

REGISTERED SOCIAL LANDLORDS AND TACKLING POVERTY

Under the *bIGPicture* title, the Housing Corporation produces a series of papers to promote and disseminate the outputs of the Corporation's Innovation and Good Practice (IGP) programme. Each paper pulls together the lessons learned from IGP projects covering a key policy area, and provides references to relevant reports. The aim is to provide information and practical assistance for RSLs looking to improve their performance in these areas.

This paper is concerned with the potential contribution that RSLs can make to tackling the poverty faced by their tenants. It reflects a variety of the Housing Corporation's IGP themes: 'housing plus and partnerships', 'participation and accountability', 'housing management', 'regional initiatives' and 'effectiveness of RSLs'. In particular, it discusses how RSLs can:

- **Reduce their tenants' costs** as far as possible, for example, through energy efficiency schemes and other housing management measures.
- **Operate as information providers and 'gateway' organisations** to enable easier access for their tenants to, for example, financial and other services.
- **Work in partnership** with other organisations to regenerate their local communities, particularly through employment schemes.
- **Develop coherent anti-poverty strategies** that make an awareness of poverty issues central to core housing activities.

As well as summarising relevant Housing Corporation projects, it provides a number of checklists of the issues that RSLs can usefully consider when deciding what to do. Contact details for relevant IGP projects and publications are listed separately at the end and are referenced throughout the text.

CONTEXT

Tackling poverty and promoting social inclusion currently has a high profile position in the government's agenda. A considerable number of initiatives are underway - both nationally and on a small area basis - aimed at increasing incomes, reducing unemployment and regenerating communities. The most ambitious government target is to end child poverty by 2020.

Around half of RSLs' tenants are dependent wholly on state benefits for their income and many of the others have earnings considerably below average. RSLs therefore house a very sizeable number of those in, or at risk of, poverty. This means that they are in a position to develop a considerable understanding of the problems their poorer tenants face and potentially to provide substantial assistance in alleviating hardship. Primarily they can act to ensure that tenants' costs are kept to a minimum through general housing management that fully integrates an awareness of poverty issues. Increasingly, though, some RSLs are viewing their role as extending well beyond the basic provision of housing. These RSLs aim to play a more strategic, central part in broader social policy, involving themselves in wider community initiatives and linking up with employment schemes, education and training.

One common theme emerging from the IGP projects reviewed is that anti-poverty work should not be seen as an 'optional extra' but as a fully integrated part of general management and development strategy. As some of the projects emphasised, reduced rent arrears, fewer voids and enhanced staff morale can all emerge from anti-poverty work. Furthermore, since both the government and commentators seem to envisage a more competitive market in the future, where social housing residents have far more choice and control, it will become increasingly important for RSLs to be seen to be committed to promoting their tenants' well-being.

REDUCING TENANTS' COSTS

The most obvious and straightforward means for RSLs to contribute to anti-poverty is to ensure that their tenants' costs are kept to a minimum. Tenants do not generally expect landlords to help *increase* incomes directly, but many welcome measures which ease the difficulties of living on low-income. Tenants also expect landlords to guard against any action (or inaction) that might result in extra, avoidable expenses.

One possible approach to identifying effective measures for reducing costs was developed by Acton and Inquilab housing associations in conjunction with the London Borough of Hillingdon (reference 3). Research was conducted into tenants' views of the usefulness of various measures that RSLs could introduce. An index was then developed which identified the measures that tenants viewed as most helpful, and how much these would cost RSLs. The index was based around four themes: running costs, moving in, adding value and housing services. Establishing such a matrix, adapted to local circumstances, could help RSLs to identify the potential costs and benefits of a variety of measures and to consider the most appropriate ways in which they could contribute.

The Hillingdon project identified a clear consensus that providing energy efficient homes was the single most useful contribution that RSLs could make to helping those on low incomes. Tenants also felt that reducing the costs incurred when moving in could make a significant difference.

