



Your Homes
Newcastle



YHN's Financial Inclusion Strategy 2009-2011 **Working in partnership to tackle financial exclusion**

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1 Introduction

We produced our first financial inclusion strategy in 2007 and since then we have made good progress towards achieving our goals. The Audit Commission praised our approach in 2008 saying:

“Financial inclusion is integral to YHN’s approach to income management, supported by a comprehensive strategy and a well-publicised in-house advice and support service”

However we cannot afford to become complacent, though we have achieved a great deal we recognise there is still a long way to go.

Since we produced our first financial inclusion strategy in 2007 the world economy has entered a downturn. This has resulted in hard economic times for many people, thousands of jobs have been lost, and access to affordable credit has become even more difficult for the financially excluded. It is now more important than ever that we work in partnership to ensure that our residents have access to the necessary information and support to ensure that they are financially included.

Our aims as determined in our first strategy remain unchanged. Through our financial inclusion strategy we aim to provide our residents with the knowledge and skills they need to make informed and effective financial choices and the ability to access appropriate financial products including free face-to-face advice, affordable credit and banking. We want to ensure that our residents know where to go for these and other services and that they have the confidence to do so.

We have produced this strategy with input from a wide range of local agencies and organisations active in the field of financial inclusion and we will continue to work together to implement it.

1.1 Purpose of the strategy.

The strategy has 4 key purposes:

- To provide background information on financial exclusion in the UK.
- To highlight financial inclusion work at Your Homes Newcastle and set out the progress we have made so far against our financial inclusion strategy action plan (2007)
- To set out our strategic priorities
- To outline an action plan detailing how we will meet our strategic priorities.

1.2 Our mission statement

Our mission is to work in partnership with other agencies and organisations to eliminate financial exclusion within our communities.

2. Background

2.1 What is financial inclusion?

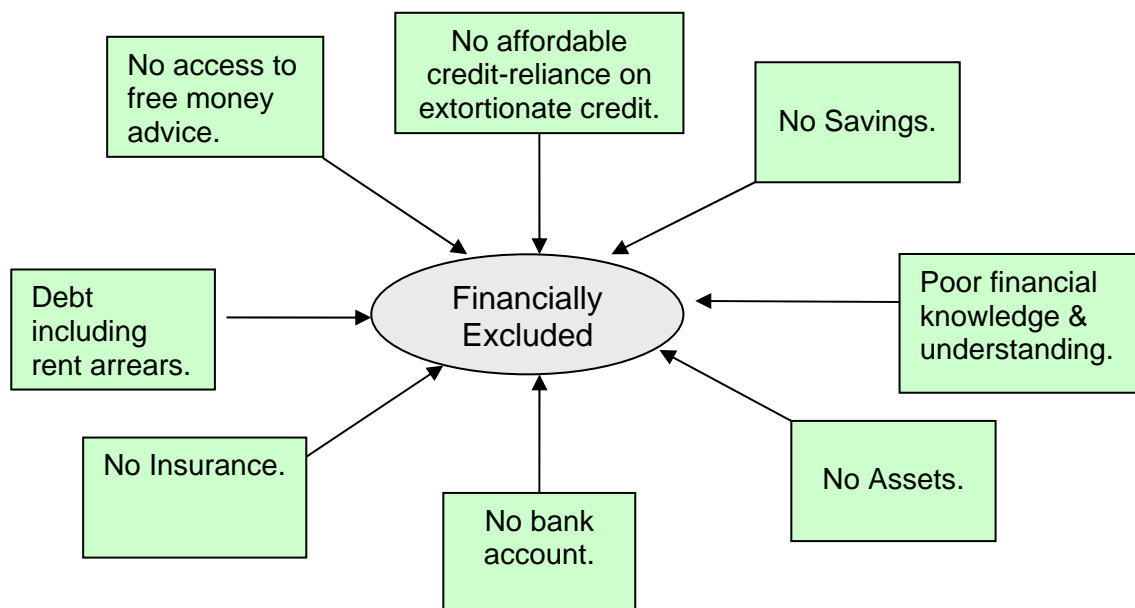
Financial inclusion means access for individuals to affordable and appropriate financial products and services. This includes people having the skills, knowledge and understanding to make best use of these products and services.

In the UK there are a small but significant minority of people who are financially excluded. These people do not have access to even the most basic financial products and services including bank accounts, insurance products, affordable credit and money advice.

Those who are unable to access basic financial services pay more to manage their money, find it difficult to plan for the future and are more likely to become over-indebted. They can find themselves excluded from cheaper services such as gas and electric paid by direct debit and reliant on expensive financial services such as home credit where the average Annual Percentage Rate (APR's) is 177%.

The key aspects of financial exclusion are represented in the diagram below:

Fig 1-Key aspects of financial exclusion:



2.2 What are the causes of financial exclusion?

Financial exclusion can be the result of a number of factors including:

- Financial products that do not meet the needs of low income consumers.
- High interest rates and other charges that are disproportionate to income.

- Lack of advice and information- individuals can be financially excluded because they do not have enough knowledge about how or where to access appropriate financial services.
- Lack of confidence & self-exclusion- This occurs when people do not approach financial institutions in the first place because they believe they will automatically be refused services or products.
- Geographical factors- for example residents living in areas with high crime rates often have to pay higher costs for insurance products.
- Cultural barriers-for example Islamic Sharia law forbids the charging and receipt of interest meaning that many mainstream products are not appropriate for some groups.

2.3 Who is most likely to be affected by financial exclusion?

There has been a large amount of research carried out in recent years to determine which groups are most at risk from financial exclusion. According to the Chartered Institute of Housing (CIH) ¹ the following are more likely to be affected:

- Households on low and insecure income and/or in receipt of benefits.
- Single parents.
- Over 60's.
- Young adults between 18 and 24.
- People with disabilities or additional learning needs.
- The homeless.
- Refugees and asylum seekers.

