

# **Council Tenants' Financial Inclusion Strategy 2015-2018**

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## Why do we need a Financial Inclusion Strategy?

Too many of our residents are excluded from, or are unable to engage with, the financial services necessary to play a full part in modern society: managing money, absorbing financial shocks and planning and providing for the future. The Financial Inclusion Commission defines 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. Financial inclusion also means that people have the skills and motivation to use financial services, and to benefit meaningfully from them.”

Financial exclusion is a problem for many households. Financial services are an essential part of everyday life. People need to manage day-to-day financial transactions, such as receiving income, paying bills and buying goods. They may also need to meet one-off expenses, such as family holidays and Christmas expenses or to meet the need of less predictable expenses, such as burglary or white goods breaking down.

If people experience difficulty accessing and using financial services it can mean that they are stopped from fully participating in society and may have to pay a ‘poverty premium’, for example not being able to access cheaper deals on utilities (which are usually linked to direct debit payments which can only be made with a bank account), or experiencing difficulty accessing online deals and comparison tools. Exclusion from affordable loans leaves people who need a loan with no option but to use high-interest credit. Without a bank account, individuals using agencies to cash cheques may be charged 7-9% of the value of the cheque, plus a transaction fee. These individuals would also not be able to obtain contract mobile phones, and would instead have to rely upon pay-as-you-go phones with more expensive usage fees. Financial exclusion might make it difficult for people to move into work, as many employers will only pay wages into a bank account. It may also be the case that those who have accumulated high debts face the risk that their workplace earnings will be pursued by creditors.

This has knock-on effects on a person’s mental wellbeing as the consequences of problem debt can be stress, depression and a sense of insecurity. There are also social costs of feeling excluded from mainstream society. Financial exclusion removes choices and opportunities from families and communities and is known to exacerbate poverty.

Tenants in social housing are disproportionately affected by financial exclusion and it is estimated that they make up around 60% of all financially excluded people. The Chartered Institute for Housing (CIH) has stated that “The housing sector is in a unique position to help financially excluded people. Housing organisations are trusted intermediaries for tenants and have knowledge of and access to a large number of financially excluded households. Therefore the housing sector should tackle financial exclusion; this should be done in a strategic, evidence-based way which is embedded across the whole organisation.”

Financial exclusion is not just an individual problem. A whole community can suffer as a result of under-investment in financial services and the wider issues which are caused or contributed towards by financial exclusion. It is therefore important that, as a local authority and housing provider, we prioritise tackling financial exclusion and invest in solutions to resolve the issues facing our communities.

The Council's vision is:

"To be a council to be proud of – delivering services that are lean, local and fair".

The Council's Values:

We will deliver our vision by continuing to be an innovative organisation which:

- Prioritises customers and the services that are most important to quality of life
- Works as one council to provide a joined up approach
- Is open and accountable in the way that it makes decisions
- Develops and values employees
- Promotes equality and diversity, and
- Works in partnership to benefit the Borough

The Housing and Regeneration Service vision is:

"To be a top performing landlord in an economically vibrant West Lancashire".

This is supported by 6 aims:

- Customers first
- Business growth and regeneration
- Driving value for money
- Employee engagement (people)
- Community focus
- Quality homes

The implementation of this Strategy will help us to achieve a number of our aims, and ultimately help us to realise our vision of being a "top performing landlord in an economically vibrant West Lancashire".

### **Tenant Profile – who is this strategy targeted towards?**

One of the fundamental requirements for delivering services to our customers in a more efficient and effective way is to understand more about West Lancashire Borough Council tenants.

The Mosaic Public Sector (socio-demographic segmentation) tool can be used to understand the demographic, financial and lifestyle attributes of our tenants. It combines extensive data sources (e.g. Electoral Role, DVLA, Shareholders Register, PAF, Land Registry, Lifestyle Surveys) with Public and Private sector overlay data, such as British Crime Survey, Hospital Episode Statistics, MORI Financial Survey, and British Market Research Bureau TGI Survey, to improve our understanding of our tenants.

Housing and Regeneration worked with Experian to gather Mosaic data. This was then overlaid with data already held by the service area including demographic data, surveys, feedback from focus groups and consultation exercises, service usage data, and 'complaints, compliments and comments'. This resulted in the creation of ten bespoke segments that share distinguishing characteristics or profiles and provided us with a comprehensive understanding of the tenants making up those segments. This provides the foundation for delivering better and more accessible services to our customers.

Customer segmentation data gives us further insight into the issues causing financial exclusion for WLBC tenants. It allows us to identify groups of tenants who are most susceptible to financial exclusion and the likely key drivers of financial exclusion for those tenants.

Of the 10 segments identified for West Lancashire Borough Council tenants, six have issues which make them susceptible to financial exclusion or to experiencing financial difficulties, and three of these are a particular priority as they are facing such levels of financial difficulty that they are struggling to pay their rent. As well as the negative impact on the individual families concerned, this also has an impact on our wider tenant base as there is less money available for us to deliver services and to make investments in the property portfolio. It also increases the risk of communities becoming less sustainable, as tenants move on from unaffordable properties. These groups are described in more detail below.

