

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:

September 2021

Date for Review:

September 2024

Responsible Officers:

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



Contents

| | |
|---------------------------------------------------|----------|
| 1. Purpose, Background and Resources | 3 |
| 2. Strategic Priorities and Outcomes..... | 4 |
| 3. Key Challenges..... | 4 |
| Current position | |
| Welfare Reform..... | 5 |
| Poverty; Child and Fuel | 5 |
| Reducing Tenancy Debt | 5 |
| 4. Performance Monitoring..... | 6 |
| 5. Equalities | 6 |
| 6. Policy Review | 6 |



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 especially during the Covid-19 pandemic.
- continued above average levels of worklessness and relatively 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 our customers need and improvement of our performance and value for money.

Resources

As part of the Strategic Business review in 2017-18, Board responded to the growing business need to invest further in financial inclusion services. The organisational re-structure increased the service resource from 1 to 2 full-time Staff. This example of strong governance enabled us to respond to the ever-changing needs of tenants whilst protecting rental income 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 new and existing 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. **Don't 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, Foodbank, Charitable grant applications.

3. Key Challenges

Current Position

Profiling is carried out to proactively target services to those customers most at risk of their tenancy failing. We have identified 3 target groups.

- Single under 25
- Working age families paying full rent
- Working age tenants receiving legacy housing benefit subject to future “Move to UC”

At times appropriate to each group, 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.



Prospective tenants are provided with advice and information at pre-allocation stage. Once they become tenants, support is given to apply for appropriate benefits and grants, putting them in the best financial position to sustain their new tenancy. Settling In visits are made to new tenants within the first 4 weeks of their tenancy commencing. Following this visit, recommendation is made to Customer Service Manager as to the frequency of ongoing visits, taking account of vulnerabilities or support needs that may exist.

Welfare Reform

The Financial Inclusion team will continue to work with all tenants affected by the challenges that ongoing Welfare Reform presents. We will provide support to affected tenants with a view to mitigating the ongoing risks and the impact of Welfare Reform on our business. Covid 19 has presented further challenges over the past 18 months and the ongoing recovery period will see further need for support to many of our tenants. Updating social media platforms with all upcoming 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 new 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.

In the past, Board, staff and contractors have supported local food banks and Cash For Kids Mission Christmas appeals. We apply annually for grant funding from Mission Christmas to provide small Christmas gifts to families who are experiencing hardship. We are also accredited to issue food bank vouchers to tenants affected by benefit changes, sanctions etc. During the pandemic, Cash For Kids have also provided financial support in the form of Family Grants to provide some extra help for families during the summer holidays

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 Housing Benefit 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. The introduction of the UC Portal means that we no longer wait 4 or 5 weeks for rent payments made direct to Shire. This enhancement means we can identify missing or reduced payments in advance of the due date, 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 approach Move to UC in the future.

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 carried out by the Financial Inclusion team over the past 6 years. 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, that 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.



FINANCIAL INCLUSION POLICY - APPENDIX 1

| Action No. | Action | Key Activities | Lead Person/s | Timescale | 2022 Update | 2023 Update | 2024 Update |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------|-------------|-------------|-------------|
| 1 | Support tenants to prepare for and adapt to benefit changes, with a view to reducing the risk of arrears being created as a result of the change. | Update social media and website with timeous information regarding future changes. | FIO/CSA | Ongoing | | | |
| | | Contact current tenants directly to inform of how they may be affected by benefit changes and detail expected timeline for change. | FIA/FIO | Ongoing | | | |
| | | Prepare new tenants by discussing changes at pre-allocation, sign-up and settling in discussions. | FIA/FIO | Ongoing | | | |
| 2 | Assist tenants to transition to Universal Credit. | Provide information and assistance to all tenants who require support to set up e-mail address and submit UC claim online. | FIA/FIO | Ongoing | | | |
| | | Make contact with every tenant who has submitted a UC claim independently, to ensure that they understand the | FIA/FIO/CSO | Ongoing | | | |

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| | | <p>full UC process including claiming advance payment and making arrangements to pay rent.</p> <p>Ensure DHP and CTR applications are submitted to EAC for all tenants who have made a new UC claim.</p> <p>UC tenant information leaflet to be amended to reflect the process of "Move to UC" and issued to tenant's most likely to be affected, once timeline for change is published.</p> | <p>FIA/FIO</p> <p>FIO</p> | <p>Ongoing</p> <p>Awaiting DWP Information On "Move To UC" Roll-out Dates</p> | | | |
| 3 | Assist tenants to resolve complex benefit issues, dispute incorrect decisions. | <p>Gain consent from tenants in order that we can challenge errors/delays in benefit payments with DWP/HB on tenant's behalf.</p> <p>Provide tenants with clear explanation and</p> | <p>FIA/FIO</p> <p>FIA/FIO</p> | <p>Ongoing</p> <p>Ongoing</p> | | | |

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| | | <p>outcome and assist tenants to submit mandatory reconsideration requests or HB appeals where required.</p> <p>Support tenants to consider DWP appeal process where appropriate and signpost to relevant agencies should progression to appeal stage be appropriate.</p> | FIA/FIA | Ongoing | | | |
| 4 | Assist tenants to maximise income in order to minimise the risk of rent arrears occurring. | <p>During pre-allocation discussions, establish if there are any gaps in benefit entitlement.</p> <p>Support tenants to apply for relevant benefits, source charities who provide grants for white goods or other financial support and provide budgeting support and advice to tenants who</p> | FIA/FIO FIA/FIO | Ongoing Ongoing | | | |