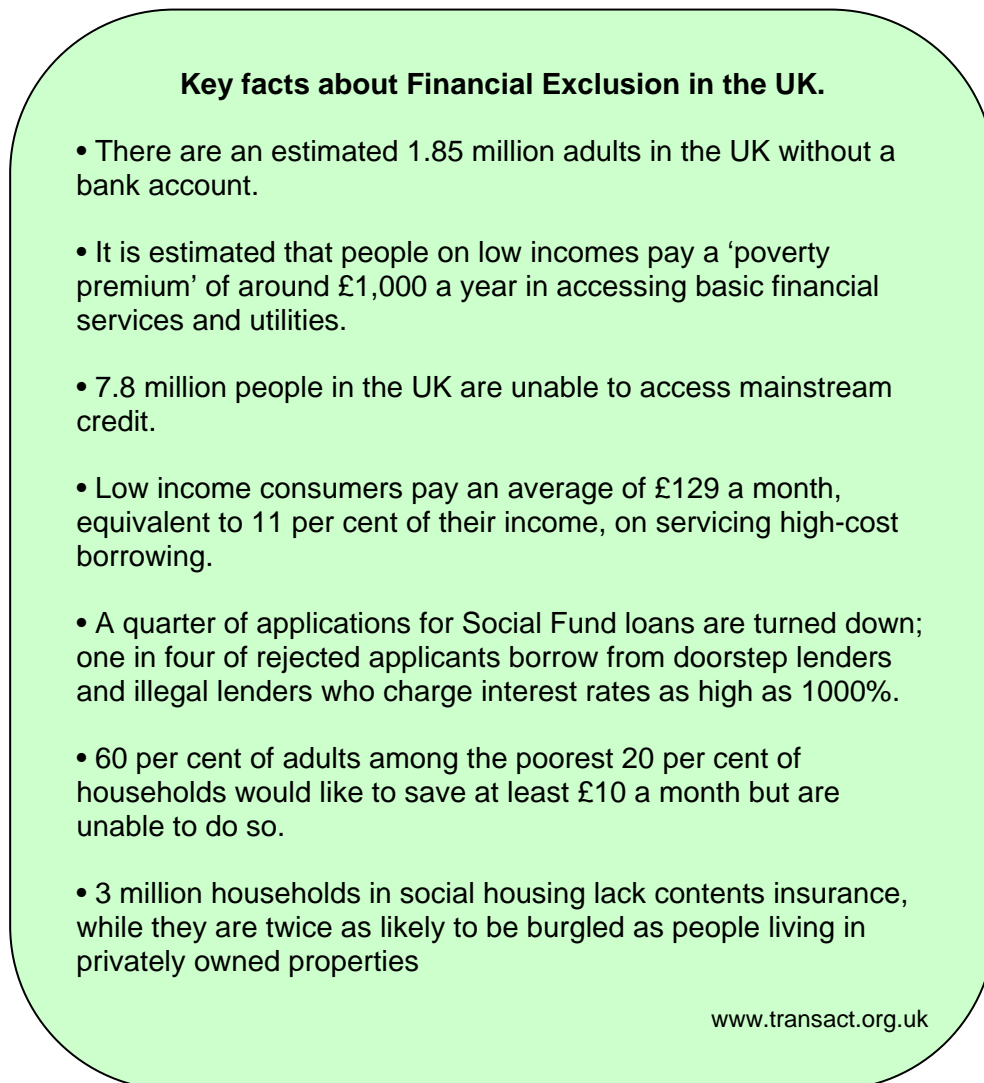
It is estimated that in excess of 60% of all those affected by financial exclusion are social housing tenants.

2.4 Financial exclusion in the UK.

The following information, collated by Transact-the national forum for financial inclusion, gives some indication of the extent of financial exclusion in the UK.

¹ Good Practice Briefing-Financial Inclusion and Capability- Chartered Institute of Housing. Issue 31- November 2006

Figure 2- Key facts about financial exclusion



2.5 What are the implications of financial exclusion?

Financial Exclusion has a big impact upon the individual and wider society. The HM Treasury ² highlights how financial exclusion can cause extra costs and real disadvantage for the individual:

- Day-to-day money management is often more difficult and expensive, and can make it harder to find a job. This is in part due to the fact that most employers insist on a bank account for wages to be paid in.
- Financial exclusion makes it harder for families to plan for the future and effectively manage short-term variations in income and expenditure.
- If things go wrong, financial exclusion makes people more vulnerable to financial distress and becoming trapped in a cycle of debt, poverty and hardship.

² HM Treasury- Financial Inclusion: The Way Forward- March 2007.

Individuals and neighbourhoods which are financially excluded can become disengaged from mainstream society and socially excluded. The Government describes social exclusion as ... "what happens when people or places suffer from a series of problems such as unemployment, discrimination, poor skills, low incomes, poor housing, high crime, ill health and family breakdown. When such problems combine they can create a vicious cycle.... Social exclusion can happen as a result of problems that face one person in their life. But it can also start from birth. Being born into poverty or to parents with low skills still has a major influence on future life chances"...

Financial exclusion often has repercussions for social landlords. High levels of financial exclusion and concentrations of debt in communities can lead to an increase in crime and anti-social behaviour making it difficult for housing providers to achieve community development objectives and provide decent housing services effectively. Linked to this is the impact financial exclusion can have upon income collection. At any one time, around 25 per cent of social housing tenants are behind with their rent. The resulting loss of income affects cash flow, and less money is available for managing and maintaining homes. Eviction and court fees can be costly and a constant turnover of tenants can affect community stability and cohesion.³

3. Context.

3.1 The National Context

Tackling financial exclusion remains a high priority for the Government. In March 2007 the HM treasury strategy entitled "**Financial Inclusion-The Way Forward**"⁴ was published. This is the second financial inclusion strategy to be released by the HM treasury and it sets out what has been achieved to date and outlines a new policy framework for 2008-2011.

The Government has three goals for accomplishing financial inclusion in the UK:

- Everyone should be able to manage their money effectively and securely through having access to a bank account and the confidence and capability to get the most from it.
- Everyone should be able to plan for the future with a reasonable degree of security, therefore affordable credit, saving accounts and simple insurance products should be available to all who need them.
- Everyone should have the information, support and confidence they need to prevent avoidable financial difficulty and to know where to turn if they do find themselves in financial distress.

To achieve these goals the Government will continue to work with banks and other financial services providers, with third sector providers of affordable credit and money advice, and with voluntary and community organisations.

³ 'Community Access to Money'- Housing Corporation- (Randall, Paterson et al. 2005).

⁴ HM Treasury- Financial Inclusion: The Way Forward- March 2007.

To maintain financial inclusion activities at the current level of intensity a new fund of £126 million was announced and a Financial Inclusion Taskforce established to manage the fund. A large part of the fund has been utilised to establish the "Now Let's Talk Money" awareness campaign⁵. This enables key organisations, whose customers are struggling financially, to work together to encourage more people to use the range of money and debt services that are available. The campaign is part of the biggest single Government investment to tackle financial exclusion.

Many of those who are financially excluded and in need of help are often the least likely to know how to ask for it. The campaign believes that by explaining where to go for advice, facilitating access to a simple bank account and telling individuals about affordable sources of credit, intermediaries and community organisations can make a big difference.

