

Policy:

Financial Inclusion Policy

**Compliant with Charter
Outcomes and Standards:**

Standard 1- The Governing Body leads and directs the RSL to achieve good outcomes for its tenants and service users.

Standard 2- The RSL is open and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders.

Standard 3- The RSL manages its resources to ensure its financial well-being and economic effectiveness.

Standard 4- The Governing Body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.

Standard 5- The RSL conducts its affairs with honesty and integrity.

Standard 6- The Governing Body and Senior Officers have the skills and knowledge they need to be effective.

Standard 7: The RSL ensures that any organisational changes or disposals it makes safeguard the interests of, and benefit, current and future tenants.

**Compliant with Tenant
Participation Strategy:**

Yes

**Compliant with Equal
Opportunities:**

Yes - The policy supports equal access to service for all.

Compliant with Business Plan:

Yes



Compliant with Risk

Yes – Risk 5 – Welfare Reform. The policy helps to protect rental income and support long-term viability.

Date for Approval:

June 2025

Date for Review:

June 2028

Responsible Officers:

**Diane Balfour – Financial Inclusion Officer
Julie Allison – Head of Housing**



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1. Purpose

The purpose of this policy sets out our Financial Inclusion Service framework which aims to help customers maintain successful tenancies, expand the services available to customers, and improve our business performance results. The service is marketed to all new and existing tenants to prevent debt arising, which reduces the need for fire-fighting large debt or legal action to end a tenancy.

The Scottish Government definition of Financial Inclusion is “Individuals having access to appropriate financial products and services. This includes people having the skills, knowledge and capability to manage money and make best use of those products and services”.

Background

There are many compelling business reasons why we are committed to developing our financial inclusion service, they include the challenges of:

- on-going welfare reform and increased difficulty in accessing benefits.
- continued above average levels of worklessness and low household income levels in East Ayrshire.
- increasing rent arrears.
- high levels of fuel poverty.
- above average tenancy turnover
- homelessness prevention
- tenancy sustainment

This policy will play a key part in helping to achieve our vision; it reflects our values and demonstrates how we deliver services that meet our customers' needs and the improvement of our performance and value for money.

Resources

Our current resources include one full time Financial Inclusion Officer with assistance from two full time Housing Assistants. This has enabled us to respond to the ever-changing needs of tenants whilst protecting rental income, sustainment of tenancies and strengthening our financial viability for the future.

Business Plan Drivers: financial exclusion can lead to tenancy failure, increased tenancy turnover, increased void loss, increased rent arrears and bad debts.

2.Strategic Priorities and Outcomes



Our Financial Inclusion service aims to assist customers with a range of money matters, including household budgeting, paying bills, and saving to improve their financial well-being and ability to sustain successful tenancies.

The five strategic priorities of our Financial Inclusion Policy are: -

1. **Do not Set People Up to Fail** - Engage with prospective tenants at the pre-tenancy stage, offering advice and assistance to ensure that they are financially capable to cover the cost of their rent and other household expenses.
2. **Build Financial Capability** - Increase access to the right financial products and advice.
3. **Maximise Income** - Help to access all available benefit entitlement and increase household income.
4. **Debt Support** - Co-ordinate money advice to address debts and prevent homelessness.
5. **Working with Partners** – Tackle inequalities and poverty through better access to mainstream banking and support services, aiding sustainment of successful tenancies.

The expected outcomes of our work will be measured against the following outcomes.

- Tenancy sustainment trends
- Current, Former and Bad Debt arrear trends
- Household Income generation
- Eviction trends
- Direct payment of housing cost trends – Housing Benefit, Universal Credit and Discretionary Housing Payments.
- Universal credit caseload and impact trends
- Partner Initiatives; bank or credit union account creation, sustainability initiatives
- Poverty trends; Cash for Kids, Citrus Energy, Home Energy Scotland, Foodbank, Charitable grant applications.

3. Key Challenges

Our relationship with tenants begins before the tenancy agreement is signed and the tenant moves in. Pre-tenancy contact and support are vital to our approach to successful tenancy sustainment. We will work with partners to ensure effective joined up services for our more vulnerable customers, especially in specific groups such as care leavers, elderly, disabled customers, and those at risk of social isolation.

The Association recognise the increasing need for pre-tenancy support considering continued financial impacts on customers, such as the cost-of-living crisis and fuel poverty.

Prospective tenants are provided with advice and information at pre-allocation stage and once they become tenants,



further support is given to apply for appropriate benefits and grants, putting them in the best financial position to sustain their new tenancy.

