Financial Inclusion Policy

March 2025 – 2028

Financial Inclusion Policy

Adopted / Date Reviewed:	March 2025
Review Period: **Next Review:**	3 Years March 2028
Contact Officer:	Corporate Head of Income & Enforcement
Policy Version:	Third version of policy
Version Reviewed by: **Version Approved by:**	Customer Forum 05/3/25 Customer Forum, Leadership Team 26/3/25
Policy Links:	Income Management Policy Financial Regulations Asset Management Tenancy Policy

Brief Policy Summary:
This policy sets out LHP's approach to ensuring its customers are supported to be financially included, that they are able to manage their money on a day-to-day basis, plan for the future and deal effectively with any financial problem.

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Introduction

1. The Financial Inclusion Commission defines “Financial Inclusion” as belonging to a modern mainstream financial system that is fit-for-purpose for everyone, regardless of their income.

2. The Government’s Select Committee has confirmed that individuals who are Financially Included have the ability to:

   - Manage day-to-day financial transactions;
   - Meet expenses (both predictable and unpredictable)
   - Manage a loss of earned income; and
   - Avoid or reduce problem debt

3. For LHP and our customers Financial Inclusion is an important factor in managing and reducing rent arrears and other debts, sustaining tenancies, and preventing homelessness.

4. Financially excluded individuals often pay a “poverty premium” for products and services and have less choice. It can impact on their ability to find a job, maintain secure housing, stay physically and mentally healthy and be resilient to changes in income and expenditure.

Objectives

5. The overall aim of this Financial Inclusion Policy is to support a positive impact on our customer’s finances, enabling them to sustain their tenancy wherever possible. Ensuring our customers are financially included and financially capable, supporting the Customer and Neighbourhood Corporate Objectives.

6. There are 4 key policy objectives:

   - **Supporting customers to become financially stable and sustain their tenancy** – maximising income to the customer’s household and providing welfare benefit checks. Exploring suitable payment options and setting up payment agreements for those in arrears to manage and reduce arrears and prevent legal action.

   - **Improving customer’s money management skills** –providing support with money management skills, including budgeting and debt management, understanding priority bills and giving them the confidence to deal with future changes. Ensuring customers have:
     - Access to affordable and responsible credit
     - Access to an appropriate Bank account
     - Access to money and debt advice

    - Access to other related advice like energy efficiency
    - Access to the Internet
    - Access to basic Home Contents Insurance
    - Access to savings opportunities

- **Reducing Fuel/Water Poverty –** helping customers find the best fuel/water tariff available for them and accessing any appropriate discounts and supporting grants such as the Warm Home Discount and Winter Fuel Payments.

- **Maximise Income to LHP** - ensuring customers prioritise and pay their rent/charges, ensures arrears are minimised, promoting a positive payment culture, and rent first approach ensuring the provision of essential funds to LHP to sustain the business within agreed budgets.

Scope

7. This policy applies to all LHP Customers which is any person receiving a service from LHP. These include but are not limited to customers living in the following type of tenure:

    - Social Rented
    - Intermediate Rented
    - Shared Ownership
    - Private rented
    - Freeholders
    - Leaseholders

8. Whilst financial exclusion affects a wide range of individuals at different times in their lives, it largely impacts on those with low or unstable incomes, or who have experienced a significant life shock. For example, lone parents, single pensioners, widow(er)s, migrants, long-term sick or disabled people, the long-term unemployed, and households headed by students or part-time workers are some of the groups most commonly excluded from financial services.

9. Living without financial products and access to credit are significant disadvantages in an age where cash is gradually being replaced by debit cards and automated transactions and living on credit is the norm. Having no insurance exacerbates the impact of theft and damage like fire and flood leaving people more vulnerable.

10. Outside of mainstream financial products, savings options are informal and unreliable. Discounts on utility bills for paying by direct debit are for example inaccessible. Affordable short-term credit is replaced by “sub-prime” lenders such as Payday Lenders offering credit on excessive Annual Percentage Rates (AORs). Being financially excluded can cost money, and it is the most

deprived who pay the price.

11. The financial impact to our customers is:

- **Irregular payment of rent and charges** - Customers on Universal Credit may have difficulties managing monthly payments and budgeting, resulting in general poor wellbeing.

- **Arrears** - Customers can accumulate arrears by not paying regularly, not prioritising rent above other bills, delays with UC payments and sanctions. This leads to arrears recovery and greater insecurity.

- **Legal Action and Evictions –** Customers may have to attend Court hearings and could potentially become homeless if evicted. Court fees are added to their debt leading to County Court Judgement Orders against them. Creating further problems in relation to re-housing and gaining credit.