We have a pivotal role to play in promoting financial inclusion. The economic environment in which we operate has changed considerably since we produced our strategy in 2007. As a result of the current global recession unemployment rates in the UK have risen dramatically leaving thousands of people out of work and experiencing financial crisis. Many leading financial institutions, including some well known high street banks, have been pushed to the brink of collapse resulting in the government having to provide them with substantial financial rescue packages. Consequently access to banking and affordable credit has become even more difficult, especially for those who are already financially excluded or at risk of becoming financially excluded.

It is more important than ever that we do what we can as an organisation to promote financial inclusion. As the majority of those who are financially excluded are social housing tenants social landlords like us are in a prime position to identify those who are affected and provide the necessary advice and support to help them towards financial inclusion.

3.2 The Local Evidence Base.

Research to inform this strategy has been drawn from a number of sources including the Indices of Multiple Deprivation (IMD) 2007 and our own information. The IMD provides an area based assessment of deprivation using indices which cover income, employment, education, health, crime, housing and the living environment. There is a strong correlation between deprivation and financial exclusion.

Deprivation

Newcastle is the 37th most deprived area in the UK, it has an unemployment rate of 7.2% (as at June 2009) compared to 4.8% nationally. 27.3% of the city's households living amongst the 10 per cent most deprived wards nationally. Newcastle has the highest rate of households with one or more persons suffering from a limiting long term illness and the highest number of benefit claimants in England. We manage the tenancies for a large proportion of these households.

Though we do not yet know the exact extent of financial exclusion it is estimated that, due to the levels of deprivation, numbers are high.

⁵ www.nowletstalkmoney.com

At risk' groups

We currently have approximately 29,000 tenants all of whom are at a higher risk of financial exclusion based on their tenure type alone. Using the demographic information which we hold we have established that the majority of our tenants also fall into at least one other group considered to be at a higher risk:

- 34% are over 60 years old
- 0.08% are 16 -17
- 6% are aged 18-24
- 19% have a disability or long-term illness
- 68% are in receipt of at least one benefit

Rent arrears

A further indication of financial difficulties and possible exclusion can be obtained from looking at rent arrears levels.

As of August 2009 the average arrears for each tenant is **£282.97**. The total level of arrears for all tenants is **£2, 711,941.51**.

Rent arrears are often an indication of wider debt and financial problems. If left unresolved they can ultimately result in people losing their tenancies. We have looked at tenancy terminations during this current financial year to determine the number of tenancies that were terminated due to rent arrears or other debts.

Between April 2009 - September 2009 there were a total of **606** tenancies terminated, 122 of these were terminated due to rent arrears or other financial reasons.

A further 65 tenancies were abandoned with in excess of £300 arrears outstanding, with many in excess of £1000 arrears outstanding.

Figure 3- Tenancy terminations

Tenancy termination reason.	Number of tenancies terminated
Evicted for rent arrears	79
Terminated due to financial reasons (including utility debts)	43
Tenancies abandoned with more than £300 arrears outstanding on account.	65

3.3 Links with other plans and strategies:

This strategy is intended to fit with other plans and strategies. The links are detailed in the table below:

Figure 4- Table illustrating links with other strategies.

Strategy/plan.	Links with this strategy.
<p>Your Homes Newcastle's Business Strategy 2009-2014</p>	<p>The purpose of our business strategy is to give a high level overview of the direction of our organisation over the next five years. It sets out what our organisational mission and strategic objectives are, how we will achieve them and what this will mean for our customers over the next five years. Within our business strategy we recognise that tackling financial exclusion is a key part of providing support and care to communities.</p>
<p>Your Homes Newcastle's Delivery Plan 2009-2010</p>	<p>This strategy will contribute towards achieving the following corporate objectives as set out in our annual Delivery Plan:</p> <ul style="list-style-type: none"> • Support and Care to communities. • Three Star Excellent Services. • A Quality Workforce.
<p>Your Homes Newcastle's Income Management Strategy-2006.</p>	<p>We hope that by working to tackle financial exclusion and debt in our communities this will contribute towards achieving the objectives set out in our Income Management Strategy. In particular:</p> <ul style="list-style-type: none"> • To maximise income from our existing income streams we will effectively manage and minimise customer debt.
<p>Your Homes Newcastle's Employability Strategy –'Skills to Work' (2009-2011)</p>	<p>Our first employability strategy sets out how we will work in partnership to provide appropriate information and support to enable local residents to access training and employment opportunities.</p>

Newcastle City Council Financial Inclusion Strategy-(DRAFT)	Our financial inclusion strategy is closely aligned with that of Newcastle City Councils. Together we are committed to promoting financial inclusion across the city.
Newcastle City Council Regeneration Strategy.	Closely linked to the social inclusion strategy is the 15 year Newcastle City Council regeneration strategy. The council sets out how it will achieve safe, inclusive and cohesive communities by tackling the causes of deprivation and factors affecting community cohesion.

4. What we have achieved so far

Alongside our financial inclusion strategy action plan there are a number of ways in which we have integrated financial inclusion into our day to day work. We have highlighted key services and activities in the table below (Fig 5):

Figure 5: Current Financial Inclusion Work already carried out by YHN.

Provision of advice and support.	We provide an Advice and Support Outreach Team/ Refugee Move On Team and Pathways Team who are trained in debt and benefit advice. In 2008-2009 the Advice and Support team raised almost £2.5 million in various benefits for tenants.
	We have a service level agreement with the debt advice agency- Money Matters to offer independent in-depth debt advice to referred tenants.
	Our tenant sign up checklist prompts housing officers to ask if the tenant needs specialist benefit or debt advice.
Provision of financial services.	We offer our tenants a low cost insurance scheme on behalf of Newcastle City Council. The scheme allows tenants to pay insurance weekly with their rent.

