had bought a cooker on finance and taken out a loan to buy a washing machine – together the repayments are £28 per week, severely restricting her budget over a 12-18 month period. Being able to access second hand items could have meant an extra £28 each week which could go towards other items she cannot afford, such as carpets in the bedrooms, being able to take the children out every so often, or buying more than just basic food.

Being able to move in straight away and save on housing costs
- Having a reasonable standard of décor and flooring would have meant several participants could have moved into their properties straight away, rather than delaying the move, incurring additional expense. In one case this was just a few days while a mother felt she needed to improve the condition of the floor before moving in and had to negotiate a rent extension from a private sector landlord who was evicting her. Another participant had extended the lease on their previous accommodation by over a month, while 'putting right' the new property, and one young parent with a baby ended up spending months at her parents whilst saving for a carpet to cover the floor before she felt able to move in. In these situations significant extra costs were incurred from overlapping rent and bills on two properties.

Not having to rely on others
- Some participants who needed lots of things when they moved in from carpets, to furniture and electrical items had had to rely on family for help with the costs, and sometimes friends, new neighbours, others in the area who were giving away furniture, and in one case had raised money through crowdfunding. If they had been able to easily access second hand goods at the point of move they wouldn't have had to rely on the goodwill of others - *'pleading poverty to all my friends and family to pass the word around to see if anyone had anything'*.

Not having to 'go without' adequate flooring, décor and essential goods
- *Heating costs.* Several participants who couldn't afford carpets experienced difficulties in keeping their property warm especially in the winter where there were living with tiles or a concrete floor, or just floorboards in 'icy' bedrooms. Providing carpets would have a positive impact on tenants heating bills.
- *Feelings about the 'home' and emotional well-being.* Having carpets and acceptable décor would also make a difference to people's feelings about their property, and for some their mental health and well-being. Several participants noted the emotional impact of living in poorly decorated, uncarpeted properties, the anxiety of trying to deal with this, feelings of isolation where no help was provided, and the upset of being unable to do anything about it on their restricted budget. *'You look around and everything needs doing, it's not like home … it makes you cry sometimes because you just*

hate it'. It was noted that people were often at a 'low ebb' when they moved in. For example someone who had moved into a property with very young children after splitting from a partner, and was setting up home on her own for the first time had depression and described how the state of the house made her feel 'even more miserable'. Moreover, these could be long term issues, as some people in our research had still not been able to afford carpets or decent décor years after moving but felt they had to 'accept' living in an 'unfinished' property. This highlights the difference that any initial support with flooring and décor could make, both when people are moving into a property from difficult circumstances, but also over time as they seek to make their property a 'home'.

- *Impact on social participation.* A further potentially hidden cost is how the condition of one's home can affect not only people's feelings about living there, but of how it appears to others. Some participants spoke of 'embarrassment' of not having carpets, of floors looking dirty, or 'horrible' décor, to the extent that they were reluctant to have visitors, let people go into certain rooms and also impacted on children where they did not invite friends to their house: *'they've not really been able to have play dates and stuff which I think has hindered them, or us, settling a bit I suppose'*. The provision of a carpeted and decorated property could therefore have positive implications for the social and emotional well-being of households.

- *Having to manage.* Access to affordable essential items when people move in would avoid people having to manage until they could afford them, take on more credit or depend on others for help. For example, a participant who had moved from the private rented sector was 'shocked' to find no cooker in the property, and spent eight months using just a microwave and taking the children to her mother's to eat, another was without a fridge or cooker for a month, and having to buy milk daily. Someone moving in with nothing had shared an inflatable mattress with her children for a week before neighbours helped her out with beds. People would also benefit from such schemes on an ongoing basis to help replace items - several participants spoke of having to do washing by hand when a washing machine broke down.

2.3   Improving and supporting the moving in process

The issues and suggestions raised above have implications for the moving in process. This includes the desire for better finished, clean, and floored properties, and more support and liaison with housing association staff regarding incoming tenants' needs for furniture and white goods. Discussions with tenants and staff underline the importance of providing appropriate information and support to assist tenants at this crucial stage – which includes viewing, moving in, and the handover meeting.

The research highlights a potential tension in terms of time between being offered a property and moving in. On the one hand participants were often desperate to move, for example from temporary accommodation or were facing eviction from the private rented sector and were grateful to be offered a property. On the other, they would have preferred the property to be in a more acceptable condition, which could potentially delay it being available to them. However, as outlined above there are financial implications to this, and people may not feel able to move in straight away if they have to 'put right' the property themselves, hence more time and resource from the housing association at the pre-moving

in stage could be helpful in the longer run. It could save tenants time, effort and cost, and potentially lessen the need for overlapping housing costs, however decisions and priorities here will depend on tenants individual circumstances.

The other aspect is the liaison between incoming tenant and housing association staff. Tenants and staff recognised that this was an area that could be expanded and personalised to better meet peoples' needs with as much information as possible provided in advance of moving so tenants and the housing association can anticipate financial needs and demands, plan, and get things set up. It was suggested that this should include:

- Clear explanation about what to expect/not expect in a property – some participants in this research were unaware that there would not be a cooker, flooring or carpets, especially those coming from private rented sector accommodation.
- Discussions about peoples' need for household goods, information/referral to local organisations providing second hand furniture and white goods, and if possible liaison to facilitate passing on items from the previous tenant.
- Information about utility providers, getting set up, and how to work the heating, particularly helpful for people who may not have lived on their own before.
- Discussions and explanation about the housing associations current services, such as money advice, and how they can help.

It was felt by some tenants that this was the point where their relationship with the housing association could be established, and allowing time for a more personalised and thorough approach, including follow up contact, would make people feel like they 'really care', and seem more approachable should they need support in the future (see also Chapter 7).

2.4   Conclusion

This chapter has highlighted that moving into a social rented property can incur high costs. We have covered here issues around the condition of the property, carpeting and furnishing it to make it into a home, and outlined suggestions emerging from this research that could potentially make a difference to housing association tenants. Tenants in one of the focus groups put forward the idea of *'a minimum standard for a home – that you will have painted walls and some kind of flooring … somewhere that is clean and liveable'*. While there are implications for the moving process, resources, and potential tension between a need for a quick re-let and quality of the property, housing associations committing to providing a minimum standard of home – that is one in which there are carpets and a reasonable standard of decoration – would make a discernible difference to how tenants feel about their homes, lessen the stress of moving with 'one less thing to worry about', as well as reducing their costs.

On top of the costs associated with moving in, incoming tenants are also expected to pay advance rent. While those moving from the private rented sector might expect to receive back a deposit from their landlord, this is often withheld in practice and can be delayed, so cannot be counted on. We have shown that easing pressure on household finances would be valuable to tenants at this time, but also over the longer term, and this came across clearly in one of the tenant focus groups:

'Instead of it being a house it's being a home, but when you move into social housing you are normally at a pretty low ebb in your life. We were so grateful for what we moved into but it's a massive financial outlay on all of these things, and this then has future implications for the housing association because at some point then you can't pay your rent or you get into lots of debt or things start to go wrong, so having that at the beginning... It sounds a bit like, 'oh we want this and we want that', but it's not about that, it's about when you move in you've got nothing and just to start with something decent.'

While affordability and finances are the key focus of this research, it is also worth reiterating the interlinked broader consequences that have emerged in this chapter, for example how people feel about living in their home and the powerful emotional impact that a poor or good start can make when moving into a property. Added to this are the social implications of not having enough money - as people noted it is generally choices about food and being able to do things with children that, despite being important to households, are easiest to cut back on – highlighting the important impact that finding ways of easing stretched budgets could potentially have.

3   Help with managing large, unexpected costs and times of pressure

As shown in Chapter 1, while social rents might be relatively low, tenants in social housing are also likely to be on low incomes, especially those relying solely on working age benefits which affect peoples' living standards and their ability to make ends meet. As with many in this situation, participants in this research rarely had savings to speak of, and their ability to save was hampered by the limited leeway in their budgets. This can cause difficulties when people are faced with a large or sudden expenditure that they cannot cover outright, and families with children face particular times of high outlay such as the costs associated with Christmas which can place further pressure on budgets.

The Minimum Income Standard referred to in Chapter 1 is a measure of what people need for a minimum socially acceptable standard of living and takes account of all the costs this entails – this includes large, less regular costs. In order to calculate weekly budgets the costs of these items are spread over the lifetime given to each by the public; so for example a fridge freezer costing £180 but lasting 10 years would cost 35p a week, or (in the case of a family with children) a second hand car might cost £5000 but that's around £20 a week if it lasts for 5 years. When the entire contents of a house are added to other costed household needs including rent, bills, food, clothing, travel and social activities this provides a good indication of how much households need overall to provide this minimum living standard. However, in reality, people seldom budget in this way, and the disparity between the amount of income required to meet all of these costs, and the income that low income households have available to them makes it inevitable that some of these areas of spending will be compromised. For participants in this study, managing day to day costs was often a challenge, and many described the ongoing hard work involved in trying to balance their income and outgoings. This meant prioritising their most immediate needs, such as feeding their children and paying bills, and with not enough money to go around, budgeting for large, less regular outlays or things that just 'crop up' is problematic.

3.1   Large or difficult to manage costs - tenants' experiences

The research highlights key areas that can cause difficulty when households don't have savings or the leeway in their budgets to save – the issues that were particularly salient to tenants are funding large household goods, running a car, and costs associated with children. We briefly look here at how tenants were managing in such situations and the implications, before discussing some proposed ideas for support that emerged from the research.

- Difficulties with replacing items such as white goods, televisions or sofas were frequently raised. People didn't have the savings to buy new items straight out, their options could be limited if they had past debts and aren't able to access credit, or couldn't afford to take on any more repayment. However, when there are no other options people can end up taking on a loan or buying an item on credit, incurring high interest rates and large, sometimes unmanageable, repayments. The implications for some participants were repayments taking large proportions of their budget, accruing

thousands of pounds on credit cards, going through a debt management plan or individual voluntary arrangement (IVA) and facing bankruptcy.