An Extract from the Hillingdon Matrix

Theme	Measure	Impact for tenants	Cost to RSL
Running costs	review all stock, providing double glazing or additional draught proofing to those homes currently lacking	Reduced heating costs Increased warmth and comfort	Approximately £3,500 to £4,500 per dwelling
Moving in	Offer move in package offering furniture/white goods on flexible repayment terms agreed according to income	Reduced move-in costs Greater immediate stability	Administrative costs, but otherwise should be self-financing

RSLs can also contribute to income maximisation by ensuring that rents take affordability fully into account. Over time, the current plans to bring social housing sector rents onto a common system will limit individual RSLs' flexibility to set rent levels, but the common framework based on relative property values and local earnings levels is aimed, to some extent, at ensuring that rents are affordable. There will also still be the option for RSLs to vary their rents by $\pm 5\%$ from the standard value for any individual property, and RSLs might use this as an additional tool to help achieve rent affordability.

Checklist of Issues for RSLs to Consider (references 1-8)

Promoting energy efficiency (references 1-4)

- Is there a formal energy policy to provide direction and to ensure that expenditure is effectively used?
- Is current energy efficiency work profiled, with targets set for improvement?
- Has full engagement with local authorities involved in the Home Energy and Conservation Act (HECA) process been considered? (Local authorities may be able to provide RSLs with funding, services for tenants and training for staff).
- Is energy advice married with home improvements? (Important because fuel poverty is usually associated with uninsulated older homes and inefficient heating systems).
- Is advice made specific to individual households to ensure that it is relevant and appealing?

Costs of moving in (reference 3)

- Would it be viable to providing floor coverings (and maybe white goods) as standard for new build and refurbishments?
- Could loan facilities to fund furnishings and white goods be offered on flexible repayment terms, adjusted to incomes?
- Are all re-lets always clean and in good decorative order?
- Does void management ensure that disconnections are avoided?

Rent affordability (references 5-8)

- Are rents tested against the various measures of affordability: rent to income ratios, residual income measures and work incentive measures (e.g. 'replacement ratios')?
- Is the full range of available data on local earnings exploited to ensure a fully developed sense of the context in which rents are set?

OPERATING AS INFORMATION PROVIDERS AND ‘GATEWAY’ ORGANISATIONS

Lack of information can be a significant barrier to individuals’ capacities to improve their circumstances. For example, tenants may not be fully aware of benefit entitlements or of local services dedicated to anti-poverty work. They may also lack sufficient information to make decisions about, for example, how best to manage their money or to arrange insurance. RSLs can potentially contribute by acting as information providers, empowering tenants with knowledge they can use to assist themselves.

More ambitiously, RSLs can operate as ‘gateway’ organisations, where they actually help their tenants to obtain services, particularly financial services. Such activities can potentially make it both easier and cheaper for tenants to obtain the services that they require. This can involve the RSL liaising with providers and consolidating large numbers of small accounts in a way that reduces administrative costs and maximises benefits. It can also involve RSLs in negotiating deals with providers and organising the collection of payments, for example relating to housing insurance (‘insure with rent’ schemes).

POSSIBLE LEVELS OF INVOLVEMENT

RSLs might consider the level of involvement most appropriate to them according to the matrix below.

Level	Possible areas of involvement	Examples in the area of access to financial services
1 Providing information packs	Directories of advice services and local services dedicated to anti-poverty work Information about heating systems and energy efficiency	Guides to money management, and information about the most affordable insurance premiums
2 Providing an information service	General information about benefits, employment, training, health, services, etc	Providing information on setting up current accounts/basic bank accounts
3 Offering specific advice to individuals	Money management Energy efficiency	Providing advice on debt management tailored to the circumstances of individuals
4 Operating as a gateway institution	Access to credit/savings facilities Access to affordable insurance Affordable energy through bulk purchase	Arranging discounted household insurance premiums through bulk purchase ‘Insure with Rent’ deals negotiated by the RSL

