

FINANCIAL INCLUSION STRATEGY 2015 - 2020

NOVEMBER 2015



1. INTRODUCTION

1.1. CCG's corporate plan 2015-2020 sets out the vision for the company

To be a leading provider of quality housing - meeting the needs of customers, valuing communities.

1.2. Our goals within the corporate plan are:

- We will aim to meet the needs of our customers and encourage their involvement in shaping how services are designed and delivered
- We will aim to grow as a business to ensure our long term viability
- We will manage our assets to sustain their value and maximise income, ensuring they meet our customers' needs
- We will promote sustainable communities by working in partnership to deliver effective services.

1.3. Underlying these goals are objectives which include:

- Investigate and invest in technology to improve customer access and information sharing
- To be a fair landlord that enables sustainable tenancies
- Effectively manage our properties to minimise lost income
- Making our communities better places to live
- Understanding our communities and focusing activities and support to those most in need
- Maximising local economic opportunities from our activities

1.4. In order for our customers to benefit from the outcomes of these goals and objectives they need to be Financially Included. The following underlying principles of our corporate plan are key to achieving this:

- We will communicate effectively with our tenants, residents, staff and stakeholders
- We will be creative in using opportunities to work in partnership to deliver our vision

1.5. This strategy sets out the framework of our approach to Financial Inclusion (FI) and the FI Improvement Plan shows how we will achieve our aims. Building on CCG's first FI strategy, it outlines the steps CCG plans to take over the next five years to ensure that our customers are able to improve their FI. Sitting alongside other key strategies and policies such as Tenant Participation Strategy, Communications Strategy, and the Rent Arrears Policy, the FI Strategy is designed to enhance our tenant's ability to make the most of their money thus improve their wellbeing and make the most of the opportunities our communities can offer.

1.6. Three of the main financial challenges that our customers face are:

- Changes to welfare benefits
- Changing technology

- Squeezed household budgets

1.7. Having Financial Inclusion is therefore more important than ever. There is a direct link between our customers' ability to manage their money and their ability to pay their rent and sustain their tenancies – which is vital to CCG's own long term viability.

2. WHY HAVE A STRATEGY?

2.1. It is essential that CCG has a Financial Inclusion strategy to ensure that our customers and staff are able to make the most of their money, improve their wellbeing, and make the most of the opportunities our communities offer.

2.2. The Welsh Government (WG) published its FI strategy for Wales 'Taking Everyone into Account' in July 2009. This strategy identified that Housing Associations:

'can take a lead role in combating financial exclusion amongst their tenants and residents by offering access to a range of financial services and impartial advice, particularly through the early detection of financial difficulties.'

2.3. More recently, WG has introduced the Financial Education and Inclusion Bill (Wales) 2014. This Bill states that Financial Inclusion means that people have access to financial services (savings, credit, insurance, money-transfer services) and financial education (using financial services, managing debt) at reasonable cost. The Bill identifies the following priorities:

- Gain skills in financial literacy
- Gain appropriate skills in financial management
- Facilitate free access to on-line financial education and management services
- Include on websites information about where to obtain advice about financial management

2.4. A report by the Financial Inclusion Commission March 2015 identified that too many people are excluded from, or are unable to engage with, the financial services essential for people to play a full part in modern society:

- to manage money
- to absorb financial shocks, and
- to plan and provide for the future

It described a financially inclusive society as one in which financial services are accessible to all, easy to use and meet people's needs over their lifetime. It concluded that Financial Inclusion means that people have the skills and motivation to use financial services, and to benefit meaningfully from them.

2.5. The Money Advice Service Financial Capability Strategy March 2015 stated that many people struggle to make the most of their money and need help to improve their financial capability to enable them to have the best possible financial wellbeing.