Increasing financial awareness amongst residents.	In recognition that people aged over 60 are particularly vulnerable to financial exclusion, financial awareness training sessions have been provided by Help the Aged to residents in our sheltered schemes.
	We held 'Ways to save money' sessions for residents as part of the Annual resident's event.
Encouraging effective money management.	We have incentives in place to encourage tenants to use good money management-for example prize draws for tenants paying rent by direct debit. We have also increased number of direct debit payment dates.
Help to sustain tenancies.	Provision of Furnished tenancies through the Newcastle Furniture Service, reduces the initial costs associated with setting up a new home and helps sustain tenancies.
	Prevention of Eviction Protocol-ensures that appropriate advice is given to tenants who face eviction through rent arrears to try and prevent this happening either directly or through a referral to another agency.
	Partner Agency in the debt rehabilitation scheme which funds the bankruptcy fee for people who are wholly indebted and need to go bankrupt.
	YHN's Young Peoples Service- Inline. Provide practical and emotional support to young people in housing crisis which can lead to them living in their own tenancy for the first time. Advice and support is given at the first point of contact to maximise income as many have nil income, a budgeting plan is completed with all service users, support own furniture in tenancies and ongoing advice is offer to enable young people to sustain their tenancies, this includes a regular review of budgeting and money management advice. Inline also offer their clients a personal development plan and enables them to participate in an accreditation programme that provides the opportunity to gain recognised certificates through the Open College Network. This helps increase

	<p>their employability, return to education, training or gain employment and in turn financial well-being.</p> <p>YHN's Young Peoples Service – Stepping Stones North Kenton. Budgeting advice and support to access an income whether this be through access to benefit or support to access Education Maintenance Allowance is offered to all tenants. This is followed up regularly within the support plan and budgeting advice is a weekly topic.</p> <p>YHN's Young Peoples Service – Stepping Stones Direct Access Accommodation. Young people who accommodated here have been in housing crisis so immediate access to an income is a high priority. Young people are then supported in budgeting, and provided with life skills such as cooking on a tight budget to maximise use of limited income and maintain a healthy life style.</p>
Tackling fuel poverty	<p>YHN are partners in Newcastle Warm Zone- This city-wide project tackles fuel poverty through provision of insulation to reduce energy expenditure and free energy efficiency advice.</p>
Tackling unemployment	<p>Employment initiatives to help tenants get back into work and improve their financial situation. This involves providing advice, support and encouragement to overcome some of the barriers many of our tenants face in gaining employment whilst providing work placement opportunities within the organisation, advice on attending interviews and writing CV's whilst having a taster in a working environment.</p>
Volunteering opportunities	<p>We provide volunteering opportunities for all of the young people involved in our Young People Services. This encourages their involvement in the community whilst learning soft skills which can be transferable to employment such as reliability, punctuality and commitment.</p>

5. Our strategic objectives.

The overall aim of our financial inclusion strategy is to eliminate financial exclusion within our communities.

In 2007, when we first developed our financial inclusion strategy, we identified five key objectives which we believe will enable us to combat financial exclusion. Going forward we believe that these objectives continue to be relevant in enabling us to meet our overall aim. For the next three years our original objectives remain the though we have added a sixth objective to incorporate the work we will be doing over the coming years to maximise the income of vulnerable groups.

- A workforce committed to financial exclusion
- Empowering and equipping our residents to enable them to make informed and effective financial choices
- Promoting access to insurance
- Facilitate easier access to affordable banking
- Working in partnership to promote access to affordable credit
- Maximising the income of our residents.

Over the next three years we hope to build on the successes already achieved. Some of the actions from our first action plan are on-going so these have been carried forward into our action plan for 2009-2011. We have also identified a range of new initiatives that will enable us to further promote financial inclusion, however in the current climate we acknowledge this is not going to be an easy task.

Our full 2009-2011 action plan is provided in Appendix B. A summary of what we hope to achieve together with details of progress so far is detailed under each objective below.

5.1 Objective one:

A workforce enabled to eliminate financial exclusion.

Central to the success of this strategy is ensuring that a commitment to the financial inclusion agenda is embedded into our organisational culture. We want every single member of our staff to be committed to eliminating financial exclusion to do this we recognise that we will need to enable our staff by raising awareness and understanding and support this through appropriate training.

We want financial inclusion work to become part of our day-to-day activities rather than it being viewed as a specialist area or as an add-on to existing services.

We want all our staff to be able to recognise when a customer is at risk of financial exclusion and be able to provide basic advice if necessary signposting them towards appropriate advice and support whether that is internally provided or provided by an independent agency. Staff will also become more pro-active in promoting money advice and support services to all residents and not just those

already in financial difficulty. They will actively signpost advice services, credit unions, bank accounts and contents insurance.

What we have achieved so far:

- We launched our strategy by delivering an organisational team brief on financial inclusion which was received by every member of staff. This ensured that staff understand what financial exclusion is and more importantly understand their role in combating it.
- In partnership with the Financial Services Authority we run free 'How to manage your money sessions' which were made available to all staff. These sessions provided basic money information on bank accounts, insurance, pensions and savings. We believe that by improving the financial capability of our staff they will be in a better position to be able to support our residents.
- Within our 2009/2010 business and financial planning process we asked all teams to consider what they could do to support financial inclusion many of the suggestions have been incorporated into the accompanying action plan. This not only helped to raise the profile of financial inclusion but prompted staff to think about the contribution their own team can make towards promoting financial inclusion.
- To maintain awareness of financial inclusion we have run a number of financial inclusion articles within staff newsletters/briefings which are circulated to all staff.
- In partnership with Shontal drama group and the illegal money lending team North East we delivered a number of staff workshops to raise awareness about financial exclusion with a particular focus on illegal money lending and the danger that it can pose to residents.

What we will do:

- We will carry out a second team brief to update our staff on what actions we have completed to date and to raise awareness about our refreshed strategy and action plan.
- We will maintain the profile of financial inclusion within staff newsletters/briefings and on our staff intranet pages
- We will establish a network of financial inclusion champions who will be kept up to date on local and national financial inclusion initiatives and good practice. The champions will be responsible for disseminating this information to their colleagues

5.2 Objective two: Empowering and equipping our residents to enable them to make informed and effective financial choices.

People who are financially excluded and in need of advice and information often do not know what help is available or how to ask for it. We want to ensure that as

many residents as possible are aware of the services and products that we and other local agencies provide.

We will take a proactive approach to financial inclusion ensuring that all residents, irrespective of their current financial situation, know what free money advice is available and that they can access it whenever they want and not just when they are already in difficulty.

In 2009 the Financial Services Authority in partnership with HM treasury announced a new sales free money guidance service which is currently being piloted in the North East. This service will deliver both face to face and telephone guidance on a range of money issues including budgeting, tax and benefits advice, saving, borrowing and insurance. We believe that many of our customers would benefit from this free impartial service and that it would compliment the services already offered by our in-house advice and support team. Therefore we are committed to promoting the service in as many ways as possible to ensure that our customers know that it is available.

We have recently become aware that there are a growing number of leaseholders who subsequently find themselves at serious risk of losing their homes due to debt problems. We want to help reverse this trend by ensuring that tenants who are purchasing their home through the right to buy have access to free money guidance service and independent debt advice through Money Matters where appropriate. We hope that this will help tenants to make the right informed financial decisions prior to purchasing a property and therefore prevent extreme financial difficulty further down the line.

