

Appendix A

Financial Wellbeing Strategy 2022-2027

Improving financial resilience

Date



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1.0 Purpose of the Strategy

This strategy focuses on seeking to maximise our tenant's income and create financial resilience for our tenants. Our purpose is to: -

1. Preparing tenants to manage their new home
2. Supporting tenants to grow their income in the longer term through education and employment
3. Maximising our tenant's disposable income - creating financial resilience for tenants in the event of a financial shock; often caused as a result of a disaster (fire or flood), 'major life event' or ill health.

2.0 Why is a financial inclusion Strategy needed?

The social cost of the poor individual financial management is huge. At its most extreme this can lead to tenant's losing their home, causing major disruption to family life, impacting schooling and therefore educational attainment, and even resulting in a tenant losing their employment. This strategy is designed to minimise this catastrophic impact by signalling Runnymede Borough Council's commitment to targeted actions to strengthen our tenant's financial resilience.

This strategy also seeks to improve the physical (see fuel poverty, food poverty, nutrition) and mental health of our tenants, their education/employment opportunities and young people's understanding of their housing options.

Finally, actions proposed within this strategy are designed to reduce the costs associated with the Housing Landlord Service; for example: -

- Each tenancy failure has a major cost the Council
- Reduce the costs of property clearances, processing rent payments, tackling ASB, gas servicing and promote tenant involvement etc.
- Promote insurance take up – because of the costs associated with property damage
- Supporting a limited number of tenants with high levels of need can draw heavily on the resources of the housing service. We want to manage these tenants more effectively, by dedicating resources to them, ultimately reducing hidden management costs.

3.0 What will be different for Runnymede Borough Council's Housing Service if we get this right?

Runnymede Borough Council's Housing Service will be able to offer an enhanced service to tenants experiencing financial hardship.

Tenants with support needs – particularly in the money and rent area – will be managed via our support planning arrangements with clarity over what support is



being offered and what actions the tenant is expected to complete. This should ensure that all relevant agencies are involved, lead to better outcomes for tenants, and better management of staff resources.

Younger residents will be clearer as to their future Housing Options and can plan earlier to ensure they can live in their preferred property tenure – be that owner occupation, private rented or shared ownership. This may mean lower demand being placed on the Housing Service for properties in future.

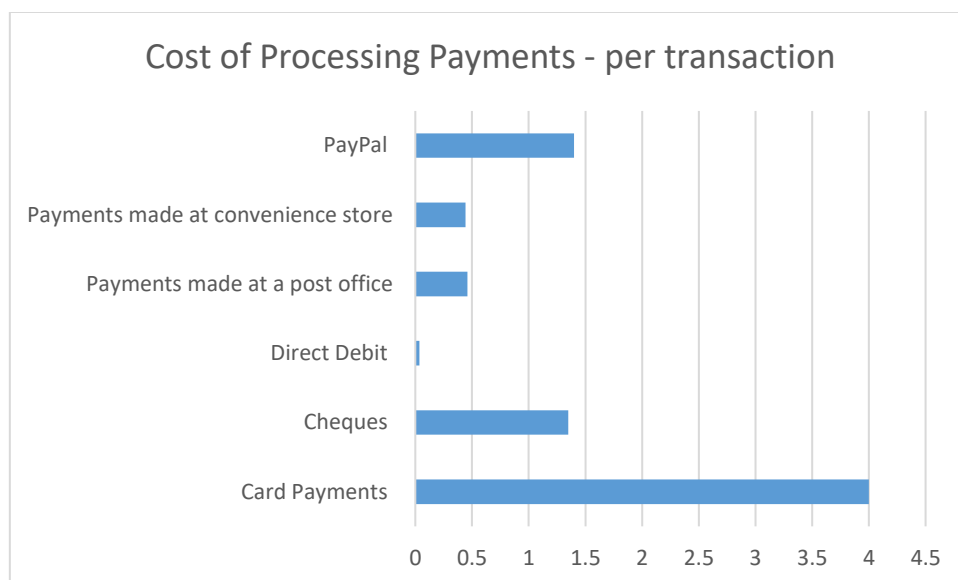
A consequence of this strategy will mean fewer tenancies will fail as tenant's will have more disposable income and greater awareness of their tenancy conditions.

Each year approximately 4 Runnymede Borough Council tenancies fail. This using the projections from The Financial & Social Cost of Evictions, December 2013, by PHHS this costs the Council in the region of £92,000 annually.

A tenant incentive scheme will change some tenant behaviours – reducing the cost of managing our homes. This will in turn realise income, which can be invested in other services.

