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| **Responsible director** | **Executive Director of Finance** |
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| **Linked strategies/policies** | **Rents Policy**  **Service charge policy**  **Resident Involvement Strategy**  **Corporate debt policy**  **Community & Neighbourhood Development Strategy**  **Safeguarding policy**  **Living well fund policy**  **Communications Strategy**  **Living and Ageing Well Strategy**  **Wyth Everyone Strategy 2023-2026**  **Inclusive strategy**  **Understanding Wythenshawe report** |
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**Financial Inclusion Strategy January 2025-28**

**Summary: This strategy aims to improve the quality of life for our customers reducing financial exclusion through the delivery of debt advice, welfare benefits and financial capability services as well as maximising the Group’s income through rent payments.**

1. **Introduction**

Wythenshawe Community Housing Group (WCHG) purpose is ‘to provide good quality homes and services to our tenants and leaseholders and to play a leading role in creating safer, healthier communities’. The purpose is delivered through our corporate plan and the 6 key, one of which is the Living well theme and the Financial Inclusion Strategy is an important aspect of delivering the ‘Living Well’ theme of the Corporate Plan 2023-26.

1. **Context**

Locally Manchester City Council (MCC) has shown its commitment to improving financial inclusion through their ‘Anti- Poverty Strategy 2023-27’. Data shows that many areas of Wythenshawe are amongst the most deprived in the city, based on the Index of Multiple Deprivation (2019) National Deciles.

In the strategy MCC identified four key themes:

1. **Preventing poverty** means identifying those people who are most at risk and connecting them to the right support before they reach crisis.
2. **Mitigating poverty** means making sure that people don’t go without food, warmth and shelter, and that they are able to stay in good health.
3. **Pathways out of Poverty** the priority in this theme is about raising people’s incomes so they can move out of poverty. Pathways out of poverty will vary for different people, so responses need to be tailored to the needs of Manchester’s diverse communities.
4. **Inclusive and effective delivery** is about improving the way that the ecosystem of people and organisations supporting people in poverty operates. Fundamentally, this means including people with lived experience of poverty in the decision-making processes that affect their lives.

In the report commissioned by WCHG ‘Understanding Wythenshawe’ the research found residents were not financially resilient ‘especially where poor health, fuel poverty, food insecurity, digital exclusion and worklessness interact in a concentrated form’.

With greater devolution of power to the Greater Manchester region, the GMCA & MCC will need to review its approach to financial inclusion across the city and Greater Manchester. While this is developing, we will need to continue to work with our tenants to mitigate the impact of financial exclusion and the ongoing changes to welfare benefits system.

From 2023 onwards we have seen high inflation and stagnant wages have led to a cost-of-living crisis, resulting in large increases in the cost of housing, energy, food and other essential goods and services. This has disproportionately affected WCHG’s tenants, many of whom have fixed or low incomes.

WCHG responded to the cost-of-living crisis to make sure that the most severely affected residents are supported. These measures are while initially a response to the crisis, will continue as part of our commitment to support our communities.

Through WCHG’s ‘Living Well’ fund we are delivering support direct to tenant and working with local delivery partners to support tenants at these times of financial stress and provide direct assistance to them (See the Groups Living well fund policy).

The Welfare Reform Act 2012 had a significant impact on the Group’s tenants and residents. The changes have disproportionately affected areas with a high number of benefit claimants. Households affected by the changes have experienced a reduction in income putting them at risk of not being able to manage their finances and subsequently incurring unmanageable debt.

The bedroom tax has been in place since April 2013 and initially affected over 3,000 of our customers. Over time, with changes in circumstances, increasing numbers of working age tenants migrating to UC and the rightsizing approach number have reduced. Whilst no longer a significant risk to the business and tenancy sustainment, we will retain the, promote rightsizing initiatives and continue to promote the take up of Discretionary Housing Payments (DHP’s), but the future of these is uncertain.

Universal Credit (UC) was introduced into Wythenshawe in September 2014, and we have a seen steady growth in the numbers of claimants. We are now in the final stages of the migration from legacy benefits to UC. The DWP are currently moving claimants via ‘managed migration,’ where they are invited to migrate to UC.

The FI team’s emphasis continues to be to offer effective early intervention to support tenants moving onto UC. The use of the landlord portal notifications to prompt contact has meant we have been able to offer targeted, timely and effective support to tenants as they make new UC claims or go through managed migration.

1. **Strategy Definition and Scope**

Financial Inclusion is about ensuring that everyone has access to appropriate financial services: enabling them to manage their money, plan, deal with short term changes in circumstances, cope with financial pressures and deal effectively with financial problems and debts.

There are four key areas of financial inclusion:

* Effective financial decision making
* Access to suitable products and services
* Signposting to appropriate money advice services
* Improving financial prospects

**Effective financial decision making** is having the ability to make sound financial decisions; this requires the skills of *financial literacy* (understanding of financial concepts) and *financial capability*. Financial capability involves the ability to manage your finances, obtain information, advice and acting upon the information and advice received to apply to your own circumstances.

**Access to suitable products and services** ishaving the ability to access products and services such as a current bank and savings accounts, affordable credit and insurance products. Without access to appropriate products or services many tenants are unable to manage their finances effectively which puts them at risk of acquiring unmanageable debts through doorstep lenders or payday loans. Products such as these attract high interest rates and often leave the tenant in long term hardship as the repayments cause further financial difficulties.

It is acknowledged that there are limitations to what WCHG can do in relation to the direct provision of these services. The group’s role should focus on improving tenants understanding of the options open to them and develop their understanding of the total costs involved in any form of borrowing.

