



Financial Inclusion Strategy

2010 - 2012

Purpose

The purpose of this strategy is to provide a clear and concise document that:

- Defines financial inclusion and the reasons for financial exclusion
- Understand how the Trusts tenants and communities may be affected
- Explains why it is important to consider financial inclusion when designing services, and the impacts for both customers and the Trust in doing so
- Shows how the Trust's values are reflected in ensuring that we work in this way
- Uses the learning and listening in to demand from the systems intervention into our Income Management Service to influence and design this strategy
- Details the actions we will take to make our services more financially inclusive, with timescales, output, outcomes and costs through an associated action plan

1 Definitions

1.1 Financial Inclusion

Financial inclusion is ensuring individuals have equal access to the opportunities to access the financial services and products needed to participate fully in modern-day society. This includes helping people gain the skills, knowledge and understanding to make best use of them, improving their financial capability.

It is also about enabling people to manage their money on a day to day basis in an effective, secure and confident manner. In turn this helps people to plan for the future and cope with financial pressures by being able to manage their finances to protect against short term variations in income and expenditure, and to take advantage of longer term opportunities. Financially included people are more able to deal effectively with financial distress should unexpected events lead to serious financial difficulty.

People who are financially included will have access to products and services that the majority of the population take for granted. These include:

- Bank accounts
- Home contents insurance
- Life assurance

- Sources of affordable credit
- Lower tariffs for utilities such as gas, electric and water
- Savings accounts

They will also know where to go to be able to access support services when they face financial difficulty, and have the skills necessary to negotiate with creditors and service providers.

1.2 Financial Exclusion

Those who cannot access these services become financially excluded and this affects some of the most vulnerable members of our communities. This inability to access appropriate financial services can make an individual's financial circumstances worse as they are often forced to pay more. For example, where a person does not have a bank account that supports out-going payments by direct debit, they then cannot take advantage of paying for utilities such as gas and electricity which offer a discount for using this method of payment. It has been estimated that the "poverty" premium for not being able to pay in this way is approximately £1000 per year.

Tenants in social housing are disproportionately affected by financial exclusion and it has been estimated that they make up 60% of all financially excluded people.

1.3 Causes of Financial Exclusion

As indicated above, financial inclusion considers a person's ability to access appropriate financial services and products. Individuals can be excluded from these for a number of reasons including:

- The cost of the service
- Lack of knowledge about services and a lack of education about how to access the service
- A belief that they will be refused the service
- Lack of confidence and/or other skills
- Lack of accessibility to services

2.0 Why it is important

2.1 Like other social housing providers, the Trust is in a unique position to improve the financial inclusion of our residents. We can be a trusted intermediary for them and have knowledge of and access to a large number of financially excluded households. This needs to be done in a

strategic, evidence based way which is embedded across all the service areas of the Trust.

2.2 From a business perspective

The potential impacts are:

- A higher level of rent collection
- A reduction in arrears and the number of households with arrears
- Partnership working with Housing benefit and other teams in our Local Authority areas
- Partnership working with agencies e.g. SWAN & CAB
- Tenancies are sustained; further reducing the number of evictions carried out and the impact of eviction both to the household and the Trust
- The emotional and financial impact for individuals, households and communities
- Promotion of social enterprises
- Link to the Values and aims of the Trust & Somer Group

2.3 Customer perspective

- Tenancies are sustained
- Maximise residents income and reduce debt
- The emotional and financial impact for individuals, households and communities
- Access to other agencies e.g. CAB, SWAN and the Credit Union
- Access financial services they would otherwise be excluded from

2.4 Values

The systems intervention showed the values most important to our customers are:

Confidentiality	Consistency	Honesty
Truth	Pay when they want	Good Advice
Easy to Pay	Clarity	Approachability
Relationship with HB	Friendliness	Accuracy
Prevention	Accessibility	

The four values of the Trust are: respect; affordability; involvement and community. These all link well to the values our customers want, a summary is shown below:

Respect

Confidentiality

Professional and well trained approachable staff who deliver good quality advice to assist residents
Referrals to independent advice
Repayment plans linked to residents income and expenditure (ability to pay)
Wide range of payment methods

