

Executive

30 July 2015

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

Annual Report of the Financial Inclusion Steering Group 2014/15

Summary

- 1 This is the 2014/15 Financial Inclusion Steering Group (FISG) outturn report. It informs Members of the progress made in delivering financial inclusion activity across the city facilitated by the council's Financial Inclusion Strategy. It also provides information about the council's Council Tax Support Scheme in response to Advice York's recent review, and the performance of the York Financial Assistance Scheme (YFAS).

Background

The work of the Financial Inclusion Steering Group

- 2 FISG was established in January 2013 following approval by Cabinet on 6 November 2012. Membership includes relevant council directorate representatives, York Citizens Advice Bureau (CAB) and South Yorkshire Credit Union. Cabinet approved draw down of £300k from the Economic Infrastructure Fund (EIF) to deliver the Financial Inclusion Action Plan for 2013/14 and 2014/15. A further £100k was approved as part of the council's budget for 2015/16 to continue to support financial inclusion work.
- 3 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'.
- 4 The aim of the group is to secure the following outcomes:
 - residents have the knowledge to manage their finances effectively
 - advice services are better coordinated across the city

- residents, advice givers and those 'sign-posting' better understand the welfare benefits system and
 - to explore opportunities to reduce general living expenses.
- 5 In line with the Cabinet decision of 6/11/12 FISG has responsibility for overseeing the delivery of financial inclusion work and the allocation of funds from EIF to support that delivery.
- 6 Bids were invited from partners for projects that met the aims of promoting financial inclusion. These were subject to panel selection at which providers made a presentation about their proposals. Rigorous selection was made against a range of criteria. Successful schemes are subject to the council's Financial Regulations and a signed Service Level Agreement. Grants are paid over the life of the project with regular reporting on progress built in to ensure delivery.
- 7 During 2014/15 FISG made four further grants following a competitive bidding process which attracted ten proposals. A summary of all funded projects are in table 1 below:

Table 1: Grants made to all projects since 2013/14

Provider	Project Title	Description	Duration	Period	Grant
York CAB	Advice Services Transformation Fund (ASTF)/ Big Lottery	To overhaul the provision of Advice services with funding from the ASTF/Big Lottery funding. 'Advice York' set up.	2 years	1/8/13 - 31/7/15	£80,000
Schools	Cashless payment systems	To promote take up of free school meals in three secondary schools.	n/a	Sept 2014+	£60,000
Yorkshire Energy Partnership	'Save Money by Saving Energy'	Contribution to fuel poverty campaign work - 'Big Switch' and behavioural change initiatives	1 year	13/14 & 14/15	£10,000
CYC	Living Wage	Publicity material	n/a	2013/14	£230
Yorkshire Energy Partnership	'Save Money by Saving Energy'	Continue 'Big Switch' fuel poverty work until the introduction of the regionally procured 'Better Homes' contract from 15/16.	6 months	1/10/14 - 31/3/15	£18,236
Peasholme Charity	'My Money My Life'	Provide financial capability support for vulnerable and excluded people	1 year	1/9/14 - 31/8/15	£27,018
York CAB	GP surgeries outreach advice service	Placement of a benefits and debt advisor in two GP surgeries in wards with high deprivation.	2 years	5/1/15 – 4/1/17	£67,003
York Housing Association	Digital Inclusion at home and in the community	To provide one to one training to tenants (YHA & CYC) - online discounts / job searches, benefit applications & accessing banking.	15 months	1/10/14 - 21/12/15	£37,513
Total					£300,000

- 8 Following the success of the 2014/15 bid process, proposals have been invited from stakeholders to bid for grants from the £100k budget for 2015/16. Twelve bids have been received for grants totalling £299k, far in excess of the available budget. This process will be completed over the next few months.
- 9 Monitoring of the projects, most of which run into 2015/16, is ongoing. Outcomes so far include the following.