#### *High Priority Tenant Segments:*

##### **Segment 7: Vulnerable Young Families Reliant on Benefits**

Segment 7 is comprised of vulnerable young families on low incomes. They are found living in semi-detached houses or terraces, and are often single parent households. Unemployment is high and many are reliant on benefits. Segment 7 households are the second most likely to be in arrears. This group is one of the most deprived in West Lancashire, and the most likely to have a CCJ. Incomes are low, unemployment is an issue and many residents are struggling to manage financially. Many people are recipients of benefits, such as Job Seekers Allowance and Lone Parent Benefit. Of all the West Lancashire segments, residents of Segment 7 are the least likely to have a direct payment account, and as a result are the least likely to pay their rent by direct debit.

##### **Segment 5: Ethnically Diverse Young Tenants**

Segment 5 is comprised of very young singles and families living in terraced houses. Although residents in this segment are often struggling financially, they are more typically found renting privately rather than relying on the council for accommodation. Segment 5 tends to be quite ethnically diverse, and tenants are unlikely to have lived in their homes for very long. Adults in this segment are likely to be in employment, although some are full-time students. Those who are in employment tend to be at the beginning of their careers and so they are on only average salaries at present. However, this group are unlikely to be in receipt of benefits, which may explain why these households are the most likely of all segments to be in rent arrears. Tenants in this group are more likely to have a direct payment account, so do not adhere to the definition “financially excluded”. However, large numbers of individuals within this group will have no access to such an account, and due to this the other difficulties experienced by them are likely to be exacerbated.

##### **Segment 6: Very Young Singles on Low Incomes**

Segment 6 is the youngest of all West Lancashire segments, and consists of ethnically diverse singles on very low incomes. Households in this segment are unlikely to have children and the majority of residents live in flats. Tenants in this segment are the most transient of any segment. Segment 6 is one of the poorest segments, with notable levels of unemployment. As a result benefit uptake is above average in this segment, in particular Housing Benefits and Job Seekers Allowance. Those that are in employment are likely to be

in routine occupations. These are people who are unlikely to have any savings and are struggling on their income. Of all West Lancashire segments, segment 6 tenants are one of the least likely to pay their rent by direct debit. Tenants in this group are as likely as other tenants to have access to a direct payment account, so are not technically “financially excluded” in that sense, but as above, there will be large numbers of individuals within this group who have no access to such an account, and therefore their other difficulties are likely to be intensified.

#### *Lower Priority Tenant Segments:*

##### **Segment 4: Elderly Singles in Sheltered Accommodation**

Segment 4 is the oldest of all West Lancashire segments, containing elderly singles on very low incomes. Residents of this segment typically have very poor health and commonly live in sheltered accommodation, often in flats or bungalows. Residents in this segment are retired and generally on very low incomes. This segment is far more traditionally found to be dependent on social housing. Most are reliant on state pensions and may also be in receipt of benefits such as Pension Credit. However, residents are likely to have accrued some savings in the form of ISAs and so are typically only entitled to partial benefits. Tenants are unlikely to be in household arrears and are the most likely of all segments to pay their rent by direct debit, and more than the average number have access to a direct payment account so this group are not technically “financially excluded”. However, large numbers of individuals within this group will have no access to such an account, and due to this the other difficulties experienced by them are likely to be exacerbated.

##### **Segment 8: Blue Collar Couples Approaching Retirement**

This segment consists of older families and couples approaching retirement age, living in terraced housing. Households have average incomes and are commonly in right-to-buy areas. Residents in this segment are careful with money and some are recipients of housing benefits. As this group is approaching retirement age, some have already given up work. Those that are still in employment often have occupations in the manufacturing industry. Whilst incomes are only average, residents are careful with their money, so the majority are just about getting by on what they earn. However, some in this segment have CCJs issued against them. They are unlikely to choose to pay their rent by direct debit and are more likely to not have a direct payment account, so are technically within the definition of “financially excluded”.

##### **Segment 9: Low Income Older People on Benefits**

Segment 9 is comprised of older people who are retired or approaching retirement age. A majority of people live in single person households and have low incomes. Residents typically live in low value housing, often in semi-detached houses or occasionally terraces. Poor health can be a problem in this segment, with some residents having a long-term sickness or disability. Household income tends to be low within these segments, with some people finding it difficult to cope on their earnings. Whilst some residents have already retired, the number of working age people who are unemployed or are permanently sick or disabled is above average. As a result, there are a high number of benefit recipients.

The evidence above highlights that some of our tenants are experiencing severe financial difficulties, high levels of financial stress and financial exclusion. The data collected to inform the Economic Development Strategy provides us with insight into some of the factors influencing this:

### **Income/Financial struggle**

West Lancashire is divided into a number of Local Super Output Areas (LSOAs). 17 of the LSOAs in the Borough are within the top 30% most deprived nationally, 19 are within the top 20% and 7 are within the top 10%. The major concentrations of deprivation are in Skelmersdale.

