

Briefing Notes

# Your residents' resilience to rent increases

Monday 07 November 2022

In partnership with



## Introduction

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The focus of this week's session was on HACT's new tool to measure residents' resilience to rent increases. Resident resilience was a topic that was raised in the network for last year's rent increases, and it was apparent then that organisations had no way of stress testing the environment for residents around rent increases.

These conversations lead to HACT carrying out further research and developing a resident resilience insight tool which Frances Harkin, Head of Services at HACT, discussed in this session.

## Outline of presentation

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Frances highlighted how HACT has been thinking about the resilience of residents for the past 18 months, especially in the aftermath of the Covid pandemic and in light of the cost-of-living crisis. It is a time where themes such as resilience and vulnerability have come to the fore in the housing sector.

There is plenty of focus given to organisations' financial resilience when considering rent increases and changes to income but much less on the resilience of individuals. HACT has therefore focussed its work on the resilience of social housing residents.

One of HACT's aims was to define 'resident resilience' in this sector and work out what a model for measuring resident resilience looks like and how these insights can be used to inform decision making. HACT worked with 6 or 7 organisations to develop a definition and to come up with domains of resilience.

HACT looked at literature from areas including the health sector, social housing, social care, and different environments and engaged in interviews and surveys with individuals in the housing sector to form their findings.

The definition that was developed for 'resident resilience' is:

*'A resilient individual is someone who demonstrates the ability to adapt to, and bounce back from, changing and adverse circumstances without detriment to their long-term wellbeing'.*

The domains of resilience were:

*Basic needs, core self, health & wellbeing, financial wellbeing, education training and skills, social connections, access to services and support*

This definition of resident resilience allows the sector to think about resilience in a standardised way and the domains of resilience were developed keeping the housing sector and the type of information it holds in mind.

The fact that a lot of information related to the domains is held by organisations as business-as-usual data is a great advantage. However, there are other types of data that would be helpful in building a picture of resilience, but organisations are unlikely to have and HACT has been looking at these data sources.

HACT's research process involved testing what this information shows and found that resident resilience can inform decision making particularly around action planning, which services to invest in and which individuals to target with services. The information can also be used to provide an enhanced understanding of residents' needs and interests to target services and resources more effectively. This will inevitably help shape service priorities and optimise resident experience.

### **Resident Resilience Insight Tool**

HACT's vision for their resident resilience tool involves inputting data about residents. This data is then attached to a unique identifier and generates an individual outcome. The implications of this insight include being able to predict future demand, helping financial and resident planning and measuring impact.

The resident resilience insight tool is different to traditional stress testing processes and models as they look at the impact on the business and finances, whereas this tool provides data to be able to look at the impact on residents.

As part of the development of this tool, HACT have accelerated the rent module which is currently available now and is based on the following three indicators; arrears amount, contact frequency, state dependency.

Information about individuals can be entered into the tool and it will identify which residents need the most support now and who will need support in the future. It can also provide a RAG rating which shows the level and urgency of the support that is needed and what impact a rent increase is likely to have on individuals.

HACT's purpose behind the development of this insight tool was that it wanted to take something that was identified as needed within the network and would help with financial

planning and decision making and build it into what it was already working on around rent and resilience.

There will be further work required for the further development of the rent resilience insight tool and this work will include looking at other factors such as changes in health, changes in environment as well as other financial scenarios such the ongoing cost of living crisis and the effect they have on resident resilience.

HACT want this tool to help organisations think about longitudinal changes with residents. Resident resilience can be measured at the start of the tenancy and then over time such as every 6 months, 12 months, 2 years. This would enable organisations to look at changes in the direction of their residents' resilience and to investigate what factors may be causing these changes.

## Questions and answers

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- Have you seen any other sectors or areas of business where stress testing models have been applied to humans? – *Yes, within the housing sector many organisations were already looking at their data in isolation and manually trying to pull insights together. This tool allows lots of factors to be considered at the same time.*
- Is there bad press around the term 'resilience'? – *The term resilience was preferred over vulnerability as there is a spectrum for resilience and the score on the scale can change over time and be improved whereas vulnerability is perceived as quite static. The development process is ongoing and yet to be tested with residents. The plan is to check assumptions on the definition and domains with residents and get their input.*
- Have you tied in with organisations that have been doing similar work and looking at same indicators? – *Conversations have taken place with other organisations doing profiling and segmentation work and HACT are open to opportunities to collaborate.*
- How easy is it for housing associations to measure the level of state dependency? - *As the process is currently in development stages, proxy data has been used. E.g housing benefit or universal credit have been used for the level of dependency. A part of the work HACT has been doing is to get a standardised metric for this and HACT is open to ideas about different data platforms that can be used.*

## Points raised in breakout room sessions

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- Existing tools within organisations include looking at personas and tailoring services around personas.
- There can be differences in generational resilience and varying degrees of resilience may already sit within those groups.
- Discussed some of the solutions organisations are using to mitigate the risk linked to rent increases and talked about tools being used in other sectors.
- The main thing coming through in one group was the unpredictability in terms of rent increase, fuel crisis and wider cost of living. Unpredictable in terms of how we can incorporate all this into our thinking.
- There are challenges such as practicality in terms of collecting this data, not all data is business as usual, some housing associations don't have that type of data.
- In supported housing, how do we get the tool to get the data from scheme managers and supported housing staff where they have intimate knowledge about residents to feed into residents' resilience?
- There are energy purchasing schemes which allow energy to be purchased in advance based on estimated uses to get better deals with energy prices. This consortium approach for energy purchase is organised by Universities by the following organisation: TEC: <https://www.tec.ac.uk/> . Could the housing sector do something similar?

## Where to find the Resident Resilience Insight Tool

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The Resilience Insight is available at <https://hact.org.uk/tools-and-services/resident-resilience-insight/> for a fee of £750. The purpose of the tool is to give information about potential impacts and identify the households that are likely to be impacted. We need to have insight in front of us to be able to make good decisions and prioritise our resources as best as possible.

## Register for our next session

What can board members learn from the digital advancements in other sectors, that could improve the housing sector?

Monday 21 November 16:00 – 17:00

Sectors such as retail, have been using digital to optimise their performance and customer experience for a long time now. Seamless digital experiences are an expectation from many retailers. What can we learn from the way they use digital, to improve the efficiency of housing associations and improve our resident experiences?

Speaker: Mike Longfellow, NED of Wakefield and District Housing board, and Managing Director at IFF Digital

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