



# POVERTY PREVENTION STRATEGY 2017 - 2020

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## **1. Introduction**

- 1.1 This strategy sets out Rochdale Housing's (RBH) approach to tackling poverty in our communities and to improving the financial circumstances of tenants and members living in our neighbourhoods. Welfare benefit changes made at a national level have impacted locally on the disposable income of our tenants and members and this will continue as Universal Credit full service rolls out in Rochdale in 2018 and further reductions to Housing Benefit come into effect, primarily affecting young people and those in need of supported housing.

## **2. Context**

- 2.1 Rochdale borough faces major socio-economic challenges and has three areas within the 1% most deprived areas in England. The majority of RBH neighbourhoods are amongst the worst financially and socially deprived in the Country. Data from the Annual Population Survey completed for January 2016 to December 2016 published by NOMIS indicate that levels of economic activity in the Rochdale Borough are 10% below national average and are significantly lower than other GM Boroughs.
- 2.2 Welfare Reform has become a defining feature of Government policy and has hit the poorest areas the hardest as they have the highest number of people reliant on benefits. The latest data from NOMIS shows Rochdale has 22% of people claiming key out of work benefit; this is significantly higher compared to the North West (17.1%) and nationally (14.1%). Social housing tenants have traditionally relied heavily on benefits so they are hard hit by cuts or changes to the process; working age tenants have been particularly impacted. 45% of RBH tenants in receipt of benefits are of working age. Greater Manchester research showed that of 10 districts in Greater Manchester, Rochdale has been hit hardest with an average reduction in working age incomes of £683 compared to a Greater Manchester average of £576. In addition 55% of all RBH tenants are on low incomes that are supported by Housing Benefit payments and RBH 5.5% of tenants are in receipt of Universal Credit, this will only increase further from February 2018 when full service roll out is implemented in Rochdale.
- 2.3 The Joseph Rowntree Foundation has completed some research to understand the impact of Welfare Reform on social landlords and tenants. The results are startling. Tenants are struggling financially and are worse off now than they were two years ago. The research showed that in order to make ends meet and pay essential bills, tenants have developed coping strategies which include cutting back on food, heat and electricity, falling into debt, depleting savings and selling belongings. Fuel poverty and rising energy bills often tip tenants' tight budgets into debt. This is mirrored by research undertaken by the Trussell Trust published in their report published in April 2017 "Early Warnings – Universal Credit and Foodbanks" in which they conclude that the highest primary reasons that people need support from a foodbank are benefits delays (27.95%) Low income (23.31%) followed by benefit changes (13.5%). GM has the highest number of referrals to foodbanks in the Northwest just below Merseyside. Rochdale has had over 6614 referrals in 2016 compared to 4014 in central Manchester.