The number of benefits claimants in West Lancashire has fallen considerably in recent years, with Job Seekers Allowance (JSA) claimants now below national averages. However, Skelmersdale has the highest levels of JSA claimants and unemployment in the Borough, due to some wards with significant levels of deprivation. Around 70% of claimants in the Borough are from one of the eight Skelmersdale and Up Holland wards.

Although the public sector and manufacturing sector account for the largest employment sectors in the Borough, there is also a high concentration of employment across lower value sectors, such as transport and storage.

As such, West Lancashire has the lowest workplace median gross weekly earnings (£440.60) when compared to the comparator districts, even though it has the highest resident median gross weekly earnings (£505.80). This is likely to be due to a high proportion of residents travelling out of the Borough for work, typically to well-paid jobs in the city regions of Liverpool, Manchester and Preston.

### **Skills/Jobs mix**

Only 25% of working age West Lancashire residents are qualified to degree level, compared to 34% across Great Britain. This is reflected in the higher concentration of lower value sector employment across the borough and the relatively low workplace weekly earnings. This is highlighted further in Skelmersdale, where 16% of residents (age 16 and above) are qualified to level 4 and above, compared to 25% across West Lancashire and 27% nationally. There are also a particularly high proportion of residents with no qualifications, representing around 30% of the Skelmersdale population. Again, this closely reflects Skelmersdale's occupational structure amongst resident jobs which is more concentrated in lower value occupations such as process plant, machinery and elementary occupations. Just 8% of all jobs in Skelmersdale are in manager, director and senior official positions, compared to an 11% England average, and 20% of all jobs are in professional, associate professional and technical positions compared to 30% nationally.

The proximity of West Lancashire to the City Regions of Liverpool, Manchester and Preston, which have larger, growing and successful economies and employment opportunities; the borough's narrow employment base, which offers fewer opportunities and a lower wage economy; and the Borough's good road and motorway infrastructure and the train links in

some parts of the borough, which enables easy commuting, all contribute to around 22,000 West Lancashire residents travelling outside the Borough for work. With the inflow of 19,800 workers from other areas, the borough experiences a net outflow of around 2,200 workers. This points to opportunities to better retain our resident labour force by creating more highly skilled employment opportunities. It also highlights a need to better develop our resident workforce by improving skills levels and improving opportunities for employment in higher skilled roles.

## Transport

Although the borough has strong road and motorway networks and train links in some areas, the lack of public transport in other areas of the borough may be contributing to the lack of viable employment opportunities. This is particularly evident in Skelmersdale, where there are low levels of car ownership and no train links to the neighbouring City Regions. Public bus services do serve the town, however, connecting to other towns within and outside of the Borough is often mentioned as one of the key challenges facing potential employees due to the costs and frequency of services. The Economic Development Strategy cites plans to develop a rail station in Skelmersdale town centre which would serve both Liverpool and Manchester, providing direct access to employment opportunities in both Merseyside and Greater Manchester.

The lack of public transport may also impact upon an individual's financial circumstances as some consequently spend more money on taxis to navigate the borough for socialising/training/work.

The lack of accessible transport links for large portions of the community also highlights the importance of digital connectivity, particularly given the rural nature of large areas within the borough.

## Strategic Aims

The following strategic aims have been drawn from the needs analysis conducted using the customer insight data relating to our tenants and the economic data relating to the borough.

Issue	Strategic Aim
<ul style="list-style-type: none"> <li>• High levels of financial stress and many finding it very difficult financially</li> <li>• Reliance on state pension</li> <li>• Some with no access to bank accounts</li> <li>• Low household incomes</li> <li>• In rent arrears and high levels of debt</li> </ul>	<p>Tenants and applicants able to access financial support</p>
<ul style="list-style-type: none"> <li>• High levels of financial stress</li> <li>• Changes in payments and claim procedures under Universal Credit</li> <li>• Low household incomes</li> <li>• Reliance on benefits</li> </ul>	<p>Help tenants and applicants to understand and prepare for financial changes</p>
<ul style="list-style-type: none"> <li>• Low and high level debts</li> <li>• No access to bank accounts</li> <li>• Reliance on illegal lenders</li> </ul>	<p>Other financial solutions available</p>
<ul style="list-style-type: none"> <li>• Some employed and some in more skilled jobs</li> <li>• Some well-educated, some students</li> <li>• Higher car ownership in some areas</li> <li>• Low levels of household income</li> <li>• Some in low level occupations</li> <li>• Some using public transport for work</li> <li>• Some areas with very high unemployment</li> <li>• Some areas with high levels of benefit dependency</li> </ul>	<p>Better access to jobs/training – skills and transport solutions</p>
<ul style="list-style-type: none"> <li>• Some have no car access and use public transport for work</li> <li>• Some employed full time, but many in routine / low-level occupations</li> <li>• Many qualified to a high level</li> <li>• High unemployment in some areas</li> </ul>	<p>Better job opportunities for tenants and applicants</p>
<ul style="list-style-type: none"> <li>• High unemployment in some areas</li> <li>• Drugs, alcohol and mental illness issues</li> <li>• Some permanently sick or disabled</li> <li>• Crime problems</li> <li>• School-age children</li> <li>• Mobility problems and poor health</li> </ul>	<p>Access to other advice e.g. health, childcare, energy efficiency</p>
<ul style="list-style-type: none"> <li>• Some on waiting list are already struggling financially</li> <li>• Evictions can add to financial stress and levels of indebtedness</li> <li>• Lack of governmental assistance to singles under 35</li> </ul>	<p>Applicants are “tenancy ready”</p>
<ul style="list-style-type: none"> <li>• Mobility problems and poor health</li> <li>• Low levels of car ownership</li> <li>• High use of internet for purchasing /communications in some areas</li> <li>• Social networking users</li> <li>• Low household incomes</li> <li>• High debts</li> <li>• Some areas with low levels of internet use</li> <li>• Preferences for SMS communication in some groups</li> <li>• Some groups likely to be in rent arrears</li> </ul>	<p>Tackle digital exclusion and provide technical solutions</p>