- Factors that helped people meet these large unexpected needs and potential costs, included buying second hand goods for example via internet selling sites, accessing goods from charity shops or schemes, or using a budgeting loan. However, people need to know that these options exist – the mixed knowledge about and access to such resources among participants in this study highlights the need for greater information and support for tenants – a role that housing associations are well placed to provide (see Chapter 7).
- Informal support, generally family and/or a partner, played a crucial role in replacing high cost items. Direct financial support included buying a cooker or tumble dryer or paying for an item and being paid back when they could. Indirect support was also valuable to access credit: using a parent's catalogue; or a mother taking out credit on behalf of a participant who was severely in debt and had no other means to buy a fridge. However, it is important to note that not everyone has this fall back, they may not have strong networks and family members may be struggling themselves, furthermore, having to ask others for help can be difficult and put a strain on relationships.
- Going without was the other way of 'managing' when something broke. As noted in Chapter 2, this can mean being unable to cook properly or washing by hand which is especially difficult for families with children. However, this was the reality that participants in this study had experienced, and were facing, where they couldn't see how they would replace key items in the future.

Owning a vehicle has significant cost implications in terms of purchase and running costs. However, cars are an important need, especially in rural areas, for people with limited mobility and to enable people to get to work, take children to school or take part in other activities.

- Being unable to afford to replace or buy a vehicle has implications for work – someone had had to give up a job when their car broke down as they couldn't repair it or get to work without it. Another who lived in a rural area, didn't see how he could get a job until he could afford to buy a car – which at the moment was beyond reach. And where someone was unable to replace a scooter they now have to get to work using buses, costing over £60 a month in fares and taking nearly an hour each way to do a 2.5 hour shift each day.
- Financial help from family or a friend was often crucial in getting/keeping participants on the road, for example buying a car, passing on theirs, loaning the money, paying for repairs, or lending a car when necessary. Such support was enormously helpful as a broken down car can mean a sudden need for substantial sums of money which people in this research just didn't have themselves.
- A couple of participants had bought a car on finance but the repayments (£175-£200 a month) were severely impacting their budgets after their work and financial situations had changed. This was a worry, as they lived in rural areas and depended on their cars – one was concerned about not meeting the repayments and losing the car which he needed to do his job.

Families with children can face significant times of high expenditure. This includes buying secondary school uniform, school trips, and school holidays can increase costs too - if a

parent is working and needs formal childcare, and where food bills increase if children usually have free school meals. A key issue repeatedly raised by participants are the costs associated with Christmas.

- Being able to able to spread or smooth costs was helpful. One participant was paying towards holiday childcare throughout the year, and often people mentioned trying to budget for Christmas – whether saving £25 a month into a Christmas Savings Plan, a couple of pounds a week in a jar, or buying bits and bobs in charity shops in the lead up to Christmas.
- However, Christmas and the cost involved was a real worry for some. One spoke of usually being able to start buying things in advance but was really struggling this year *'I'm not looking forward to Christmas because I don't know how I'm going to do it really'*. Another whose children had birthdays around the Christmas period had mentioned to them that *'Father Christmas is skint this year'*.

3.2   Supporting tenants - potential solutions

It is in this context the research explored potential ways in which the housing association or a partner organisation could help people to manage these large outlays and times of particular financial pressure, to lessen the need for high cost credit, relying on others or going without. It is worth reiterating that suggestions outlined in the previous chapter are extremely relevant when it comes to replacing household items. Access to affordable second hand goods, or the ability to add the cost of new essential items to rent payments could help avoid large outlays and spread costs without incurring high interest rates, thus reducing the extent of initial and overall outlay, or having to manage without items for periods of time.

Two further suggestions emerged from the research that relate more broadly to helping people access low cost loans and/or to save to build up funds to deal with emergencies in a more affordable way – these are partnerships with credit unions and a 'flexible rent' scheme.

3.2.1   Partnership/signposting to a credit union – to access affordable credit and potentially save

There are existing examples of housing associations successfully partnering with credit unions to provide low cost loans to tenants. Credit unions also offer schemes or 'family loans' (based on repayments from Child Benefit) providing a loan and often including a saving element.

- There was low awareness about credit unions among participants, and very limited experience of actually using them, though experiences were generally positive where they had.
- Tenants felt credit unions were trustworthy, and could see their potential benefits. They thought it could be particularly helpful for those who cannot access other official sources of credit, provide an alternative to expensive forms of borrowing or going to 'loan sharks', and liked the idea of being able to save alongside a loan.
    - One participant who had used a family loan felt it had helped her to develop the habit of saving - she had got used to her child benefit going directly to repay her loan, and carried on paying into the credit union after the loan was paid off.

- – However, another participant had been turned down for a credit union loan and was unclear about the criteria and saving aspect involved.
- There is a clear need for raising awareness about credit unions and what they provide among tenants and signposting in a proactive way. People noted the importance of sharing such information with tenants generally – not just when they might be struggling or in contact with the housing association about, for example, rent arrears – in order that that it could facilitate saving, as well as access to a loan. Participants suggested including information in the welcome pack, or even asking tenants' permission to pass their contact details to the credit union.

3.2.2   Flexible rent scheme – as a form of saving and spreading costs

Another suggestion put forward is a scheme operated by some housing associations, which offers tenants the ability to overpay their rent when they are able to, and accrue savings which could be drawn out to use when required, for example, in times of greater expense or to deal with an unexpected cost. There was a mixed response to this idea from tenants.

- On the plus side it was seen as safe place for people's money, easy for tenants to use as they are already set up with the housing association and less tempting to dip into than if saved elsewhere. Several participants could imagine using it to save for Christmas, or for a new washing machine or carpet – a way of spreading costs which was so important for many participants.
- Some concerns about this type of scheme were raised regarding: how easy it would be for tenants to keep track of where they are if over/underpaying rent; wariness about how distinct the savings would be from their rent account; and housing associations being able to access the overpaid money if someone got into rent arrears. Also there were questions about the ethos of a housing association providing this type of service given that 'they are a landlord not a bank' and a feeling that leaving this type of service to a credit union would be preferable.
- An alternative suggestion was put forward of overpaying rent (most relevant for those whose housing benefit doesn't go directly to the housing association), building a surplus which could enable a rent 'holiday' if something came up. This is something that the housing association is already doing, encouraging tenants to get in advance with their rent although this wasn't always clear to participants. One tenant had used this to get out of a difficult situation - she had unknowingly accrued an overpayment which proved to be very useful when she had problems with benefit payments and the housing association were able to use some of the surplus towards that months' rent, so avoiding arrears and enabling her to meet other bills that month. Some tenants also noted that the two week rent break around Christmas was very helpful.

3.3   What difference might these ideas make?

3.3.1   Reduce repayments from high cost credit loans or paying over the odds for items

A key difference that would significantly help tenants budgets is if these schemes could act as alternatives to other expensive forms of credit, reducing the level of repayments that they face, and providing 'breathing space' in their budget.

- Those who had taken out loans, used overdrafts or paid for items from a catalogue were certainly aware that these methods were more costly, but felt they didn't have any other options at the time. For example using a credit union, rather than a Provident loan could have saved one participant hundreds of pounds, another felt that she'd probably paid around £100 more per item for a washing machine and tumble drier because she used a catalogue.
- Even someone using what they considered to be a 'fair lender' was paying a higher interest rate than they would have through a credit union. For example, a £500 loan over 12 months would accrue interest of £123 with a credit union compared to £197 with another 'fair lender', and £436 with a doorstep cash loan.
- The potential to save several hundred pounds overall and have lower repayments could make a huge difference as these participants had fully stretched budgets – it could ease pressure, they could potentially save money which often was a struggle, or afford things that they were going without at the moment – whether this was a few cushions, a weekly activity for the children, petrol in the car to have a trip out – these are things that can be important to people, but beyond reach for some.

3.3.2 Support saving

Participants were generally positive about support with saving – some already had their own methods of 'putting a bit by' or managed to cut back if they needed to save for something in particular. But for others it was something that they were currently not able to do. One person who felt she 'was absolutely rubbish at saving' could see the flexi rent system working for her and felt it could lessen the need to use catalogues which charged more for items, and help her accrue savings to help cope with potentially large car costs (such as MOT or breakdown). A key issue here is that where peoples' budgets were very tight, it was a question of managing week to week – keeping their heads above water was tough enough, let alone trying to save. In this context there is a real need to help people save, but in a way that doesn't impinge on their ability to meet their needs on a day to day basis. If saving could be supported in conjunction with a credit union loan, or by paying a little more with rent, there is potential that it could help people in these situations.

> 'I want to be able to save money but without not having the things that we need, which is what I am doing at the minute, I am going without to save money … and I feel like I am saving money to make sure we have got enough money for the things that we have to have.'

A few participants with children were particularly concerned about managing the expense of Christmas. Sometimes access to lower cost loans or second hand white goods would reduce their outgoings and provide more chance of saving. However, they felt that saving just a little via a flexible rent scheme could be helpful as it would be 'out of the way' and 'not easily grabbable' until they needed it. As one parent noted "*even if a pound a week, you will feel that is just a pound a week, but then at the end of the year it is £50*", which would make a difference at Christmas.

3.3.3 Less reliance on informal support

While the support of family and friends was invaluable to participants, it did not necessarily mean that people felt comfortable relying on others for help. At the same time as

appreciating the help, it can affect people's sense of independence and dignity. One participant whose father had bought her a car and paid for a cooker commented '*It would be really difficult without my dad [but] I'm fifty years old, I shouldn't be relying on my dad should I?*'. Several felt that if they were able to save, or the housing association helped with accessing second hand items, they might not have to depend on their parents so much. As one person noted '*it would make me feel more adult instead of going running to my mum all the time*'.

3.4   Conclusion

This chapter has highlighted the pressure that large or sudden outlays and times of particular high costs can bring to households who have limited savings or leeway in their budgets. Participants' experiences demonstrate how this can lead to the use of high cost credit which in turn costs people more, having to rely on others or going without. Ideas for possible support outlined here through signposting to credit unions to access lower cost loans (and potentially instigate saving), and housing association schemes to support saving could help reduce and spread costs – two important factors that would make an overall difference to people's finances and budgeting.

However, for many participants the underlying issue often related to how their overall income level compared to their outgoings, so even where people might have been meticulous budgeters, it felt to some that there just wasn't enough money to go around. The following chapters explore how support in other ways – with energy costs, digital inclusion, money advice, employment – might potentially help more broadly to ease this pressure through getting best value and reducing bills where possible, accessing everything people are entitled to and increasing income.