- 2.4 RBH Neighbourhood Profiles developed as part of Neighbourhoods Together show further disadvantage in comparison to other parts in the borough, highlighting 12 of the 16 neighbourhoods needing poverty, financial inclusion or debt interventions. Statistics show that RBH neighbourhoods have high levels of benefit dependency and low income households. Many tenants are of pensioner age with 1 in 4 RBH tenants are over 65, many with little savings and 45% of RBH tenants who are of working age are receiving benefits. STAR survey responses show that 35% of our customers often feel that they do not have sufficient income for quality of life
- 2.5 Nationally we are in a period of economic uncertainty following the UK vote to leave the EU and the triggering of Article 50. This is the start of two years of Brexit negotiations. Economists are predicting that leaving the EU, in particular, the single market will have a negative effect on economic growth in the UK. If, once we start the negotiations to exit, we see slower growth this is likely to affect 'in work' tenants and members disproportionately as employment falls or becomes more insecure. Recent announcements by the ONS are showing that the cost of living is rising and is expected to continue in an upward trend, this will adversely affect people on low incomes whose wages are not increasing comparatively and those who are affected by the benefit freeze.
- 2.6 Locally, Rochdale Borough Council (RBC) and Third Sector budgets have been reduced resulting in a reduction in support service provision across Rochdale. This has had an impact on our customers and put pressure on RBH to fill the gaps. Public Sector Reform principles are currently looking at how the statutory and voluntary sector can deliver services differently - to maximise remaining resources. As a local anchor organisation, RBH is playing an active role in this new approach.
- 2.7 Internally, RBH is responding to challenges from the Summer Budget 2015 and Welfare Reforms which present risks to our income streams. Through our Facing the Future programme, RBH has repositioned itself as a local anchor institution to respond to this new national, regional and local context. Maintaining strong income collection, maximising income generation opportunities whilst delivering efficiency savings and Value for Money (VFM) services will require a strong strategic approach to improving the position of our customer base. It will be essential to ensure our resources are used efficiently and effectively to ensure our continued growth and to contribute effectively to improving the quality of lives for tenants and members. It is imperative that we are efficient in the way we contact and interact with our customers and identify and tap into any new funding or opportunities which emerge nationally and regionally to reduce poverty in our neighbourhoods and improve life chances for our customers.
- 2.8 As a mutual society, it is imperative that our engagement with our members is meaningful and adds value to our communities. By involving our members in the work we are doing in our communities to reduce poverty, access work and training and improve life chances we can provide additional support to those who champion our mutuality, enabling us to provide meaningful opportunities and demonstrate our values.

### **3. Methodology**

3.1 The strategy has been developed using the following:

- Review of the RBH Financial Inclusion Strategy 2013 – 2017;
- Co-design meetings with Representative Body Task and Finish Group in February and May 2017;
- Our Mutual Future, Corporate Strategy 2015 -2018;
- Review of Rochdale Borough Place Plan for the Borough 2016 – 2021;
- Review of the RBH Work and Skills Strategy;
- CLES review of Rochdale Borough Housing as a Local Anchor February 2016;
- Review of JRF Report – The impact of Welfare Reform on Social Landlords and Tenants;
- Review of Greater Manchester Poverty Monitors;
- Review of Achieving Inclusive Growth in Greater Manchester – University of Manchester, Inclusive Growth Analysis Unit;
- The Trussell Trust – Early Warnings. Universal Credit and Foodbanks.

### **4. Aims, Objectives and Goals**

4.1 The aim of this strategy is to support people living in our communities suffering or at risk of suffering financial hardship to sustain their tenancies by accessing information, support and guidance to prevent poverty in our neighbourhoods. We will achieve this by:

- Delivering interventions and initiatives to maximise tenant’s disposable income, access affordable credit and enable them to become more financially capable;
- Providing debt and welfare advice, support and guidance and build on existing partnership arrangements to work collaboratively to provide this;
- Support delivery of the Work and Skills Strategy to help tenant’s access work and training opportunities within the Borough and Greater Manchester;
- Increase membership engagement through developing a Volunteer Framework within our communities to deliver community lead initiatives to reduce fuel and food poverty and help people access work and training opportunities;
- Ensuring business resilience by maintaining a 100% rent collection which will enable RBH to develop and deliver services that support tenants in or at risk of financial hardship.

**4.2 Establish a clear pathway of advice and referral for all tenants suffering or at risk of suffering financial hardship, to effectively access debt and welfare advice, support and guidance.**

**Increase the number of customers accessing RBH for money advice by 10% year on year.**

4.2.1 We will review the structures within the Rents and Payment Team to build on the current specialist money advice services we provide to our tenants. This includes realigning existing resources to ensure that we have capacity within the team to provide information, support and guidance on debt and welfare advice, budgeting and income maximisation.

4.2.2 By utilising our Customer Relationship Management (CRM) system and approach we will work with customer facing teams across RBH and we will seek to offer a clear pathway of advice and signposting to customers who are struggling to make ends meet and are struggling financially.

4.2.3 We will work with RBH Community Partnership Team and other partners to support Community led anti poverty interventions.