- **Social Exclusion –** Customers who are financially excluded can also be socially excluded creating disharmony in communities.

- **Anti-Social Behaviour** - Customers and communities with high levels of financial exclusion and concentrations of debt in communities can lead to an increase in crime and anti-social behaviour**.**

- **Property deterioration -** Customers may not look after their homes, report repairs and heat them effectively causing deterioration to the property, their home and general wellbeing.

- **Financial worries –** Customers with financial worries negatively impacts their health and wellbeing, and can cause tensions and relationship breakdowns within families and communities**.**

Welfare Reforms

12. The Welfare Reform Act 2012 and the Welfare Reform and Work Act 2016 have changed the way and the amount of income many of our customers receive in their benefits.

13. We are committed to providing a financial inclusion service that meets the needs of our customers, raising their awareness and supporting them in adapting to these changes, some of which are:

- **Universal Credit (UC**) which has fundamentally changed the way in which people receive their benefits into a single payment to the household. It is paid monthly in arrears as opposed to weekly or fortnightly, and the housing element is included as opposed to being paid direct to the rent account. In addition, it can take at least 5 weeks to get a claim into payment and many claimants have no other forms of income during that time. The UC claim is digital and therefore requires a claimant to have internet access and a bank account to receive funds.

- An **Under-occupation charge** may be applied to a claimant of UC or Housing Benefit (HB) if it is deemed they have more bedrooms than necessary. Their housing payment entitlement will be reduced by either 25% (2 bedrooms) or 14% (1 bedroom).

- A **Benefit Cap** may be applied to prevent claimants receiving more in benefits than applicable for their circumstances and their housing payment element will be reduced.

- A **Sanction** is used as a last resort and is applied when a claimant fails to follow certain rules, they may lose benefits or have them reduced.

Support

14. The LHP website provides up to date information and guidance, with links to appropriate agencies and websites.

15. The in-house Money Support Service is available to all LHP customers. They provide tailored and bespoke support to meet individual customer's current financial situation, capabilities and needs.

16. The type of support we provide is as follows (this is not an exhaustive list):

    - Managing your money/Budgeting
    - Digital Inclusion
    - Benefit checks and applications
    - State Pensions
    - Support in claiming UC and switching from HB
    - Claims for Discretionary Housing Payments
    - Advice on savvy shopping/Money saving tips
    - Finding and switching to suitable utility tariffs, including water tariffs to save money
    - Employment and skills support

17. As we support our customers, we aim to provide them with the skills to help themselves with any future changes in circumstances.

18. The Referral process to the Money Support Service is easy to use and accessible in a number of ways, for example through the LHP Website, the Customer Portal, MYLHP App, the Customer Contact Centre, the Income

Team, the Housing Team or by direct email to the Money Support Service.

19. There is no limit to how many times a customer can access the Money Support service, but priority will be given to customers with vulnerabilities and/or serious arrears.

20. Any customer with arrears who receives a financial gain as a result of the support we provide, must reduce some or all of their debt owed to LHP. For those that receive an ongoing entitlement, a sustainable payment agreement will be created.

21. We will identify those customers in receipt of UC that are unable to manage their money and apply for an Alternative Payment Arrangement (APA). This will ensure payments from their UC are paid directly on to their rent account to support the management of rent arrears.

22. Funds from the LHP Welfare Hardship Fund (held within the Income Team Budget) is utilised to support those customers in extreme need and is managed by the Income Manager.

23. We advertise and promote the Money Support Service and Financial Inclusion in all available mediums and undertake at least 4 specific campaigns each year.

Partnership Working

24. If we are unable to provide the support required, we will signpost/refer to partnership agencies which include:

- Citizens Advice
- Step Change
- Money Advice Service
- Centre 4
- Age UK
- SAFFA
- British Legion
- LEAP

25. We further support our customers with their mental health and wellbeing and refer to appropriate agencies which include:

- Carer's Support Service
- Single Point of Access (SPA – mental health and learning disability services)
- Navigo Open Minds (stress, anxiety and depression therapies)
- NHS – LiveWell (health and wellbeing)

- Lincolnshire County Council - Wellbeing (support with life changes)

Grants and Funding

26. We will seek to obtain Benevolent Funding and Grants for our customers, whether that is money, household goods, white goods, food or utility vouchers and anything else available and appropriate from agencies which includes:

    - Foodbanks
    - Grocery Aid
    - Fisherman's Mission
    - Christian Action & Resource Enterprise (CARE – free household items, gas/elec top ups/food)
    - National Energy Action (NEA – fuel poverty charity)
    - Suitable Funders via the "Turn To Us" website
    - Fuel Bank Foundation
    - LEAP

Monitoring

27. We will assess financial inclusion outcomes through the following KPI Performance targets:

    - Total value secured for tenanted households through money support interventions
    - Total value secured on rent accounts through money support interventions.