**Signposting to appropriate Money Advice Services and sources of affordable credit –** is providing information to tenants about free money advice services in a timely manner. WCHG does not provide its own debt management solution for tenants but will encourage tenants to, access free and reliable debt advice services, in order to resolve debt and money management problems to prevent problems escalating.

Where possible WCHG will promote the work of Credit Unions (CU’s) as a source of affordable credit. CU’s operate based on a ‘common bond’, this can be based on factors such geographical area or employment – so certain companies provide them. Wythenshawe is in the common bond area for both Manchester and South Manchester Credit Unions.

Through effective interaction with the rents, Neighbourhoods, living well and other teams, those tenants with financial problems should be signposted at the earliest stage possible to prevent problems from escalating. Where the tenant meets the criteria, and fully understand the long-term implications of doing so, then they could be signposted to an agency that facilitates insolvency options.

**Improving Financial Prospects** is having a range of services that can help tenants improve their financial circumstances by looking at the barriers that are preventing them from engaging with the labour market and seeking employment. This would not only assist them with managing their financial situation but would support their ‘claimant commitment’, the contract that they sign with the DWP committing them to look for employment.

It is through establishing strong links, and a recognised brand amongst our tenants, that we will be able to identify and deliver a range of integrated services that will help improve tenant’s financial situation and tenancy sustainability.

In addition, this strategy also focuses on ensuring that we achieve a number of the Group’s overarching themes throughout the delivery of the identified key objectives and the monitoring framework of the service. These themes include:

* Inclusive services & Equality and Diversity
* Social Impact and social prescribing
* Economic Impact
* Customer Service Excellence
* Safeguarding & support where necessary (see Living & Ageing well strategy)

1. **Our Offer**

The overall aim of the financial inclusion strategy is to reduce the impact of financial exclusion for WCHG tenants across all the neighbourhoods in which we provide homes. This strategy complements other key strategies that seek to ensure our tenants and residents live well and have sustainable tenancies.

All success measures will be outcome and impact focused and reflect the achievements of the strategic objectives in order to demonstrate that we have met our overarching objective to improve tenants and residents Financial Inclusion. The strategy sets out:

* How we use our resources to improve financial inclusion across Wythenshawe and the other neighbourhoods where we have homes.
* How we will measure the impact of our financial inclusion work.
* How we will work together to provide a customer experience that looks at all aspects of financial and social inclusion including improving financial capacity and literacy, work readiness and access to employment.
* To create a wraparound service that integrates the various strands of service delivery offered by the Group to assist tenants with improving their financial wellbeing.

As part of the financial inclusion strategy, the financial inclusion team will look to provide the following:

* Assisting tenants with budgeting and signposting to services for those with debt issues.
* Where appropriate signpost tenants to organisations that can facilitate ‘Breathing Space’ arrangements.
* Maximise income through benefit checks.
* Assist tenants with benefit claims, mandatory reconsiderations and appeals for all forms of welfare benefit.
* Contact tenants as they move to Universal Credit to offer support and provide an indicative benefit award. Advise tenants should the award made not match the indicative award to contact the financial inclusion officer for further advice.
* Mitigate the impact of changes to the welfare benefit system on households by raising awareness and offering tenants effective solutions to help them manage their changing circumstances.
* Targeted Money Health Checks, based on income and circumstances, tenancy experience and specific service needs to ensure new tenancy’s are affordable and sustainable.
* Referrals to employment support and digital inclusion services where appropriate.
* Referrals to Living Well teams and safeguarding where we identify this.
* Providing information and access to a welfare benefit calculator on the WCHG web site.
* Using promotional material and social media to make tenants aware of changes to the welfare benefit system.

As the Government announces changes to the welfare benefit system we will assess the impact on our tenants. We will carry out targeted campaigns and projects to raise awareness of the changes and where possible offer tenant’s effective solutions to mitigate these.

**5.0 Living Well Fund**

In 2022, the board in agreeing that year’s rent increase understood the impact on tenants and residents of the combined economic factors such as inflation and significantly increased domestic fuel costs, which caused significant financial stress to many. As a result of this they approved the establishment of WCHG’s ‘Living Well’ fund that would provide support to tenants.

The fund would be distributed in two ways:

* + Provide financial support to third sector organisations or individuals that supported tenants with activities that directly contributed to the Group’s ‘Living Well’ value and to tenancy sustainment.
  + Direct financial support – part of the fund would be used to provide direct financial support to tenants who found themselves in dire financial circumstances and were at crisis stage or had exhausted other options. The fund will also consider ways to support new and existing tenants with access to white goods, fuel vouchers and other household essentials on a need’s basis.

The Living Well Fund continues to provide support to tenants. It will be reviewed on a regular basis to ensure that it continues to deliver positive outcomes for tenants (see Living well fund policy).

**6.** **Implementation and tenant engagement**

The aim of the strategy is:

*This strategy aims to improve the quality of life for our customers reducing financial exclusion through the delivery of debt advice, welfare benefits and financial capability services as well as maximising the Group’s income through rent payments.*

To achieve this, we will create a framework for tenants to improve their financial prospects. Wherever they make initial contact with the Group, the tenant’s full circumstances are discussed and other services provided by the group are then engaged to improve their financial position and sustain their tenancy.

As part of the engagement, we will be looking to empower tenants to improve their financial position, and to understand that they must be responsible for their own decisions and not to make the existing situation worse by choosing or continuing to use inappropriate financial products to sustain a lifestyle beyond their means. Where additional services are identified the tenant will be advised that they will be expected to engage with these as part of a broader plan to help them.

1. **Monitoring and Review**

Due to changes in the Group’s service delivery model and the current uncertain economic situation and welfare state both the financial inclusion strategy and the associated plan will be reviewed again in September 2027.

Progress against the objectives and outcomes achieved against the strategy will be reported to the CX Committee annually.