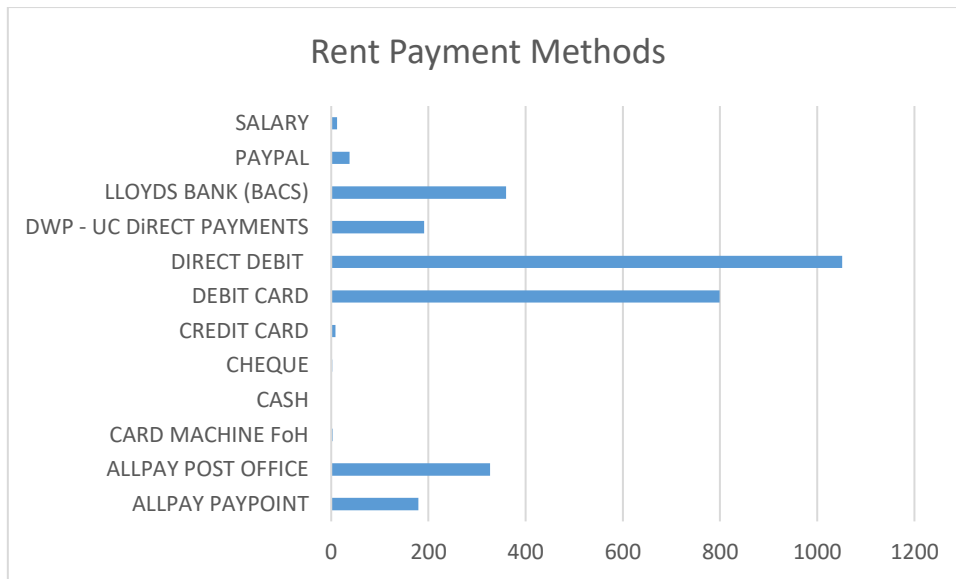
The costs associated with housing management will reduce. For example, in the first 7 months of 2021/22 Runnymede Borough Council spent: -

- £69,000 in property clearances where the tenant had moved away – incentives have value
- £92,000 processing rent and other payments. The costs of processing payments vary by payment method – see below.



The number of tenants paying by each method can be seen below – with the majority paying by Direct Debit, but with debit card payments being the second most popular payment method.





It is clear that it is in Runnymede Borough Councils Housing Service's interest to encourage tenants to use the most cost-effective payment method i.e., Direct Debit and to encourage tenants against the use of debit card payments which are the most expensive method of payment.

See Section 7.0 Measures for Success for more about how we plan to track the success of this strategy.

4.0 Aims of the Strategy

4.1 Preparing tenants to manage their new home

- To provide support for prospective tenants saving for and setting up a new home
- To support young people to understand their housing options – enabling them to plan for their preferred option early

4.2 Supporting tenants to grow their income in the longer term through education and employment

- To provide training to address financial and digital exclusion
- To promote and support training and educational opportunities which provide improved earning potential
- To put in place customer documentation explaining Runnymede Borough Council's Housing 'support offer' – the positivity's of taking it up if offer and the potential consequences if not

4.3 Maximising our tenant's disposable income - creating financial resilience for tenants in the event of a financial shock; often caused as a result of a disaster (fire or flood), 'major life event' or ill health.

- To reduce utility costs, therefore increasing the income at the disposal of our tenants and leaseholders.



- Support tenants to ensure their heating system is being used as efficiently as possible – reducing running costs
- For a small minority of tenants support them to understand nutrition and food preparation to improve health and reduce food costs
- To promote a savings culture, providing a safety net if a major life changing event was to occur
- Support tenants with problem debt – plus discouraging tenants from turning to high-cost loans (particularly loan sharks).
- To highlight the importance of being insured and point tenants towards affordable products.

4.4 Minimise the costs associated with the Housing Landlord Service

- To incentivise tenant/leaseholder behaviours which reduce the Council's costs of delivering management services

5.0 Related strategies and documents

5.1 Corporate Plan

This strategy supports the themes in the emerging Corporate Business Plan 2021 - 2026

Environmental Sustainability	Revived and prosperous Economy	Empowered Communities	Health and Wellbeing
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5.2 Housing Strategy

The strategy supports many of the work streams articulated within the Housing Strategy 2021-2026

- Safe, warm, and secure homes in all tenures
- Reduction of carbon emissions
- Maximise income and financial inclusion to ensure people can afford good quality housing
- Investment in tenancy sustainment

5.3 Housing Revenue Account Business Plan 2021-2051

A number of objectives within the Housing Revenue Account Business Plan are delivered via the Financial Inclusion Strategy, for example: -

- Optimising Income and Efficiencies

The Business Plan states the following: -



“A Financial Inclusion Strategy will seek to maximise income by promoting access to higher incomes and more stable forms of employment. The Business Plan commits resources to assisting tenants into employment and training, to ensure those residents dependent wholly or partly on benefits are receiving their full entitlement and to provide Debt Management advice.”

A Discretionary Housing Payment fund will be available accessible by HRA tenants not in receipt of Universal Credit or Housing Benefit, ensuring that low-income waged households above the benefit threshold can access temporary financial support. Promotion of digital inclusion for all our tenants will facilitate our financial inclusion ambitions.”

6.0 Our route to delivery

6.1 Preparing tenants to manage their new home

We want tenants to be aware of the costs associated with setting up and running a new home. We want prospective tenants to be encouraged and potentially incentivised to complete pre-tenancy training.

We know good quality training reduces the likelihood of rent arrears and tenancy failure. There are clear savings to the Council by strengthening this area of our work.

