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## Executive

13<sup>th</sup> July 2017

Report of the Deputy Chief Executive & Director of Customer & Corporate Services

Joint Report of Executive Member for Finance & Performance and Executive Member for Adult Social Care & Health

## Report on work of the Financial Inclusion Steering Group for 2016/17 and 2017/18 update

### Summary

1. This report covers the work in 2016/17 and 2017/18 to date of the Financial Inclusion Steering Group (FISG). Its purpose is to inform Members of the progress made in delivering financial inclusion activity across the city. It also provides information about the Council Tax Support (CTS) Scheme, the delivery of the York Financial Assistance Scheme (YFAS) and an update on Discretionary Housing Payments (DHP).

### Recommendations

2. Executive Members are asked to:
  - Note the work of the Financial Inclusion Steering Group in 2016/17 and 2017/18 to date.

*Reason: to ensure Members are aware of Financial Inclusion activity and how related financial support is administered through CTS and YFAS schemes to inform planning for future financial pressures relating to these schemes and to ensure that support continues to be effectively provided.*

### Background

3. The Financial Inclusion Steering Group (FISG) was set up in January 2013 following former Cabinet approval. Membership includes council directorate representatives, Citizens Advice York (CAY), Advice York (AY) and South Yorkshire Credit Union (SYCU) as well as the Executive Member for Adult Social Care and Health.

4. The group's purpose is:

**'To ensure that local people have the knowledge of and access to appropriate services, allowing them to make more informed choices to achieve and maintain financial stability'.**

5. The aim of the group is to secure the following outcomes:

- Ensure that residents have the knowledge to manage their finances effectively
- Better coordination of advice services across the city
- Advice givers and those 'sign posting' better understand the welfare benefits system
- Explore opportunities to reduce general living expenses.

6. FISG has responsibility for the strategic oversight of the council's DHP, YFAS and CTS schemes.

7. It is also responsible for overseeing the delivery of financial inclusion work including the allocation of funds to projects delivered by partners that meet the group's objectives. FISG has an agreed base budget of £100k for 2017/18 and 2018/19. In February 2017 Council agreed a further £100k per year to be allocated to projects with an additional £25k per year to fund specific debt advice related support work.

8. To target resources effectively to those who most need support, bids are invited from partners for projects that promote financial inclusion. These are subject to panel selection at which bidders make a presentation about their proposals. Rigorous selection is made against a range of criteria. Successful schemes are subject to the council's Financial Regulations and a Service Level Agreement. Grants are paid by instalment over the life of the project with regular reporting on progress built in to ensure delivery.

## Funded projects 2016/17

9. In 2016/17, two bids were awarded funding:

*Table 1: FISG project grants awarded in 2016/17*

Provider	Project Title	Description	Duration	Period	Grant
The Blueberry Academy	My Choice	To work with people with learning difficulties to raise their financial confidence and skill levels to increase their financial independence. Provide them with knowledge to access future support.	12 months	1/8/16-31/7/17	£24,852
CYC (York Learning)	Making More of Your Money	Support unemployed/low waged residents who use York Foodbank to make the most of their finances through accessing advice, guidance, support and training that improves their circumstances and promotes independence.	12 months	1/6/16-31/5/17	£21,036

**Total      £45,888**

10. Monitoring of the projects funded in 2016/17 is ongoing. Outcomes so far include the following:

- **The Blueberry Academy, My Choice**

11. Two 10 week training courses are now underway as part of the My Choice project, with one to one support also offered to those learners that require it. Further, work has been done to integrate financial awareness into Education Health and Care Plan (EHCP) meetings which is bringing rewards e.g. personal bank cards given to some learners, learners being more involved in budget planning.

- **CYC (York Learning), Making More of Your Money**

12. Since the project started in June 2016, 160 clients have accessed information, advice and guidance through the service with 69 clients accessing in depth support. Of those, 13 have completed Functional Skills, 18 have completed a budgeting exercise, 8 have completed a savings exercise, 14 joined digital training classes and 14 have attended an online job search workshop. Staff have also received welfare benefits training.

## Funded projects 2017/18

13. The FISG Annual Report 2015/16 highlighted that more could be done to promote its work more widely. As a result, some additional publicity took place in advance of the 2017/18 bidding process to promote interest in the available funding. This was to ensure agencies in the city knew how and when to apply for funding, as well as what kind of projects were suitable.

This included rebranding the available money as the '*Improving Finances, Improving Lives*' fund and holding a launch event to encourage a wider range of organisations to apply. This took place on 3/4/17 and was attended by 14 representatives of advice organisations in the city.

