

Helping private tenants to achieve financial inclusion: engaging with stakeholders

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Presentation to the 2013 Social Research Association Conference: 'Getting Social Research into Policy and Practice', British Library, 9th December 2013

The financial inclusion agenda seeks to promote access to and use of financial services by consumers that are appropriate to their needs. This collaborative project was designed to address three important policy and practice questions: Where do private tenants fit within the financial inclusion agenda? What are the needs of financially excluded private tenants? And how might they be helped to become financially included? In doing so, it was structured around three phases: mixed-methods research overseen by an advisory board (complete); development of an action plan in collaboration with key stakeholders (near completion); and an impact evaluation of resulting action (forthcoming). The project was funded by the Nationwide Foundation and Nationwide Building Society, and undertaken by Andrea Finney, and Claire Whyley (PI) and Dawn Muspratt of Sliced Bread Consulting.

This paper briefly considers the headline findings and recommendations from the research, before turning its main focus to the process of engagement with policy-makers and practitioners in informing the content of the action plan. It highlights the challenges and successes, particularly in relation to the importance of reflecting and capitalising on existing local issues and contacts.

An overview of the research findings

The research involved secondary survey analysis followed by focus groups with financially excluded private tenants. Analysis of the 2009-10 Family Resources Survey found that one in ten people living in the private rented sector across the UK – equivalent to 650,000 people – did not have a transaction bank account in their name, a key proxy for financial exclusion.¹ These figures are notable, because the proportion was higher than for people in owner-occupier housing, albeit lower than for social tenants. Moreover, the trend for private tenants was flat over recent years of the survey, while for social tenants *and* owner-occupiers the trend was downwards.

Cluster analysis identified three more-or-less distinct and similarly sized groups of unbanked private tenants. The first group is one we might traditionally associate with being financially excluded: these were disproportionately made up of deprived and economically inactive people, including those unable to work due to ill health and retirees. A second group was far more surprising: these couples in their 20s and 30s were economically active and comparatively well off based on their incomes. Only one in five of the first group and two in five of the second group had potential access to an account in their household, raising questions about how most people in these first two groups arranged to make their rental payments (assuming they were the person responsible for doing so). A third group, of less immediate concern, comprised young, single adults living either in the parental home or in house-shares; although they did not have their own accounts, they were highly likely to live in households in which another household member did have an account.

The findings from this analysis helped inform the composition and coverage of five focus groups with financially excluded private tenants. The focus groups evidenced extreme vulnerability on a number of dimensions, in turn compounded by financial exclusion and a profound sense of isolation. The experience and impact of financial exclusion for private tenants was, on many dimensions, similar to that of other financially excluded groups, for example in relation to: the complexities and challenges of using a cash budget; restricted access to goods and services, and better jobs; and a low sense of

credibility and self-esteem. For private tenants, however, it also meant restricted access to housing stock, because only a small pool of landlords would accommodate tenants without an account to pay their rent by or satisfactory credit checks. In practice, this meant tenants feeling 'trapped' in their homes, many of which were in poor if not unsafe condition, for fear of upsetting the landlord with requests for maintenance and repair and potentially having their tenancies terminated. Indeed, some had been homeless before and others were at immediate risk of becoming homeless.

Conclusions and recommendations from the research

From this research, policy and practice recommendations were identified in relation to four main problems: the ongoing vulnerability of many people living in private rented sector housing, with welfare reform providing a critical incentive to tackling entrenched exclusion among private tenants; the 'invisibility' of vulnerable private tenants in policy, with unrecognised needs meaning they 'fall through the gaps'; continuing barriers to the achievement of meaningful and sustained financial inclusion regardless of tenure; and difficulties in delivering help with financial inclusion to private tenants. The second phase of the project was designed to help address the last of these.

Developing the action plan: ambitions, successes and challenges

Due for publication shortly, the action plan will highlight good practice and identify the steps required to promote greater financial inclusion for private rental tenants nationally, and the success measures associated with these. The action plan will be circulated widely to reach national, regional and local practitioners and other relevant stakeholders.

Ambition

To maximise awareness and influence and ensure that the action plan was informed by existing knowledge and expertise, our ambition was to develop the action plan in consultation with key stakeholders with national or regional interest in the issues, whether from a financial inclusion or a private tenants' perspective. This approach was also intended to maximise the potential for sustained and meaningful change beyond the life of the project, for example by promoting joint working and ongoing ownership of the action plan itself.

Successes and Challenges

Representatives from 10-12 organisations were recruited to a Stakeholder Panel, which met three times in parallel with the research phase of the project. These organisations included the National Landlords Association, homelessness charities, central government (from DWP's Universal Credit team), Brent Private Tenants Rights Group and, to promote learning from initiatives in other sectors, the National Housing Federation.

However, despite interest in and a commitment to the work, Panel members struggled to attend all of the meetings; travel distances played some part in this. More significantly, the Panel struggled to provide solution-focussed input to the emerging research findings, for example in relation to how gaps in provision might be filled in practice by them and organisations like them. This appeared to reflect the already heavy workloads of practitioners working in the field and the low priority some of their organisations gave to vulnerable private tenants; without the injection of additional funding, any desired progress would inevitably be stymied. It became clear that our ambitions to develop the action plan collaboratively with practitioners, and ask them to take ownership of it, would not be realised through this particular approach. A re-think was needed.