4   Easing the pressure of energy and water costs

Rising utility costs are a particularly pressing issue for households living on a low income, as essential bills tend to represent a greater proportion of their overall outgoings than in better-off households. Low income households are also at risk of paying a 'poverty premium' that means they end up paying more for basic services than higher-income households. In relation to energy, pre-payment meters are often used as a strategy to manage restricted finances, but tend to be more expensive than other methods of payment.

Reducing the costs of household energy can be considered from various perspectives. These include identifying ways to secure the best deals from providers; changing behaviour within the household to make energy savings; and looking at changes that can be made to dwellings to make them more energy efficient. Housing associations can potentially assist with all of these possible routes to making utility bills more affordable. Evidence has shown a number of ways in which housing associations have provided wide ranging advice to support tenants in reducing utility bills, though advisors, partner organisations, and incorporating a 'green element' to staff/tenant interactions. This research explored with tenants their thoughts about their housing association providing such help, how receptive people might be and what difference this could make.

4.1   Access to best value – participant experiences

Key factors affecting the prices consumers are charged for their energy are the tariff type, rate being charged and payment method. Participants were generally aware that they could 'shop around' or switch providers to get a better deal. Some had done this, for example using internet comparison sites, and had reduced their costs. However, others found this confusing - they didn't know how to go about it, how to work out their usage, and generally felt the process was too daunting. This meant that they often just stayed with the same provider, with some acknowledging that they probably paid too much. *'I've got no idea when it comes to people saying about switching providers. I'm with British Gas, always have been, they charge me a fortune but I don't look into it.'* Some participants had changed providers in response to a company's leaflet or felt 'pressurised' into switching by someone coming to the door, but had been let down after promised reductions did not materialise. This experience made them very wary and nervous about switching. Others spoke of friends having similar experiences. In this context there is an issue of trust, and switching can be seen as a risk. Furthermore, several participants who were in arrears (often in relation to confusion with payments, the process or a faulty meter) noted that this prevented them changing provider so their options for reducing energy charges were limited.

Some participants were paying by direct debit to get the best value tariffs, but many felt that prepayment meters were easier to manage, despite knowing that it may be costing them more. People felt that it was important to be able to budget as they used the energy rather than face a large bill. While it is possible to switch provider when using prepay and potentially get a better rate, and some participants had done this, people generally would not consider changing their payment method from a prepay meter to direct debit in order to reduce costs. Many prefer the certainty and control of prepay which is crucial when

managing on a constrained budget. Indeed, one person had ended up with significant arrears after being put onto direct debit rather than prepayment meter when she moved in. Her monthly payment had been underestimated and she could not catch up once it became clear that she was not paying enough. Participants also noted that using prepay has become much more convenient since being able to pay via a smartphone app. Being in control and knowing where you are with energy payments is important – hence changing provider or payment method could bring uncertainty – as one participant noted *'peace of mind is priceless'*.

A couple of participants in rural areas had oil heating in their property, which had significant financial implications and was a 'big worry' for them. A key issue is finding a large outlay (£260) in one go to fill the oil tank when they moved in, which was unexpected and problematic on top of other moving costs, causing real hardship. Running costs are also high, without the choice of providers to reduce costs. Participants in this situation felt that the only way to keep costs down was to restrict the use of heating and hot water (see below), due to the high price and also the added anxiety of running out of oil and the large cost of refilling the tank.

Some participants were receiving the Warm Homes Discount – a scheme providing an annual payment (of £140) towards electricity bills to certain low income households. Others were aware of it, had received it in the past but were not claiming at the moment, or hadn't heard of it at all.

Paying for water is different from energy in that there is not the choice of provider. Some participants were on water meters, which can save money depending on consumption – families with several children were not sure that a meter would be good value for them. People were not always clear about whether they paid rates or were metered, and several noted that they had no choice as a meter was in the property when they moved in. Most participants were paying between £20 and £40 a month in water bills. However, for a few households it was significantly less at around £5 per month because they were on a social tariff or low income scheme. However, most participants were not aware of such schemes[2].

4.2   Energy use and efficiency – participant experiences

Overall energy costs are ultimately linked to consumption, which in theory consumers have some control over. Participants were often acutely aware of the need to keep their energy use down. This included restricting heating – just heating one room, turning it off when children aren't around, wrapping up in blankets. Those with oil heating were also cutting back on their use of hot water to avoid heating the water tank, this included boiling water in the kettle to do the washing up, using the electric shower to fill the bath, and washing in cold water. It was seldom that people thought they could take additional measures to use less energy, and some felt that they could not really cut back any further. There are also circumstances where people feel less able to do this, for example where a child has a health condition which is exacerbated by cold. Those with smart meters often found them useful

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[2]   Participants would not all have been eligible, but low awareness (in this research and nationally (CCW, 2019)) means some of those who are eligible may be missing out.

to keep an eye on energy consumption – and some had made changes, for example changing a washing machine cycle or using it to point out to children the impact of their energy use. However, other factors related to energy consumption were felt to be out of participants control. Where participants could not afford carpets and were living with concrete floors or floorboards (see Chapter 2) it was felt to hamper energy efficiency. Old and draughty windows or inefficient heating were also mentioned, which the housing provider has direct influence over – indeed one household found that their gas bill substantially reduced after the housing association replaced the old boiler and radiators, saving around £20 per week.

4.3   Advice and support with reducing energy and water costs – potential solutions

Housing associations can support tenants in a range of ways to help with the affordability of energy and water costs: from helping people to switch to a cheaper energy provider or tariff; support them to access schemes that could save money on utility bills; offering energy saving advice, or offering discounted energy rates to tenants. Participants' response to various ideas are outlined below:

- *Support with switching.*
  The prospect of independent support and advice from the housing association to help tenants switch provider or tariff was generally welcomed, particularly by those who felt daunted by the prospect of dealing with this themselves. While some participants did not feel that they needed support, they recognised that others do. It was felt that this could help a broad range of tenants, from those moving in especially if it is their first home, to older and more vulnerable tenants who may not use the internet. However, younger and 'tech savvy' participants who had never compared providers or switched also felt it would be helpful to have someone independent to provide advice, lay out the options, and 'show you where to start'.

  > *'Like comparison sites where you find a cheaper one, it asks you what KW and I haven't got a first clue what that means. If somebody could explain that or teach people what that means it would be great. That's why people get ripped off because they don't know what they're doing'.*

  Nonetheless, there are potential barriers to get over when encouraging tenants to switch. These include tenant concerns about 'dodgy' energy providers, scepticism that a different provider will not actually save them money, and the real fear of disrupting often finely balanced budgets with different payment arrangements. Some participants were clear that they needed to remain on prepayment meters which may restrict access to some tariffs. A key issue will be building trust with tenants in order to provide reassurance.

- *Accessing low income tariffs.*
  Participants strongly felt that the housing association should provide information and signposting to tenants about low income schemes. There was patchy knowledge about the Warm Homes Discount on energy bills, and even less known about water

company low income or social tariffs which, subject to eligibility, can significantly reduce water bills. Given low awareness among participants and the potential savings involved (£140 a year on electricity and one participant had saved £276 a year on their water bill), it is an area that could make a big difference to tenants. Furthermore, it could appear more straightforward and less daunting than switching energy providers for example, if people could envisage a discernible saving.

- *Support and information for tenants with oil heating*
  Participants with oil heating felt that the housing association could do a lot more to support the specific issues that this brings, especially for new tenants who are unlikely to have had this type of heating before. First is the need for clear information before a tenant moves in, so that they are aware the property has oil heating, potential costs involved, and how to use it as efficiently as possible – which they felt very unsure about '*I don't know how much I am using, how much it is, I just feel like I am blind with how much I need to save as well for the winter*'. Second, is support with costs where there is a need for information about: any choice of provider; if they can spread cost; whether there are local schemes for oil users to share delivery costs and access to discounted rates. One participant had recently got her oil more cheaply through an 'oil club', but had been made aware of this by her neighbours rather than by the housing association, whereas another participant who had recently moved into an area had yet to establish local networks and would have welcomed the housing association's help to access such a scheme.

- *Support with energy efficiency – an 'energy efficiency check'.*
  While some participants were open to advice about reducing energy consumption, people's reaction was often that they had already cut back as much as they could. However, participants identified that a useful area of support would be around getting the most efficient use of heating and hot water systems. This could include advice about how best to use the boiler and thermostat, the settings and timer etc, and also checking that radiators were working properly. Tenants felt that this should be explained when tenants move in and made part of the hand over process – rather than being left to 'figure it out' themselves. Indeed, a couple of participants who had by chance asked about this during a repair or safety check had (after a brief explanation) realised that they had not been using their systems properly for years. In order to maintain efficiency, and help existing tenants, it was suggested that this 'energy check' could be incorporated into tenants' annual gas safety check – extending the service and visit already taking place. Participants were very receptive to this idea as it had the added benefit of not requiring separate arrangements for another visit.

- *Discounted rates*
  There was mixed response to the idea of the housing association partnering with an energy company to provide discounted rates for tenants. While some participants were very positive about the idea, and were receptive to it being offered by the housing association, others had reservations. One influencing factor was the level of trust participants had in either energy providers or the housing association (with bad experiences putting them off both). Other concerns were whether partnering with a

particular company would compromise impartiality if offering advice about switching provider, or whether any discounted rate would always remain best value and competitive.

4.4   Delivery and tenant engagement – participant views and suggestions

Evidence from existing energy cost saving schemes rolled out by some housing providers shows that tenant engagement is strongly linked to their success but that it needs to be a continuous process to reinforce messages. Participants in our study also reflected on issues that relate to the delivery of potential schemes and the engagement of tenants.

There was support for an individualised approach to providing support. Switching in particular was seen as complex and could require personalised support, depending on the extent to which the housing association needs to advise tenants how to do this themselves or support people more directly with the process. Furthermore, any energy efficiency check would also need to be tailored to an individual's property and usage. As such, participants felt that face to face options should be available. Personalised support in the form of liaison with energy providers could also be helpful for some participants who were experiencing arrears and difficulties in communicating with the provider. A few stressed that support should be an option offered to all tenants so people could accept help if they wanted it, but not feel pushed – the idea of being 'told' to do something was seen as counterproductive.

The importance of providing thorough explanation was also stressed, from physically showing someone how to use their heating, to providing examples of how much someone might save through switching or a low income scheme, per week, month and year. Participants felt that people would be more engaged if they could envisage the amounts involved and what it could mean to them. For example, when discussing this one participant supposed that if it was £150 a year it could mean taking the children out for the day which they can't currently do - 'our kids haven't seen the sea this year'.