## **FIS1: Tenants and applicants will be able to access financial support including advice on benefits and debts**

What the issue is:

Many tenants are finding things very difficult financially and experiencing high levels of financial stress. A large number of households have an income of less than £20,000. Many are reliant on benefits or are on very low incomes. Some are in rent arrears or have other low or high level debts. Some have no access to bank accounts so are technically financially excluded.

Current situation:

We currently have a Rent and Money Advice service offering support and assistance to new and existing tenants and applicants regarding finances, personal budgeting, benefits, debts, help with applications in relation to urgent needs, food banks and disabilities. The team present tenants and applicants with a range of options and advice regarding financial products available to them, and encourage tenants and applicants to set up a bank account. Some of the groups most affected by financial exclusion are our younger tenants, and this group are potentially going to be further affected with welfare reform proposals.

### **Case Study A:**

“John has learning difficulties and attended our customer service point requiring assistance. He was being pressured from a utility company for outstanding payments and was struggling to pay his rent. After a number of calls to the company it was established that they had the incorrect dates of occupation and John received a refund for the difference.

An 'entitled to' calculation was also completed which resulted in an application for Housing Benefit and Council Tax Support being made along with an application to backdate his claim six months. The backdate request was successful which resulted in a large credit being applied to his rent account. This not only cleared his housing arrears but put his rent account into credit.”

What more needs to be done:

- More widely promote the services available to tenants and applicants and ensure access for all in need, including the development of a brand identity for Financial Inclusion communications to improve accessibility.
- Provide advice and guidance in areas where those in need feel comfortable or where they regularly visit e.g. The Zone, schools/colleges, children's centres, community centres and faith groups.
- Explore the use of advertising for financial support services in a more coherent manner across the borough, e.g. customer service points, college TV screens, internet and with third sector organisations.
- Provide early support to prospective tenants who are on the waiting list prior to them beginning their tenancy, including encouraging the take-up of bank accounts and financial support and assistance.
- Undertake a cost/benefit analysis of the provision of this service to provide a business case to support its future direction
- Strategically plan to ensure funding is available for the continued provision of this service if necessary.

- Develop a system to easily identify those who are at risk of financial exclusion and financial vulnerability and to base any targeted work on these findings.
- Strategically plan for the next generation of school leavers through the provision of financial education, particularly in local schools and colleges, with likely further-reaching benefits for their families and peers as messages are taken from the session and communicated to others.

## **FIS2: Tenants and applicants will understand and be able to prepare for welfare reform, benefit changes and other factors influencing their financial position**

What the issue is:

Welfare reform has brought significant changes to the benefits system, including the way in which benefits are paid under Universal Credit and the stipulation that the claim must be made online. The housing element of the benefit being paid directly to the tenant is expected to impact on our collection rates, as tenants may not be skilled or experienced in managing their income in this way. Many of our tenants are reliant on benefits and have low household incomes and high levels of financial stress. Many have also accrued rent arrears.

Current situation:

There are certain groups of people who are not eligible to access financial support in relation to housing, such as single people under 35 years old. For these people it is important to ensure that by offering them a tenancy in one of our properties we are not increasing any financial pressures they may be experiencing. It is also important to ensure that we are issuing timely communications regarding any changes brought about by initiatives such as welfare reform, to enable our tenants to adequately prepare. There is currently limited information on the council's website regarding the changes to the benefits system and it might be that customers are nervous of engaging with the information which is there due to the 'official' look and feel of it. We currently offer only two dates on which a direct debit payment may be processed. This means that a tenant may receive their benefit at one point in the month and then be in a position where this money needs to be retained in their account until their rent is paid by direct debit, possibly weeks later.

What more needs to be done?