Enabling young people living within the borough to understand their housing options is a useful life lesson. We will reach out to secondary schools within the borough to offer our assistance to discuss this with young people.

6.2 Supporting tenants to grow their income

We know that if tenants or their families are financially or digitally excluded it will cost them more to pay for goods and services. The Centre for Economics and Business Research (CEBR) have identified five areas in which individuals who acquire basic digital skills are able to benefit:

1. earnings benefits: these relate to increased earnings of between 3% and 10% through acquiring digital skills.
2. employability benefits: this reflects the improved chances of finding work for someone who is unemployed and an increased likelihood that someone who is inactive will look for work.
3. retail transaction benefits: shopping online has been found to be 13% cheaper on average than shopping in-store.
4. communication benefits: basic digital skills can enable people to connect and communicate with family, friends, and the community 14% more frequently.
5. time savings: these relate to the time saved by accessing government services and banking online rather than in person, estimated to be about 30 minutes per transaction.

We know that by supporting our tenants to safely use the internet will save them money. In conjunction with suitably qualified individuals/organisations we will seek to



reach out to tenants who are excluded and train them on using IT and the internet safely.

We want to assist our tenants to access training and education which supports them to access employment and increase their income. We are aware that statutory organisations such as the Department of Work and Pensions support people into work. We will work with them and the representatives from the Department of Education to understand where we can add value and seek to improve the employment prospects of our tenants.

We want our tenants to know what to expect when offered support. We have a number of 'support settings' – i.e., within our Independent Retirement Living, general needs housing and support offered to homeless households in temporary accommodation.

We will articulate our support offer to tenants – explaining the benefits of the services we offer and their success in preparing people for their new home, helping people sustain their existing home and enabling older people to live independently in a support setting.

6.3 Maximising our tenant's disposable income

We want to help our tenants be more financially resilient. There are a number of small initiatives we can promote that will help our tenants improve their resilience.

We are working to improve the energy performance of our homes. This will reduce fuel bills and mean our tenants have more disposable income.

We think there are a small number of our tenants spending a large proportion of their disposable income on food and often poor-quality food nutritionally. We want to support our tenants to eat healthier and potentially for cheaper.

We want to create and support a savings culture amongst our tenant population. We know that savings create resilience for households in the event of a 'major life event'.

We also know that many of our tenants are not insured. Being appropriately insured can mitigate the impact of a major event (such as a flood or fire) enabling households to 'bounce back' quickly. We want to support our tenants to access appropriate insurance products – one step towards achieving that is ensuring they have access to the internet (See Section 6.2 above – Supporting tenants to grow their income). We will also direct tenants towards suitable products and highlight payment terms.

6.4 Reduce the costs of running the Housing Landlord Service

We are committed to being as efficient as possible in the running of the Housing Service. We think we can realise significant savings if we support tenants to conduct their tenancy in the most cost-effective way for us as a landlord.

Any savings we achieve will go into improving other services and investing in the quality of our tenant's homes.



We are aware that many other landlords operate incentive schemes – we will look at them when we devise our scheme and seek to pilot a scheme which we think will work best from the tenants and leaseholders of Runnymede.

7.0 Metrics for measuring success

We want to be able to measure the success of this strategy in delivering its aims. In order to evidence whether the strategy is delivering we will set up the following performance indicators to act as an ‘indicator’ of success.

- % of properties where the tenancy has failed as a proportion of the housing stock
- Value of recharges raised as a portion of the rent roll
- % tenants paying their rent by Direct Debit
- The wider success of this strategy will also be seen in reductions in the number of tenants in rent arrears and the % of debt owed, plus the levels of anti-social behaviour being reported – which are indicators already monitored.

8.0 Delivery action plan

Aim: <i>Preparing tenants to manage their new home</i>	
Action	Delivery target date
Set up a pre-tenancy training package	
Run a Housing Education programme	

Aim: <i>Support tenants to grow their income</i>	
Action	Delivery target date
Arrange targeted training to support tenants to develop their confidence with using the internet	
Consider how RBC’s Housing Service can support tenants to access employment focused training and employment	
Put in place customer facing documentation articulating RBC’s ‘support offer’. Explain the positivity’s of taking up support if offered and the consequences if refused.	

Aim: <i>Maximising our tenant’s disposable income</i>	
Action	Delivery target date
Within our support planning documentation ensure an issue under the health theme	



within the plan is food and nutrition + fuel poverty	
Seek to address fuel poverty by enhancing the energy performance of our housing stock – see Asset Management Plan	
Support tenants to use their heating system as efficiently as possible to reduce running costs.	
Seek to establish a ‘savings culture’ ensuring that Runnymede’s tenants are more financially resilient in the event of a ‘life shock’.	
Support tenants with problem debt – and discourage tenants from turning to high-cost loans (particularly loan sharks).	
Direct tenants towards appropriate contents insurance products via the RBC website.	

Aim: <i>Reducing the cost of the Housing Landlord Service</i>	
Action	Delivery target date
Put proposals on piloting a Tenant Incentive Scheme to the Housing Committee	
Same as above – but also individual ‘one off’ incentives	