> *'If they had somebody that understood that and broke it down in English to other people, make it simple terms and then say 'Well you're actually spending £20 a week and you could be spending £10 a week if you switch providers to this person'. You're going to say 'OK''.*

While support with advice and explanation about energy use and costs was seen as vital when people move in, participants also felt that it was important to provide ongoing options for support. They suggested that housing association staff across the organisation could be involved in promoting energy cost saving measures, and supported training all staff who come into contact with tenants, rather than designating specific staff to the roles (as energy advisors or 'champions'). This reflects an approach taken by some housing associations who incorporated a 'green' element into staff visits with residents.

4.5   Conclusion

The Minimum Income Standard budgets are calculated on the basis that people have enough in their budget to adequately heat their home. When comparing our participants actual spending on energy to the MIS allowance for a household of similar size, it was apparent that while some were spending similar amounts, others were paying more – considerably more where they had oil heating. One factor might be the use of prepayment meters, and support to access a better value tariff (regardless of payment method) could help reduce costs. Furthermore, access to low income schemes could significantly ease the amount spent on energy or water for some tenants. For many, their way to keep costs down was to cut back, particularly on heating and hot water. So even where people might have been spending amounts similar to MIS, it may be questionable whether this is acceptable if, for example, they are sitting wrapped in a duvet to keep warm or washing in cold water for fear of using their energy supply. In this context, the ideas put forward here have potential to save tenants money, ease budgets, and help avoid potential arrears. This could free up money for other things that they cannot afford or allow them to save, to build up a 'cushion' (see Chapter 3). Furthermore, it could mean that they may not feel they have to minimise their energy use to the extent that some people were, resulting in a more comfortable living environment.

Housing associations have significant potential to support tenants in this area, and the ideas put forward and supported by tenants, in the main do not require massive changes. Indeed knowledge about how to switch, low income tariffs, and how to use a heating system effectively, is already embedded within the organisation. However, the key issue is how to get this across, or at least offer it, to all tenants – not just those who might be receiving specific support from the housing association already, for example with the money advice service if in rent arrears (see Chapter 6 and 7). The experiences and views of participants in this study highlight the need for proactive support in this area which, with sufficient time and resource the housing association could be well placed to provide. This would help tenants with affordability of energy, and more broadly.

5   Support with digital inclusion

Being able to participate in the world around you, and feeling included, is a critical component of what is seen as a minimum living standard by the public (Davis et al., 2018). Making ends meet in order to cover your minimum essential material needs is clearly crucial for survival, but as highlighted in Chapter 2, one of the perhaps unexpected consequences of, for example, not having flooring throughout one's home, is the impact that this has on social participation. In a world where social participation is increasingly about being online as much as it is about being 'offline', digital inclusion has increased in importance. Before looking at the experiences of the participants in this research, and at what housing associations could do to support digital inclusion amongst their tenants, it is worth briefly exploring what digital inclusion means. Digital inclusion is usually taken to refer to some combination of digital skills (having the necessary skills to use digital devices), connectivity (having access to the internet) and accessibility (digital services being designed to meet the needs of all users). There are a number of potential barriers to digital inclusion (see DCMS, 2017) which can affect the extent to which individuals feel excluded. Firstly, *access* – not everyone is currently able to get online or connect to the internet; second, *skills* – not everyone has the necessary skills to use the internet or online services; third, *confidence* – some people do not trust the online world or don't know where to start; and finally, *motivation* – not everyone can see a reason to be online or how and why the internet might be useful to them. Although 87% of adults use the internet daily in 2019 (ONS, 2019), research by Lloyds (2019) suggests that there are 4.1 million people who are currently 'offline' in the UK, and that around half are in low income households, and other research (Cabinet Office, 2014) suggests that a substantial proportion of those who are digitally excluded are living in social housing. A variety of specific digital inclusion interventions have been employed by housing associations, sometimes in conjunction with an external partner with expertise in digital strategies. This includes one to one and group support, staff or volunteers trained to be 'digital champions', and access to free or low cost broadband. We now look at the experiences of participants in this research about their digital needs and their views about the potential role that their housing association could play.

Even among participants in this research who were online users, it was clear that some encountered one or more barriers to digital inclusion to varying degrees. The value of the internet and of being able to do things online was acknowledged by most participants. The ideas for potential support from housing associations that emerged from this research were focused principally around access, skills and confidence.

5.1   Navigating the digital world – participant experiences

Navigating the online world is something that many participants in this research were comfortable doing[3]. They were either what has been described as 'digital first' or 'digitally competent' (see Lloyds, 2019), meaning that digital is the principle means of accessing services or engaging with the world, or that they are using digital routinely but may still be using more 'traditional' ways of getting in touch with organisations and services such as the telephone. Participants were using smartphone apps for a wide range of purposes: to access banking, to track their Universal Credit accounts, to manage home energy accounts (including making online payments), buying and selling things through Facebook marketplace or eBay, and to access forums and sites for getting deals or discounts. Some participants noted that the emergence of online banking and banking apps had had a significant positive impact on their ability to budget and keep track of payments into and out of their accounts. Alongside these functional uses of digital, some participants were also engaged in the online world for more social reasons, pointing to the importance of digital skills not just for accessing services, but also for social inclusion.

However, not all participants described themselves as 'tech savvy' or 'computer literate' and reported that this can at times lead to problems with, for example, claiming benefits, paying bills, job searching and applications, accessing banking, getting better deals for home energy and other costs as well as keeping track of rent payments. For participants who were less confident navigating the digital world, there is a risk that there may be financial consequences: for example, energy providers increasingly ask for meter readings to be submitted online and where this is not possible, make an estimate of energy usage which could result in increases in direct debits. In some cases, the lack of engagement with online services was related to the particular additional needs that participants may have which are not accommodated through apps or websites. Text based engagement such as email, can be difficult for some people, for example those with dyslexia. Some participants were online for more social uses, but were unwilling or unable to access other services, particularly those involving money. For these participants the barriers to digital inclusion were less about skills and more about a lack of confidence in the security of services such as online banking and the protections in place to make sure that other people are not able to access their money. Concerns over scams and being hacked can be a significant barrier to greater involvement in the digital world.

5.1.1   Advice and support with digital skills – potential solutions

Participants recognised that services are increasingly moving online and that some people will need support in order to be able to navigate and use these. Although some 'tech savvy' participants did not themselves feel the need for help it was acknowledged that it would be useful for people who need it. There was support for the idea of housing associations either providing additional advice and support with digital skills or signposting to organisations who already provide this kind of support and assistance. This was particularly welcomed by participants who themselves felt they would benefit from such support, in one case someone who had been trying unsuccessfully to get help with digital skills. There were some specific suggestions as to how this might work best:

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[3]   The participants in this research were working age and some were recruited using digital methods.

- *One-to-one support*
  Some participants felt that support and advice in developing both digital skills and confidence would be best delivered face-to-face on an individual basis, centred around the needs of individual tenants rather than through more general training or advice. This kind of tailored support would be able to respond more usefully and appropriately to particular barriers that individuals may face. Some suggested that hands-on support, showing individuals how to do a range of useful tasks online, such as sending emails, using online Universal Credit accounts, managing home energy accounts, and using the housing association's 'my account' facility to check rent status would be most useful. Some participants saw this as part of an expanded/new role for all frontline staff who have regular contact with tenants, and who could provide support and advice based on an understanding of what is needed. Others saw this as a separate role.

- *Signposting to support and advice*
  Not all participants felt that this is a service that housing associations should provide directly, but did feel that they could do more to support their tenants in accessing this support from other organisations who they thought might be better placed to provide it. This signposting could happen through welcome packs when tenants first take on a property, through regular communications from housing associations or as a result of a knowledge of tenants held by housing officers. It was felt by some participants that housing associations could be more proactive in identifying who needs to be supported to become digitally competent and signposting them to support.

- *Drop-in sessions*
  Local drop-in sessions could also provide a means through which tenants are able to either access support directly or be signposted to support and advice. Digital support and advice could be provided alongside advice and information on other areas, as noted in Chapters 2, 4 and 6.

5.2   Accessing the digital world – participant experiences

For some participants, the principal barrier to being digitally included is a lack of access rather than a lack of skills or confidence in navigating the digital world. Many participants were able to access the internet through their smartphones, as well as using these for banking, paying home energy bills and monitoring Universal Credit. However, participants noted that although it is possible now to do many things on a smartphone, some tasks are more straightforward to do on a larger screen, and some skills – transferable into employment – are easier to practice and develop on a laptop or tablet rather than a phone. Participants were aware of other ways of accessing a 'proper' computer – such as at the local library – but these were not open to all tenants, particularly those in more rural areas. Some spoke of the importance of their children being able to access a computer in the home in order to complete homework, with the alternative being using computers in public spaces, at a relative's house, or going in early/staying later after school. Participants who were studying also found it difficult to manage college work when they had no laptop at home. The importance of having a computer or tablet in the house was occasionally

questioned. However, overriding view of participants in this research reflects the broader public agreement that being able to have a computer is an essential part of a minimum socially acceptable standard of living for all households in the UK – working age, pensioner, and both with and without children (Davis et al., 2018) – as is a broadband connection.

While some participants did have laptops or tablets through which to access digital services, some reported that this was something that there were currently unable to afford, and that this was not a priority compared to other elements of a constrained budget. Where participants had a computer, the cost of updating this and/or replacing or repairing it if something went wrong with it was a concern.

The 'hardware' with which to access the digital world is clearly critically important, but access also relates to the availability and affordability of broadband. Many participants did have broadband within the home, but this is often a significant proportion of weekly outgoings, particularly for households on low incomes. Other participants were unable to afford broadband and relied on their mobile phone data for digital access. Conversely others prioritised the importance of broadband, in that having Wi-fi meant less need for mobile data, and reduced their mobile phone costs. Some participants felt that broadband was an unjustifiable expense and not a priority, while others felt that this enabled them to be connected to the world and feel included.

5.2.1   Meeting digital inclusion needs – potential solutions

Access is a barrier to digital inclusion that many participants felt housing associations could help to address. Two suggestions as to how housing associations could help their tenants to meet their digital needs emerged from the research: recycling IT equipment and discounted access to broadband for tenants.