- Planned, targeted and ongoing communication regarding welfare reform and benefit changes including the promotion of information on the website and consistent branding/marketing.
- Better information provision on the website to improve financial inclusion for our residents, including signposting to other agencies and organisations who may be able to provide support.
- Review arrears procedures to ensure we can anticipate payments and issue timely reminders.
- Promote rent payment methods available.

- Increase the number of payment dates available for direct debit to ensure ease of payment
- Implement digital inclusion strategy, specifically the promotion of online services and digital engagement with tenants.

### **FIS3: Tenants and applicants will have other financial solutions available to them e.g. credit unions and other low cost lenders**

What the issue is:

Many tenants have low or high levels of debt, often with high interest rates due to a lack of products available to them. Many tenants do not have access to a bank account, so are unable to access other financial products, but may need access to credit for one off purchases. They may also require access to safe savings solutions.

Current Situation:

Our research suggests that a large number of tenants have no access to a bank account, yet they report having high levels of debt. This suggests that there could be issues with illegal lending. Advice is currently being provided to tenants regarding payday and other high interest lenders and illegal lending, but tenants are nervous to discuss and tackle the subject of illegal lending. Tenants paying rent without a bank account will struggle to build a credit history, and will therefore have only limited access to other banking products. Now that a credit union is operating in the district we need to maximise opportunities to work with them and consider the potential to financially support their establishment, enabling tenants to benefit from their savings accounts and low cost loans.

What more needs to be done?

- Support and provide funding for the provision of a credit union for West Lancashire
- Approach other housing associations to understand whether this provision meets a joint need and identify any potential funding contributions.
- Explore other community organisations who might provide financial services and affordable credit to tenants, applicants and residents.
- Explore the use of Experian to develop a better understanding and to enable tenants and applicants to build a credit history.
- Investigate and develop a business case to support other purchasing options for tenants and applicants in relation to furniture/household items e.g. Smarterbuys
- Identify ways to promote the council's contents insurance scheme and options for the use of this.
- Continue to provide advice to tenants regarding payday and other high interest lenders and information regarding alternative financial support for short term or urgent assistance.
- Promote awareness of payday and illegal lenders on the website

#### **FIS4: Tenants and applicants will have better access to jobs/training – skills/transport**

What the issue is:

There are a large number of tenants who are employed full time, and many who are well educated to further education and degree levels, but there are large numbers in low level/routine occupations with very low incomes and who are struggling financially. There is very low level car ownership within some groups and people rely upon public transport for work. Much has been done to support workless residents in West Lancashire, particularly through the West Lancashire Challenge Project, and there are now only 225 residents on Job Seekers Allowance. This means that those remaining without work often have very complex, wide-ranging issues which are acting as barriers to employment. It could also mean that some residents are in employment which is not best suited to their level of skill/education.

Current situation:

We currently work closely with partners and local businesses to create pathways to work for workless residents in the borough. The Financial Inclusion team are developing links with the West Lancashire College who provide courses for those who are out of work, including CV workshops and confidence building sessions. At present we are unable to refer to this service directly and must advise the tenant of its availability should they wish to request the service from JobCentre Plus. However, the eligibility criteria for this assistance is strict and could act as a barrier to aiding some of our tenants in need. It would be worthwhile exploring other organisations which we may be able to signpost to for these services and building up a database of organisations offering services of this kind. The Economic Development Strategy identifies plans for a railway station in Skelmersdale, which although a long-term plan, would help address some of the issues associated with residents in the most deprived wards in the borough accessing employment elsewhere.

What more needs to be done?

- The Demand Transport service is not sustainable without funding. The use of Section 106 monies to support its continuance where appropriate should be promoted.
- Signpost tenants and applicants to transport initiatives which may already be in place via the Skills, Training and Employment Partnership e.g. public transport and cycling schemes.
- Explore ways to promote better paid jobs to those already in work.

#### **FIS5: Tenants and applicants will have better job opportunities available to them (more skilled and better paid jobs in local area)**

What the issue is:

Many tenants are well educated but are currently employed in low level jobs. Large numbers of residents travel outside the borough for work and workers from other areas travel in. There is a mismatch of skills for the jobs in the local area, although there is the

educational potential for these to be filled. There is also a need to improve employment opportunities in higher skilled roles for our residents to retain our resident labour force and improve local incomes.

Current situation:

The Economic Development Strategy includes plans to improve the employment opportunities in the borough, particularly around the Skelmersdale wards where tenants and applicants have low level car ownership, through creating the right environment for growth in the area. Initiatives such as the Skelmersdale Town Centre scheme focus on meeting the economic needs of the borough by encouraging local recruitment. We are continuing to work with partners to up-skill residents ready for job opportunities coming to the area e.g. job fairs and work closely with businesses to encourage them to take on local labour and apprentices.

What more needs to be done?

- Continue to link up economic redevelopment approaches with financial inclusion initiatives to ensure options are available for our tenants in finding appropriate work opportunities.