Our new ambition

The process of developing the action plan was therefore redesigned to instigate a 'call-to-action' via seven practitioner-based workshops across all four nations of the UK. The call was launched at a seminar which also saw the publication of the research report.ⁱⁱ

The proposed participants of these workshops included representatives from local government, housing associations, housing and money advice charities, community banks and private rented sector organisations. The anticipated advantage of holding more localised stakeholder groups was to enable discussions to be focussed around the needs of private tenants in the local area, given the current financial and policy context; participants should have more interests in common and be able to create new (and build on existing) meaningful relationships in response to local needs.

Our new successes...

1. Identifying and engaging with practitioners and other stakeholders at the local level required a degree of local knowledge and reliance, to a greater or lesser extent, on a key local player. Some of these key players emerged from the seminar which launched the research report (e.g. for our north of England workshop), and others came from the research team's contact networks (e.g. our Scotland and south coast workshops). In many instances, this person (or the organisation they represented), became a co-host for the workshop, a deliberate strategy to orientate the workshop agenda to local experiences (e.g. in our Wales workshop).

2. Capitalising on existing networks was then crucial in several of the locations. For example, in Northern Ireland we worked with the Consumer Council for Northern Ireland, which hosts Northern Ireland's Financial Capability Partnership. They kindly arranged for our workshop to follow directly on from one of their scheduled meetings. In other words, it relied on an already established and working partnership for engagement with key stakeholders.

3. Capitalising on local and national policy developments was also crucial, wherever possible. This garnered the vested interest of key stakeholders. To some degree, this was good timing. Welfare reform, and Universal Credit in particular, was already raising issues for some stakeholder organisations, especially local government. The development of Northern Ireland's first financial inclusion strategy, a new strategy in Scotland and a White Paper in Wales for their private rented sectors provided particular impetus to consideration of financial exclusion among private tenants in the devolved nations.

...and challenges

1. Some key players remained difficult to engage. Although we were fortunate to have had excellent support and input from the National Landlords' Association earlier in the project, and were joined by some individual landlords with a social orientation (often there in some other, official capacity) and social enterprise letting agents, local landlords associations and commercial letting agents were not represented at any of the workshops. Nonetheless, several workshops identified clear and strong incentives for landlords and letting agents to engage with the financial inclusion agenda, for their own benefit as well as that of their tenants.

2. There was, at times, an expectation expressed by workshop participants that the research team was there to talk about new initiatives, or to offer organisations a blue-print for success or even funding. We quickly learned to address this misconception upfront at workshops. But this created another problem: the sense of being reliant on participants offering their valuable time, knowledge and expertise, and offering nothing concrete in return. This underlined the importance of making

each workshop as relevant as possible, and highlighting the opportunity for mutual learning and potential joint working between participant organisations. Beyond this, all we could do was emphasise that the action plan participants were contributing to would also share learning from other parts of the country and therefore help reinforce and develop their local agenda in the future.

3. Finally, some participants struggled to understand where precisely the issue of financial inclusion agenda for private tenants sat. When situated within the broader private rented sector agenda, problems other than financial exclusion (i.e. the concomitant vulnerabilities some private tenants experience) were seen as more pressing; the perceived benefit of financial inclusion in this context was easily lost. Conversely, when situated within the financial inclusion agenda, targeting private tenants as a discrete population was seen as unnecessarily limiting. This tension had been at the heart of the project since its conception. Our intended solution – of organisations adopting a deliberate mindfulness of vulnerable private tenants into their ongoing services and new initiatives – was challenging for us to convey and for some participants to envisage; but ultimately constructive discussions were always had. A knowledgeable and effective chair was crucial in this respect.

Looking forward: next steps

Having now completed all seven workshops the difficult task of collation and assimilation of the substantive findings from the workshops has started. From this, we will develop an action plan that we hope will reflect back local activity and provide a template for greater and more cohesive actions as well as offer next steps to those workshop participants who contributed so valuably to the project. We also hope to hold an event in the future that enables practitioners to discuss and share their subsequent learnings, something many workshop participants expressed interest in doing.

Looking back: reflections from the project

1. We have already seen that timeliness and the role of local contacts were key. We might have capitalised on local events and policy developments even better than we did, had we had more time and resource to dedicate to it. But holding local groups was extremely constructive, due to the implied commonality of interest between organisations, and proximity to the issues ‘on the ground’.

2. Refining the messages from the research and in turn clearly defining the parameters of the discussion to pragmatic, workable solutions was also key, if challenging. Even so, it was important to allow people to raise issues outside the scope to the project, not least because such discussions can lead to creative solutions. An effective chair was crucial for enabling the right balance to be struck.

3. Being clear about ultimate outcomes, the role contributors played in this and how they could potentially benefit in return for their investment was also crucial. We needed to think through this carefully, be honest with our practitioner colleagues, and generous in our gratitude to them. Knowledge transfer and opportunities for joint working were particularly attractive to participants.

In conclusion, this project has been as much about ‘getting research into policy and practice’ as it has been about getting valuable experience from policy and practice into research.

ⁱ Department for Work and Pensions, National Centre for Social Research and Office for National Statistics. Social and Vital Statistics Division, *Family Resources Survey, 2009-2010* [computer file]. Colchester, Essex: UK Data Archive [distributor], November 2011. SN: 6886, <http://dx.doi.org/test>. The researchers are grateful to the Department of Work and Pensions, the Office for National Statistics and the UK Data Archive for making this data available for secondary analysis.

ⁱⁱ See Whyley et al (2013) [Helping private tenants achieve financial inclusion](#) Hove: Sliced Bread Consulting Ltd