



Money Guidance Programme: Evaluation Summary

Key report headlines:

- Early intervention is the key to preventing the escalation of later financial difficulties.
- Money guidance has direct financial gains for the residents and the social housing providers.
- Innovative housing association partnerships lead to an effective shared services based model.
- Money guidance has to be responsive to needs of the target group and must be adaptable – it can not be driven by preconceived ideas of what financially excluded people need.

The Money Guidance Programme was a 3 year partnership of five Housing Associations which came together to provide preventative money advice and guidance to their residents. The aim was to increase financial capability by developing money management skills, preventing debt problems, and improving financial wellbeing.

- The financial circumstances of many social housing residents are expected to deteriorate severely over the forthcoming years resulting in increases to levels of overindebtedness, arrears, and ultimately evictions in the social housing sector. It is prudent then that all landlords plan for these changes and determine the most cost effective way of supporting their residents.
- Those who are financially excluded and/or overindebted will often have multiple and complex financial, as well as social issues. Thus, there is a need for social housing providers to offer a co-ordinated and holistic approach to improving residents' financial wellbeing to ensure the causal issues are addressed.
- The case for supporting residents with their household finances and addressing existing social problems through the Money Guidance Programme service is a powerful one. There is evidence that it can provide potentially significant social and financial gains for each household.
- The sheer number and diverse nature of the financial problems faced by householder's means that a tailored support service is essential to successfully engage and ultimately benefit residents.
- The evaluation has identified significant value to each housing association in delivering the Money Guidance service as a preventative tool with new residents and maximising the transformative potential achieved for those that are already in arrears with their landlord.
- Overall average rent arrear levels have been shown to have fallen following the delivery of both types of money guidance services.
- For existing residents who are already in rent arrears the identified business benefits from reduced arrears were shown to be meeting the investment costs of delivering the service. Such improvements to rent payment behaviour will also save social landlords resources through reduced intervention activity costs.
- Prevention is always going to be better than cure. Providing this generic support to new residents does have a beneficial impact. Existing residents need to be referred to a support service much earlier on, before arrears are at the stage when specialist debt advice not money guidance will be required.

Recommendations for delivering Money Guidance Programme services:

- The Money Guidance Programme service should be continued within each housing provider.
- Money Guidance Programme services could easily and cost effectively be offered as a universal service to all residents across each housing association.
- The flexibility of offering both a Light Touch Money Guidance service and a more in depth, Casework money guidance should be continued
- Combining the targeting of new residents at the start of their tenancies together with existing residents who are already in rent arrears provides a comprehensive and effective approach.
- An additional target group should be developed that automatically refers residents who have received formal debt advice via their landlord.
- Money guidance should be viewed as a preventative measure and referral must be made much earlier in the arrears process. Effective referral mechanisms are essential and must be incorporated into existing rent arrears and new tenancy sign-up processes.
- The financial gains that have been achieved for participating resident should be promoted to other residents.
- Residents should be clearly informed of the service and the key benefits prior to referral.
- The MGP model of delivering financial support and advice to social housing residents should be put forward under the Big Lottery's new 'Improving Financial Capabilities' programme.

Recommendations for wider social housing sector:

- All social landlords need to plan for the worsening of their residents' financial situations.
- There is a need for a co-ordinated and diverse approach to supporting residents with their finances.
- Money guidance support and advice is an essential element of any housing association's approach to financial inclusion.
- Investment within Money Guidance Programme is shown to deliver a financial return for housing associations with the costs of running the project being met from the rent arrears reductions alone after just 12 months.
- Additional financial value will have been realised from cost saving from reduced arrears interventions both in preventing escalation in the first place and in reducing actions with existing residents with arrears.
- The Money Guidance Programme offers an effective and successful model of financial support for other housing associations to replicate.
- Partnership working between housing associations has delivered a range of beneficial outcomes

Partner housing associations:



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