**FIS6: Tenants and applicants will be able to access advice on wider areas e.g. health, childcare, energy efficiency**

What the issue is:

Many tenants have mobility problems and poor health and some have drugs, alcohol and mental health issues. This can act as a barrier to work and can exacerbate financial stress experienced. In some areas of the borough there are high levels of unemployment and large numbers of families with school-age children. Many of these tenants and residents are educated to a high level and some have a degree. Childcare may therefore be posing a barrier to working and increasing household incomes.

Current situation:

Advice is provided through the Rent and Money Advice service regarding a wide range of issues from signposting to agencies who deal with mental health and disability issues, to providing advice and assistance in regard to wider health issues, such as alcohol and drugs where relevant. It would be beneficial to develop our links with these agencies further to

Case Study B:

“Lynsey and Paul had two small children and rented their home from the local authority, but due to Paul being made redundant and losing their main income, they had fallen into arrears with their rent.

We supported them in prioritising and reducing non priority debts to more manageable payments to creditors and by maximising their income ensuring they gained their full benefit entitlement. Paul received support with his job searches, updating his CV, and assistance applying for local jobs. Paul was eventually successful in obtaining a job.

With our support Lynsey and Paul were able to understand how to prioritise their budgets according to their income as well as accessing employment support which in turn increased their household income. This enabled them to pay their rent and reduce their arrears on a weekly basis preventing further recovery action.”

enable us to more effectively assist a larger number of tenants. Health issues are also addressed in the pathway to work provided by the Challenge Project. Free childcare is available to children of those meeting particular criteria. Some parents are unaware of the childcare options available to them.

We understand that fuel poverty can have a significant impact on tenants, and to combat this we have a dedicated Energy Efficiency Officer and advice service that aims to promote energy efficiency within the home and help reduce the cost to tenants of heating and lighting our properties. We offer a completely impartial service carried out through a home energy advice visit that is tailor-made to suit individual energy requirements, providing advice on how to use heating controls effectively and efficiently, fuel debt and fuel poverty, understanding energy bills, advice on tariffs, comparison services and switching energy suppliers, 'no cost' and 'low cost' energy saving tips, grants and assistance with bills such as the 'Warm Home Discount' and other energy related services.

What we need to do to address it:

- Make links with partners to strengthen partnership working in this area.
- Provide signposting and work with organisations who can assist with regards to a wide range of health issues, including mental health, disability, or drugs and alcohol.
- Optimising sources of funding to provide tenancy support/floating support for complex needs.
- Provide advice on free childcare places to tenants, applicants and residents.
- Promote known childcare solutions on the website.
- Provide advice to promote energy efficiency within the home and help reduce the cost to tenants of heating and lighting.

#### **FIS7: Applicants will be “tenancy ready”**

What the issue is:

There are some groups of tenants who may be struggling financially but who are not entitled to government assistance. Some of those on our housing waiting list are already finding it difficult to manage their finances. Evictions on the basis of non-payment of rent can add to financial stress and levels of indebtedness and so as a housing provider, we could be worsening someone's financial position by providing a tenancy they will be unable to financially sustain.

Current situation:

Our allocations policy sets out an upper income threshold and a savings threshold for those wishing to rent our properties. In addition to this, increased priority for housing is given to applicants who demonstrate a commitment to contribute to the Borough's economic growth as working households or who make a contribution within communities through the award of a 'plus' status within each band, enabling them to appear above other applicants with the same level of housing need. We also stipulate that tenants may not be qualified to rent our properties due to “unacceptable behaviour, and one of the examples of this would be the accrual of rent arrears which could lead to the seeking of a possession order. We

need to better understand the reasons for tenancy failure and to take these into account when developing tenancy management and sustainability solutions for these groups.

Tenants wishing to let a property can be offered rent and money advice at the start of their tenancy, and are signposted to other agencies who may be able to provide further assistance.

What more needs to be done?

- Use Experian data to segment the waiting list.
- Review reasons for tenancy failure and measures to address/prepare for this.
- Improve pre-tenancy affordability checks with applicants prior to acceptance onto the waiting list.
- Strengthen and develop links with other service providers, linked to the client groups which are identified as at risk of failure.
- Improve links with youth projects, children's centres and early years support providers.
- Explore training and development for staff to promote understanding of the specific needs of particular groups such as younger tenants, highlighting the need to keep in regular contact and developing relationships with them to enhance tenancy sustainability, helping them to live independently, budget efficiently and manage their relationships with their neighbours.

#### Case Study C:

"Rebecca was a 19 year old renting her flat through a housing association. She had TV licence arrears, Council tax arrears, Water arrears, and an eviction notice from her landlord (for arrears of £1800). We discovered an entitlement to a housing benefit backdate and successfully applied for this, which credited £312 back to her landlord. We then helped her suspend the eviction, and set up a payment arrangement with her landlord, reducing her arrears by £1500.

We also set up a payment plan for her TV licence and water arrears. We helped her to apply for council tax support and negotiated with the bailiffs pursuing her debts to pass it back to the welfare team."