OVERCOMING BARRIERS TO ENHANCED INVOLVEMENT

RSLs need to think carefully before becoming heavily involved in offering advice to individuals or in establishing themselves as ‘gateway’ organisations. The level of commitment can be high and the costs can be substantial. There might also be suspicion amongst tenants that the services are primarily designed to benefit the RSL, or there might be resentment at perceived ‘paternalism’. Possible approaches to overcoming these difficulties have been developed by IGP projects such as the FCH ‘Maxi’ project (which involved partnership with a local voluntary anti-poverty organisation to provide impartial money advice) and the Derby Anti-Poverty Group ‘Money Advisor Project’ (in which a consortium of RSLs, in conjunction with the local authority, ran a money advice scheme).

Checklist of Issues for RSLs to Consider (references 9-11)

- | |
|--|
| <ul style="list-style-type: none"> • Has the value and nature of any potential initiative been discussed with tenants and their residents’ groups? • Have the costs of any involvement been fully estimated? • Are residents’ groups fully involved in the development of the initiative? • Has the potential for training selected tenants themselves to provide advice been considered? • Have the possibilities for working with external voluntary organisations been considered? (Such relationships can help to ensure expert and impartial advice, for example in the area of money advice.) • Have the possibilities for working in consortia with other RSLs and housing providers been considered? (Such relationships can make some schemes more viable through shared administrative costs or by increasing the size of the potential user group). • Has the option of contributing to credit unions and other savings and loan schemes as partners rather than lead players been considered? (Another <i>bigPicture</i> ‘XXXXXXXXX’ discusses the possibilities for RSLs wishing to be involved in such savings and loan schemes.) |
|--|

REGENERATING COMMUNITIES AND PROMOTING SUSTAINABILITY

Through regeneration and sustainability programmes, RSLs can potentially play a wider role in tackling poverty. Through promoting the local economy and offering training and employment schemes, they can contribute to the capacity of communities to regenerate themselves. Furthermore, policies which aim to ensure that communities are viable in the longer term are increasingly seen as mainstream activity for RSLs. Examples include mixed-income allocation policies, high quality property design and improvements to the local environment.

PROMOTING LOCAL EMPLOYMENT

Local Labour in Construction (LLiC) projects: RSLs wishing to enhance the local economy might consider the well-established practice of linking the building and refurbishment of properties to the provision of construction jobs and training for tenants and local people. Doncaster Council's **Housing Employment and Training Urban Project (H.E.T.U.P.)** proposes a model to measure the impact of social housing investment on jobs and training. It develops a ten point 'blueprint' of how to establish an LLiC, which might be adopted by RSLs interested in promoting local labour markets. (reference 12)

Engagement with the New Deal: The various New Deal schemes offer a means for RSLs to assist both tenants and other members of the local community to gain employment or improve skills and so invigorate the local economy. Such engagement can knit well with activities in which RSLs are already involved (such as regeneration or build and train schemes) and can be seen as a natural development for those RSLs committed to housing plus. RSLs can engage in a variety of ways and each individual RSL will need to consider the level of participation most appropriate to its own circumstances. Possibilities include: acting as subsidised employers of participants; providing placements on the environmental task force and voluntary sector options; providing training (such as in housing management); and involvement in the 'gateway', where participants are given intensive remedial help before moving to other New Deal options. RSLs can operate as lead contractors, sub-contractors or simply as employers. (references 13-14)

Checklist of Issues for RSLs to Consider (references 12-14)

- Does the RSL have sufficient capacity to become involved or is it too limited in terms of financial and human resources?
- Have all the different New Deal schemes and options and the broad possibilities for involvement been considered? In particular, might consortium working be best in terms of shared risks and resources?
- Has the RSL fully investigated how the New Deal is being delivered at the local level by developing a constructive dialogue with the local Employment Service?
- Has the RSL looked beyond construction activities for the provision of employment opportunities? Other options might include, for example, housing management, administration and childcare.
- How might New Deal involvement be linked to existing activities? (For example, the environmental task force objectives include improving the physical condition and energy efficiency of buildings and enabling New Deal involvement to be linked to work on fuel poverty.)