We know that when people have a good understanding of the financial services and products that are available they are more likely to be able to make informed choices. We want to increase the range, quality and availability of financial information that we provide so that they are better equipped to make appropriate choices. We will further supplement this by offering our customers free financial capability training as part of our training programme.

What we have achieved so far:

- We delivered a number of financial inclusion road-shows using the YHN 'talk to us bus' which enabled residents to come aboard and find out about bank accounts, credit unions, contents insurance and a range of other financial inclusion related issues.
- We have developed a new 'Manage your money webpage' on our website which includes a benefit/debt calculator in addition to links to other sources of information.
- We have made more information available in our local offices including providing financial services authority (FSA) booklets on basic bank accounts and credit unions.
- We have increased promotion of our advice and support services to ensure that residents know that the service exists.

What we will do:

- Run at least another three financial inclusion road-shows for our residents in partnership with other organisations.
- Through our new residents training programme we will offer residents the opportunity to undertake financial capability training delivered by our in-house advice and support team
- In partnership with the Financial Services Authority/HM treasury we will promote their new free impartial money guidance service to all our residents.
- Continue our promotion of our advice services and independent advice services to all residents and not just those already in financial difficulty.
- Further develop the quality and quantity of information provided through our website.
- Ensure that all residents who exercise the Right to Buy are made aware of the free FSA money advice guidance service and if appropriate are signposted to independent debt advice provided through Money Matters.

5.3 Objective three:

Increase take up of contents insurance

In the national drive to combat financial exclusion the importance of insurance has often been overshadowed by the emphasis upon other aspects such as bank accounts, advice and affordable credit.

In the last decade the proportion of households in social housing without insurance has worsened even more so in recent months as a result of the current recession. It is estimated that there are currently around 3 million households in social housing without contents insurance yet they are twice as likely to be burgled as people living in privately owned properties. It is a fact that insurance is most needed by those who can least afford it however people experiencing financial exclusion are also least interested in acquiring insurance leaving them vulnerable to large and unexpected expenses caused by burglary or environmental damage. The outcome is often increased financial hardship.

We are committed to ensuring that as many of our residents as possible are adequately insured. We recognise the importance of insurance in contributing to financial inclusion so we offer our tenants a low-cost household contents insurance policy which is payable weekly and can be paid alongside the rent. As part of our commitment to ensuring that our residents have access to affordable appropriate insurance we reviewed the scheme in 2008. As a result of this the insurance policy now offers more cover and benefits at a reduced cost to the tenant. Minimum cover levels have been reduced and maximum cover increased with a much wider range of cover levels in between now available. Automatic enhanced cover for domestic animals, accidental death and cover for student possessions away from home are now also included.

Currently approximately 20% of our tenants have taken up insurance. This represents a slight fall since we first produced our strategy which we suspect may

be as a result of the current recession. Whilst this figure is still relatively high in comparison to take-up levels of similar schemes offered by other housing providers we are concerned that a large proportion of our tenants remain uninsured whether that is through ourselves or another provider.

Over the next three years we will be intensifying our promotion of contents insurance. To enable us to do this we have recruited three new tenant engagement officers through our partnership with the Department of Work and Pensions. This new dedicated team has been established to promote the benefits of household insurance and ensure that residents have easy access to the information they need to make an informed decision about insurance. We hope that this will result in increased numbers of residents who are insured. This new team will also be utilised to promote other financial inclusion issues including access to money advice, access to banking and access to affordable credit.

What we have achieved so far

- We have carried out a full review of our insurance scheme which has resulted in a more comprehensive product offering more cover to our tenants at less cost.
- We have increased promotion of the insurance scheme to residents by advertising on rent statements and rent letters and on our website.

What we will do:

- Working in partnership with the DWP our new dedicated tenant engagement officers will work to raise awareness about the importance of contents insurance. We hope to increase the total number of residents who are insured by at least 2800.
- We will continue to promote our own insurance scheme through residents newsletters, on our website and in local community buildings

5.4 Objective four

Facilitate easier access to bank accounts

Although there has been a big drive to increase the numbers of people with bank accounts there remains an estimated 1.45 million adults in the UK who still do not have access to a transactional bank account (current or basic, not savings)⁶.

People who do not have or use a transactional bank account often experience greater difficulties managing their money on day to day basis. They pay more for goods and services, and more to access their money and often have no alternative but to turn to costly non-mainstream financial providers such as doorstep lenders and 'cheque cashers'.

From our own experience we know that some of our residents still do not have bank accounts. As highlighted by the Citizens Advice Bureau one of the reasons that people do not have bank accounts is because opening one continues to be

⁶ DWP annual report of the Family Resources Survey for 2007/08 published in May 2009.

difficult for some people. Some of the main difficulties encountered include problems proving identity and address due to lack of acceptable documentation and the failure of banks to promote basic accounts.

Those without bank accounts are unable to pay their rent or service charges by direct debit which is the most efficient method of collection for the organisation. We currently have around 3321⁷ residents paying by direct debit, we believe that by facilitating easier access to bank accounts this will have a positive impact upon the numbers of people using direct debit to pay.

To alleviate the problems associated with not having a bank account we want to make it easier for our residents to open bank accounts.

What we have achieved so far:

- We have made available the Financial Services Authority leaflets- Guide to basic bank accounts available in our local offices.
- Within our new manage your money webpage on our website we have listed details of banks which provide basic bank accounts and included links to further information
- We have investigated the possibility of working with a local bank to facilitate the easier opening of basic bank accounts.

What we will do:

- Continue work with local bank to enable tenancy agreements to be accepted as a form of identification.
- Continue to provide information about the different bank accounts available and promote the benefits that a bank account can offer. We will provide this information on our website, in the offices and through articles in our periodic newsletters. In doing so we will ensure that we include information on bank accounts which are compliant with Sharia law in recognition of the fact that many mainstream bank accounts may not be suitable for some Muslims.
- Benchmark against other housing organisations to acquire additional good practice on the promotion of bank accounts.

5.5 Objective five:

Working in partnership to promote access to affordable credit

In a recent mapping exercise to determine nationwide 'access to affordable credit' Newcastle upon Tyne was rated as 11th in the country in terms of the worst access. People on low incomes, particularly those without bank accounts, often do not have access to affordable credit which can drive them into the hands of doorstep money lenders legal or otherwise, extortionate annual percentage rates (APR's) and an ever-increasing spiral of debt. Worse still the use of illegal lenders can result in intimidation and violence.