#### **FIS8: Fewer tenants and applicants will experience digital exclusion and all tenants and applicants will have the opportunity to access technical and digital solutions in relation to paying their rent**

What the issue is:

Many tenants have mobility problems and poor health. There is low level car use/ownership across the borough. Large numbers of tenants are likely to be in rent arrears, have high levels of other debt and are experiencing difficulties managing their finances on low household incomes. Universal Credit has been introduced as an online only application process, and large numbers of our tenants do not currently use the internet. Some tenants do use the internet, and prefer to transact and interact online and through SMS. There is a need to develop more efficient ways of delivering services as local government strives to become more and more lean and as a council we are conscious of making the most effective use of the rent and service charge money paid to us by our tenants.

Current situation:



We are developing a Digital Inclusion Strategy which will identify the needs of our residents, and recommend developing opportunities for them to engage and transact with the council online. It also recommends projects to extend wifi access across the borough including community wifi and wifi in public spaces and working with partners to provide IT support to some of our digitally excluded tenants and applicants and to provide programmes aimed at promoting digital job searches and applications. We also have in place arrangements with community centres to promote getting online for benefits/online access. We have begun to use social media for promoting properties which are "To Let".

What more needs to be done?

- Develop the use of Social Media to promote properties and expand it to include information on sustainability e.g. key things to consider prior to agreeing to a tenancy. Also explore the use of advertising financial support services on other community social media pages.
- Consider the development of a mobile application to engage with tenants and applicants with regards to financial support and signposting and for personal budgeting.
- Develop a mobile application for tenants' rent accounts, similar to a banking mobile application, to provide balances, information regarding when rent is due and the ability to pay through the application.
- Identify particular areas of support required e.g. most people able to use smartphones but need support with application forms, online banking etc and work to address these.
- Develop and promote solutions to engage with us via a range of channels including SMS/Online/applications.
- Use specific user groups for consultation on the development of services.

The following action plan aims to bring together a number of services and actions to address the issues raised and achieve a co-ordinated approach to financial inclusion, making a difference to our most vulnerable tenants.

The action plan covers a three year period, but will be reviewed locally by officers within the Housing and Regeneration Service on an annual basis as part of the Service Planning process.

A number of performance indicators will be developed to enable us to measure and monitor the planned improvements and to accurately assess whether the plan is successfully meeting its stated aims. These will be reported and monitored within the Housing and Regeneration Service.



## Financial Inclusion Strategy: Action Plan

Strategic Aim	Action	Managed By	Assigned To	Due Date	Priority
FIS1: Tenants and applicants will be able to access financial support including advice on benefits and debts	More widely promote the services available to tenants and applicants and ensure access for all in need, including the development of a brand identity for Financial Inclusion communications to improve accessibility.	Jane Maguire	Carl Wallace / Pamela Holstein	31/09/16	Med
	Provide advice and guidance in areas where those in need feel comfortable or where they regularly visit e.g. The Zone, schools/colleges, children's centres, community centres and faith groups.	Jane Maguire	Carl Wallace / Cliff Talbot	31/03/17	Med
	Provide early support to prospective tenants who are on the waiting list prior to them beginning their tenancy, including encouraging the take-up of bank accounts and financial support and assistance.	Jane Maguire	Carl Wallace / Cliff Talbot	31/03/16	High
	Strategically plan to ensure funding is available for the continued provision of this service if necessary, including undertaking a cost/benefit analysis of the provision of this service to provide a business case to support its future direction.	Jane Maguire	Jane Maguire / Carl Wallace	31/03/16	High
	Develop a system to easily identify those who are at risk of financial exclusion and financial vulnerability and to base any targeted work on these findings.	Peter Morrison	Peter Morrison	31/03/16	High
	Conduct awareness raising and take-up campaigns for specific groups of people on low incomes e.g. the elderly	TBC	TBC	31/01/2017	Med
FIS2: Tenants and applicants will understand and be able to prepare for welfare reform, benefit changes and other factors influencing their financial position	Planned, targeted and ongoing communication regarding welfare reform and benefit changes including the promotion of information on the website and consistent branding/marketing.	Carl Wallace	Carl Wallace / Pamela Holstein	Ongoing	High
	Review arrears procedures to ensure we can anticipate payments and issue timely reminders.	Jane Maguire	Donna Ager	30/06/15	High
	Promote rent payment methods available.	Jane Maguire	Leigh McGarry / Jane Maguire / Donna Ager / BTLS / Peter Morrison /	Ongoing campaign before each year	High

