



The Chartered Institute of Housing

# HOUSING 2011 CONFERENCE



## Housing 2011 Session Information

# Working through... income protection and financial inclusion

The need to develop a robust business case to support the continuation of financial inclusion work, including the offer of debt and benefits advice, has never been more pressing. There has been a variety of work over the last few years to identify return on investment. These have ranged from individual housing providers measuring the impact of their own work on tenants' financial health, and studies analysing the impact of multi agency investment on a whole economic area.

### KEY FACTS

There is a strong link between financial exclusion, benefit dependence and social housing. There are high levels of benefit dependence amongst the four million households living in social housing:

- 39% are of working age and claiming either jobseeker's allowance, income support or incapacity benefit
- 33% are retired
- 62% claim housing benefit, paid to those on benefits or working but on a low income
- 15% of unemployed households do not have a transactional bank account, contrasting with 2% of those in full time work
- 72% of unemployed households had no savings account – compared to 31% of those in full time work

Supporting tenants to manage their finances and cope with new restricted budgets will become more important as social landlords seek to avoid increased levels of rent arrears and failed tenancies.



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### BACKGROUND

Housing workers have contact with more people on low incomes, with few savings and without access to affordable credit than many other professions and are often a first source of information and advice on money issues for residents.

There are some great examples of landlords helping their tenants to be more financially included and confident to manage their money however there is much work still to do, particularly as the sector faces a significant funding squeeze, while our residents need our support more than ever.

Hardship, shown by demand for debt and counselling services, is likely to increase. Housing providers income streams may become vulnerable, and the ability to borrow money cheaply may be affected, which may mean less funding for development, financial inclusion schemes, employment schemes etc.

### UPDATE

The long-term plan to introduce a "universal credit", reducing the range of current benefits to a single payment which will have major implications both for claimants, the social housing sector, and advice and support services.

Increasing the take up of transactional bank accounts, and helping people develop the skills to manage them effectively continues to be a key part of financial inclusion work. A bank account makes it easier to access employment, and can lead to cheaper household bills due to discounts for direct debit. The need to promote basic accounts and encourage the development of skills to use them will become more crucial as the welfare system changes and the renewed emphasis on moving off benefit and into work.

The BIG lottery has recently announced new funding to improve financial confidence in social housing; the new Money Advice Service is funded by a levy on the banks and operates a free financial health check; and the DWP is currently working on a feasibility study examining the options for modernisation and expansion of the provision of affordable credit.

### OTHER INFORMATION

CIH have recently published 'Improving financial inclusion and capability in social housing' which is available free at:  
<http://members.cih.org/bookshop/Catalogue.aspx>

The Income and Inclusion Service at CIH provides an holistic service offering operational and strategic support to help improve income collection and tenants' wellbeing. Please see: <http://www.cih.org/incomeandinclusion/>

CIH have developed a HB impact calculator so that you can accurately assess what impact the changes to housing benefit might have on your business. You can plan how to help your tenants and link this in to developing your financial inclusion work. Please see:  
<http://www.cih.org/housingbenefit/>



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