⁷ Figure correct as of September 2009

In a bid to improve the availability of affordable credit the DWP has recently allocated the North East around £750,000 through its Growth Fund. The aim of the fund, now in its second round, is to improve the availability of affordable personal loans to the financially excluded and those on low incomes. The provider of the growth fund was recently announced as being Five Lamps⁸. Enabled by the Growth Fund, Five Lamps will now be able to offer affordable loans to those who might not be able to access them elsewhere. Recognising that many of our residents might benefit from the services that they provide we are committed to developing a partnership with them over the coming years.

We will also continue to work closely with Newcastle's credit union Moneywise. Credit unions are recognised by the government as having an important role to play in combating financial exclusion. They can provide their members with an accessible means of saving with only a £1 a month minimum deposit required and can also offer valuable access to affordable credit particularly to those who would struggle to access it anywhere else. The interest that credit unions can charge on loans is limited by law and regulated by the Financial Services Authority (FSA) Currently the average interest charged by a credit union on a loan is around 12.7% APR which is considerably cheaper than the average 177% APR charged by doorstep lenders. The interest charged by illegal money lenders, often known as loan sharks, is unlimited.

Where possible we want to ensure that our residents know that if they need to access credit that there are affordable options available to them we hope this will prevent the need to turn to high cost and sometimes illegal alternatives.

What we have achieved so far:

- We have formed a partnership with the Newcastle credit union Moneywise. Through an organisational wide team brief we have raised awareness amongst our staff so that they know what a credit union is and secondly what services it provides.
- We have promoted the credit union to residents and staff. Initiatives have included advertisements on pay-slips for staff, a bus campaign in the community and articles in our internal and resident newsletters.
- As part of our financial inclusion roadshow in 2008 we promoted Moneywise credit union on board our Talk to Us bus. The bus was taken to a number of community based venues where residents could come aboard and find out about Moneywise and how to join.
- In partnership with the North East illegal money lending team and Shontal drama group we have delivered a number of staff workshops to raise staff awareness about the risks faced by tenants who use illegal money lenders. This was also attended by staff from Moneywise credit union which helped raise awareness of the alternative affordable sources of credit that are available.

⁸ Five Lamps is a community led social and economic regeneration business serving the North East region. For more info see: <http://www.fivelamps.org.uk/>

What we will do:

- We will work with NCC to support the successful Growth Fund 2 bidder, Five Lamps. This will include publicising the service, raising staff awareness and provision of office space where feasible
- We will investigate the provision of resident theatre based roadshows which would promote the issues relating to accessing affordable credit.
- We will continue to promote Moneywise credit union.
- We will implement a referral process to the North East Illegal Money Lending Team and regular monitor the impact of referrals made.

Objective 6:

Maximising the income of our residents

We recognise that financial exclusion is closely associated with low income and poverty therefore we believe that by maximising the income of our residents this will reduce the risk of financial exclusion. We will aim to do this in a number of ways.

Over the next three years we will intensifying our work, in conjunction with Newcastle City County, to ensure that our residents know about and have access to all benefits and tax credits which they are eligible for. Nationally there are many people who are entitled to benefits that do not claim them which can result in unnecessary financial hardship. Only 20% of single people over 25 working over 30 hours and who are entitled to working tax credit have taken it up. Approx 30% of all parents who are entitled to housing/council tax benefit have not taken it up. Non take up rates for both Pension Credit and Council Tax benefit have risen substantially over the last decade up from 25%-35% and from 30%- 45% respectively.

We want to ensure that residents who are eligible for benefits know about it and know how they can apply. To help us do this we will engage in citywide take up campaigns and will be raising awareness where possible through an increased number of channels.

Our new employability strategy 'Skills to Work' sets out how through partnership working, we will now provide greater support to those who want to enter training and employment. Most people are financially better off in employment and are far less likely to be financially excluded than those who are not working. Through implementation of our employability strategy we hope that we will also see a positive impact upon financial inclusion.

We also remain committed to addressing fuel poverty through our on-going partnership with the Warm Zone⁹ project. Established in 2004/05, Newcastle Warm Zones is a not for profit partnership between ourselves, Newcastle City Council , Scottish Power and the Warm Zone community interest company. The

⁹ For more information on Warmzone: http://www.warmzones.co.uk/about_us.html

aim of the project is to reduce fuel poverty and improve the energy efficiency of homes across the area. The project offers free insulation in addition to energy efficiency and benefit advice. We will continue our involvement and support in the current project until it expires in 2011.

What we have achieved so far:

- Between 2008-2009 our advice and support workers have secured a total of £2.45 million for tenants in benefits, charity grants, tax credit
- Between 2004 and 2009 Newcastle Warm Zone have insulated over 10,000 council homes with cavity wall insulation, loft insulation top ups or hot water tank jackets. Benefit take-up for eligible residents has been increased by around £2.5 million. The net reduction on tenant's fuel bills has been calculated at almost £1 million at 2009 prices.
- In 2008 our Advice and Support Team in partnership with the Pension Service ran a Pension credit take up campaign by visiting all the sheltered schemes to undertake a presentation about benefits at the residents meetings
- We have run poster campaigns on Tax credits and Discretionary Housing Payments in our offices

What we will do:

- In partnership with Newcastle City Councils Welfare Rights Service we will undertake a tax credits take up campaign for staff, tenants and leaseholders.
- We will seek funding opportunities that will enable us to fund targeted benefit take up work within the organisation including a dedicated benefits take up campaign for pensioners.
- We will make better use of the information we hold on our housing database so that we can target our campaigns more effectively.
- We will continue to support the Newcastle Warmzone project to reduce fuel poverty and improve the energy efficiency of our residents homes

6. Partnership Working.

The overall success of this strategy is dependant on partnership working. None of our objectives can be achieved by working in isolation. We will need to utilise the expertise and specialist knowledge of other agencies and organisations and work together to achieve our goals.

We are already an active member of the Newcastle financial inclusion working group which brings together several organisations and agencies who are working in Newcastle to combat financial exclusion. We will continue to attend and contribute to this group so that we know what is happening across the city and can be part of future financial inclusion activities.

Through the financial inclusion work we have already undertaken we have built a number of key partnerships with key organisations active in the field of financial inclusion. Going forward we will need to continue to work closely with the following organisations.

- Newcastle City Council.
- Newcastle credit union- Moneywise.
- Five Lamps
- Department of Work and Pensions
- Financial Services Authority
- Newcastle Warm Zone.
- Help the Aged.
- Money Matters.
- Illegal Money Lending Team North East
- Shontal Drama Group.
- Local banks

We will be working closely with these agencies to deliver the actions detailed in the action plan (Appendix B)

7. Equality and Diversity.

As set out in our Corporate Equalities Plan (CEP) we are committed to delivering our services throughout the city to people who need them, without discriminating against, stigmatising or patronising people treating every customer, client or service user in a professional manner, with courtesy and respect.