Financial capability is required to help people make better decisions about their money, and have better financial wellbeing. It suggested that it needed to influence people's behaviour to enable them to improve their:

- skills and knowledge
- attitudes towards money
- motivation to take action
- accessibility to the financial system

2.4 This strategy will provide a clear framework within which we can:

- Set out how we will improve our customer's FI
- Identify key work streams for improving FI
- Ensure we are focusing on the right things, that matter to our customers, and which will lead to improvements to their FI
- Ensure that we embed FI within every area of our activities
- Demonstrate our commitment to FI to our customers, staff, regulators and other stakeholders
- Deliver the aims of the strategy through the FI Improvement Plan
- Measure our progress systematically

3. WHAT DO WE MEAN BY 'FINANCIAL INCLUSION'?

3.1. Financial Inclusion (FI) is defined as:

'Everybody having access to an appropriate range of financial products and services, which allows them to effectively manage their money, regardless of their level of income, social status, or ability.'

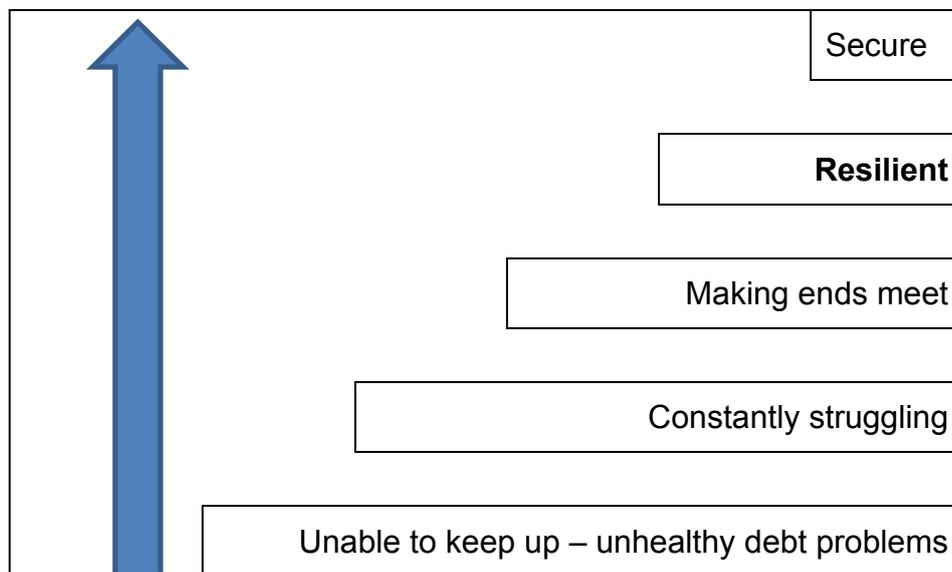
4. AIM OF THE STRATEGY

4.1. Our FI strategy will be to help CCG's customers and staff to become financially resilient against life's shocks. For example, being financially prepared for events such as the washing machine or car breaking down, reduction in working hours, or changes to welfare benefits.

4.2. According to the Money Advice Service, to be Resilient means:

- Being prepared – having savings, insurance etc. to be able to spend without falling into unaffordable debt
- Being adaptable – to be able to change lifestyle and spending habits quickly if income levels drop
- Taking responsibility – to take ownership and make active steps to tackle financial problem or make the most of financial opportunities
- Dealing with emotions – it is difficult to think about financial situation whilst dealing with emotional turmoil of a life event

- 4.3. To become more financially resilient we will aim to support our customers and staff to climb the **Financial Capability Staircase**:



- **Secure** – Have a good financial plan and providing adequately for their future lifestyles
- **Resilient** - Have built up sufficient financial buffer to withstand life’s shocks
- **Making ends meet** - Coping with day to day finances but not very resilient
- **Constantly Struggling** - Struggling constantly to stay above water. Very susceptible to financial shocks
- **Unable to keep up** - Currently experiencing unhealthy debt problems and failing to make ends meet

5. OUTCOMES OF THE STRATEGY

- 5.1. The Outcomes of the strategy will be for our customers and staff to be able to say:

- I know how to manage money from day to day (shop around, find the best deal, cut back, budgeting)
- I know how to plan ahead (putting money aside in case something goes wrong or for a long term goal)
- I’m able to cope when I get into difficulties (talk openly about money, knowing where to turn for support and advice before it’s too late)

- 5.2. To do this, CCG will work towards:

- Improving our customer’s ability to make appropriate financial decisions
- Changing our customer’s mind-set – their attitudes and motivation to how they manage their money
- Enabling our customers and staff to have access to financial products, advice and support.