14. Following this, ten bids were submitted and nine further grants were made:

*Table 2: FISG project grants awarded in 2017/18*

Provider	Project Title	Description	Duration	Period	Grant
Citizens Advice York	Specialist Debt Support Advice	Provide a specialist debt caseworker to support clients to manage debts and budgets and build confidence in money management for future. Service 18.5 hours p/w plus 9 hours admin p/w. Appointments at W/O, community venues and via phone.	24 months*	1/07/17 - 30/06/19	£49,875
Experience Counts	Experience Counts: 50 plus project	Deliver workshops in Tang Hall for residents aged 50+ and unemployed /at risk of redundancy/ returning to work, to help with employment prospects e.g. work on self esteem, CVs, mock interviews	7 months	01/09/17 - 14/03/18	£5,647
Citizens Advice York	GP Surgeries Advice Project	Continue and develop previous project to provide an advice service within GP surgeries for 30 hours per week. 2 full day sessions at Priory Medical Group plus sessions at 2 new practices.	12 months	1/07/17 – 30/06/18	£33,361
The Blueberry Academy	My Choice Plus	To enhance 'My Choice' project outlined above through investment in mobile technology to support staff and trainees to access information, make assessments/ calculations, fill out applications etc.	12 months	1/07/17 – 30/06/18	£6,000
Citizens Advice York	Information and Budgeting Cafes	Run 'information and budgeting cafes' in Tang Hall and Acomb to increase people's financial capability with a focus on prospective CYC tenants.	12 months	1/07/17 – 30/06/18	£19,089
York Foodbank	Making More of Your Money	Building on previous FISG project, deliver IAG to food bank users to help tackle barriers to financial inclusion.	12 months	01/08/17 - 31/07/18	£8,340
Peasholme Charity	My Money, My Life... a pathway approach to financial capability	Develop Peasholme's financial capability service, including through online information/ advice, drop in support at community venues, benefits advice, crisis interventions and signposting.	17 months	1/5/17 - 30/9/18	£17,663

Provider	Project Title	Description	Duration	Period	Grant
Changing Lives	Financial Inclusion Champion	Fund a Financial Inclusion Officer for Changing Lives customers to help clients address financial difficulties and support them to develop skills to avoid future crisis. Both 1:1 appointments and drop ins.	12 months	01/08/17 - 01/08/18	£25,000
Welfare Benefits Unit	Universal Credit Focus	To offer support to advisers dealing with queries from clients regarding Universal Credit.	12 months	01/06/17 - 31/05/18	£16,070

**Total      £ 181,045**

\*For debt advice support funding, bids were encouraged for 2 years to provide continuity.

15. The decision was taken on 12/5/17 by the Director of Customer and Corporate Services following approval by the Executive Member for Adult Social Care and Health. The projects will be regularly monitored through a Service Level Agreement and regular update reports.

### Other activities

16. FISG partners continue to work together to take a coordinated approach to supporting York residents affected by Welfare Reform (for example the lower benefit cap implemented from November 2016). This has included working with colleagues across CYC and throughout the city (e.g. with housing associations) to ensure a coordinated city wide approach is adopted.
17. The South Yorkshire Credit Union (SYCU) has been actively involved in FISG for several years. There are two SYCU branches in York – Acomb and West Offices – with work ongoing to provide affordable financial services and goods to York residents. In addition, a payroll deduction scheme for CYC staff who are SYCU members has been implemented and the Tenancy Support Scheme has just been launched for CYC tenants. This is a scheme run by SYCU, and used by other social landlords, which enables tenants' arrears to be paid off through a loan from SYCU. This is a way to help tenants protect their tenancy and manage their debts more effectively. So far, whilst still in the early days of both schemes, both have had low take up, and work is ongoing between CYC and SYCU to look at how these schemes can be promoted more effectively.

### Council Tax Support (CTS)

18. Following consultation a decision was taken by Executive on 15th December 2015, to increase the maximum amount of CTS available by 7.5% to 77.5% effective from 1<sup>st</sup> April 2016. In 2016/17 the total value of bills raised for working age residents on Council Tax Support was £2,389k, with the collection rate at 79.65%, making the value of uncollected council

tax £487k. For context, in 2015/16 the collection rate was 74.94% and the value not collected was £643k. Although it is not possible to infer that the improved collection rate is a direct result of the increase in the maximum amount of CTS available, it is positive that the value of the collection rate has increased which suggests that more people are able to afford to pay their council tax.

19. Additionally, the 'council tax discretionary reduction scheme' (managed and funded under the YFAS umbrella) can provide financial help to any council tax payer who find themselves in difficulty with paying their council tax, subject to scheme criteria. Reductions are made on hardship grounds with each application considered on its own individual merits and based on their net council tax liability after any discounts, exemptions, reductions for disabilities or CTS have been applied. In 2016/17 £23,957 was awarded under this scheme compared to £26,745 in 2015/16.