Strategic Aim	Action	Managed By	Assigned To	Due Date	Priority
			Andy Bryan / Craig Round	end	
	Increase the number of payment dates available for direct debit to ensure ease of payment	Jane Maguire	Leigh McGarry / Jane Maguire / Donna Ager / BTLS / Peter Morrison / Andy Bryan / Craig Round	31/12/2015	High
	Implement digital inclusion strategy, specifically the promotion of online services and digital engagement with tenants	Peter Morrison	Pamela Holstein / Jane Maguire	Ongoing	High
FIS3: Tenants and applicants will have other financial solutions available to them e.g. credit unions	Support and provide funding for the provision of a credit union offer for Council tenants' in West Lancashire.	Leigh McGarry	Jane Maguire/Carl Wallace	31/03/16	High
	Promote other community organisations who might provide financial services and affordable credit to tenants.	Jane Maguire	Carl Wallace	31/12/17	Med
	Explore the use of Experian to develop a better understanding and to enable tenants and applicants to build a credit history.	Peter Morrison	Peter Morrison	31/03/17	Med
	Investigate and develop a business case to support other purchasing options for tenants and applicants in relation to furniture/household items.	Jane Maguire	Carl Wallace / Donna Ager	31/12/16	Med
	Identify ways to promote the council's contents insurance scheme and options for the use of this.	Jane Maguire	Pamela Holstein	31/03/16	Low
	Continue to provide advice to tenants regarding payday and other high interest lenders and information regarding alternative financial support for short term or urgent assistance including the website.	Carl Wallace	Carl Wallace	30/06/15	High
FIS4: Tenants and applicants will have better access to jobs/training – skills/transport	Signpost tenants and applicants to transport initiatives which may already be in place via the Skills, Training and Employment Partnership e.g. public transport and cycling schemes	Jane Maguire	Carl Wallace / Cliff Talbot	Ongoing	Med
	Continue to link up economic redevelopment approaches with financial inclusion initiatives to ensure options are available for our tenants in finding appropriate work opportunities.	Jane Maguire	Paula Huber / Sarah Blackhall	Ongoing	High
	Provide information regarding free childcare places to tenants,	Jane Maguire	Sarah Blackhall /	30/06/15	Med

Strategic Aim	Action	Managed By	Assigned To	Due Date	Priority
	applicants and residents.		Pamela Holstein		
FIS5: Tenants and applicants will have better job opportunities available to them (more skilled and better paid jobs in local area)	Promote known childcare solutions on the website.	Jane Maguire	Pamela Holstein	31/12/16	Med
FIS6: Tenants and applicants will be able to access advice on wider areas e.g. health, childcare	Provide signposting and work with organisations who can assist with regards to a wide range of health issues, including mental health, disability, or drugs and alcohol.	Jane Maguire	Pamela Holstein / Sarah Blackhall / Carl Wallace	30/06/16	Med
	Optimising sources of funding to provide tenancy support/floating support for complex needs.	Leigh McGarry	Leigh McGarry	31/03/16	Med
	Review reasons for tenancy failure and measures to address/prepare for this.	Leigh McGarry	Nicola Bradley / Jane Maguire	31/07/15	High
	Improve pre-tenancy affordability checks with applicants prior to acceptance onto the waiting list.	Leigh McGarry	Nicola Bradley/ Jane Maguire/ Carl Wallace	01/11/15	High
	Optimise external funding for those struggling with energy bills to reduce fuel poverty and continue to provide advice to promote energy efficiency within the home and help reduce the cost to tenants of heating and lighting.	Phil Holland	Alex Forman	TBC	TBC
FIS7: Applicants will be "tenancy ready"	Strengthen and develop links with other service providers, linked to the client groups which are identified at risk of failure.	Leigh McGarry	Nicola Bradley/Jane Maguire		High
	Improve links with youth projects, children's centres and early years' support providers.	Leigh McGarry	Nicola Bradley/ Jane Maguire/ Lorraine Ney	31/6/17	Med
	Explore training and development for staff to promote understanding of the specific needs of particular groups such as younger tenants. (highlighting the need to keep in regular contact and developing relationships with them to enhance tenancy sustainability, helping them to live independently,	Leigh McGarry	Nicola Bradley/ Diane Evans/Jane Maguire/ Donna Ager/ Lorraine Ney		High

Strategic Aim	Action	Managed By	Assigned To	Due Date	Priority
	budget effectively and manage their relationships with their neighbours)				
	Develop the use of social media to promote properties and expand it to include information on sustainability e.g. key things to consider prior to agreeing to a tenancy. Also explore the use of advertising financial support services on other community social media pages.	Jane Maguire / Peter Morrison	Pamela Holstein	30/11/16	Med
	Develop an 'app' for tenants' rent accounts, similar to a banking mobile app to provide balances, information regarding when rent is due, ability to pay and provide signposting for financial support.	Leigh McGarry	Andy Bryan/ Peter Morrison/Jane Maguire	31/03/16	High
	Identify particular areas of support required e.g. most people able to use smartphones but need support with application forms, online banking etc and work to address these.	Jane Maguire / Peter Morrison	Pamela Holstein	31/03/16	High
FIS8: Fewer tenants and applicants will experience digital exclusion and all tenants and applicants will have the opportunity to access technical and digital solutions in relation to paying their rent	Develop and promote solutions for engagement via a range of channels including SMS/Online/apps. Use specific user groups for consultation on the development of these services.	Jane Maguire / Peter Morrison	Pamela Holstein	31/03/17	High