CAB - Advice Services Transformation Fund (ASTF)/ Big Lottery Fund (BLF)

- 10 The grant from CYC enabled an additional £248k matched funding from the BLF to the CAB to transform advice services in the city. Progress to date has been formally approved by BLF to continue draw down of funds. Notable outcomes to date include:
- Advice York was established - a network of advice providers in York offering free, independent, impartial, confidential legal advice in areas of social welfare law.
 - Fifteen training sessions have been delivered to 209 delegates from 19 different organisations.
 - An Advice Strategy for the city will be launched in early July following an audit of existing advice provision.
 - A website has been launched¹ and four social policy reports have been produced.
 - Twenty four new trainee volunteers have been taken on.
 - Advice training has been delivered jointly with CABx in North Yorkshire.
 - Published and circulated widely a 'Guide to Advice Services'.
 - A Benefits Advice and Tribunal Support worker provided 338 instances of second tier (i.e. adviser) support and helped 139 residents with appeals.
 - Specialist benefits support was provided to 322 residents which helped gain £570k in unclaimed benefit income.

Yorkshire Energy Partnership

- 11 This project includes encouraging behavioural change to reduce fuel costs and to promote collective energy provider switching. A summary of the results of the first three Switch campaigns are in table 2. It is worth noting

¹ <http://www.adviceyork.org.uk/adviceyork.html>

that York has a higher conversion rate than the national average of 29%. A fourth campaign is currently underway and another will take place in the autumn. A range of drop in sessions for residents and training for advisers as well as a wide range of publicity initiatives has taken place to support both aspects of the campaign.

Table 2: Outcome of Community Switch campaigns

Period	No. Signed up	No. Switched	Conv. Rate	Ave. Saving	Total saving
Dec '13 - Feb '14	751	242	32%	£169	c.£41k
Aug '14 - Oct '14	590	223	38%	£207	c.£46k
Dec '14 - Feb '15	578	255	44%	£243	c.£62k
Total	1919	720	38%	£206	c.£149k

- 12 From April 2015 the Better Homes Scheme was launched². This is a consortium of nine local authorities across Yorkshire that works with key partners Keepmoat and Willmott Dixon to bring insulation and renewable technologies to residents.

York CAB - GP Surgeries Outreach Advice Service

- 13 Outreach sessions began in late January 2015 working closely with Priory Medical Group providing a generalist advice service focusing on welfare benefits and debt in GP surgeries in Rawcliffe and Cornlands Road. A range of promotional material has been used to encourage take up and the project has been well received by GPs and their staff with 14 clients gaining annualised income equivalent through benefit take up of just under £41k by the end of April. Work continues to promote the service.

Peasholme Charity - My Money My Life

- 14 This is a supported learning initiative, delivering enhanced financial capability support and education packages for vulnerable and excluded people. The project started in September 2014. It provides one-to-one supported learning offering 20 hours intensive financial capability support, small group training offering 12 hours of supported learning delivered over 4-6 weeks and open events/drop-in providing one-off themed sessions. It is delivered at Peasholme Resettlement Centre, Kyra Women's Centre, York Mind and Howe Hill Hostel.
- 15 By the end of February 2015 50 people had used the service with 20 taking part in small group training, 7 in the one-to-one service and 24 attending an open event - with 7 going on to access training. Some 36 had completed their training programme. Specific outcomes include 88% stating that they

² <https://www.york.gov.uk/betterhomes>

will know how to get help if they were in financial difficulty and 82% saying that will have the ability to make effective decisions when purchasing financial products and making effective agreements.

York Housing Association – Digital Inclusion

- 16 The project began in October 2014 and has provided tailored support to 34 people by the end of December and a further 102 from January to end of March 2015 making a total of 136. On-line support and training packages are used. Residents affected by claiming Universal Credit are given priority. There are drop-in sessions at Auden House and Lyndsey Avenue and the project worker liaises closely with CYC Housing Services to promote digital inclusion and attended the AGM of the CYC Residents Federation. Two people have obtained low cost tablets through a partnership with Argos.
- 17 In addition to providing training to meet individual needs clients are shown how to save money on line. One client, who was with the same energy provider for ten years, switched and saved £600 a year and received a £200 refund from her current supplier.