6. FINANCIAL INCLUSION AND EQUALITY AND DIVERSITY

6.1. CCG recognises the positive impact being Financially Included can have on protected groups. The following will be considered when implementing the strategy:

Age – FI activities will be targeted at three age groups:

- Under 25 who will have little experience of running a home, and whose welfare benefits will not be as generous as for older people
- Working aged people
- Older people in retirement who will be dependent on their pension, and may be more vulnerable to cold callers

Disability – people who are disabled or have ill-health will have additional costs of overcoming their disability, and will have fewer options for increasing their income.

Pregnancy and Maternity – the costs associated with having a baby are considerable and include purchasing equipment, food, and keeping the home warm

Sex – Universal Credit will be paid to one person in the household which could prevent fair access to funds between partners

Religion and Belief – some practices of UK banks e.g. paying interest, are not compatible with some people's religion and beliefs

Race – people from outside the UK may have a poor understanding of how our financial systems work

7. AREAS FOR DEVELOPMENT AND IMPROVMENT

7.1. **Unable to keep up** – CCG will identify customers who are failing to pay their rent and will investigate methods of identifying customers who have multiple debts. When such customers are identified CCG will signpost them to external organisations such as Shelter or Citizens Advice Bureau for one to one debt and budgeting support. CCG will also look into the feasibility of funding additional debt support capacity to reduce the waiting time for support debt advice appointments.

7.2. **Constantly struggling** and **Making ends meet** – CCG aims to help customers move up the Financial Capability Staircase by:

- Providing information to improve our customers' skills and knowledge to make appropriate financial decisions.
- Influencing our customers' attitudes and motivation to help shape their financial behaviours
- Providing accessible information about financial products, advice and support

7.3. **Resilient and Secure** – customers in this category will be able to benefit from our general communications in order to prevent falling down the Financial Capability Staircase.

- 7.4. **Communication** – Good communication and information sharing will be key to this strategy. Communications activity relating to FI will be governed by CCG’s corporate communications strategy. We will make use of CCG’s existing communications channels to reach target audiences and share information / change behaviours.

CCG will continually signpost our customers and staff to useful web services, e.g. the Money Advice Service, Turn2Us. CCG will also prepare leaflets and use articles in tenant’s and staff newsletters and investigate other means of communicating key messages to our customers and staff.

Dedicated campaigns will aim to raise awareness of: financial products such as bank accounts and home contents insurance; financial scams; and the use of Direct Debit and other methods to pay the rent. Myth busters will be used to challenge preconceptions such as that being good with money is difficult; and promote messages such as that being good with money, and seeking help early is the right thing to do.

- 7.5. **Universal Credit and changes to welfare benefits** – CCG will work with Community Housing Cymru’s ‘Our Benefits are Changing’ campaign and work in partnership with the DWP, Gwynedd Council and other local organisations to ensure our tenants and staff are aware of changes and are preparing to deal with changes in income.

- 7.6. **Employment support** – CCG will look into the possibility of supporting our customers to move closer to work. This could be by working with organisations such as the Job Centre Plus who specialise in this field or investigating the feasibility of offering volunteering or apprenticeship opportunities with CCG or its contractors leading to recognised experience or qualifications. CCG will also support appropriate home working, and support transfers to homes nearer the place of employment. .

- 7.7. **Increasing income / affordability** - CCG will work with individual customers to find grants to help with purchasing household necessities, and will work with organisations to promote recycling of furniture in order to secure sources of cheap second hand furniture.

CCG will support individuals to claim the welfare benefits and Discretionary Housing Payments they are entitled to and will help to appeal against sanctions and where decisions go against our customers.

- 7.8. **New tenants** – CCG recognises that the first 12 months of the tenancy are often the most difficult. CCG will undertake Income and Expenditure interview with new tenants to ensure that they can afford to run their home, and investigate using pre-tenancy financial checks to identify prospective tenants who may need additional support with managing their money. New tenants will be monitored and receive regular visits until they can demonstrate they are capable of sustaining their tenancy.

- 7.9. **Tenants at risk of eviction** – CCG will work with the Homelessness team at Gwynedd Council to explore how tenants with serious rent arrears can save their tenancy.

