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BOURNEMOUTH CHURCHES HOUSING ASSOCIATION

FINANCIAL INCLUSION STRATEGY

2016-2018

This strategic plan has been developed by
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Introduction & Purpose

BCHA is a specialist housing and housing related support (HRS) provider, helping people who are in need or vulnerable to access the right quality housing and health services, as well as learning and works opportunities.

The vision of BCHA is to create lasting solutions to homelessness, unemployment and social exclusion.

Each year, in some way, BCHA work with approximately 10,000 individuals and families in need.

We are responsible for the management of 2079 homes. Services include the collection or rent, providing a quality repairs and improvement program, delivery of tenancy management functions, and in some of our properties, the delivery of support services.

BCHA recognises that some of our customers will feel the pressures of managing restricted incomes, whilst trying to meet the basic needs, as well as increasing debt levels and potentially rent arrears.

It is our aim that by having this strategy we have a clear action plan and approach to ensure that we are able to help support our customers to be financially independent, in order that they are able to sustain their life, and responsibilities as well as working toward realising their own potential and aspirations they may have.

Financial Inclusion

The financial inclusion Strategy and action plan aims to ensure financial inclusion becomes a central part of BCHA housing teams, support services and our learning and works team.

A significant number of BCHA's customers experience financial hardship, debt and a range of other challenges.

BCHA strongly believe that supporting our customers to manage their finances and cope with the increased pressures have never been more important.

What is Financial Inclusion

Financial inclusion can be defined as “a state in which all people have access to appropriate, desired financial products and services in order to manage their money”

Financial inclusion is a part of every day life. Financial inclusion covers a wide range of issues to include:

- Housing
- Debt
- Fuel
- Poverty (food)
- Affordable Loans
- Health
- Access To Services
- Access to work/benefits

Some common factors that cause financial exclusion include:

- Stipulations and requirements for bank accounts to be opened and accessed i.e. minimum account balances and minimum earning criteria (Social Housing tenants being more likely than any other group to not have a bank account)
- Access only to high interest services due to being considered too risky for lenders
- High premiums and high excess levels for certain insurance products
- Limited access to digital services to include use of computers and internet access
- Excessive charges preventing services from being taken up
- Geographic restrictions offering services to certain postcodes and towns
- Self exclusion where individuals opt out of services
- Difficulties in securing work as employers require bank accounts for salary payment
- Digital Exclusion

Research shows that those who are considered to be more likely to be affected by financial exclusion are:

- Single parents
- People aged over 60
- Households on low income or in receipt of benefits
- Young adults between the ages of 18 – 24
- People with disabilities or additional learning needs
- Refugees and asylum seekers
- The homeless

BCHA strive for customers to be financially capable ensuring that personal finances are managed; customers are able to plan ahead financially; make informed choices about financial products; and stay informed about financial matters.

Financial inclusion imposes costs to the excluded individuals and it is accepted that if people become financially excluded due to debts they become more vulnerable to financial distress and a spiral of debt, poverty and hardship. There is also a risk that the probability of poor health brought about and exacerbated by debt increases.

The causes of financial exclusion are most usually as a result of changes in circumstance, for example:

- loss of home
- loss of employment or retirement
- breakdown of a relationship
- illness, disability or bereavement within the family
- becoming new parents
- changes to benefit entitlement
- starting a new business
- going into or coming out of prison
- reductions in income
- long term unemployed

National Context

The country is facing one of the most difficult public funding climates seen for

decades. As a result, a period of rapid change has led to reductions in public spending and significant areas of social policy reform. Rising costs of living in relation to basic needs such as fuel and food, together with higher unemployment and housing costs are exacerbating the problems of existing vulnerable residents and also pushing others currently at the 'tipping point' into potential difficulties. The Trussell Trust has reported that there has been a year on year increase of those accessing emergency food supplies. In 2008-2009 there were 25,889 issued but by 2015-2016, 1,109,309 were issued.

This means that many vulnerable people in the country will face new and additional financial pressures, whilst essential services are stretched by unprecedented demand and the loss of key funding streams in the delivery of services.

Welfare Reform

The Welfare Reform Act 2012 was introduced in order to reduce the complexity of the existing benefits structure, to reduce welfare dependency and to ensure that those in work were financially better off than those that were not. The benefits that have been affected have included changes to Local Housing Allowance (LHA) and Employment Support Allowance (ESA). Personal Independent Payment (PIP) is gradually replacing Disability Living Allowance (DLA) and Bedroom Tax was introduced together with the benefit cap.