28. Customer Satisfaction with the Money Support Service is measured and reviewed and reported on monthly.

Value for Money

29. The financial amounts gained, measured in the above KPIs, exceeds the cost of delivering the service.

30. The support provided to our customers relieves their current financial stresses and gives them the confidence to deal with future changes in circumstances, thereby increasing their health and wellbeing.

31. Support with fuel poverty and tariff selection can help our customers be able to heat our properties and prevent the deterioration of our assets.

32. The reduction and/or prevention of evictions will prevent customers being evicted and becoming homeless, reducing costs to both customers and LHP.

33. Support to sustain tenancies helps prevent social exclusion and supports the prevention of crime and anti-social behaviour in our communities.

Review

34. This policy is reviewed every 3 years, or when any Legislative changes impact.

Lincolnshire Housing Partnership (LHP) Equality and Quality Impact Assessment (EQIA)

Title of Policy: Financial Inclusion Policy
Lead Officer(s): Wendy Walker – Corporate Head of Income and Enforcement/ Beverley Johnson – Income Manager
Date of EQIA: 05/03/2025

Scope and Purpose	
Briefly describe the policy/event/decision being assessed:	This policy addresses LHP's approach to ensuring its customers are supported to be financially included, that they are able to manage their money on a day-to-day basis, plan for the future and deal effectively with any financial problem. .
What is the aim or purpose of this policy/decision?	This policy sets out the objectives and methodology LHP takes to support a positive impact on our customer's finances, enabling them to sustain their tenancy wherever possible. Ensuring our customers are financially included and financially capable, supporting the Customer and Neighbourhood Corporate Objectives.
Which departments or groups will be affected by this policy/event/decision?	All LHP customers which is any person who is receiving a chargeable service. Income Team, including Money Support Service, and any other customer facing departments.
Data Collection and Evidence	
What data or evidence have you used to identify how different groups may be affected? (e.g., tenant demographic data, service usage statistics, consultation feedback)	Money Support Service customer satisfaction surveys. Customer consultation via Your Voice and Customer Forum. 2023/24 Money Support Customers Diversity Data.
What does this data tell you about the potential impacts on different equality groups?	Positive impacts for the following groups: • Age groups 25-34 and 35-44 • Single customers that have never married • Customers who have no religion • Customers who consider themselves disabled • Customers who have a little disability impact • Customers with childcare responsibilities

	Negative impacts for the following groups: • Age group 65+ • Married customers • Customers that are Christian • Customers who do not consider themselves disabled • Customers with no childcare responsibilities

RAG Impact Assessment on Protected Characteristics

Use the RAG system to assess the level of potential impact for each protected characteristic:

- **Red (High Risk):** Significant potential for negative impact requiring immediate action to mitigate.
- **Amber (Medium Risk):** Some potential for negative impact, which can be mitigated with changes.
- **Green (Low or No Risk):** Little to no negative impact identified.

Ensure that you state reasons (the why) for your justifications.

Protected Characteristic	Impact (Positive, Negative, Neutral)	RAG Rating	Description of Potential Impact	Mitigation/Enhancement Actions	Responsible Officer
Age	Neutral Age groups 16-24, 45-54 & 55-64 Positive Age groups 25-34 & 35-44 Negative Age group 65+	Amber (Negative is 14% difference to LHP)	Age group 65+ under-represented and may not be able to access the service and receive help	Investigate the rent account data. Potential targeted marketing campaign for that age group.	Beverley Johnson-Income Manager
Disability	Positive	Green	N/A	N/A	N/A
Gender Reassignment	Insufficient data set to analyse	N/A	N/A	N/A	N/A
Marriage and Civil Partnership	Negative Married	Amber (Negative is 14% difference to LHP)	Married male customers under-represented	Investigate further into married males aged 16-34 to see if the service is not needed or if it is why this group are not accessing it	Beverley Johnson-Income Manager
Pregnancy and maternity	No data collected	N/A	N/A	N/A	N/A
Race	Insufficient data set to analyse	N/A	N/A	N/A	N/A
Religion or Belief	Negative	Amber (Negati	Christians aged 16-44	Investigate further into both sexes	Beverley Johnson-