- *IT equipment recycling scheme*
  This idea was about recycling/reusing IT equipment from the housing association that would otherwise be discarded. It would principally involve laptops and desktop computers, but could include the recycling of mobile phones and tablets. Participants were largely positive about this potential suggestion. Some felt that this would be particularly beneficial for households with school aged children, but more generally thought that this could help those currently excluded to be included. Participants did raise some key questions about how this scheme would work:
  - *Eligibility for the scheme* – participants expressed a range of views regarding who should be eligible for support through such a scheme. Some felt that this should just be for those on low incomes or whose principal source of income is social security benefits, with eligibility determined through a means test, as these are the households least able to afford to buy a computer. Some felt that there should be an application process in which tenants present a case for why they need, for example, a laptop, while other participants felt that this should be open to all of housing association tenants.
  - *Would there be a cost?* – Some participants who were supportive of this idea, noted that they would be happy to pay a small amount – relative to the cost of a new laptop, for example – which could help to pay for administering the

scheme. Others stated that they would be happy to pay a small amount in order to guarantee that the laptop or device was 'fit for purpose'.

- – *Guarantees about the reliability of equipment* – some participants were more sceptical of the value of such a scheme, particularly if equipment was old and where this meant it could not run the latest software.
- – *Range of equipment available* – while the principal interest was in computers, some participants noted that other IT equipment such as printers could be included.
- – *Support for use of equipment* – some participants felt that this scheme would only work to improve digital inclusion if it was combined with support and advice on how to use the equipment through the kinds of solutions set out in the previous section.

- • *Discounted broadband through housing association partnership with broadband provider*
  This potential solution to digital exclusion was about providing reduced cost broadband to housing association tenants, through a deal negotiated between the association and a broadband provider. Some participants felt this was a good idea, could help to both get more people online and to cut costs for some households, and could be beneficial, particularly if it resulted in faster connections in rural areas. There was some scepticism as to how this would work in practice. Some participants felt that a housing association pointing tenants to one provider was problematic and that it would be preferable to support individual tenants through raising awareness about how to get the best deal or compare their current deal to what other providers offer, while some commented that providing discounted broadband was not the role of a housing association.

5.3   Digital access and interaction with housing associations – participant experiences

For those participants who are already comfortable with digital, interactions with the housing association took a range of different forms, including through their website. However, participants had a range of experiences of accessing and using the housing association website in order to, for example, check their rent account, pay their rent or report a problem with their property. Some participants were unaware of the individual tenant section of the housing association website and consequently had never accessed this, and seldom used the website itself. Other participants, including those who were 'tech savvy', had had problems logging in to their accounts and so had given up, resorting to more 'traditional' routes of communication, such as the telephone. Some participants had used the 'my account' section of the website to report repairs that needed undertaking in their properties and to pay their rent and felt able to navigate the site to find what they were looking for. Some noted that reporting repairs through the website was straightforward and had generally resulted in a swift response; others had found this to be a frustrating and time consuming system, with reports of repairs disappearing into the 'ether' and eliciting no response or action, which meant that they had to spend time on the phone to the housing

association to report these. There was a broad agreement that the website and digital access to the housing association could be improved.

5.3.1   Housing association Apps – potential solutions

The idea of housing associations having an App which tenants could access via their mobile phones was one that received broad support from participants. It was felt that this would have a positive impact on the ease of communication between tenants and housing providers, and would also potentially improve the service received by tenants. Enthusiasm for an App was not limited to those participants who were comfortable with digital; some of those who described themselves as not 'tech savvy' were keen on an App, as these are often more straightforward to access and navigate than websites or using email. Participants identified a number of key features that they would find useful in an App.

- An instant messaging or live chat service would facilitate communication between the housing association and tenants. Participants felt that this would have a positive effect on the relationship between housing provider and tenant and would mean, for example, that tenants were able to get an answer to questions in a timely manner, rather than having to wait for a response to an email, or to get through on the phone. Some participants noted that they may be more likely to seek help from their housing association if they could communicate with them in this way. In order for this to work practically the scope of what could be covered on live chat may need to be controlled, but participants were clear that this would be a valued feature of any App.

- Being able to check rent accounts on the App was something that participants thought would be particularly valuable. Some participants felt that being able to have instant and easy access to their rent account could help with budgeting and would enable them to see where they are with rent, possibly pre-empting problems with paying rent.

- The App could provide a way of making and keeping track of appointments for repairs, or other services, and through which the housing association could let tenants know about any problems with meeting appointments.

- Some participants suggested that the App could be a means through which the housing association could share information about the other services that they are available to tenants, such as money advice. Participants noted that being able to link from this information to the service itself would be beneficial and might mean that more people seek help with, for example, financial problems – sending a message via an App to request help and support is less daunting than having to phone up and ask for help. As one participant put it, it would help people reach out rather than burying their head in the sand.

5.4   Conclusion

This chapter has drawn attention to the range of experiences amongst participants with regard to digital inclusion and digital access to their housing association. While many were active users of digital, some currently lack the skills, confidence and/or 'hardware' through which to access the digital world. The solutions suggested here could have a positive impact for tenants in terms of increasing digital inclusion, which in turn may give them more control over budgeting, enabling them to access online banking or to manage home energy accounts online. Greater digital inclusion amongst tenants could also result in individuals

accessing better deals across a range of household areas. Each of the solutions here could have a positive impact: providing support and advice for those tenants currently not digitally active could enable these individuals to access services they are currently excluded from; providing the 'hardware' through which individuals access the digital world could improve levels of social participation, but also help with, for example, finding employment or accessing training opportunities; building bespoke housing association apps could enable tenants to have greater control over their rent payments, more quickly access support and advice and report repairs easily.

6   Money advice and employment support

In contrast to previous chapters that have explored different ways in which the housing association might support tenants, this chapter focusses on services that are already provided by the housing association – money advice and employment and training support. These types of services are well established within housing associations – although the nature and extent of provision will vary – but are of relevance to social housing tenants, many of whom are likely to be in low-paid work, unemployed or economically inactive, hence on low incomes and/or reliant on state support and therefore more vulnerable to problems relating to, for example, precarious work and benefit changes.

This chapter looks at the experiences of participants with regard to receiving money advice and support, and support towards and into employment[4], and also at how people's needs for support in these areas could be more effectively met, including ways in which awareness of the support and advice currently available from the housing association could be raised.

6.1   Money Advice

As other chapters in this report have highlighted, many participants in this research have at times found themselves in financial difficulties, often linked to the ongoing challenge of making ends meet on a low income: large unexpected costs or budget pressures at particular times of year can result in people having to resort to high cost credit and potential debt, or lead to accruing rent arrears or getting behind with other household bills. There are challenges linked to navigating the benefits system, managing Universal Credit payments, and ensuring that individuals are aware of, and are claiming, all of the support through the social security system that they are entitled to. In these circumstances, there is a clear role for a money advice service, whether or not this is offered by the housing association or by an external provider.

Housing associations' money advice services vary in the scale and scope of support but key features include helping households to better manage their finances, support with budgeting and saving money, information and advice on benefits, debt advice and providing information on affordable financial products. The ways in which this support and advice are delivered can range from individualised support, to group workshops or through online resources and providing support through partnerships with other organisations.

6.1.1   Money advice – participants experiences
Some participants had had positive experiences of using the money advice service. This included signposting or help in applying for Discretionary Housing Payments (DHP) which they wouldn't have otherwise known about, and made a tangible difference to their finances. Another had been given a foodbank voucher when experiencing a gap in income. In some cases telephone or face-to-face support with budgeting and advice on where reductions could be made in outgoings had been valuable. Participants noted the thoroughness of the approach, how it had made them stop and think, and in some cases

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[4]   Since this research took place there have been procedural changes in both services, in particular in the set up and access to Money Advice Service.

make changes, for example to where and how they shop. Several also commented on the manner of the advisor, welcoming a 'non-judgemental' approach. Those who had received follow up contact and support really appreciated this aspect of the service.

One participant's experience highlights the value that these aspects of support can make when a change in circumstances had suddenly reduced her benefits income. This had led to difficulty with paying her rent and she was referred by the incomes team for a phone appointment with a money advisor. Up until this point she was not aware of the existence of the money advice team, but noted that '*they are brilliant, they are so understanding, and really did help me*'. The advisor spent time working through her budget and checking income and outgoings. They also helped with her rent arrears, housing benefit issues and to access a Discretionary Housing Payment (DHP). What was particularly valuable for her was the support she received, but also the practical help, with the money advice team liaising with other organisations on her behalf and checking that she was doing all she needed to do to claim what she was entitled to. The money advice team also followed up with her after a few weeks.

Less positive experiences related to delays in the service between first contact and being offered an appointment with a money advisor. In some instances the urgency of the situation (being without income and unable to pay rent and other outgoings) meant that they had to seek help elsewhere, such as the Citizens Advice Bureau or Jobcentre. Some other participants felt that the contact they had had with the money advice service had not necessarily been of any significant benefit. For some this was a consequence of the core of their money problems being a lack of income rather than, for example, unmanageable debts, 'poor' budgeting or excessive spending. There was a feeling that in these circumstances there was often little that a money advice service could do to support and help tenants. Some would have valued more constructive and practical advice rather than 'textbook' audits of income and expenditure – this could focus on, for example, *how* to save money on energy costs, how to access and use credit unions, or how to check that you are receiving all of the support you are eligible for. Others saw this kind of service as being best delivered by someone other than their housing association, such as professional organisations who specialise in, for example, debt advice or benefit checks.

While there was fairly high awareness among participants interviewed in this research that the housing association offered a money advice service, unless they had accessed it they did not necessarily have a full understanding about the extent of support it could provide. Once explained, some participants felt that it could have been, or might in the future be, useful for them. This links to how tenants access the service. Participants in this research had generally been in contact with the service as a result of financial difficulty, loss of income, problems with benefits, moving onto Universal Credit which affected their ability to pay their rent. They had been put through to the money advice team by the incomes team – who focus on ensuring tenants are paying their rent – rather than proactively seeking out support and advice with regard to money.

Overall, this was a service which many participants viewed as important, felt that housing associations could usefully provide, or continue to provide, and which could potentially benefit a wider range of tenants.

6.2   Employment support

Advice and support for tenants on training opportunities, education and getting into employment has the potential to make a significant difference for some, not just financially in terms of having a positive impact on incomes, but also in terms of emotional well-being, self-esteem and mental health. Housing associations can play a key role in helping tenants find or move towards work and services include assistance with identifying potential sources of work, support with coaching in interview skills and careers advice to assistance with online job searching, training opportunities, and support with grants and funding.