Supporting new tenants in the early weeks of moving into their new home, through a settling in visit within the first four weeks of the tenancy. If the tenant is identified as vulnerable the Housing Manager will agree the frequency of the increased number of visits based on the level of vulnerability. These visits are vital in terms of establishing the relationship with the tenant to identify any support or vulnerability issues at the earliest opportunity.

benefit who will be subject to future migration to Universal Credit

At times appropriate contact is made to provide advice and support with the relevant changes, with a view to making change as smooth as possible and supporting ongoing tenancy sustainment.

Welfare Reform

The Financial Inclusion Officer will continue to work with all tenants affected by the challenges that ongoing Welfare Reform presents. They will provide support to affected tenants with a view to mitigating the ongoing risks and the impact of Welfare Reform on our business. Updating our social media platforms with all changes and regular newsletter articles will ensure that we keep our tenants informed about what lies ahead and remind them that we are available to provide further information and assist with benefit claims where required.

Poverty; Child and Fuel

We are members of the Financial Health and Wellbeing Partnership which is chaired by East Ayrshire Financial Inclusion. A key role of this group is to identify specific projects to aid the reduction in poverty levels across East Ayrshire as a whole. It also aims to task relevant hierarchy to influence change where appropriate.

Close partnership working with Citrus Energy is effective in supporting new tenants to clear debt from meters and remove pre-payment meters at no cost to tenants. Each year we promote the Warm Home Discount Scheme to our tenants. This scheme provides a £140 rebate to qualifying customers. We also work in partnership with Home Energy Scotland who provide energy saving tips and advice.

Board provides a budget for our Financial Inclusion Service which assists with Fuel Poverty, allowing the Association to provide vouchers for tenants to top up meters. or issue supermarket vouchers for low-income families or tenants who are facing financial hardship.

Reducing Tenancy Debt

Financial Inclusion staff have a key role to play in the arrears management process. Early intervention gives



the best possible chance of positive outcomes when applying for grants to reduce or eradicate debt levels. We continue to provide and offer ongoing support to tenants to improve their financial capability to prevent arrears re-occurring. Prompt engagement with tenants making new claims for Universal Credit, results in tenants paying the rent element from their advance payment, helping to prevent rent accounts from falling into arrears. When tenants move from Legacy Benefits to Universal Credit, they are entitled to a two-week run on of Housing Benefit which also reduces the impact risk of UC on the business. Being able to access the UC Portal means that we can identify missing or reduced payments in advance of the payment due date. This allows us to engage with affected tenants quickly to resolve any issues with payment or agree arrangements to address the shortfall. The Arrears Direct process is initiated to recover rent arrears where tenants fail to engage with the association to address outstanding balances. UC deduct a percentage of benefit entitlement and pay this money direct to the association. This process works well to reduce balances, maintain rent accounts in advance as per the tenancy agreement and minimise the financial risk to the business as we continue the migration to Universal Credit.

4. Performance Monitoring

We are developing our approach to measure the extent to which tenancies are 'Thriving' or 'Failing.'

We have an Action Plan showing ongoing and planned activities that build on the work conducted by our Financial Inclusion Officer. As Welfare Reform and Scottish Social Security new benefits roll-out, the Action Plan will be updated accordingly.

5. Equalities

We ensure this policy complies with our Equality and Diversity Policy. The policy can be made available in different formats on request.

6. Policy Review

This policy will be reviewed every three years or sooner subject to legislative or best practice change.

The purpose and effectiveness of the policy and associated services will be reviewed as part of our 3 yearly Strategic Business Plan review.

This policy is subject to wider consultation with peer organisations, customers, tenants, and staff. The Tenants Panel will take the lead in reviewing the



impact and outcomes of the service, with the support of Staff, to help shape future policy direction.

Regulatory Standards of Governance and Financial Management

In carrying out this policy the Association aims to demonstrate compliance with the following standards:

1. The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.
 - 1.1 The governing body sets the RSL's strategic direction. It agrees and oversees the organisation's strategic and financial plans to achieve its purpose and intended outcomes for its tenants and other service users.
- 2 The RSL is open and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.
 - 2.4 The RSL is open, co-operative and engages effectively with all its regulators and funders, notifying them of anything that may affect its ability to fulfil its obligations. It informs the Scottish Housing Regulator about any significant events such as a major issue, event or change as set out and required in our notifiable events guidance.
4. The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.
 - 4.1 The governing body ensures it receives good quality information and advice from staff and, where necessary, expert independent advisers, which is timely appropriate to its strategic role and decisions. The governing body can evidence any of its decisions.
5. The RSL conducts its affairs with honesty and integrity.
 - 5.1 The RSL conducts its affairs with honesty and integrity and, through the actions of the governing body and staff, upholds the good reputation of the RSL and the sector.