### **Discretionary Housing Payments (DHP)**

20. Tenants on Housing Benefit (HB) or receiving the housing element of Universal Credit (UC) can claim DHP from the council if the amount they get is less than their rent and they are struggling to pay their landlord the difference. It is largely intended to be a short term award. The council receives a direct grant from the Department for Work and Pensions (DWP) to fund DHP payments and this can be increased from local resources up to a maximum of 2.5 times the DWP grant. In 2016/17 the council made 512 awards totaling £180,842 which was within the DWP grant of £205,155. This was an increased spend on 2015/16 where a total of £160,896 was awarded to 537 residents.
21. The DWP DHP grant for 2017/18 is £256,596 and expenditure by the end of May 2017 was £57,061 (20% of the total available budget). It should be noted that DHP spend does not follow a linear profile as spend tends to be higher at the start of the year.
22. With an unpredictable impact on demand for DHPs following the planned roll-out of 'full service' Universal Credit in July 2017 there will be close monitoring of expenditure in this area.

### **York Financial Assistance Scheme (YFAS)**

23. YFAS was established in April 2013, following the transfer of responsibility and funding from central government. The former national scheme, delivered by the DWP, was part of the Social Fund. Funding was allocated to local authorities to replace the Crisis Loans and Community Care Grants elements. YFAS is locally administered and can assist residents to stay or move into the community or with emergencies.

24. The government ended the existing funding arrangements for these local schemes from April 2015. However, the council committed additional funding to support YFAS following the withdrawal of this direct grant.
25. From April 2013 to April 2015 assistance was provided through non-repayable grants with residents receiving pre-loaded cash cards that could be used to pay for goods in shops or to withdraw cash at cash-point machines.
26. A review in 2014 resulted in a revised scheme from April 2015 which largely removed the 'cash element'. It now provides essential household goods (delivery and fitting) such as beds, cookers, and fridges, directly through the Community Furniture Store as well as supermarket food vouchers, fuel top-ups for emergencies and pre-paid cards in exceptional circumstances. Food bank vouchers are issued through other supporting agencies.
27. There have been no changes to the scheme since 2015 and feedback from stakeholders has been positive. A recent internal audit of the scheme completed in February 2017 gave an opinion of 'Substantial Assurance' as an overall assessment of controls present within its processes.
28. A summary of expenditure in 2016/17 is shown below:

*Table 3: Household types helped*

Category	Number
Single people, no children	663
Households with children	528
Couples, no children	29
Over pension age	40
<b>Total</b>	<b>1260</b>

*Table 4: Types of spend*

Category	Spend
Goods (fridges/cookers)	£170,256
Supermarket vouchers	£23,190
Help with energy bills	£5,802
Other	£3,885
<b>Total</b>	<b>£203,133</b>

*Table 5: Category of spend*

Category	Spend
Community	£171,944
Emergency	£31,188
<b>Total</b>	<b>£203,133</b>

30. By way of comparison, total spend in 2015/16 was £200,028 which shows a marginal increase. Following a review of budgets and the availability of underspends from previous years, the budget for 2017/18 is £209,590 and requires close monitoring going forward but will be considered alongside the success/impact of the FISG approved projects mentioned earlier in this report.

## Consultation

29. Not applicable.

## Analysis

30. There is no further analysis other than the information in this report.

## Council Plan

31. Outcomes achieved through the Financial Inclusion Steering Group support the commitment to achieve 'a prosperous city for all' through promoting financial inclusion by supporting the Living Wage, supporting voluntary organisations and developing financial inclusion work with measurable outcomes.

## Implications

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- a. **Financial.** Future funding of FISG projects and YFAS will be covered within the Budget process later in 2017/18, although as noted in paragraph 7 above some funding has already been committed for 2017/18 and 2018/19.
- b. **Human Resources (HR).** The ability to administer the YFAS scheme will depend on future budget available.
- c. **Equalities.** None.
- d. **Legal.** None.
- e. **Crime and Disorder.** None
- f. **Information Technology (IT).** None if no current change to service provision.
- g. **Property.** None.
- h. **Other.** None.

## Risk Management

33. The key risks are in relation to YFAS are:

- Managing the costs of the service (both service delivery and administration) within a fixed budget for 2017/18.
- Managing the budget to ensure that customers get the same service irrespective of when they apply in the financial year.
- Minimising opportunities for abuse, whilst ensuring that customers who need help can access scheme easily and quickly
- Any failure to provide an appropriate service will have a negative impact on the wellbeing of vulnerable people and the reputation of the council.



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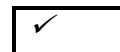
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**Report Approved****Date 14/6/17****Specialist Implications Officer(s)** *List information for all*

Financial: Ian Floyd  
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**All****Wards Affected:** *List wards or tick box to indicate all***Background Papers:**

**Report of Cabinet Member for Finance, Performance & Customer  
Services 26/1/17** - Report on work of the Financial Inclusion Steering  
Group 2015/16 and 2016/17 update

**List of Abbreviations**

AY Advice York

CAY Citizen's Advice York

CFS Community Furniture Store

CTS Council Tax Support

CYC City of York Council

DHP Discretionary Housing Payment

DWP Department for Works and Pensions

FISG Financial Inclusion Steering Group

SYCU South Yorkshire Credit Union

YFAS York Financial Assistance Scheme

m £million

k £thousand