We are currently working very hard to build up profiles about our residents so that we can use this information to develop the new and existing services outlined in this strategy to ensure that they meet the diverse needs of our communities.

We always try to ensure that our services meet the different needs of our diverse communities by involving communities in identifying their needs and making sure they are met. This commitment equally applies to the implementation of this Financial Inclusion Strategy.

We want to make sure there is maximum take up of new and existing services aimed at reducing financial exclusion by all communities and particularly those groups facing disadvantage or discrimination.

We will do this by:

Presenting written information in plain English and using methods other than written documents to present information as appropriate;

- Offering information in accessible formats, including community languages, Braille, large print, audio tape and so on, in line with our policies and procedures relating to communication.
- Providing interpretation and translation services as appropriate and in line with our policies and procedures relating to communication.
- Ensuring that public events such as financial awareness sessions are accessible and invitations and publicity clearly state the facilities available

and the details of booking arrangements to allow any other facilities or services required to be provided for.

8. Impact of this strategy.

It is hoped that this strategy will have the following impact:

For our residents:

- Debt advice when they need it and in the format that best suits their needs.
- Improved knowledge and understanding of financial products and services available.
- Increased confidence to access and use financial products and services.
- Bank accounts will be easier to open and there will be more and improved information provided on how to do this.
- The ability to apply for affordable credit if they need to, reducing reliance on doorstep lenders and other forms of high cost credit.
- The ability to maintain their tenancy by prioritising rent payments and avoid increased levels of debt which work against this priority

For our organisation:

We believe that by investing in financial inclusion we will see the following outputs:

- A reduction in rent arrears levels.
- A reduction in rent collection costs including court costs and an increase in the use of more efficient collection methods e.g. direct debit.
- A reduction in the number of evictions and court actions as a result of rent arrears.
- Reduction in the number of abandoned properties and failed tenancy rates.
- A reduction in tenancy turnover
- A reduction in void costs.
- Increase in levels of customer satisfaction

8.1 Monitoring our progress.

Our revised strategy and updated action plan will be monitored through our new 'Improving on Excellence' programme. Through the programme all actions within key strategy documents will be monitored and reported on a regular basis into programme board.

8.2 Responsibility for this strategy

Our Advice and Support Manager will hold overall responsibility for ensuring that this strategy and action plan is completed within the defined timescales.

8.3 Future review.

This strategy will be reviewed in August 2010 though amendments and revisions will be made in the interim as necessary.

Financial Inclusion Resource Directory.

www.nowletstalkmoney.com – DWP campaign for promoting financial inclusion.

www.hm-treasury.gov.uk/media/7/B/financial_inclusion030407.pdf - Government strategy for financial inclusion.

www.transact.org.uk A national forum for financial inclusion.

www.moneywise.org.uk Newcastle credit union website.

www.fivelamps.org.uk DWP growth fund 2 provider of affordable loan

www.entitledto.co.uk – Benefit calculator.

www.whatwouldyoudoforapound.com –Website for young people providing information on debt and money advice.

www.doughuk.com/welcome.cfm - Website for young people as above.

www.adviceguide.org.uk – Website for the Citizens Advice Bureau providing a wide range of information including benefit and debt advice.

www.debt-on-our-doorstep.com Information about the campaign to tackle the problems caused by doorstep lenders.

www.helptheaged.org.uk – Provides information about the specific issues that older people can face in relation to money/debt management. There is also an information line **0800 00 99 66** open 8am-7pm this is for older people, relatives/carers and professionals.

<http://www.ace.org.uk/AgeConcern/factsheets.asp> - Useful fact sheets on various issues specific to older people including information on pension credits.

www.warmzones.co.uk/newcastle.html Information about the Warm Zone project in Newcastle which is tackling fuel poverty and promoting energy efficiency.

www.moneymadeclear.fsa.gov.uk/tools.html Provides useful information and toolkits on a wide range of money related issues.

REF:	Action	Measurable outcome	Responsible officer	Deadline
Objective 1: A workforce enabled to eliminate financial inclusion				
1.	Promote our new financial inclusion strategy and financial inclusion issues through internal communication	<ul style="list-style-type: none"> A minimum of 8 financial inclusion articles/news stories on our staff intranet, staff newsletter-Rewind and in our policy briefing. We will deliver an organisational wide team briefing. Provide all new starters to the organisation with a financial inclusion pack 	<p>Advice and Support Manager (Suzanne Halliwell)/Communications Manager (Daniel McGuiness)</p> <p>Advice and Support Manager (Suzanne Halliwell)</p> <p>Advice and Support Manager (Suzanne Halliwell)</p>	<p>March 2011</p> <p>April 2010</p> <p>February 2010</p>
1.1	Keep staff up to date on local and national financial inclusion initiatives and best practice.	<ul style="list-style-type: none"> We will establish a financial inclusion champion network consisting of a minimum 6 champions. Remit will be to disseminate information to colleagues, contribute to on-going development of strategy and to champion financial inclusion. To include at least two representatives working in each of the housing management areas- Inner West, Outer West and North, East End at two representatives from YHN house 	<p>Advice and Support Manager (Suzanne Halliwell)</p>	<p>April 2010</p>

1.2	Offer staff individual financial guidance sessions through the FSA Money made Clear initiative to enable them to gain first hand experience of what the service can offer our tenants.	<ul style="list-style-type: none"> • Successful completion of pilot in our Gosforth and Westgate offices. We will then offer sessions to staff in all other offices. 	Advice and Support Manager (Suzanne Halliwell) / Housing Services Managers (Tim Hutton & Paula Leckey)	September 2010
Objective 2- Building the financial capability and awareness of our residents				
2.1	Promote access to free impartial face to face or telephone money guidance through the Money made Clear initiative.	<ul style="list-style-type: none"> • We will promote the Money Made Clear service by advertising in all our offices, on our website and in our Homes and People magazine. 	Advice and Support Manager (Suzanne Halliwell)	April 2010
2.2	Offer residents access to free YHN/Rights Project financial capability training	<ul style="list-style-type: none"> • We will develop and deliver a free financial capability training programme maintaining a record of the numbers of residents who have attended the course. We will promote the programme to residents through Homes and People magazine and on our website. We will aim to deliver a minimum of three sessions. 	Advice and Support Manager (Suzanne Halliwell) /Resident Involvement Officer (Heather Nixon)	December 2010

