



RCH Policy: Financial Inclusion & Welfare Reform 2023-26

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This policy is available, on request, in different languages and in other formats such as large print, audio format and braille as required.

1. Scope

- 1.1 This is a River Clyde Homes policy and therefore applies to Staff, Board and Committee members of River Clyde Homes.

2. Introduction

- 2.1 In 2020 Inverclyde was named as the most deprived area in Scotland according to the Scottish Index of Multiple Deprivation (SIMD) 20 data. Part of this analysis includes an assessment of income deprivation. Greenock Town Centre area was named the 5th most deprived area in Scotland in terms of income deprivation.
- 2.2 Financial exclusion impacts on all aspects of life and can have a significant impact on life chances. Being financially excluded, and therefore having limited access to financial products, can often lead to customers having to pay a 'poverty premium', effectively paying more for services. For example, a customer who cannot access a bank account and therefore Direct Debit will not get a Direct Debit discount and may have to pay more for utilities. Or a customer with no budgeting skills may not be able to bulk buy and therefore take advantage of supermarket deals
- 2.3 The Welfare Reform Act 2012 brought about the biggest change to the welfare system since its inception. This included the introduction of Universal Credit, a new benefit that replaced 6 existing benefits and is paid once monthly, including housing costs, to claimants.
- 2.4 The Scotland Act 2016 also brought changes to the benefits system in Scotland by devolving powers for a range of benefits. The Scottish Government have changed how some benefits are administered and introduced new benefits for Scottish residents.

COVID-19 and the current cost of living crisis has heightened the demand on services within Inverclyde.
- 2.5 This policy sets out how RCH will support customers to become financially included and mitigate the impacts of welfare reform.

The policy objectives are:

- Improve customer access to support and advice
- Support customers to use appropriate financial products and services
- Minimise the impact of welfare reforms on our customers
- Support tenancy sustainment
- Reduce the impact of welfare reform on RCH, particularly in relation to rent arrears
- Effective partnership working and service delivery to reduce financial exclusion in Inverclyde

This policy should be read in conjunction with the following policies:

- Tenancy Sustainment and Vulnerable Customers Policy
- Rent Arrears Recovery Policy

3. Definitions

- 3.1 **Financial Inclusion:** Access for individuals to appropriate financial products and services. This includes people having the skills, knowledge and understanding to make best use of those products and services. Financial exclusion is often a symptom of poverty as well as a cause (Scottish Government)

4. Policy Statement and Responsibilities

4.1 Providing Advice and Support

A key part of reducing financial exclusion is providing direct advice and support to customers. RCH is committed to providing advice services for customers via the Inclusive Communities Team which currently provide the following services:

Financial Wellbeing

The Financial Wellbeing service provides free, confidential advice to customers in relation to welfare benefits. This service supports customers with all aspects of welfare reform with advice including entitlement checks, applications and appeals.

The service also provides support with more than just benefits including supporting customers to obtain bank accounts and dealing with debt issues. The Financial Wellbeing Team can now offer video calls to our customers.

Homelessness Prevention Project

This project is currently funded via Scottish Government and provides support and advice to RCH customers who are at risk of homelessness or who have a previous history of homelessness.

The service has an aim of promoting tenancy sustainment and is based on setting 'Success Plans' with customers which include pre-agreed actions that give customers a greater chance of sustaining tenancies.

4.2 **Working in Partnership**

RCH will be at the forefront of promoting financial inclusion for the Inverclyde area. RCH is an active member of the Inverclyde Financial Inclusion Partnership (FIP) and is committed to working with the FIP in achieving its strategy outcomes. RCH have also been involved in a number of FIP funding projects which have achieved Inverclyde-wide success.

RCH also commit to working with a range of services locally and signpost customers for further support including the following:

Credit Unions

Credit Unions may be the answer for customers who are financially excluded as they offer options for saving, banking and lending. RCH commit to working with local credit unions as well as national credit unions to give customers an alternative to high street banking.

Debt Advice

RCH work closely with Inverclyde's Health and Social Care Partnership (HSCP) Advice Services Team who provide high-level debt solutions for customers. RCH customers can access these services via referral directly from support teams. This support customers whose debt is causing them to be excluded.

Fuel Advice & Fuel Bank

RCH have links with national providers who can support customers to manage fuel related debts that could be excluding them from obtaining more affordable products. RCH are now a partner of the Fuel Bank Foundation and can now refer directly to ensure our customers that are in fuel poverty receive the correct support.

Best Practice

RCH are members of AdviceUK and are committed to learning and sharing experiences to ensure that there is a continued consistent approach to tackling Financial Inclusion and welfare reform.

Outreach

RCH are committed to working with partners ensure our service receives the correct amount of publicity and recognition.

Food Bank and Food Pantry

RCH work closely with the Inverclyde Foodbank and the Inverclyde Food Pantry. RCH customers can access the Foodbank via referral directly from our support teams.

4.3 Link with Sustainment

RCH recognise the direct link between customers who are financially excluded and having the inability to sustain a tenancy. RCH endeavour that no customer terminates their tenancy as a result of affordability, being financially excluded or impacted by welfare reform. This will be via the direct provision of advice services and signposting for support. Any customer who indicates that they are terminating due to financial reasons will be referred for support as a priority.

RCH will also provide pre-tenancy advice when required to ensure that customers are given the best chance of sustaining their tenancy.

4.4 Link to Rent Arrears

RCH customers who face financial exclusion may have difficulties paying priority bills including their rent. The Rent Arrears Recovery Policy sets out how RCH will take a supportive approach to managing rent arrears with the range of aforementioned advice services available to customers. RCH recognise that customers often need support to manage their finances and to understand the importance of rent payment. This policy commits that support will be available first and foremost to all customers who face difficulties.

4.5 Welfare Reform Mitigation

RCH have been working to mitigate the impacts of welfare reform since its announcement. RCH will continue to monitor changes in Welfare Reform and will set out the actions required to support customers and the business against the impact of welfare reform.

RCH will work in partnership with the Department for Work and Pensions (DWP) at a national level and with Job Centre Plus (JCP) at a local level.

4.6 Training and Support to Colleagues

RCH are committed to ensuring that staff are informed of the changes to the welfare benefits system including Social Security Scotland in order to ensure they can support customers effectively. The Inclusive Communities Team will ensure that all front line staff members receive adequate training and regular policy updates in relation to the welfare system. They themselves will ensure their knowledge is up to date by attending external training sessions and following policy decisions.

5. Equality, Diversity and Inclusion

RCH will apply this policy fairly and consistently. In implementing this policy, we will not directly or indirectly discriminate against any person or group of people because of their race, religion or belief, gender, disability, age, sexual orientation, or any other grounds. Our commitment to equality and fairness will apply irrespective of factors such as age, disability, gender reassignment, marital or civil partnership status, pregnancy or maternity, race, religion or belief, sex, sexual orientation, or other personal attributes

6. Review

This policy will be reviewed in its entirety every 3 years, unless an earlier review is required due to changes in legal, regulatory or best practice requirements, or because monitoring and reporting reveals that a change in policy is required sooner.