PROMOTING SUSTAINABLE COMMUNITIES

At the broadest level, RSLs can contribute to tackling poverty by helping to promote communities which are balanced and sustainable in the long term. This can involve such activities as promoting a viable social mix, fostering community involvement, ensuring adequate access to facilities and services, creating positive environments and designing out crime. RSLs can also engage with broader initiatives such as the 'National Strategy for Neighbourhood Renewal' as part of their contribution to promoting sustainability, one way of doing this being to become the 'Neighbourhood Managers' which serves as a point of contact for all service delivery in the geographic area.

Checklist of Issues for RSLs to Consider (references 15-16)

- Is the RSL fully aware of the wide range of potential sustainability activities as discussed in the '**bigPictures**' on social housing and sustainability, sustainable buildings and environments and sustainable communities?
- Has potential involvement in Local Strategic Partnerships been considered, thereby contributing to the co-ordination of neighbourhood renewal activities at a local authority level?
- Has the potential for becoming 'Neighbourhood Managers,' been considered? Alternatively, is there scope for entering into a partnership with another agency which can undertake neighbourhood management, including the local delivery or signposting of housing services?

DEVELOPING ANTI-POVERTY STRATEGIES

Clearly, as already highlighted, tackling poverty involves many different strands, and RSLs can potentially become engaged in a wide range of activities to alleviate the difficulties of their tenants on low incomes. RSLs wishing to make a strong commitment to anti-poverty work will want to ensure that resources are targeted most appropriately, with the most effective initiatives being given prominence. They will also want to ensure that all staff are fully committed to the anti-poverty agenda, and aware of their potential contribution and of expected outcomes. One way of achieving this is through the development of an integrated anti-poverty strategy, developed in consultation with tenants and other relevant local agencies. The existence of a clear and coherent strategy with well-defined target outcomes can also act as an effective tool for monitoring progress and motivating staff.

The Penwith Housing Association anti-poverty strategy (reference 17) offers one example of how an RSL developed a strategy based on a consideration of local needs.

Penwith conducted consultation with a wide range of stakeholders: tenants, voluntary organisations, councillors and the local authority to identify how the housing association could most usefully conduct anti-poverty work and how it could link in with initiatives already being carried out by other agencies. It highlighted eight themes which would form the basis of the strategy, namely:

- Targeting poverty by identifying those most in need.
- Giving people more control; e.g. joint training of tenants and housing officers on anti-poverty work.
- Jobs for local people.
- Accessible and affordable housing.
- Increasing disposable income.
- Affordable warmth.
- Improving tenants' health; e.g. joining National Food Alliance and working with the health authority.
- Tackling crime and violence; e.g. partnerships with local authorities to develop recreational activities for young people and increasing security of existing housing.

A range of initiatives within these themes was developed, with clearly identified outputs and desired outcomes. For example:

Initiative	Output	Outcome
Assist resident/tenant associations to establish youth facilities	Development of partnerships with district and county councils and voluntary youth agencies	Improved recreational and diversionary facilities for young people. Reduction in youth crime

The process could be adapted to the circumstances of an individual RSL to ensure that anti-poverty work addresses the most pressing issues of a particular area and closely reflects tenants' concerns.