4.2.4 We will train and support customer facing colleagues across the Society to recognise the symptoms of people experiencing poverty and / or financial abuse and enable them to make appropriate referrals.

**4.3 Reduce poverty and maximize income for our customers**

**Develop the Pantry franchise and increase from one to three schemes in the next 3 years.**

**Increase take up of the Pass it on scheme and Paint reuse scheme by 100% in the next 3 years.**

**Maintain a strong income collection of 100%**

**Develop an inclusive Communication Plan to target customers at risk of or suffering financial hardship.**

4.3.1 We will continue to ensure that tenants eligible for benefits know about and more importantly understand how they can apply. We will support tenants, where possible, with benefits advice, sanction prevention guidance and appeals.

4.3.2 We will develop different approaches to provide debt and welfare advice and money management advice by using a variety of mechanisms to reach members

and tenants living in our communities. This will include one to one advice, group sessions, community led initiatives, member engagement and signposting.

- 4.3.3 We will continue to develop and implement initiatives to help people affected by Welfare benefit changes and to mitigate the risk to RBH.
- 4.3.4 We will develop and implement a self-serve on line toolkit to provide information, support and guidance on a wide range of money matters that our customers can use.
- 4.3.5 We will develop community led initiatives to reduce food and fuel poverty in our communities and develop interventions in line with neighbourhood actions plans that are specific to particular areas. In addition we will build on existing partnering arrangements with Utility companies to support vulnerable people at risk of fuel or water poverty and access any funds available to help with utility debt.
- 4.3.6 We will include anti poverty and financial inclusion activity as a key criteria to fund community groups as part of the Members Community Fund to deliver projects to reduce poverty and increase financial inclusiveness within our neighbourhoods. RBH will endeavour to seek external funding to support anti poverty and financial inclusion projects.
- 4.3.7 We will review the Pantry model in place on Kirkholt and recreate this in other areas of the borough and ensure tenants suffering from food poverty are referred to partner organisations that can help them.
- 4.3.8 We will develop community and member projects to help RBH customers to access services online and develop mechanisms that best engage people who need that support.
- 4.3.9 In line with the Work and Skills Strategy we will ensure that members are aware of work and skills opportunities available to them across RBH, the borough and GM and ensure they are able to access them.
- 4.3.10 We will build on the success of the Pass It On scheme and develop the paint reuse scheme by opening a reuse shop enabling more customers to access low cost furniture, white goods and paint. In support of the Work and Skills Strategy we will develop community volunteers to support delivery of this expansion and provide training work experience for RBH members.

#### **4.4 Improve Financial Health and capability of RBH customers**

**Reduce number of repeat referrals for debt and welfare advice by 10% year on year.**

**Increase insurance take up by 5% year on year.**

- 4.4.1 We will seek to develop financial capability learning activities delivered through member and community initiatives. This will be supported by providing information, support and guidance on how customers can making their money go further, financial products and debt prevention advice so they are better equipped to make appropriate choices
- 4.4.2 RBH are committed to ensuring that as many of our tenants as possible are adequately insured. We recognise that this could support tenants in time of crisis so we will continue to offer our tenants a low cost household contents insurance policy which is payable weekly and can be paid alongside the rent.

**4.5 Increase opportunities to access affordable credit**

**Increase membership to Manchester Credit Union for RBH tenants by 5% year on year.**

- 4.5.1 Build on existing links with Manchester Credit Union and develop a Rochdale focussed approach to enable RBH tenants to access affordable credit and savings facilities.
- 4.5.2 We will seek to understand the impact and level of illegal lending activity within RBH neighbourhoods and create awareness of other affordable lending alternatives. In addition we will complete loan shark awareness campaigns within RBH communities.