6.2.1   Employability services – participants experiences

Participants in this research had a range of different work-histories and trajectories, and some are and will continue to be unable to work for a number of reasons. But there are also participants for whom support and advice on employment and training could make a significant positive difference.

Few of the participants in this research were aware that the housing association offered an employability service or that they could access help and advice with, for example, returning to work, finding new or different employment, and accessing training opportunities. This experience was reinforced through the interviews with housing association staff who noted that awareness of what was currently on offer was low, with most people being referred to the employability service through other housing association teams or the Jobcentre, rather than approaching the service directly. It was suggested that a shift in emphasis and a broader focus on helping individuals for example with skills and confidence that could be useful in life in general, rather than just getting into work may help with engaging more tenants.

While many participants were unaware of the service, there was broad support for an employment service and tenants were generally receptive to the idea of this kind of support bring provided by their housing association. Further, several participants were clear that this service is something that they would readily use, and one that would be of significant value to them in their current circumstances. Particular support needs identified by tenants included help for lone parents to get back into work, support for setting-up in self-employment and building a customer base, help with 'changing direction' and specialist retraining in particular areas. One participant, who had been out of employment for over fifteen years due to health problems, was unaware of what was currently on offer through their housing association. They thought that focused support in helping them to find the 'right work' – work that they were able to do – would be very beneficial, as would more general support and advice with, for example, writing a CV or filling in a job application.

Participants who had received support from the employability service had had mixed experiences.

Positively, one participant had got onto a course in construction via the housing association employment service and felt that the support he received was 'brilliant', with the advisor 'chasing him all the way' to make sure that this happened. The advisor had provided a lot of information about available courses and training opportunities and had helped him get onto

the specific course and apply for funding for this. The outcome of this support and subsequent training is that he is now qualified, looking ahead to earning more and eventually 'getting off benefits'.

One participant had been supported into training to become a teaching assistant, and while this had been beneficial, she felt there was only so much they could do and that other circumstances were impacting on her employment options. Another had been referred to the employment service by the incomes team when in rent arrears. However, she was facing eviction and had 'too much mentally going on' to take on more employment at that time. However, while this was not the kind of support she needed at the time, she did see the value in this service and would consider accessing this kind of service under different circumstances. These examples illustrate the importance of employment support and advice being delivered at the 'right time' and shaped by realistic expectations of what tenants are able to do in terms working, accessing training or continuing education.

6.3   Money advice and employment support – potential improvements

Participants generally felt that money advice and support is something that housing associations should offer, and while many were surprised that the housing association could provide support with employment, it was seen as potentially valuable service. Reflecting participants' experiences are some specific suggestions about how current provision could be improved – these relate less to the content, which generally participants were positive about, than to issues around delivery and access:

- *Building in and focusing on proactive support for tenants*
  Participants noted that money advice and support was likely to be of greater benefit before rather than during a 'crisis'. Ensuring that tenants who want and need support are receiving this before they reach the point of desperation would strengthen existing provision. This relates, not only to making sure tenants know that the service is available (see below), but also 'knowing' tenants so that proactive support can be offered. Furthermore, tenants may not be in rent arrears (and being flagged up for money advice by incomes teams) but may still be struggling in other areas. This is particularly the case for those whose Housing Benefit or Universal Credit housing element covers all their rent and is paid straight to the housing association. Proactive support would help avoid the potential problems caused by any wait for an appointment.

- *Easier and direct access to the money advice team*
  Participants were clear that being able to contact the money advice team directly rather than through the housing association switchboard was preferable. This was in part because contacting through the switch board could mean having to explain the same situation to multiple people, which could put people off seeking support. As well as having direct access, having a single point of contact for future advice and support would help in being able to offer proactive support to tenants.

- *Offering a range of different delivery options*
  Some participants are happy discussing their financial circumstances on the telephone, for others face-to-face contact is preferable, while 'webchat' or something similar would be more appropriate for some people. Having this flexibility within the

money advice service on offer may result in greater engagement of a wider range of tenants who would benefit from this advice and support. Those who had engaged with the employment service had valued the in-depth face to face contact they had received.

- *Raising awareness of the service and what it does*
  Services are only of use if tenants know about what is on offer and how to access them. Lack of awareness about even the existence of the service was an issue in particular for employment support – something also noted among other housing associations (Acis Group, 2018). Many participants were (pleasantly) surprised to be told about it during the research interview. This could be partly explained by participants not associating this type of service with the organisation that they rent their property from.

  > *'I don't know if that is within what I would expect from them though, as a housing company whether I would expect them to help me find a job, I mean if they were able to then that would be marvellous, I mean how good is that?'*

  However, housing associations also need to make sure that their tenants know *how* these services are able to help. It was felt by participants that the content of the message was as critical as the medium; that is, people not only need reminding that a service exists, but need to know what it can provide, and what difference it can potentially make to them. It needs to be clear that the service is about helping and supporting individuals rather than being something they feel compelled to 'receive'.

6.4   Conclusion

Proactive support for those who are struggling financially has the potential to impact positively on households' ability to make ends meet and on their ability to maintain rent payments, and support with money advice and employment support are two key areas where housing associations are well placed to support tenants. There was broad support among participants for the continued provision of money advice and support for tenants seeking employment or training.

Support with managing finances, benefit entitlements and debt advice is about more than just reactive 'firefighting', and employment support can have long term consequences. As reflected in the participant experiences of money advice, there was broad agreement that money advice should not focus on one particular 'problem', but that advice and support across a range of areas was most useful. Likewise, participants identified a wide range of needs and interest in employment support.

The timing of advice and support is critical. Money advice would be beneficial before people hit a 'crisis point' and are facing rent arrears. Furthermore, tenants would benefit from money advice support in broader ways to help with general affordability and to help ease budgets, which in turn can potentially help avoid getting into debt or arrears. Employment support also has to be delivered at the 'right time', taking account of a myriad of other factors that are affecting peoples' lives.

The key issue for both of these services is raising tenant awareness. This is particularly so for the employment service as tenants do not necessarily think of this as something likely to be offered by their housing provider. This means not just informing tenants that the service exists, but making it clear what it entails and importantly how it can help.

7   Communication and knowledge sharing

This chapter brings together some overarching themes around sharing knowledge and communication between the housing association and their tenants – whether about the services already provided by the housing association, signposting to other providers, or looking ahead to any potential new services that may be introduced. Interlinked to this is the relationship between the housing association and tenants, and we draw out some key themes arising from participants' thoughts about the importance of building a relationship with their housing provider.

7.1   Sharing information about services and support provided by the housing association and other organisations - what do tenants want?

Services are only of use if tenants know about what is on offer and how to access them. There was a general sense among participants in this research that the housing association could communicate with its tenants more effectively – put simply they wanted to know what services and support are available to them, what they do, and how they can help you as a tenant.

As noted throughout this report, participants had mixed knowledge, both about the support that the housing association can provide itself, or services available from other organisations in their area. This highlights potential gaps in meeting tenants' needs, for example in this research: some participants had been struggling to get into employment but didn't know that support might be available through their housing association; people were dealing with large repayments on high cost credit but weren't aware of other options such as local charities providing second hand essential items, or the credit union for more affordable loans. Information about such services could potentially make a difference to tenants' financial situation in both the short and longer term. Indeed, this was the case where participants had received support from the housing association, such as accessing a Discretionary Housing Payment or food bank voucher, help dealing with benefits, or support with training. Interviews with housing association staff highlighted the vast knowledge that they hold about the myriad of services and schemes that they come across. Participants agreed that raising awareness about what is available to tenants was important, and were very receptive to receiving information, whether about the housing association's own services, or signposting to access other organisations or support. A key issue therefore is improving ways in which such information is shared with tenants to enable and improve access to any available support.

7.1.1   Clarity about how a service can help

Participants stressed that the content of the 'message' was critical to tenant engagement - it needs to be clear that the service is about helping and supporting individuals. Participants wanted to know *how* various services could help them and *what difference* they could make to their particular circumstances- 'what they can do for you'. There is a need to get this message across in any communication alongside reminders about the existence of the service. They felt that it would be helpful if reminders of services emphasised that the housing association wants to support its tenants and help them to improve their

circumstances – to get across to tenants that they care about their residents not just the property – rather than simply letting people know what is available.

7.1.2   Relevant and local information

A recurring theme among participants was that information has to be 'relevant' to tenants. This particularly related to being unimpressed by 'corporate' style newsletters about what the company was doing or organisational statistics which people did not relate to, rather they wanted to receive information that they felt more directly applied to them. When thinking about signposting to other organisations, participants stressed the need for information about *local* services or charities, in order for it to be relevant and accessible to them. This is something to bear in mind for large housing associations covering wide geographical areas, in that for example a broad brush mail out may not be as useful as more tailored local information. An idea repeatedly put forward was a booklet or one page leaflet containing clear lists of local useful sources of support and contact details, that people could refer to if they need it. While the housing association website had seldom been drawn on by participants it was still seen as a potential source of information – but again, would depend on having clear, easily accessible and relevant content.

7.1.3   Information when moving in and for the future

The moving in stage was seen as a vital time to share information with tenants - in the welcome pack and in person. This could include information about support and services that they might need at that point in time, such as with furnishing their property, energy providers, money advice or access to low cost loans, but also other services that they might want to draw on later, for example with employment support or help with digital skills. As noted in Chapter 2, it was felt that more time could be spent at this stage sharing information, both in person and in formats that tenants could refer to later. The importance of reiterating this information in various ways (see below), to regularly remind tenants about what was on offer was also stressed, not only as there was a lot to take in at the moving in point, but also because peoples' situations can change, along with their need for support.

While participants in this research lacked awareness about some of their housing association's current support this is also an issue for other housing associations (Acis Group, 2018). It was noted by staff in this research, and other housing providers (Clarion, 2019) that keeping tenants informed through marketing might have been affected by changes in data protection law, so ways to increase awareness need to be found within the General Data Protection Regulation (GDPR).

