

Report of Cabinet Member for Finance, Performance and Customer Service

**Update on Financial Inclusion Work**

**Summary**

1. This report highlights progress made in establishing a Steering Group to drive forward financial inclusion policy and actions as agreed by Cabinet in November 2012. The report also notes the decision of the Financial Inclusion Steering Group (FISG) to allocate £80k funding to the Citizen's Advice Bureau (CAB) as the council's contribution to their successful bid to the Big Lottery Advice Service Transition Fund.

**Background**

2. The Cabinet report approved on 6 November 2012 set out Financial Inclusion Policy and Actions, including the definition that this area of work should be concerned with ensuring "*access to the financial tools and products that people need to fully participate in modern day society*". This includes access to responsible credit, bank accounts, savings, and debt and benefits advice.

The November Cabinet paper went on to set out strategic aims to meet the following outcomes:

- a) Pressure on family budgets will be relieved by increased access to financial tools and products and corporate deals for e.g. food, and energy;
- b) The financial capacity and capability of individuals will be improved, along with raised awareness of benefit entitlement and reform;

- c) Comprehensive customer profiling will lead to the development of a clear and coordinated offer for CYC customers, including sympathetic debt recovery and charging policies;
- d) Financial support will be offered via innovative community outreach settings, particularly aimed at vulnerable and marginalised families.

It was recognised that regular reports should come back to Cabinet to keep Members informed of progress in this work.

### **Financial Inclusion Steering Group and Work Programme**

- 3. In response to the Cabinet report a Steering Group was assembled with membership spanning each of the council's directorates, York Citizen's Advice Bureau and South Yorkshire Credit Union. The group meet six weekly and have developed Terms of Reference based on coordinating the city's approach to Financial Inclusion. Members are working together to develop a tactical approach to investment and better coordination of financial inclusion related activities for the next 3 – 5 years. The Group's purpose and core business have been agreed as:

*'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'.*

- i. To equip individuals with the knowledge and skills to improve and manage their lives by providing clear, coordinated advice and information, and to support them in an increasingly turbulent economic environment to make the right choices to bring about financial stability.
- ii. To increase the awareness and understanding of the benefits system and to improve access to services.
- iii. To maintain an overview of corporate deals (e.g. for food, fuel etc.) aimed at reducing the cost of living for those in poverty.
- iv. To align and co-ordinate existing activity and target areas of need.

In the three meetings to date, apart from agreeing governing documents, the group have developed a Communication Strategy for Financial Inclusion and they are in the process of mapping out all FI related activity taking place across the city. This will be used to assess where services could be better coordinated and where gaps need to be filled. Links have also been made with the

overarching Poverty Programme Board to ensure that actions across the two groups are not duplicated. The policy and actions agreed by Cabinet form the group's work programme (Attached as Annex A) and have been mapped against current CYC and CAB activity.

As indicated, membership of the Steering Group now includes the CAB and South Yorkshire Credit Union, and reports on progress, joint working, and financial matters (South Yorkshire Credit Union) are included on each agenda. Both the CAB and South Yorkshire Credit Union are operating from West Offices, and this is already bringing benefits, and further opportunities to work together.

The group maintain an overview of the York Financial Assistance Scheme (YFAS), which came into force on 1 April 2013. Monitoring information regarding claims made against the fund since the beginning of April highlight the following:

- Enquiries received 392
- Applications made 217
- Awards made 107
- Value of awards £8,929
- Referrals to Foodbank 16
- Some initial software issues are being resolved with suppliers.
- Trusted partner network needs to be developed with external/internal partners
- Scheme to be reviewed by early autumn.

Current FISG work plan priorities include:

- Consideration of options to target support at households in fuel poverty to enable them to reduce fuel expenses using Energy Saving Trust data;
- Developing options for the purchase of low cost household goods using accessible and affordable credit;

- Increasing the profile of the South Yorkshire Credit Union both to CYC staff and externally;
- Developing the York Financial Assistance Scheme following the group's regular review of benefit issues and local impact of the fund.

### **Big Lottery Advice Service Transition Fund**

The Citizen's Advice Bureau submitted a bid to the Big Lottery Advice Service Transition Fund in January as a partnership project to transform advice provision in the city. The project that was proposed met many of the Financial Inclusion Policy aims and was built on the Fairness Commission recommendation to develop a shared citywide system for advice provision.

The project aims are to:

- Develop a single multi organisation referral system and process to ensure that customers 'tell us once';
- Develop options to allow partner agencies to share appointment bookings;
- Gather data, customer profiling and analysing the data to plan work where there is a need or a gap identified;
- Establish a quarterly advisors forum;
- Create and deliver two tier training sessions for advice services in York providing consistency across the city;
- Develop a single, multi organisation website providing information to customers and advisors;
- Explore other media for advice provision.

A request was made to the Financial Inclusion Steering Group in January 2013 requesting a partnership contribution of £80,000 from the Financial Inclusion funding allocation. This request was agreed. The project funding total is £327,932 (£247,932 from Big Lottery and £80,000 from CYC) and would be delivered over two years. It was recently confirmed that the Lottery bid was successful and the project is expected to begin in July 2013.

Consequently, a partnership agreement is being developed to monitor the project outcomes and the Council will be working closely with the CAB to progress the key objectives of the project.

### **Council Plan**

This workstream links in with the following themes in the Council Plan:

- Build Strong Communities; financial inclusion and public health
- Protect vulnerable people; supporting families, health and wellbeing Board and Fairness Commission
- Create Jobs and Grow the Economy; Helping residents into training and employment

### **Implications**

4. **Financial:** Cabinet agreed a budget provision of £300,000 towards the work in relation to financial inclusion. This included provision for set up costs associated with the South Yorkshire credit union, and also some project resource. To date neither of these have needed to be called upon, The South Yorkshire Credit Union is operating within the Customer Centre of West Offices, and project resource has been met from existing staff resources. Cabinet agreed that the Financial Inclusion Steering Group manage the £300,000 fund, identifying opportunities for investment as appropriate. The proposed £80,000 contribution to the CAB Lottery application is the first call on this budget.
5. **Human Resources (HR):** None.
6. **Equalities:-**None

### **Recommendations**

7. Cabinet are asked to note the progress made in establishing a city-wide framework for improving the financial wellbeing of York's residents and to note the successful application to the Big Lottery Funded Advice Service Transition Project.

Reason: To update Cabinet on progress made in gaining financial inclusion for resident's across the city.

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<b>Specialist Implications Officer(s)</b> <i>List information for all</i>			
<b>Wards Affected:</b> <i>List wards or tick box to indicate all</i>		<b>All</b>	√
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**Background Papers:**

**Annexes**

**Annex A – Financial Inclusion Work Programme**