**4.6 To fully participate in GM discussions and approach to reduce poverty and increase financial inclusiveness.**

**To formalise RBH partnering arrangements with the Greater Manchester Poverty Action (GMPA) group in 2017.**

- 4.6.1 RBH will work with the GMPA, a coalition of public private and civic sector organisations that work together across Greater Manchester (GM) to reduce poverty in the area. RBH will become a participating partner and link in, support and deliver activities that raise the awareness of poverty across GM and provide a collective voice for those individuals across GM in the greatest need.
- 4.6.2 RBH will work across GM partners across the sector to ensure that RBH maximises GM anti poverty and financial inclusion work for our tenants, members and the borough.

## 5. Values

### 5.1 Our mutual vision is:

#### **Vision**

People succeeding together to offer great services and places to live and work.

**Responsibility** – RBH is a local anchor organisation in Rochdale. This strategy aims to help and support people in our communities, struggling to make ends meet, improve their financial situation, economic wellbeing and confidence.

**Equity** – This strategy aims to improve the disparity between our neighbourhoods and the regional and national benefit dependency rates and poverty levels.

**Democracy** – Through the monitoring of this strategy we will provide the membership of RBH with a comprehensive picture of the work we have undertaken to improve the lives of people living and working in our communities.

**Open and Honest** – We will be open and honest with our tenants and members about the advice, support and guidance we are able to provide. We will provide a clear picture of what will do, the approach we will take and we will do this to the best of our ability.

**Pioneering** – We will seek to contribute and connect with new opportunities GM devolution will bring to reduce poverty in the area. In addition we will engage with the national agenda and priorities.

**Caring** – RBH will seek to improve the quality of life of people living and working in our neighbourhoods by providing comprehensive money advice and guidance and developing neighbourhood initiatives to reduce poverty in our communities.

**Championing** – We will work across the Society encouraging all teams to understand the impact of poverty on people's lives and build on firm foundations already established to develop and improve the way we work to support people in financial hardship. We will encourage our partners, charities, contractors and suppliers to provide opportunities to maximise economic growth in Rochdale.

## **6. Scope**

- 6.1 Whilst this strategy aims to reduce poverty and impact on the local economy in Rochdale, our interventions will be prioritised to target:
  - 6.1.1 Members – we will use our membership networks to ensure that our membership is aware of and able to access and influence opportunities to reduce poverty in our neighbourhoods;
  - 6.1.2 Tenants and their households – we will use all our contact points with our customers to offer information, support and guidance to help them improve their quality of lives and reduce poverty within our communities;
  - 6.1.3 Young people / Under 35's – We will provide information support and guidance considering the impact of Welfare Reforms to inform them of choices available to them to prevent them getting into debt and suffering financial hardship;
  - 6.1.4 Understand the GM position on economic growth, health and wellbeing and link with partners and employees across GM to interlink our approach and commitment to reducing poverty whilst improving people's quality of lives both locally and regionally.

## **7. Equality & Diversity**

- 7.1 This Strategy will result in interventions which will impact both boroughwide and on specific cohorts of people. An Equality Impact Assessment (EIA) has been completed for this Strategy and is attached for reference. It is to be reviewed by the Representative Body Task and Finish group on the 26<sup>th</sup> May 2017 before the Strategy goes to the Representative Body Board in July 2017 for approval. In addition we have commitment from the Board Champion for Equality and Diversity to attend this session and input into the EIA.

## **8. Monitoring**

- 8.1 The Action Plan will be monitored and managed by a realigned Welfare Reform Steering Group and reported quarterly to Heads of Service, as the Programme Board for OMF.
- 8.2 Annual reports will be provided to EMT and the Representative Body, to give assurance that the strategy is being delivered and monitored.