Further reform will continue over the next two or three years with the staggered introduction of Universal Credits and changes to Pension Credits.

Universal Credit (UC)

Is the new, single payment benefit, paid monthly in arrears to the claimant. Universal Credit aims to replace most existing benefits, including tax credits. Those that are affected are those in work, looking for work, those on a low income and people with children.

The aim of Universal Credit is to help claimants and their families to become more independent and to simplify the benefits system by bringing together a range of working age benefits into a single payment.

Universal Credit will replace the following benefits:

- Income based Jobseekers Allowance
- Income related Employment Support Allowance
- Income Support
- Child Tax Credits
- Working Tax Credits
- Housing Benefits

Our Strategic Aims

BCHA's aim is to develop a range of customer focused activities and run a financial inclusion model to assist customers with cash savings, provide sign posting opportunities, reducing rent arrears, provide budgeting advice to improve customers ability to fulfil their commitments to their landlord and improve their financial stability.

BCHA will also work hard to ascertain the reasons for financial hardship faced by our residents in order to develop further proposals of how to prevent financial hardship, and where possible will lobby local and central government in order to ensure that our customer's needs and concerns are heard.

Delivery of Strategic Aims

BCHA will achieve its aims with the following activities in order to promote a culture of financial inclusion:

- **Supporting our customers** - Effectively managing rental income to minimise rent arrears and prevent evictions by ensuring that there is a comprehensive pre-letting assessment is undertaken and support given at an early stage.
- **Collection of rent in advance** - Ensuring that our customers pay a weeks rent in advance or have an agreement in place to achieve this within a fixed timescale.
- **Advice and assistance** – Customers who are identified as being in financial difficulty will be provided with support to reduce their hardship by receiving services from our financial Inclusion Officer as well as our Floating Support service. This can include completion of an income and expenditure assessment as well as support with claiming entitled benefits.
- **Access to financial products** - BCHA are to develop partnership relationships with Credit Unions and Banks in order for our customers to access acceptable rates of lending as well as the ability to access benefits paid or employment.
- **Partnership working with stakeholders** - When needed we will work with Local Authority partners in order to share information that enable our customer to receive the support that they need.
- **Developing skilled staff**-Ensuring that all front line staff have regular training to deliver best practice service and advice to our customers.
- **The collection of profiling data and its use** - Developing an understanding of our customer and ensuring that it is used to deliver service that our customers need and want.
- **Delivery of training to enable employability for our customers** - Working with our Learning and Works department to ensure that our customers have access to training in order to support their path into work and building confidence for employment.
- **Developing digital services** -To ensure that customers have access to 24 hours payment opportunities through our website and customer portal. Ensuring our customers are given the opportunity to develop their IT skills by providing access to the appropriate training.
- **Energy efficiency and Fuel poverty**-ensuring that we have a full stock condition survey in place and a plan to maintain our properties in a structured way. Ensuring our homes are as energy efficient as possible and providing support to our customers on energy costs.

Digital Inclusion

All applications for benefits and jobs will be processed through online profiles and this has already been evidenced with Universal Credit only being able to be applied for online. The monthly payment and transactional bank accounts required by universal credit will mean that more people need to manage their money online. In addition, increasingly the best and most affordable services including insurance, fuel and products are available online.

Whilst desktop computers and internet access in the home is costly, the ONS 2015 has found that 86% (22.5 million) has an internet connection. In addition the ONS found that 74% of those people have use of the internet "on the go". Of those 14% of households that did not have access to the internet, 30% reported that it was due to a lack of skills in its use.

It is critical that delivery of this strategy has a strong focus on digital inclusion and developing services that are compatible with this type of technology.

Impact and Risk

With the increased challenges for our customer with financial hardship the risks to BCHA also increase. These risks include:

- Increased cost and reduced income
- Increase in the need to support customers with financial matters
- Increase customer contact with staff to discuss the ability to pay rent and claim benefits
- Increase in staff completing appeals for benefits on behalf of our customers
- Void costs are likely to increase as customer have less money to maintain their homes
- Increased court action and evictions

It is therefore vital that BCHA are committed to the delivery of this Financial inclusion strategy and that an accompanying action plan is in place to deliver outcomes for our customers and reduce organisational risks.

The responsibility for the delivery of this strategy is with the Assistant Director of Housing and Customer Experience, and an update on the action plan will be brought to the Senior Leadership Team on a 6 monthly basis. In addition a report to update the board will also be submitted on a 6 monthly basis to ensure that we are achieving our strategic objectives.