Checklist of Issues for RSLs to Consider (reference 17)

- | |
|---|
| <ul style="list-style-type: none"> • Has research been conducted to identify those groups and areas most affected by poverty so that resources can be targeted most effectively? • Have tenants and tenants' groups been consulted to ensure that community involvement is promoted and that measures adopted are relevant and welcome? • Are staff throughout the RSL involved in drawing up the strategy? • Is there shared 'ownership' of the strategy among all staff? • Does the strategy take into account external initiatives being carried out either by local authorities or community groups, ensuring that the potential for the RSL both to gain from and contribute to these is fully explored? • Does the strategy identify clear outputs and desired outcomes which can be used to monitor progress and evaluate what has been achieved? • Is there room for flexibility to ensure that the strategy is able to adapt to new developments? |
|---|

REFERENCES

CUTTING TENANTS' COSTS

1. *Energy Advice and Fuel Poverty* Penwith Housing Association, 67 Morrab Road, Penzance, Cornwall TR18 2QT, tel: 01736 331799.
2. *Energy Management for Affordable Warmth* People for Action, 138 Digbeth, Birmingham, B5 6DR tel: 0121 633 3836.
3. *Positive Proposals for Tackling Poverty in Hillingdon* Acton Housing Association, 113 Uxbridge Road, London W5 5TL, tel: 020 8840 6262.
4. *Registered Social Landlords and the Home Energy Conservation Act* NEA, St Andrews' House, 90-92 Pilgrim Street, Newcastle-on-Tyne, NE1 6SG.
5. *Evaluating Housing Affordability* Christine Whitehead et. al. National Housing Federation/LGA/Institute of Housing 175 Gray's Inn Road, London, WC1X 8UP www.housing.org.uk.
6. *Principles of Rent Setting: a Good Practice Guide* National Housing Federation, 175 Gray's Inn Road, London, WC1X 8UP www.housing.org.uk.
7. *Providing a Context for the Analysis of RSL Rents* Centre for Housing and Planning Research, University of Cambridge, 19 Silver Street, Cambridge CB3 9EP, tel:01223 337118.
8. *The Ready Reckoner: Rents, Benefits and Measures of Affordability* Available from the Housing Corporation. A preview is available on the website at www.housingcorp.gov.uk.

OPERATING AS INFORMATION PROVIDERS AND 'GATEWAY' ORGANISATIONS

9. *Maxi Project: Money Advice for Tenants* FCH Housing and Care, Birmingham Office, 17 Braithwaite Road, Birmingham B11 1LB, tel: 0121 506 2800.
10. *Money Advisor Project* Derby Anti-Poverty Group, Housing and Environmental Services, The Council House, Corporation Street, Derby DE1 2FH, tel: 01332 293111
11. *Newark and Sherwood Tenants Advice and Housing Information Service (TAHIS)* Newark and Sherwood District Federation of Tenants Associations, 1 Meering Avenue, Newark, Nottinghamshire NG24 4BL.

REGENERATING COMMUNITIES AND PROMOTING SUSTAINABILITY

12. *A New Commitment to Neighbourhood Renewal: National Strategy Action Plan* Social Exclusion Unit. Available on the Cabinet Office website at www.cabinet-office.gov.uk/seu.
13. *Housing Employment and Training Urban Project (H.E.T.U.P.)* South Yorkshire Housing Association, 43-47 Wellington Street, Sheffield, S1 4HF, tel:0144 290 0100 (initial report). Doncaster Metropolitan Borough Council, P.O. Box 72, 9 Kingsgate, Doncaster, DN1 3LJ, tel: 01302 734444 (implementation).
14. *New Approaches to Training and Employment* (RSLs' potential role in the New Deal) ECOTEC Research and Consulting, Priestley House, 28-34 Albert Street Birmingham B4 7UD, tel: 0121 6163633. The report is available from the Housing Corporation's Publications Unit.
15. *New Deal Partnership* Building Positive Action (BPA), 8th Floor Paragon House, 48 Seymour Grove, Old Trafford, Manchester M16 0LN, tel: 0161 886 4543
16. *Sustainability 'bigPictures'* (*Sustainability and Social Housing, Sustainable Communities, Sustainable Buildings and the Environment*) Available on the IGP website: <http://cig.bre.co.uk/igp>.

DEVELOPING ANTI-POVERTY STRATEGIES

17. *Anti-Poverty Strategy* Penwith Housing Association, 67 Morrab Road, Penzance, Cornwall, TR18 2QT 01736 331799.