



# CASE STUDY

The affordability calculator from entitledto helps organisations with tenancy sustainability. In this case study we look at how the tool came about and we talk to Ellen Salkeld, Financial Inclusion Manager at Optivo about how the affordability calculator is helping them.

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# AFFORDABILITY CALCULATOR (OPTIVO)

At entitledto our business is about offering innovative benefits and budgeting tools, which assist service users and providers to work out budgets, benefits entitlements and specialist financial scenarios. In 2014 Optivo (then called Viridian) contacted entitledto as they wanted to ensure that their customers were able to sustain their tenancy when they move into a new property. This case study explains what happened next.

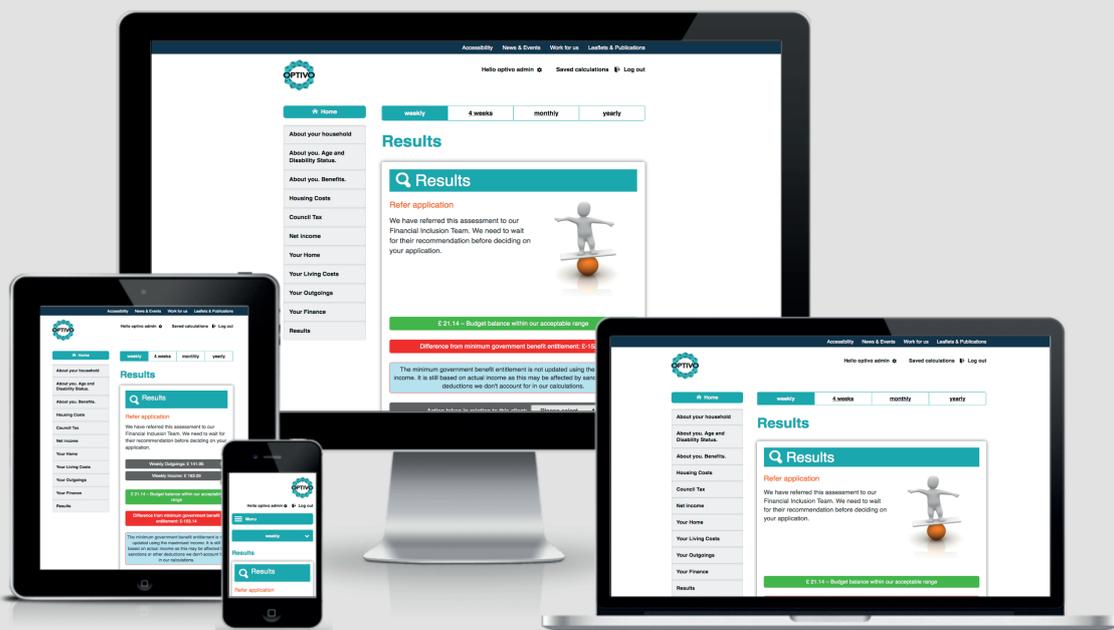
Optivo were particularly proactive in their approach to addressing tenancy sustainability and were innovative and open to new ways of working. They wanted to make sure that their housing applicants were aware of their financial commitments at the point of sign-up, with an understanding of whether the rent is affordable both at the time of applying and also as various welfare reforms come into force.

With welfare reform being a key obstacle to tenancy sustainment they wanted to make sure that their applicants were aware of those financial commitments prior to commencing a tenancy.

The Optivo lettings team performed the affordability assessment and they determined each applicant's income, which included a detailed assessment of the applicant's benefit entitlement, and their outgoings.

In order to target resources effectively and to ensure an accurate assessment of each applicant's financial circumstances, Optivo wanted an online solution that enabled letting officers to:

- Carry out a comprehensive benefit entitlement assessment



Identify unclaimed benefits, thereby maximising income

Provide a full assessment of the applicant's Council Tax Support entitlement for the local authority they live in

Provide an affordability calculation that accurately and transparently assesses income, expenditure and typical housing costs

Identify vulnerable applicants who require tenancy support (targeting resources and intervention in accordance with their lettings policy)

Keep up to date with benefit changes & welfare reform (with help features and guidance notes integrated into the calculator)

Analyse performance and management information in relation to benefit calculations, referral statistics and other management outcomes

Optivo and entitledto worked in partnership to develop the online solution that incorporated the features above and the tool is now known as entitledto's affordability calculator.

The affordability calculator allows both prospective tenants or adviser-led calculations to be carried out online. Once a calculation has been made and the result estimated a set of options is displayed for the tenant or lettings officer. The indicators can be used to determine levels of intervention at the start of a tenancy or acceptance/refusal of a tenancy.

For ease of use the content is displayed as part of a colour coded system to illustrate where the housing applicant appears on the spectrum. For example:



An amber indicator shows a borderline decision where the signup can take place subject to a referral to the financial inclusion team with an action plan to reduce debt/outgoings.



A red indicator results in a No decision on the basis that the applicant does not have sufficient income to sustain the tenancy.



A green indicator results in a letting with no further action

The solution ensures that borderline decisions are clearly identified and managers are able to monitor and adjust these settings to ensure they are fit for purpose. The indicators can be used to determine levels of intervention where an organisation has an acceptance.

## AFFORDABILITY CRITERIA

FOR OPTIVO THE FOLLOWING CRITERIA WAS INCORPORATED INTO THE RESULTS PAGES TO REFLECT THE PROPOSED PARAMETERS:



% of net income a household is spending on rent



net household income after the household has paid all costs (i.e. rent, housing costs, any other expenditure items including debt)



difference from the minimum applicable amount – i.e. how much more or less income they would have if they were claiming their minimum entitlement of benefits from the government (excl. disability benefits, Housing Benefits, Council Tax Support)



OUR EVICTION RATE  
FELL BY OVER **75%**

## ELLEN SALKELD

FINANCIAL INCLUSION MANAGER AT OPTIVO

The affordability calculator developed with entitledto has been a really significant product, which helped deliver a joined up approach between our Lettings, Income and Financial Inclusion teams, and positively impacted on our service delivery.

We use the affordability calculator ahead of every let in the business. This ensures that every single potential new resident is helped to maximise their income from the moment they meet us. Through this means, we access many customers who may struggle to get by financially.

Some customer groups are particularly vulnerable. As many as 60% of over 60's don't claim Council Tax Support they are entitled to, while 40% of the same age group don't claim Pension Credit. By making them aware of the benefits they should be getting, we have been able to assist many customers live a more dignified, financially secure life in older age.

### **For Optivo, the impacts have been brilliant.**

We developed one of the most successful Financial Inclusion services in housing, partly due to the seamless way new customers were identified as potential Financial Inclusion clients via the affordability calculator. Our eviction rate fell by over 75%, and we were able to keep many more customers in their home.

TO FIND OUT MORE VISIT OUR FREE TRIAL SITE AT  
[HTTPS://FREE-TRIALAFFORDABILITY.ENTITLEDTO.CO.UK](https://free-trialaffordability.entitledto.co.uk)



## GET IN TOUCH

We'd like to hear from you. So contact us now to find out more about how these products can help your organisation.

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