7.2   Sharing information and supporting tenants – methods of communication and delivery

7.2.1   The need for an individualised and proactive approach

Communication needs multiple approaches. A clear message from participants in this research is that people have different needs and preferences, and there is no one size fits all. The difficulty for housing associations in getting across memorable information was recognised, and agreement that tenants need to be offered a choice about what best suits

them. The need to continually remind tenants what support is available is important in ensuring that people are well-informed, and participants had a range of ideas about what could help. This includes current methods of postal and electronic newsletters or mails outs which some participants received while others did not recollect. These were welcomed or ignored to various degrees. Reminders could also be included when other messages are sent out from the housing association, for example, in relation to repairs. Another idea (relating to the time it sometimes took to get through by telephone) was 'plugging' these services via a recorded message while tenants are on hold when phoning their housing association. The development of individual housing association Apps was discussed in Chapter 5 and participants felt that this was a key means through which tenants could be reminded about the services available and through which they should be able to access these directly. The idea of a courtesy contact every so often was also suggested, whether by telephone or text – asking tenants how things are going and reminding them of the support and services available should they need it. The crucial issue is the need for a proactive approach to get information through to tenants on a regular basis, so that if or when they need support, they have relevant information to hand, and confidence to make contact, rather than finding out at the point of crisis, for example when struggling with rent arrears.

7.2.2   Importance of face to face contact

While there was strong support for digital communication in particular an App, a key message coming from participants was that this must go alongside other means to include those who are not online, and but also because tenants still want and need to be able to speak to and see someone. The importance of face to face contact was reiterated by participants throughout the research - in terms of dealing with the housing association generally, in relation to housing issues and the delivery of specific services such as money advice or employment support. This reflects evidence from other schemes noting that face to face, personalised support is received positively by tenants, particularly where intensive support is provided (Wilson et al., 2015). Participants spoke of the benefits of face to face contact as being more personal, some tenants find it hard to talk on the phone, and it would be especially helpful for more 'hands on' support, for example with digital access, help to get on line, access rent accounts or comparing energy costs. It was felt that home visits could be useful (particularly if related to matters that people would prefer to discuss in private) or drop in sessions, especially for those who don't drive and/or live in more rural areas – with suggestions for using local community venues. This could fit in where staff are 'agile working' and not necessarily based in a specific location, so could be available at certain times making local face to face contact more easily accessible for tenants. A key aspect of face to face contact was that it would help build a relationship with staff and the housing association more generally, which was reiterated as an important need for tenants.

7.3   Building a relationship

The relationship between the provider of social housing and their tenants has been identified as a key factor in determining the effectiveness of initiatives, yet is not always straightforward to achieve, for example other research has found that residents can view housing association staff as 'managers and enforcers rather than supporters and enablers' (Power et al., 2012). In this research, participants repeatedly raised the importance of the

need to establish and build a relationship between tenants and the housing association – it was a key issue that related to discussions on most of the proposed ideas outlined in this report. However, it was something that for some participants was lacking.

A number of factors influenced participant's views about their relationship with the housing association. One was the lack of 'visible presence' – this related to: local face to face contact with a housing officer diminishing over time as staff who used to be available in their area were withdrawn; for some the housing association being based some distance away from where they lived with no local office to visit; and others mentioned the size of the organisation. This could generate a feeling of relational as well as physical disconnect, and a feeling that they were 'forgotten', or 'just a number'. Some who had experienced a 'rushed' moving in process and/or lack of follow up contact said this made them 'feel like you are on your own', and gave the perception that they 'don't care'. Participants' wider experiences of dealing with the housing association, for example about repairs, maintenance or issues with rent payments also impacted on their views about their relationship. Those with good experiences talked more openly about 'trusting' the housing association, whereas more negative experiences reduced tenants' confidence that the housing association was concerned about their broader interests. These experiences could influence tenants' views about the housing association as a housing provider but also their receptiveness to discussions about the potential provision of new services.

It is against this backdrop that participants were generally positive about the potential benefits of building a relationship with the housing association. A recurring suggestion at the centre of discussions was (re)developing and expanding the role of a local housing officer. It was felt that this could provide a local contact, continuity, and importantly a feeling that if tenants had an established relationship it would enhance approachability and people would be more likely to contact the housing association/housing officer if they were struggling, could 'reach out if I needed to', hopefully before things got to a crisis. Furthermore, there was a feeling that if a housing officer 'knew their residents' they could build trust and be in a good position to offer services and support should someone need it. While there was a balance to be struck, some people felt that more proactive contact from the housing association could make people feel *'like they were a bit more bothered … like I'm appreciated as a tenant'*. One participant outlined the benefits of having someone that they could contact and know was available on a regular basis.

> *'If you had a contact who you saw, I don't necessarily want her in my house every month or whatever, but who didn't rock up because the direct debit went wrong and the first time I've ever met her is because she's knocking on my door with an eviction notice. If you have someone that you know you can talk to, who runs a weekly, monthly or six monthly workshop in the village hall or whatever, that you could actually go and speak to. Then that would be really nice.'*

As mentioned above, face to face drop in sessions could be helpful here. The idea of community events supported by the housing association was also welcomed by some participants as a way of helping to build relationships with and between tenants. Enthusiasm varied depending on peoples' circumstances, but it was felt that families with children, those recently moved to an area, and people who might feel isolated could be

interested. Furthermore, it was seen as another opportunity for the housing association to be seen as approachable and for them to communicate information about the range support available.

7.4   Conclusion

The need for raising awareness and information sharing about services provided by the housing association and those provided by others is clear. Participants outlined how this needs to be more than just telling tenants about a service. It needs to have relevance to tenants – in that it should include information about local provision, with a clear message about what the service involves and how it can help, and such messages need to be reiterated. Various methods of communication are necessary to meet the differing needs and preferences of tenants – these range from email and post to the possibility of an app, and importantly the opportunity for face to face personalised support. A key issue relevant to communication is building a relationship with a named contact or housing officer and participants would welcome this – it was felt that this could provide continuity, develop trust and enhance the approachability of the housing association for tenants if they are experiencing difficulty. Proactive contact could also facilitate more timely information sharing.

8   Key findings and conclusions

The affordability of housing, across the social and private rented sectors, continues to be a concern for tenants, housing providers and policy makers alike (Affordable Housing Commission, 2019). It is an issue that has been recognised centrally by Government (Department for Communities and Local Government, 2017) but also at a more local level within individual local authorities (see Greater London Authority, 2018, 2019; Greater Manchester Combined Authority, 2019) and by housing providers (for example, Dolphin Living, 2016). Disagreement and discussion about the meaning of affordable housing (Affordable Housing Commission, 2019; Padley and Marshall, 2019) and how affordability can and should be measured persists, and the definition and measurement are undoubtedly important in assessing the scale of any affordability 'problem' in the UK. However, the problem of housing affordability is not simply an 'academic' or definitional one, it is an issue of real consequence for the lives and living standards of individuals and families living in social housing and the private rented sector. By exploring the lived experiences of housing association tenants, the research set out in this report has provided valuable insights into the financial situations of a variety of households living in social housing that can, and often do, relate closely to the affordability of housing. The research has also increased understanding of how financial situations and pressures can affect tenant wellbeing and relationships with the housing provider, as well as highlighting the importance of the idea and feeling of 'home' for many tenants.

One of the principal aims of this research was to investigate the ways in which housing associations could better, and more effectively, support households to afford their housing alongside other costs. A useful way of thinking about housing affordability is to consider the impact of other essential costs on an individual or family's' ability to cover the cost of their rent (Padley and Marshall, 2019). When these other essential costs exert pressures on constrained budgets this can result in problems with paying rent, problems with providing essentials or both. In these situations, support from housing associations with meeting or reducing these other costs could make a tangible difference to the living standards of households. Some of the ways of supporting tenants relate to current services and practices, some are about extending current provision and others are areas that are new to the housing association that commissioned this research. It is clear that implementing any of these ideas will have implications for the organisation – many of the areas covered here would require more staff time and resource. However, it is also the case that providing financial and other support to tenants could be regarded as contributing to housing associations' 'social investment', providing benefits to their tenants, in terms of improved living standards, and to local communities.

Within this research, there was broad support among participants for the ideas we have outlined in the preceding chapters. The priority given to these ideas by participants in many cases echoes and reinforces existing evidence. This is particularly the case in relation to the need for more support when moving in, to help furnish, carpet and decorate a property. For example, research undertaken by Human City Institute (HCI), an independent 'think tank', and social enterprise company Furniture Resource Centre (FRC) Group (Timmins and Gulliver, 2015) with over 1,500 tenants in social housing showed that nearly half of those interviewed (47%) identified direct provision of furnished tenancies by social landlords as a

key priority to address their financial problems (Figure 7). The benefits of furnished tenancies in social housing have also been explored through research in Northern Ireland (Ambrose et al., 2016: 99)) which found that 'tenants in a wide range of situations reported that they would value some form of furniture provision' (see also Tanner, 2020). The participants in the research outlined here strongly communicated the need for support at the start of a tenancy, when costs are potentially very high, particularly in relation to furnishing, equipping and the condition of a property. The importance of and need for an affordable *home*, rather than simply an empty property, was repeatedly emphasised.

Figure 7   Tenants' priorities for support from social landlords to tackle financial problems
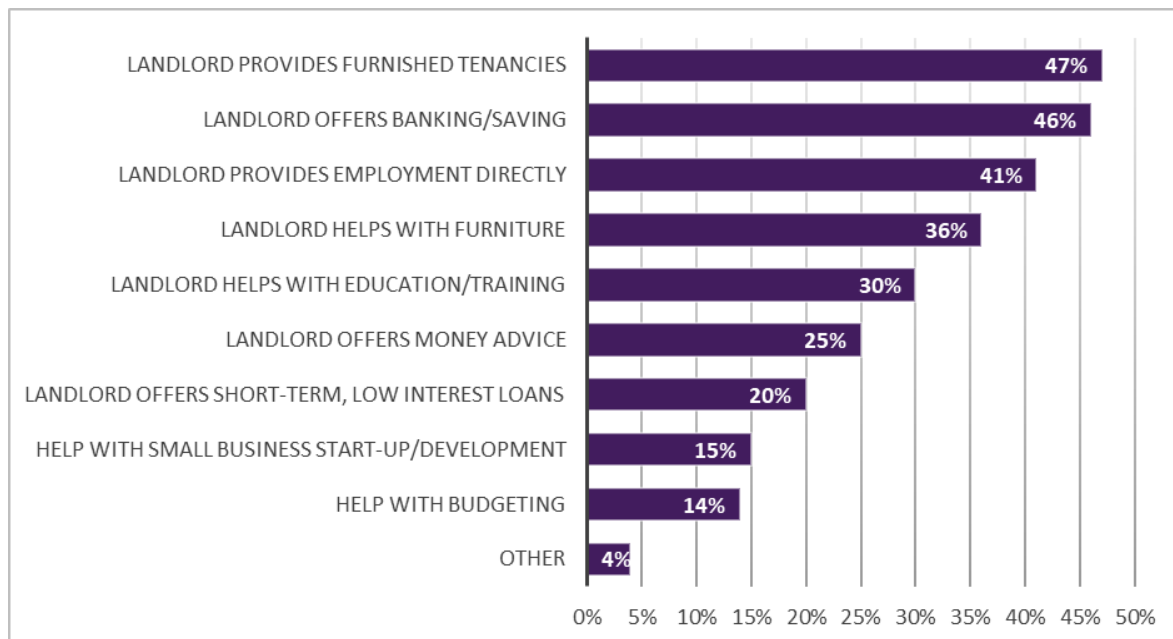
Source: Timmins and Gulliver, 2015, 'Furnishing Homes, Furnishing Lives:
An Initial Discussion of How Furnished Tenancies Support Sustainable Communities', p. 13

8.1   Key findings

8.1.1   The context matters
The broader economic characteristics of a region have an impact on the ability of households, in general, to meet both their essential housing and non-housing needs. In the East Midlands, relatively **low average incomes mean that households are more likely to struggle to make ends meet compared to some other regions**, despite relatively low rents.