- 7.10. **Fuel poverty** - CCG will investigate the feasibility of funding projects such as the Energy Wardens to provide one to one advice to reduce fuel poverty, and will

investigate using more sustainable and cheaper technologies for heating our homes and providing hot water in off-gas areas. We will also continue to improve the energy efficiency of our homes.

- 7.11. **Technology** – CCG will develop a Digital Inclusion strategy detailing how our customers will be supported to gain benefits from new technologies. An integral theme of the DI strategy will be to signpost customers to appropriate on-line resources – which will include resources to support FI.
- 7.12. **Access to banking and financial products and services** – CCG will support tenants to provide the necessary evidence and encouragement required to open bank accounts and sign up to other appropriate financial products and services.
- 7.13. **Service charges** - When planning major works or changes that involve service charges, CCG will consult with our customers and consider different options for achieving the required outcome. An important factor in deciding which option to use will be whether the costs are reasonable to our customers.
- 7.14. **Knowledgeable Staff** – CCG’s staff will be given access to appropriate training materials and briefings so that they can signpost or support our customers.
- 7.15. **Consumer Credit Licence** – CCG will ensure it has the correct Consumer Credit Licence to undertake the activities outlined in its FI strategy.

8. THE WELFARE REFORM PROJECT

- 8.1. CCG has identified the changes to the Welfare Benefit system as a risk to CCG’s long term viability and will be establishing a corporate project to mitigate the impact of Welfare Benefit changes on our tenants. This strategy will underpin the work of the Welfare Reform project and will shape the customer facing elements of the project.

9. MAINSTREAMING FINANCIAL INCLUSION

- 9.1. That our customers and staff become Financially Included must be a responsibility that is mainstreamed throughout CCG. Every one of us can make a difference.
- 9.2. **CCG’s Board**
 - Approve the strategy
 - Be aware of the contents of the strategy, and champion it as appropriate
 - Ensure the strategy’s effective implementation
- 9.3. **The Partnership**
 - Monitor the implementation of the strategy
- 9.4. **Executive Management Team**
 - Ensure ownership of the strategy across CCG
 - Overseeing the FI work of SMT
- 9.5. **Senior Management Team**
 - Be the FI champions

- Ensure that FI matters are considered throughout the decision and policy making processes, and in all aspects of CCG work
- Promoting FI within their department and workplace
- Acting as a source of greater knowledge and expertise on FI, advising colleagues regarding FI
- Acting as a 'critical friend' in relation to the FI of the activities of their department, for instance by constructively challenging existing working practices

9.6. **All managers**

- Implement relevant activities as identified in the FI Strategy Delivery Plan
- Ensure staff receive appropriate levels of training in order for FI to be mainstreamed
- Give proper consideration of the costs to customers when developing new services, policies and processes

9.7. **All CCG staff**

- Be ambassadors for CCG's FI agenda
- Deliver FI activities as appropriate
- Be aware that every contact with our customers is an opportunity to improve their FI
- Identify and report good FI practice to the FI group
- Take opportunities to become FI themselves

9.8. **Financial Inclusion Group**

- Support the implementation of the strategy and the recording of its benefits
- Be proactive in providing support and advice on FI to colleagues
- Raise the profile of the FI agenda among managers and key members of staff
- Regularly review the FI strategy and its delivery plan

10. **DELIVERING THE STRATEGY**

10.1. The delivery of this strategy will initially be through a CCG's FI Improvement Plan. A central principle is that we see it as essential to deliver our strategy through the action plan Attached at Appendix A.

10.2. The Financial Inclusion group will promote and help deliver FI within CCG. This group comprises a small core group of staff drawn from across the organisation.

10.3. The FI Improvement Plan is subject to monitoring and review as a key corporate priority.

10.4. We will monitor delivery of the strategy in a range of ways, reflecting its importance to different audiences:

- We will report annually on progress to the Board

- We report annually to our resident on performance.

11. MONITORING AND EVALUATION

11.1. CCG will monitor progress against the FI Improvement Plan.

11.2. In researching this strategy CCG tenants were given the opportunity to score their confidence when managing their money. The results can be used as a baseline to measure future confidence levels.