<table>
<tr><td></td><td></td><td>ve is 7% differen ce to LHP)</td><td>under-represented and may not be able to access the service and receive help</td><td>aged 16-44 that are Christian to see if the service is not needed or if it is why this group are not accessing it.</td><td>Income Manager</td></tr>
<tr><td>Sex</td><td>Neutral</td><td>Green</td><td>N/A</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Sexual Orientation</td><td>Neutral</td><td>Green</td><td>N/A</td><td>N/A</td><td>N/A</td></tr>
<tr><td colspan="6">Mitigating Negative Impact</td></tr>
<tr><td>What actions will you take to reduce or mitigate any identified negative impacts? Provide specific mitigation measures for each characteristic where a negative impact (Red or Amber rating) was identified.</td><td colspan="5">Age – Amber.
Negative impact for age group 65+

• Analysis of rent accounts to be undertaken to understand if they require the service or not.
• Develop targeted communication strategies addressing specific needs, such as financial literacy workshops or webinars for these groups.
• Customer listening sessions to understand potential barriers
• Review customer satisfaction data on surveys to understand how to improve service visibility and accessibility.

Religion – Amber
Negative impact on Christians aged 16-44

• Analysis of rent accounts to be undertaken to understand if they require the service or not.
• Partner with local faith-based organisations to better understand and address this group's financial support needs.
• Create faith-neutral or faith-sensitive financial resources.
• Customer listening sessions to understand potential barriers
• Review customer satisfaction data on surveys to understand how to improve service visibility and accessibility.

Marriage – Amber
Negative impact on married males aged 16-34

• Analysis of rent accounts to be undertaken to understand if they require the service or not.
• Review of addresses of married customers that accessed the service, did the partner access it rather than the male?
• Review customer satisfaction data on surveys to understand how to improve service visibility and accessibility.
• Customer listening sessions to understand potential barriers
• Develop targeted communication strategies addressing specific needs, such as financial literacy workshops or webinars for these groups.

As the diversity data is from 2023/24, the above investigations may need to be conducted once 2024/25 data is available to ensure it is up to date and still relevant</td></tr>
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Who is responsible for implementing these actions?	Beverley Johnson – Income Manager
Consultation and Engagement	
Have you consulted any stakeholders or equality groups? If so, who and how?	Reviewed Money Support Service customer satisfaction surveys. Your Voice specific questions Customer Forum to review the whole policy.

What feedback have you received, and how has this influenced your assessment?	**Money Support Service Customer Satisfaction Survey:**
	• Around 60% of customers were aware of the service via LHP colleagues/services, 6% via digital, 5% had used the service before, 14% word of mouth from family/friends and 15% External agencies, schools etc.
	  ○ It would appear that the service is reaching customers through a wide range of mediums but there is potential to increase the advertising via digital mediums
	Your Voice Suggestions:
	• Advertise on Facebook
	  ○ We do occasionally advertise on Facebook and social media but can increase this to monthly
	• Offer support with saving money on water bills
	  ○ We do already provide this support but amend policy to mention water specifically
	Customer Forum:
	• Easy to read policy
	  ○ No changes
	• Suggestions given to link in with external agencies like Centrepoint, Focus and Adult Social Care etc
	  ○ We already link up with many external agencies but will reach out to those that we work with to strengthen the partnership and incorporate into Neighbourhood Action Plans, and reach out those the new suggested agencies

Decision Making	
How has this EQIA informed or influenced the final decision?	Feedback has confirmed that we are reaching customers through a wide range of mediums but that we could do more digitally and promote more on Facebook. The Policy mentions support with utility tariffs but does not specify water so perhaps we need to change that slightly to be clearer
Were any changes made to the policy/decision	Yes Policy – added in reference to helping customers save money on water bills/tariffs Promotion – more regular posts on Facebook

as a result of the EQIA?	Partnership working – expand and increase, linking into Neighbourhood Action Plans
Monitoring and Review	
How will you monitor the actual impact of the policy/decision once it is implemented?	Review data 6 monthly via EQIA to measure impact on all groups but in particular those groups negatively impacted Measure the impact of targeted campaigns every six months and refine the approach as needed. Monthly monitoring of Customer Satisfaction Survey – ease of access question.
When will the policy/decision be reviewed?	This policy is on a 3-year review cycle with 6 monthly EQIA's
Sign-Off EQIA Completed By: *Lead Officer(s) Name(s):* *Date:*	Wendy Walker Corporate Head of Income & Enforcement 05/03/25
Approved By: *Approval Name:* *Date:*	Abigail Iyaho March 2025