Other activities

- 18 FISG has also been involved in helping to develop and agree changes to the YFAS scheme (noted below) for 2015/16. This was undertaken in partnership with CAB, Advice York and the South Yorkshire Credit Union.
- 19 The Credit Union have been active participants in FISG over the last two years and opened new premises in Acomb on 1 June 2015. The shop called 'My Living', offers affordable financial and purchasing services to all.
- 20 The council actively supported the successful food collection for Carecent and the York Foodbank as part of the 'Yorkshire Harvest' during September 2014 by securing donation points and providing transport logistics for the collections.
- 21 The 'Rental Exchange' scheme will be introduced for CYC tenants during 2015. Developed by the Big Issue and Experian it helps build up the credit scores of social housing tenants using their rent payment histories. Around 66% of CYC tenants will see an increase in their credit score as a result of incorporating their rental data to the credit bureau database. This will allow residents to obtain wider access to financial products. Other York based social housing providers have expressed an interest in the scheme for their tenants.
- 22 On the education front regular communications via Head Teachers and Governors Briefings and weekly newsletters encourage school involvement in anti-poverty work generally and financial literacy specifically. The Illegal

Money Lending Team has produced and circulated lesson plans to schools and the new National Curriculum, which includes money, budgeting and managing financial risk, has been in place since September 2014.

Council Tax Support (CTS)

- 23 In April 2013 the council introduced its current local CTS scheme (with maximum 70% relief) following full statutory public consultation. The scheme has remained unaltered since then. The council tax collection rate for those residents who had to rely on CTS in 2013/14 & 2014/15 were 83.39% & 82.02% respectively. This compares to the non-CTS collection rate of 97.55% in 2014/15.
- 24 During 2014, Advice York reviewed council tax support schemes nationally and particularly the York scheme. The outcome was their paper '*Pushed into Poverty – The real cost of council tax support*'.³ This report looked at the impact on financially vulnerable residents of having to meet at least 30% of their council tax costs. The previous scheme (Council Tax Benefit), fully funded by the Government, allowed up to 100% support. The council can consult again on its CTS scheme at any point but would need to plan any consultation at this point in the financial year to inform decision-making for the following financial year.
25. Since the national introduction of CTS schemes in 2013/14 there has been an increase nationally in the percentage of council tax being charged to benefit customers by local authorities. From April 2015, only 42 councils (out of 326) are continuing to provide the levels of support available under the former Council tax Benefit scheme, down from 45 in April 2014 and 58 in April 2013. Many who took the Government's transitional grant in year one and charged 8.5% or less are now charging considerably more e.g. Hull who moved from 8.5% to 20%. From April 2015, 250 schemes include a minimum payment, up from 245 in April 2014 and 229 in April 2013.
26. Schemes vary in type and the minimum payments expected of claimants. Research has shown that there were no obvious patterns by political control, demography or location. 9 councils are at the 30% level including locally, Barnsley a further 30 between 25% – 29% and these numbers are rising. There is no legal 'cap' or expectation for a minimum payment as schemes are agreed by individual local authorities.
27. Along with a minimum payment, some councils have made other changes to CTS which has the effect of reducing the overall cost of the scheme.

³ <http://www.adviceyork.org.uk/counciltaxsupport.html>

This makes simple comparisons of the minimum payment % less straightforward.

28. The other changes include:
 - reduced or removed the second adult rebate
 - introduced a band cap
 - lowered the maximum savings limit
 - introduced a minimum weekly CTS award
 - changed the income taper.

29. The council in developing its financial assistance scheme (YFAS) provided additional funds to the initial government grant aimed at providing a safety net for customers who suffered the most financial hardship when the scheme was introduced. The ability to provide targeted support through the YFAS scheme was and is still considered the best way to assist the most financially vulnerable customers. There was a notional amount of £100K set aside each year in the YFAS scheme although it was all part of the same fund. To date claims for support with council tax has seen less than 40% of this money been claimed in any one year and extrapolating of the week 12 position (2015/16) would see this figure fall as low as 20%.

30. There has been ongoing support provided to try and target this funding including visiting all customers who are in arrears and have not contacted the council. A project has been initiated to look in more detail as to why claims for assistance are so low, why some customers do not qualify and what can be done to make customers more aware and target those most in need. Once the initial analysis has been completed work to promote this support to the most financially vulnerable customers will be undertaken in partnership with our financial inclusion partners CAB and Advice York.

York Financial Assistance Scheme

- 31 YFAS was established on 1 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.