Affordability

Access and promotion of the Credit Union to enable residents to have banking facilities and affordable credit
Affordability of rent and service charges in existing and future housing stock
Affordability of low cost insurance for all residents
Delivery of the affordable warmth strategy

Involvement

Using a system intervention approach to redesign our income management service, policy, procedures and financial inclusion strategy based on customer demand.
Prioritising direct contact with residents rather than letters
Working with B&NES HB team to improve their service to our customers
Ensure we provide the right information, advice and assistance to all new residents
Researching and incorporating learning from other organisations and best practice

Community

Sustainable communities by enabling customers to sustain tenancies and make a positive contribution to their neighbourhood
Working with local partners to ensure services are available and accessible in our neighbourhoods
Identifying where there are gaps in service provision in our neighbourhoods and working with residents to address these
The prevention of arrears leads to a reduction in the incidence of eviction which in turn leads to more sustainable communities

3. **Delivery of the strategy**

3.1 Studies into initiatives that had been undertaken to improve financial inclusion identified that the most successful of these share the following features:

- Intervention occurred at the point when the customer was ready to receive advice or was looking for financial support

- The use of trained staff. In some cases, money advisors were trained in the needs of vulnerable groups. In other, financial training was given to those already working with particular groups
- The service was effectively marketed to potential clients
- The service was seen as independent and trusted
- Partnerships with other relevant organisations were developed

3.2 We aim to deliver our financial inclusion strategy in-house through:

- SLA and partnership working with external agencies
- Continuing to work with Housing Benefit to improve services
- Continuing to work with the Credit Union
- Delivering the affordable warmth strategy
- Implementing the new ways of working in our Income Management Services
- Delivering the action plan that forms part of this strategy by March 2012
- Establishing a financial inclusion project group that includes residents to ensure the delivery and review of this strategy

Financial Inclusion Action Plan

Actions	Timescales	Resources	Output	Outcomes	Cost
Refer customers to SWAN to appeal Housing Benefit back-dating and challenges to HB Overpayments (HBOP)	On-going	IMO SLA with SWAN	Database of referrals to SWAN with numbers of successful and unsuccessful referrals; cash value of successful referrals	Housing Benefit backdate for customer; reduction in value of HBOP; Reduction in debt owed by customer; contribution to reduction in rent arrears	£12,550 pa
Refer customers to Bath CAB for money management and debt counselling advice	On-going	IMO's SLA with CAB	Database of referrals with number of referrals; reason for referral; value of debt owed to Trust; value of overall debt;	Debt advice delivered to customers; customers better placed to manage debt; reduction in level of debt owed by customers to both the Trust and other creditors; Benefits health checks delivered to tenants;	?
Train Trust staff in Welfare Benefits and how customers can access them	Annually	Training Budget HR	Training on Welfare Benefits delivered	Relevant Trust staff will have up to date knowledge of welfare benefit system and how customers can access it Customers gain access to benefits that they weren't previously claiming thereby increasing their disposable income	£2,000
Benefit Campaigns in Somer Times, events at schemes and in neighbourhoods. Linked to partnership work with SWAN/CAB/Age Concern etc & based on our understanding of our neighbourhoods and our residents	Quarterly	IMOs NSMs GIS Officer AD Tenancy Services External agencies	Residents are informed about benefit entitlements and are able to make claims.	Benefit claims are made Increase in residents income Reduction in rent arrears	£2,000

Actions	Timescales	Resources	Output	Outcomes	Cost
Further develop our relationship with the Credit Union and promote their services	December 2010	NSM's IMO's PAM	Somer Times Article Database of referrals to Bristol Credit Union to include those that go on to take up membership as savers	Customers have access to a reliable source of affordable credit	None
Promote Somer Group staff membership of Bristol Credit Union	Ongoing	PAM	Article in Somersault	Increased staff membership of Bristol Credit Union Increased funds available to Bristol Credit Union for loans to customers in need. Increased financial viability of Bristol Credit Union.	None
Produce accessible information for customers about what to do about debt and where to get independent support	Winter Somer Times	NSM	Article in Somer Times Information Leaflets Information published on website	Reduction in arrears	£500
Provide support to new and transferring customers who need to claim Housing Benefit to assist with payment of rent before tenancy starts	Ongoing	IMOs LSOs NSMs LSM	Completed HB forms brought to sign up & verify claim at or before sign up (Wilts, S.Glouc & Mendip) Ensure Tenants in B&NES are making their application for HB prior to attending sign up Invite HB to attend sign ups at new build schemes Ensure we carry out estimations of entitlement to benefit for new tenants	HB in payment from start of tenancy in all applicable cases Reduction in rent arrears caused by delays in applying for HB	None

