

SUBJECT:	FINANCIAL INCLUSION AND MENTAL HEALTH
DIRECTORATE:	CHIEF EXECUTIVE AND TOWN CLERK
REPORT AUTHOR:	MARTIN WALMSLEY, ASSISTANT DIRECTOR – SHARED REVENUES AND BENEFITS

1. Purpose of Report

- 1.1 To present to Committee a report regarding the links between financial inclusion and mental health.

2. Executive Summary

- 2.1 This update provides information regarding the Lincolnshire Financial Inclusion Partnership, explaining how financial inclusion activity is being co-ordinated in the county.
- 2.2 This report sets out the links between money and mental health.

3. Lincolnshire Financial Inclusion Partnership

- 3.1 Lincolnshire Financial Inclusion Partnership (LFIP) has been in existence for more than ten years, with membership growing exponentially in the last two years. City of Lincoln Council and North Kesteven District Council's Assistant Director Shared Revenues and Benefits, is currently the chair of LFIP.
- 3.2 LFIP brings together organisations and partners to promote and raise the profile of financial inclusion, aiming to ensure that everyone has the capability and opportunity to access appropriate financial services and products needed to participate fully in society. Wherever possible, LFIP members work together to develop, implement and secure funding to improve financial inclusion and money advice for residents. Key to LFIP is providing a forum for sharing good practice, information and support for important communications/messages. LFIP meets on a quarterly basis, also with recent conferences having taken place annually – in 2023 (Boston), 2024 (Grantham) and due to take place in 2025 (Skegness - [Lincolnshire Financial Wellbeing Conference 2025 Tickets, Thu, Feb 27, 2025 at 9:30 AM | Eventbrite](#)).
- 3.3 LFIP activity is focussed through a steering group, which comprises of colleagues from; Lincolnshire local authorities, Alford Hub, Citizens Advice Lincoln & Lindsey, Department for Work & Pensions, GamCare, KTR Consultancy Services, LAT Charity, Lincolnshire Community Foundation, Money & Pensions Service, and Notts & Lincs Credit Union.
- 3.4 LFIP activity can be followed through a range of social media including LinkedIn ([\(6\) Lincolnshire Financial Inclusion Partnership: Posts | LinkedIn](#)), TikTok, Instagram and

Facebook – QR codes as below:



4. Financial Inclusion and Mental Health

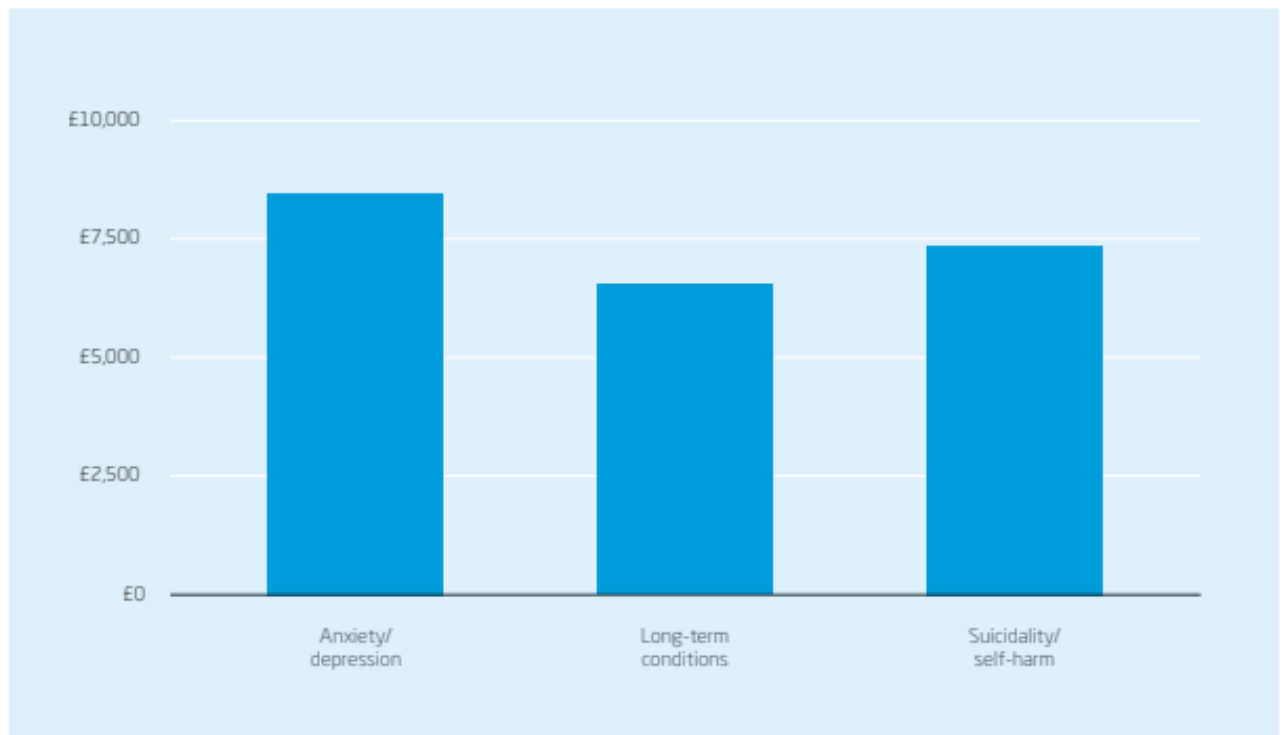
4.1 Mental health and money problems are inextricably linked. One problem can feed off the other, creating a vicious cycle of growing financial problems and worsening mental health that can be hard for people to escape. The diagram below, from the Money and Mental Health Policy Institute, demonstrates this cycle:



4.2 The Money and Mental Health Policy Institute also provides the following facts about money and mental health:

- People in problem debt are significantly more likely to experience mental health problems;
- Half of people in problem debt also have a mental health problem;
- People with mental health problems are also likely to be in problem debt;
- Almost 1 in 5 people with mental health problems are in problem debt.

- 4.3 The annual medium income for people with common mental health conditions is estimated to be £8,400 less than that for the wider population.



The graph above, although an estimate based on July 2020 figures but provides an overview of the income gap and demonstrates why.

Other key points, are:

- Low employment rate – there is a large and sustained employment gap between people with mental health problems and those without;
- Low wages – people with mental health problems who are in employment are overrepresented in roles that are more likely to be low-paying;
- Low benefits – people with mental health problems are more likely than the rest of the population to be in receipt of a benefit.

Source: [Mind-the-income-gap.pdf](#) .

- 4.4 It is key that those suffering money problems seek help, - there are a wide range of organisations that provide this type of assistance, support and advice. A section on 'Financial advice and support' is included on our Council's website through the Cost of Living Support 'button' which appears on the home page, [Cost of Living Support – City of Lincoln Council](#) . This information is also available in our Council's Cost of Living Support leaflet, which is available in hard copy too [Cost of Living Leaflet VOL 5](#) .

There are, however, perceived barriers to accessing help – which is recognised through the Money & Pensions Service, including;

- People feel embarrassed and shameful;
- People find it too overwhelming;
- Low financial literacy and confidence;
- Debt is not always the priority problem.

4.5 This is an incredibly complex area, however through a co-ordinated programme of activity, LFIP and its' members aims to tackle and reduce the links between money and mental health.

5. Strategic Priorities

5.1 Let's reduce all kinds of inequality: City of Lincoln Council's Shared Revenues and Benefits Service plays a key role in reducing inequality by ensuring residents receive the benefits they are entitled to and providing money / debt advice, and cost of living support and advice.

6. Recommendation

6.1 Members are asked to note the contents of this report.

Key Decision	No
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Do the Exempt Information Categories Apply?	No
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Call in and Urgency: Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply?	No
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How many appendices does the report contain?	Nil
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List of Background Papers:	Nil
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Lead Officer:	Martin Walmsley, Assistant Director – Shared Revenues and Benefits martin.walmsley@lincoln.gov.uk
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