8.1.2   A 'minimum home standard'?
New housing association tenants often face a substantial financial outlay when first moving-in to a property. The costs of white goods, decoration and flooring can exert particular pressure on budgets. Consequently, support in obtaining these 'essentials' in an affordable way has the potential to make a significant difference to the finances of new tenants'. A key idea mooted here was the **suggestion of a 'minimum home standard' for housing association properties, with associations committing to providing carpets/flooring and a**

reasonable standard of decoration for new tenancies, alongside more **systematic ways to pass on or access second hand essential furniture and white goods**. This would support tenants in making their house a home, as well as, for example, reducing the likelihood of accruing debt, reliance on others, reducing heating costs, easing stress and enabling social participation. **More comprehensive support at the point of moving in** would also help to establish a good relationship between tenant and housing association.

8.1.3   Signposting to financial support

Large or unexpected financial outlays, alongside times of particularly high costs (such as Christmas) can exert significant pressure on households who in general have limited savings or little flexibility in their budgets. At the same time, managing everyday costs can also be a challenge, with many tenants needing to prioritise their most immediate needs, such as feeding their children and paying bills, with no scope to budget for large, less regular outlays. In combination – or alone – this can lead to the use of high cost credit which in turn costs people more and reduces the money households have available. Housing associations could provide support for tenants in these circumstances through **signposting to credit unions for lower cost loans and saving**, or with **bespoke schemes to support saving**, as well as helping to reduce and spread costs.

8.1.4   Home energy and the 'poverty premium'

For low income households, the cost of covering essential bills is likely to account for a greater proportion of overall outgoings than for households with higher incomes. Low income households are also at risk of paying a 'poverty premium', meaning that they end up paying more for basic services than higher-income households (Corfe and Keohane, 2018; Davies et al, 2016). For many tenants, the way to keep costs down is to restrict their usage of, for example, heating and hot water, in order to manage the cost of their energy supply. This is something that can have significant implications for household living standards. At the same time, some tenants find themselves living in properties that are energy inefficient or are unable to afford carpets and are living with concrete floors or floorboards, directly affecting energy efficiency. Housing associations could provide **support to tenants to access a better value energy tariffs, signpost people to schemes for low income households, and offer efficiency checks for energy and water use**. More directly, housing associations could also have an impact on energy efficiency by, for example, **replacing old windows and inefficient heating systems**.

8.1.5   Digitally included tenants

Digital inclusion relates to both confidence and digital skills, and the hardware and infrastructure needed to access and participate in the digital world. This matters for affordability because digitally included tenants may be able to have more control over budgeting, through instant access to online banking and financial services, can manage home energy accounts online often avoiding the poverty premium, and are better able to find and access 'deals' across a range of areas of household spending. As importantly, skills, confidence and access to the digital world has the potential to help tenants with, for example, finding employment or accessing training opportunities. Housing associations could **recycle IT equipment making this available to tenants**, **negotiate and provide discounted access to broadband for tenants,** and **provide additional advice and support with digital skills and/or signpost to organisations who can provide this. Building bespoke**

housing association apps would enable tenants to have greater control over their rent payments, access support and advice more quickly, report repairs easily and could have a positive impact on the relationship between housing provider and tenant.

8.1.6　Money and employment support

Housing associations are very well placed to provide their tenants with money advice and employment support, both of which could have a positive impact on living standards in both the short and longer term. Tenants were very supportive of the housing association continuing to provide both money advice *and* support for tenants seeking either employment or training. Money advice for tenants could help to ease budgets, which in turn can potentially help tenants avoid getting into debt or rent arrears. It is clear that the timing of this advice and support is critical. Money advice is most beneficial *before* people hit a 'crisis point', while employment support also has to be delivered at the 'right time', taking account of a myriad of other factors that are affecting peoples' lives and their employment opportunities. While the housing association already provides these services, they are only of use if tenants are aware of, and clear about, what is on offer and how to access it. Housing associations offering these services need to **raise tenant awareness of these services. This means not just informing tenants that a service exists, but making it clear what it entails and importantly how it can help.**

8.1.7　The value of clear, effective and relevant communication

Clear communication between housing associations and their tenants is an important element of building and maintaining the relationship between provider and tenant. It was clear that communication is not currently always as effective as it could be, and that information sharing could be developed and improved. For example, communication about the services available locally – both through the housing association and provided by external organisations – needs to do more than just tell tenants that certain services exist. Tenants need regular information about local provision, with a clear message about what the service involves and how it can help. Establishing and maintaining a good relationship between tenants and the housing association is crucial for many of the ideas proposed in this report. This good relationship can be more difficult to establish and challenging to maintain where the housing association is based some distance away from its tenants. It is also clear that tenants' past experiences of and encounters with housing providers affect their views – positively and negatively – of the housing association both as a provider of housing but also as a source of a broader range of services. Housing associations should **consider a range of methods of communication to meet the differing needs and preferences of tenants** – these could include email, post, bespoke apps, and importantly the opportunity for face to face personalised support. **Developing and expanding the role of a local housing officer** could provide a local contact, and if tenants had an established a relationship they may be more likely to contact the housing association, through the housing officer if they were struggling**.**

8.2　Conclusions

This research has highlighted the key role that social housing continues to play in providing secure and relatively low-cost housing for low income households, while also setting out some of the ways in which the role of 'housing provider' could be enhanced and augmented

to better support tenants. Although some of the ideas proposed here may be possible to achieve without significant additional resource, there is a real challenge for housing associations in delivering good quality, low cost housing *and* a range of other allied services. The 'social mission' of housing associations is a key one, but this has to be balanced against the provision of housing, or more crucially in light of this research, homes. What was clear from this research is that social housing is generally something that is valued highly and seen as providing a crucial 'safety net' for a substantial number of people. It is also the case that many of the challenges facing social housing tenants are not limited to this housing sector and are facing low income households across the UK in social and private housing. Suggesting 'solutions' to be delivered *solely* by housing associations is to ignore the national level policies and structural factors that can affect low income households. While housing associations can work with tenants to mitigate some of the issues caused by, for example, transferring from tax credits to universal credit, it is not the responsibility of housing associations to make up for shortfalls that may result from this transfer. Similarly, housing associations can alert struggling tenants to support with housing costs from local authorities through Discretionary Housing Payments, but this does little to address the reasons why tenants may be struggling in the first place.

Many of the challenges faced by tenants relate directly or indirectly to low income, irrespective of the source of income, and it is clear that for many, even meeting the cost of social rents can mean going without some of what the public agree is needed for a minimum socially acceptable standard of living (see Padley and Stone, 2020). The consequences of financial hardship are varied – some tenants talked about being unable to afford basic groceries and cleaning products, while others were unable to take their children out during the school holidays or pay for them to attend activities. Invariably, however, the things that were out of reach to participants due to their financial situation were precisely those included in the budgets for a Minimum Income Standard, which represents the income needed for a minimum socially acceptable standard of living.

This research has identified a range of ways in which housing associations could play a role in alleviating the financial stresses faced by some tenants. In a number of the suggestions, housing associations would take an indirect role, for example, signposting to external support services. However, in other instances – such as help for tenants when moving into a new housing association property – housing associations could potentially have a much more integral and key role, not only in relieving some of the financial pressures of moving, but also in enabling tenants to set up a home, not simply live in a property. If such support which is most obviously linked to housing provision, or some of the broader services outlined in this report, allow tenants to move towards having incomes that enable them to meet the Minimum Income Standard, then they could make a real difference to their lives, both in the short and the long term. But ultimately the extent of difference this enhanced role for housing associations will make depends on if it is accompanied by local, regional and national policy change aimed at improving the incomes and living standards of low income households.

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About the authors

Katherine Hill is a Senior Research Associate at the Centre for Research in Social Policy (CRSP). Her work has focussed on exploring the needs and experiences of particular groups, for example, low income families, older people and people with visual impairment. This includes looking at the role of different financial, material and personal resources, the impact of not meeting needs and what this means for everyday life. She has also specialised in extending the main Minimum Income Standards (MIS) research to establish how needs and costs vary across different households such as for sharers, where young adults live with their parents, and exploring the additional costs of disability.

Matt Padley is a Research Fellow at CRSP, where he has pioneered work on retirement living standards in the UK, as well as leading research on living standards in London. He works across the established MIS programme, leading on data analysis, and the application and development of MIS in the UK and globally. His research focuses on public conceptions and understanding of living standards, and how these can be used within public policy. He currently leads the MIS Global Network, founded in 2018, and is working with colleagues in Mexico and Singapore undertaking MIS research, having previously worked in South Africa and Thailand, supporting MIS projects in these countries.

Dr Juliet Stone is a Research Associate at CRSP, where she focuses on quantitative analysis of income adequacy. She also provides support for qualitative work, including the collection of focus group data for calculation of the Minimum Income Standard for London. She has a background in social epidemiology, health inequalities and social determinants of population processes. Her research interests stem from a broad focus on understanding the consequences of differential socioeconomic circumstances from a life course perspective, and include family and household dynamics, health inequalities and the social implications of housing policy.