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| | | may require additional assistance in this area. | | | | | |
| 5 | Support tenants on low incomes or unemployed, who may be subject to fuel poverty, child poverty and Welfare Reform to gain better access to services that can help them. | <p>Advise new tenants of the various switching services allowing them to get utilities up and running as quickly as possible, clear any outstanding debt left by outgoing tenant. Provide support to identify current energy supplier.</p> <p>Continue to publicise Citrus Energy's free service to support all tenants who may have debt disputes with their energy supplier or have self-disconnected due mounting debt on pre-payment meter. Also utilise Energy Voucher schemes managed by Citrus Energy to support tenants most affected by fuel poverty.</p> | <p>FIA/FIO</p> <p>FIA/FIO</p> <p>FIA/FIO</p> | <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> | | | |

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| | | At Settling In visit discuss free removal of pre-payment meters, via Citrus Energy referral, with tenants who are comfortable managing bill payment arrangements for dry meters. | FIO/CSA | Ongoing | | | |
| | | Ensure timely publication of all new Scottish Government initiatives – next to be introduced Child Disability Payment Autumn 2021 followed by Adult Disability Payment in 2022. | FIA/FIO/CSO | Ongoing | | | |
| | | Submit applications to Cash for Kids for small family grants at relevant times. Accept self-referrals from tenants as well as referrals from Customer Service Officers who identify families who would | FIA/FIO/CSO | Ongoing | | | |
| | | | FIA/FIO | Ongoing | | | |

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| | | <p>benefit from additional support.</p> <p>Signpost or refer tenants to partner agencies who can provide additional support.</p> <p>Participation and engagement with the Financial Health and Wellbeing Partnership being led by EAC and share initiatives and outcomes with the wider team.</p> <p>Annual participation in Challenge Poverty Week – W/C 4/10/21, which includes pledging what we as a business will do to influence change and support projects to reduce poverty levels across East Ayrshire.</p> | All Staff | Ongoing | | | |

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| 6 | Continue to work in partnership with DWP, LA, other housing providers and networks, with a view to ensuring smooth transition to UC during further roll-out. | Attend regular liaison meetings with a view to escalating common issues, problem solving and sharing of good practices. | FIA/FIO | Ongoing | | | |
| | | Attend Scotland's Housing Network forums, ensuring access to up to date progress mapping information on "Move to UC" along with Scottish Government updates on devolved benefits. | FIA/FIO | Ongoing | | | |
| | | Participation in relevant training provided by SFHA, supporting the expansion of knowledge in the fast moving world of benefits | All Staff | Ongoing | | | |
| 7 | Ensure digital platforms are updated with timely information relating to Welfare Reform | Regular updates and "news flashes" to be posted to Facebook, Twitter and Shire website. | FIO/CSA | Ongoing | | | |

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| | and devolved Social Security Benefits. | <p>Shire website to be updated to reflect Scottish Government initiatives around new devolved benefits and existing DWP information to be modernised.</p> <p>Links to online application tools to be included on website.</p> | <p>FIO/CSA</p> <p>FIO/CSA</p> | <p>Complete by 30/11/2021. Thereafter monitor and Update regularly.</p> <p>Ongoing</p> | | | |
| 8 | Promote relevant partnerships, funding streams, credit union services etc. to all tenants using appropriate, user-friendly methods. | <p>Identify funding streams which consider grant applications from tenants at risk of eviction/commencement of court action. Submit applications with supporting evidence, giving the best chance of successful outcomes, supporting tenancy sustainment.</p> <p>Offer information regarding free</p> | <p>FIA/FIO</p> <p>Customer Service Team</p> | <p>Ongoing</p> <p>Ongoing</p> | | | |

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| | | <p>Fire Safety Checks to all new tenants at settling in visits. Share regular Facebook and Twitter posts highlighting that this service is available to all tenants.</p> <p>Promote use of the Allpay App to all tenants who attend the office to pay rent or pay over the telephone.</p> <p>Promote products and services offered by local Credit Unions, particularly to support tenants to improve budgeting and aim to save small, regular amounts.</p> | <p>Customer Service Team</p> <p>Customer Service Team</p> | <p>Ongoing</p> <p>Ongoing with Sovereign Credit Union. New links to be fostered with Ayrshire Credit Union.</p> | | | |
| 9 | Support tenants to avoid fuel poverty | Maintain partnerships with Citrus Energy and | FIA/FIO | Ongoing | | | |

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| | and access appropriate advice on energy efficiency and switching support, with a view to supporting tenancy sustainment. | Home Energy Scotland and make timely referrals for tenants requiring assistance to remove pre-payment meters and replace with dry/SMART meters reducing standing charges and aiding energy efficiency. Apply for all available funding to provide energy vouchers to tenants affected by fuel poverty during the pandemic. | FIA/FIO/CEC | Ongoing | | | |
| 10 | Reduce dependence on Food Banks. | Support tenants to maximise all aspects of income, provide budgeting support and signpost to relevant agencies for debt advice where required. Make referrals to partners who provide practical support in relation to shopping cost | FIA/FIO FIA/FIO | Ongoing Ongoing | | | |

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| | | effectively, cooking on a budget etc. | | | | | |
| 11 | Support tenants to build confidence using digital methods of contact in preparation for claiming UC. | <p>Issue the updated UC leaflet at a time that coincides with “Move to UC” timetable.</p> <p>Provide assistance to tenants moving to UC to set up e-mail addresses where required, assist to submit UC claim online and give them a “how to” prompt list to help them maintain their claim online.</p> <p>Refer tenants to digital courses delivered by Vibrant Communities and Barclays LifeSkills in partnership with The Wise Group to help build confidence and skills.</p> | <p>Customer Service Team</p> <p>FIA/FIO</p> <p>FIA/FIO</p> | <p>Align with DWP timetable of change.</p> <p>Ongoing</p> <p>Ongoing</p> | | | |