## **9. Review**

- 9.1 All RBH strategies, policies and procedures are reviewed on a regular basis in order to ensure that they are fit for purpose and comply with all relevant legislative and statutory regulations.
- 9.2 This strategy, including any other related procedures will be reviewed annually in order to ensure its continued appropriateness and formally reviewed and submitted to the appropriate approving body at least every three years

## **10. Thematic Links with other SPSS Documents**

- Our Mutual Future Corporate Strategy 2015 - 2017
- Work and Skills Strategy
- Income Collection Policy
- Equality and Diversity Strategy and Policy Statement

## **11. Action Plan**

- 11.1 See Appendix 1

<b>Poverty Prevention Strategy Action Plan</b>					
<b>Reference No.</b>	<b>Link to OMF Project</b>	<b>Action</b>	<b>Outcome</b>	<b>Responsible Lead</b>	<b>Deadline</b>
4.1	OMF Getting our Core Services right. P5 Business Resilience	Establish a clear pathway of advice and referral for all tenants suffering or at risk of suffering financial hardship.	10% Increase in referrals to specialist advice workers.	Head of Income and Housing Access	31 December 2017
	OMF Getting our Core Services right. P5 Business Resilience	Review, develop and implement new employee structures within the Rent and Payments Team.	Maintain a 100% current rent collection.  Mitigate the risk to rent collection of the roll out of Full UC.  Improve the financial position of our customers	Head of Income and Housing Access	31 March 2018
	P5 Increasing member engagement in communities	Develop Training to enable front facing colleagues to recognise symptoms of poverty and financial abuse.	Enhance employee member development opportunities.	Learning and Development Manager	31 March 2018
4.2	P1 Enhance the customer experience	To develop different approaches to provide debt and welfare advice and money management advice.	Increased options for RBH customers to access debt and welfare advice/support	Head of Income and Housing Access	30 September 2018
	P1 Enhance the customer experience	Develop an inclusive Communications plan to maximise awareness	Increased customer awareness of anti poverty interventions	Head of Income and Housing Access	31 August 2018

Reference No.	Link to OMF Project	Action	Outcome	Responsible Lead	Deadline
4.2	P6 Business Resilience	Develop and implement interventions to mitigate against Welfare Reforms both for RBH and Tenants and members	Develop and expand shared accommodation for under 35's to 20 units.	Head of Income and Housing Access	30 June 2020
	P5 Increasing member engagement in communities	Develop community lead initiatives to reduce food and fuel poverty in our communities	Increase Pantry franchises from one to three.	Head of Income and Housing Access	31 March 2020
	P1 Enhance the customer experience	Develop and implement a self serve on line toolkit	Increased options for customers to access money advice.	Head of Income and Housing Access	31 March 2020
	P5 Increasing member engagement in neighbourhoods	Develop community and member projects to help RBH customers to access services online	More on line access support for RBH customers.	Head of Income and Housing Access	30 September 2018
	P1 Enhance the customer experience.	Expand the Pass it on and Paint reuse scheme	Access to affordable furniture and paint.	Head of Income and Housing Access	31 March 2018
	P5 Increasing member engagement in neighbourhoods.	Develop Community Volunteers for reuse shop	Increase volunteering opportunities at RBH	Head of Income and Housing Access	31 March 2018
4.3	P5 Increasing member engagement in neighbourhoods.	Develop financial capability learning activities delivered through member and community initiatives.	Increase volunteering activity in RBH. Improved access to financial capacity training for RBH customers.	Head of Income and Housing Access	31 December 2018

Reference No.	Link to OMF Project	Action	Outcome	Responsible Lead	Deadline
4.4	P6 Business Resilience.	Build on existing links with Manchester Credit Union and develop a Rochdale focused approach to accessing affordable credit for customers	Increase membership to Manchester Credit Union for RBH tenants by 5% year on year.	Head of Income and Housing Access	31 March 2020
	P5 Increasing member engagement in neighbourhoods	Develop community lead initiatives understand impact of loan shark activity in our communities and deliver awareness campaigns.	Improve Awareness of illegal money lending activity in our communities.	Head of Income and Housing Access	31 March 2020
4.5	P6 Business Resilience	To formalise RBH partnering arrangements with the Greater Manchester Poverty Action (GMPA) group in 2017	Improve partnership working across GM on a wide range of poverty prevention initiatives	Head of Income and Housing Access	31 December 2017