Actions	Timescales	Resources	Output	Outcomes	Cost
Promote availability of basic bank accounts (BBAs)	?	PAM	Somer Times Article	Increased understanding of availability of BBAs and how to get one	?
Provide financial training for new customers at the start of their relationship with the Trust	Oct – March 2011	NSM (AN)	Pilot of “New Tenant Training” delivered by Community 4	Customers better placed to manage income & expenditure Low or no arrears for new tenants	£2,600
Make payment plans with customers which are based on a consideration of their personal circumstances which aim to clear the debt with the Trust as quickly as possible	Oct 2010	IMO's	Individual payment plans based on personal circumstances Income & Expenditure forms implemented New policy and procedure	Decrease in number of payment plans that fail. Reduction in rent arrears for individuals Reduction in global arrears Reduction in eviction for rent arrears Reduction in number of cases referred to Court for possession proceedings	None
Understand whether there is a demand for income management services to be provided to customers outside of 8.30 and 5pm Monday to Friday	March 2010	NSMs IMOs	Pilot different time for customer contact e.g. up to 7pm, Saturday morning and review the outcomes	More accessible services	
Investigate availability of low cost home contents insurance for all customers	Oct 2010	NSM (AN)	Identify suitable broker to provide this service to customers	Enter into agreement with Broker to provide services	None

Actions	Timescales	Resources	Output	Outcomes	Cost
Install PCs to all LSCs to enable staff to complete benefit calculations with customers	March 2010	ICT HSOs (LSC) IMO	PCs installed	Better advise and assistance to customers Accurate benefit calculations Residents know what to pay	£850
Enable residents to access their accounts via the inter-net and make payments	March 2012	ICT NSMs IMOs	Residents can access their rent accounts on line Payments are received via the internet	Improved accessibility for customers	TBC
Promote availability of low cost home contents insurance	Nov – March 2011	NSM (AN)	Article in Somer Times Mail shot to all customers Poster & leaflet campaign	Increase in number of customers taking up scheme Reduction of uninsured losses to customers	None
Service reviews within the Trust consider the impact upon residents of affordability and financial inclusion	On going	All Staff	Affordability is a key factor in designing and decision making in service reviews	Ensure our services are affordable to our customers	
Affordability of new development	Dec 2010	AD Tenancy Services AD Property Services	Consideration given to rent and service charges for new developments and their affordability for our core customer group during the development appraisal process. The Trust approves or declines new developments based on an understanding of resident affordability	Low or no arrears on rent accounts Customers understand the financial commitment of living in the home they are moving into	None

Actions	Timescales	Resources	Output	Outcomes	Cost
The affordable warmth strategy is delivered		NIC (PY)	<i>See affordable warmth strategy</i>	<i>See affordable warmth strategy</i>	
Produce information about risks of loan sharking	March 2011	NSMs	Article in Somer Times Information published on Website Mail-shots & leaflets in appropriate areas	Increased awareness of loan sharking and consequences Increased reporting of loan sharking activity	£500
Schools	March 2012	NSMs IMOs AD Tenancy Services Sustainable Communities Manager	Identify schools in neighbourhoods (where we have high debt) to support learning in relation to income management and financial inclusion for young people and parents	Effective relationships with local schools Parents and young people are informed	
Social Enterprise and Worklessness	March 2011	NSMs AD Tenancy Services Director of Customer Services (Housing & Support) Sustainable Communities Manager	Build relationships with agencies & social enterprises who can assist with tackling worklessness e.g. Big Issue, Julian House and Clean Slate Support social enterprises when appropriate Identify new opportunities to work in partnership	Increased employment opportunities for residents in our neighbourhoods	

