



Connected Housing Initiative: Market Opportunity 2014

Overview

The UK Government's move towards Digital by Default is generating a large new market opportunity for organisations offering affordable and flexible internet access and hardware to customers living in social housing.

The Connected Housing Initiative (CHI) is a group of twelve national housing associations¹ working collaboratively with the Mayor of London's office and digital skills provider, Digital Unite, to highlight this opportunity and work with emerging and existing organisations to take advantage of this new market.

The Social Housing sector provides accommodation for 18% of British households² equating to 5 million people. The Government's Digital Inclusion Strategy states that 37% social housing tenants are likely to be digitally excluded.³ This equates to around 1.85 million people. Evidence from current CHI members alone shows that on average 30% of people do not have access to the internet, equating to 110,000 people.

For Housing Associations, supporting residents to get online is a priority and many are committing significant funds to projects which offer internet skills training. However, Housing Associations are unable to supply residents with devices, IT hardware or long-term internet access. They also cannot act as the permanent intermediary customer between providers and their clients, due to the financial outlay associated with this position.

Helping Social Housing tenants get online would benefit many businesses as well as the Government and we would like to work in partnerships with those who can offer solutions for affordable connectivity and kit.

Our Three Goals for Social Housing

- Connectivity – An internet connection wherever you live, both mobile and residential
- Affordability - Internet access for everyone's budget and lifestyle
- Sustainability – Flexible and affordable payment options

Our housing associations provide homes for people across England. We support communities in cities, towns and villages. We are keen to work with partners who can help provide solutions that give the same opportunities to people, regardless of whether they live in rural or urban areas.

Our Commitment to Collaborative Working

There is significant collaboration around digital inclusion within the social housing sector, both through joint funding bids and sharing knowledge and expertise. “E-Street” is currently a Big Lottery funding bid being led by Affinity Sutton where over 100 housing associations are working together to offer internet training to 75,000 social housing residents across the UK.

Housing Associations nationwide are committing significant money and effort to this agenda:

- 40% of housing associations plan to negotiate affordable internet connectivity in the next financial year to support their residents
- 84% plan to deliver communal premises with internet connection and computers in the next financial year
- 28% plan to invest between £25,000 and £75,000 in internet activities over the next three years, 27% plan to invest £75,000+.

The Opportunities

The potential for cost-effective, flexible internet access and related products goes beyond those residents who are currently offline. Social housing providers are seeing more of their younger residents using mobile-only internet access⁴ and for some it is currently the only viable option.⁵

Affordable home and community internet access providers could tap into markets of existing internet users who may wish to switch providers to save money or because ‘pay as you go’ internet access suits their lifestyles better.

Regional opportunities: The Smart London Plan

The Mayor of London launched the [Smart London Plan](#) in 2013. This is the overarching strategy which seeks to utilise the creative power of new technologies to serve London and improve Londoners' lives.

The Plan sets out how Londoners can drive innovation as much as technologists, investors or policy agendas to make London an even greater city. But the Mayor has recognised that there are many Londoners who will be left behind if we do not tackle the issue of digital exclusion. Those digitally excluded people are less able to access jobs and training opportunities, access social media or make savings online. There is therefore, within The Plan, a commitment to delivering a pan-London digital inclusion strategy to address the many barriers digitally excluded people face.

Research from the Prince's Trust shows that a lack of employment related digital skills could affect one in ten young people. Social housing providers are directly engaged in helping all of our residents, young and old, to get online and make the most of the opportunities it brings.

The Benefits

Housing associations act as trusted intermediaries with residents; we support and understand the needs of our residents and we can help to design effective solutions that balance business sustainability with real impact on our residents' lives.

- We can work with technology providers to develop pilot programmes to test new products and services.
- We can support new business models by providing insight into customer needs and workable revenue models.
- We can work with technology providers to develop better risk assessment procedures for prospective new customers and generate more reliable information on customers who currently do not use online services.
- We can provide opportunities to promote products and services to our residents by working in partnership with suppliers who are committed to meeting our residents' needs.



Connected Housing Initiative



Affinity Sutton **MAYOR OF LONDON**



The Hyde Group
Making a lasting difference



¹ Housing associations are independent not-for-profit social businesses set up to provide affordable homes for people in housing need. They vary in size from fewer than 10 homes to more than 50,000. There are 1700 Housing Associations in the UK.

² ONS Housing Report published in 2011

³ <https://www.gov.uk/government/publications/government-digital-inclusion-strategy>

⁴ This mirrors Ofcom's findings that 25% of young people see their smartphone as the most important way to access the internet

⁵ Ofcom also reports that internet access via smartphone is most important for 19% of socio-economic group DE households, the highest level for all socio-economic groups