2.3	Signpost all right to buy applicants to independent financial advice from Money Matters.	<ul style="list-style-type: none"> We will include information and contact details for Money Matter in right to buy information packs which will be sent to all applicants. 	Right to Buy Manager (Jane Samples)	March 2010
2.4	Offer residents direct access to a range of information within their own community	<ul style="list-style-type: none"> We will run at least another three financial inclusion road-shows for our residents in partnership with other organisations. The roadshows will cover bank accounts, credit unions, illegal money lending, insurance and free advice. 	Advice and Support Manager (Suzanne Halliwell)	March 2011
2.5	Increase availability of self service information through the YHN financial inclusion website pages	<ul style="list-style-type: none"> We will increase traffic to the 'manage your money' webpage by a minimum of 20%. We will do this by further developing the money advice pages on our website by adding more information and more links to partner websites. 	Advice and Support Manager (Suzanne Halliwell) /Communications Manager (Daniel McGuiness)	March 2011

Objective 3- Increase the take up of contents insurance				
3.1	Make contact with tenants that do not have contents insurance to promote the benefits and importance of being adequately insured	<ul style="list-style-type: none"> • We will increase the total number of tenants who have home contents insurance by at least 2800. We will do this by : <ul style="list-style-type: none"> - Contacting all new uninsured tenants by telephone or letter to promote the benefits of home insurance. - Attending Tenant and Resident association meetings to raise the profile of the home contents insurance engagement team and promote the benefits of home contents insurance - Promote the benefits of home contents insurance at a number of community based locations. We will deliver presentations at sheltered schemes and hold information stands in resident blocks, housing offices and customer service centres - Run regular advertising campaigns promoting home contents insurance in Homes and People, in local offices 	Senior Income officer- (Maureen Grainger) and Tenant Engagement Officers (Home Contents Insurance)	April 2010

		and on our website		
	Objective 4- Facilitate easier access to bank accounts			
4.1	Increase the number of tenants who pay their rent by direct debit	<ul style="list-style-type: none"> We will examine the possibility of introducing a new prize draw incentive for all new tenants who sign up to Direct Debit and those who transfer from another payment method. 	Income Manager (Anne Crute)	December 2010
4.2	Provide tenants with information about bank accounts and promote the benefits that a bank account can offer	<ul style="list-style-type: none"> We will publish information/article on how to access bank accounts in Homes and People and also on our 'manage your money page' on our website We will provide printed information in all our offices and through articles in our resident newsletters. 	Advice and Support Manager (Suzanne Halliwell)	June 2010
			Advice and Support Manager (Suzanne Halliwell)	December 2010
4.3	Establish relationship with local bank to enable tenants to open bank accounts with tenancy agreement/Letter from YHN or basic form of I.D	<ul style="list-style-type: none"> We will benchmark against other housing organisations and seek good practice on working with local banks Establish formal partnership agreement with at least one bank 	Performance and Policy Officer (Helena Hammock)	February 2010
			Advice and Support Manager (Suzanne Halliwell)	October 2010

Objective 5- Promote access to affordable credit and raise awareness about the risks associated with illegal money lending				
5.1	Develop partnership with Five Lamps and Money Wise credit union to promote access to affordable credit.	<ul style="list-style-type: none"> Five Lamps and Moneywise leaflets available in all housing offices 	Advice and Support Manager (Suzanne Halliwell)	April 2010
		<ul style="list-style-type: none"> Co-location of Five Lamps officer in at least one YHN office 	Advice and Support Manager (Suzanne Halliwell)	June 2010
		<ul style="list-style-type: none"> Link to Five Lamps and Moneywise websites and information on how to access services provided on our 'managing your money webpage 	Advice and Support Manager- (Suzanne Halliwell)	February 2010
		<ul style="list-style-type: none"> Through our partnership with the credit union Moneywise we will continue to increase promotion of credit unions to our residents and staff. We will do this through team brief and Homes and People 	Advice and Support Manager- (Suzanne Halliwell) /Communications Manager (Daniel McGuinness)	March 2011
5.2	In partnership with the North East Illegal Money Lending Team raise awareness amongst staff and resident about the physical and financial risks associated with illegal money lending.	<ul style="list-style-type: none"> We will publish quarterly Illegal money lending updates and news articles on our loan shark webpage located on staff intranet. 	Performance Management and Policy Assistant (Helena Hammock)	March 2011
		<ul style="list-style-type: none"> We will promote the dangers of illegal money lending through an article in at least one Homes and People magazine, at three 	Advice and Support Manager (Suzanne Halliwell)/ Communications Manager (Daniel	March 2011

		community based roadshows and on our website.	Mcguiness)	
Objective 6- Maximising customer income				
6.1	Continue to support the Newcastle Warmzone project to address fuel poverty and maximise energy efficiency in YHN properties	<ul style="list-style-type: none"> We will increase the average SAP rating of local authority owned dwellings to 71 by continuing to support the Newcastle Warm Zone project to address fuel poverty and maximise energy efficiency within the homes we manage. 	Head of Assets and Programming- (David Langhorne)	March 2011
6.2	Targeted tax credits take up campaign in conjunction with Newcastle City Council aimed at tenants, leaseholders and staff	<ul style="list-style-type: none"> We will promote tax credits in Homes and People on our website and on staff payslips We will offer all new starters to YHN a benefits check Utilising information from Northgate to target over 25's in single persons accommodation and who are not on housing benefit We will seek funding opportunities that 	<p>Advice and Support Manager (Suzanne Halliwell)</p> <p>Advice and Support Manager (Suzanne Halliwell)</p> <p>Advice and Support Manager (Suzanne Halliwell)</p> <p>Advice and Support Manager</p>	<p>June 2010</p> <p>June 2010</p> <p>June 2010</p> <p>April 2010</p>

<p>6.3</p>	<p>Targeted child benefit campaign in credits take up campaign in conjunction with Newcastle City Council aimed at tenants, leaseholders and staff</p>	<p>will enable us to fund targeted benefit take up work within the organisation in particular a dedicated benefits take up campaign for pensioners.</p> <ul style="list-style-type: none"> • We will undertake a joint campaign with Housing Benefit to highlight that child benefit is not being taken into account as income for Housing Benefit calculations. We will do this by: <ul style="list-style-type: none"> - briefing all the housing office staff to encourage referrals to the Advice and Support Worker - putting up posters in all housing offices - putting at least one article in Homes and People - extracting information on Northgate about specific families who don't receive Housing Benefit - monitoring the number of people applying for housing benefit as a result of being made aware of the changes 	<p>(Suzanne Halliwell)</p> <p>Advice and Support Manager (Suzanne Halliwell)</p>	<p>December 2010</p>
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