- 32 The Government announced, as part of the Autumn Statement on 3 December 2014, the end of the existing funding arrangements for these local schemes.
- 33 From April 2013 to 5 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.
- 34 The mid-year report of FISG to Cabinet on 29 May 2014 recommended a review of the scheme based on the increasing number and value of claims being received. The review was undertaken during the autumn and winter of 2014/15. The result of this was a revised scheme implemented from 6 April 2015 following approval in December 2014. The key changes are:
- Provision of goods and services (not cash) – provided through the Community Furniture Store including delivery and fitting
 - Use of supermarket vouchers (one-offs). [Note - food bank vouchers are issued through other supporting services/agencies]
 - Fuel top-ups
 - Use of prepaid cards only in exceptional circumstances.
- 35 Expenditure on the scheme in 2014/15 was £357k against the DWP grant of £315k with the balance of £42k coming from CYC's budget. The first 26 weeks of 2014/15 saw an average of 83 applications per week for community and emergency grants with an average payment of £96. This reduced to an average of 52 applications per week in the last 26 weeks (average payment of £95).
- 36 The reduction in expenditure during the second half of the year was achieved through the implementation of a revised claim process intended to manage the fund more effectively. Full details of YFAS spend for 2014/15 is attached at Annex A. Judicious intervention through the scheme is invaluable in supporting residents through difficult personal circumstances allowing them to respond to immediate needs and giving them a 'breathing space' to be better able to manage their lives independently.
- 37 The lessons learnt from this monitoring and changes made in the autumn of 2014 helped to shape the new scheme introduced on 6 April 2015. The scheme was developed and supported in partnership with our key third sector partners (Citizen's Advice Bureau and Advice York). The council has committed an additional £200k in 2015/16 to support YFAS following

the withdrawal of Central Government grant. Early activity in 2015/16 is showing a much lower take up of YFAS support but it is too early yet to draw any conclusions and there are further planned welfare changes which may have a significant impact on those residents reliant on welfare support.

Consultation

- 38 As noted above consultation with stakeholders was carried out to shape changes to YFAS through key partners such as Advice York.

Analysis

- 39 There is no further analysis other than the existing information in the report.

Council Plan

- 40 Outcomes achieved by the activities covered in this report help to deliver priorities in the draft Council Plan 2015-19 in support of 'A prosperous City for all' by promoting financial inclusion by supporting the Living Wage, supporting voluntary organisations and developing financial inclusion work with measurable outcomes.

Implications

41 a) Financial

All implications are covered in the report.

b) Human Resources (HR)

None

c) Equalities

The Community Impact Assessment for YFAS is published on the council's website but the key points for ongoing monitoring and action are:

- Analysis of application data will ensure that CYC directs funds to those most in need.
- Using this analysis, look at alternative ways of supporting residents, which may be, for example, seeking partnerships with more groups who can help address those needs.

- To use the financial Inclusion strategy to provide city wide support to financially vulnerable customers.
- Staff will receive applications from potentially stressed, desperate and upset customers. Staff are trained to deal with these issues.

d) Legal

None

e) Crime and Disorder

None

f) Information Technology (IT)

None if no change to current service provision

g) Property

None

h) Other

None

Risk Management

42 The key risks are in relation to YFAS:

- Managing the costs of the service (both service delivery and administration) within a fixed budget for 2015/16.
- 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.

Recommendations

43 Members are asked to:

Note the work of the Financial Inclusion Steering Group (FISG).

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.*

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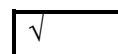


Date 20.7.15

Specialist Implications Officer(s)

Financial: Ian Floyd
Director of Customer & Business Support Services

Wards Affected: *List wards or tick box to indicate all*



Background Papers:

Report of Cabinet Member for Finance, Performance & Customer Services 7th January 2014 - Review of the York Financial Assistance Scheme

Report of Cabinet Member for Finance & Performance 29th May 2014 - Amendment to the qualifying criteria of the York Financial Assistance Scheme (YFAS).

Report of Cabinet Member for Finance, Performance & Customer Services 1st July 2014 - Annual Report of the Financial Inclusion Steering Group 2013/14

Annexes

Annex A YFAS award information 2014/15

Annex B Abbreviations