

Executive

26 January 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 2015/16 and 2016/17 update

Summary

1. This report covers the work in 2015/16 and 2016/17 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's 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 are asked to:
 - a. note the work of the Financial Inclusion Steering Group in 2015/16 and 2016/17 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.

- b. approve further promotional activity, working with partners, on the wide range of support and advice through the activity of the FISG.

Reason: to ensure residents and groups are aware of financial inclusion activity and to contribute to achieving the outcomes outlined in paragraph 5.

Background

Activities of the Financial Inclusion Steering Group

3. FISG was set up in January 2013 following former Cabinet approval. Membership includes council directorate representatives, York Citizens Advice Bureau (CAB), Advice York (AY) and South Yorkshire Credit Union (SYCU). Since mid 2015/16 it has included the Executive Member for Finance & Performance and the Executive Member for Adult Social Care and Health. A budget of £100k was approved for both 2015/16 and 2016/17 financial years to continue to support financial inclusion work.
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 overseeing the delivery of financial inclusion work and the allocation of funds to support that delivery as well as strategic oversight of the council's DHP, YFAS and CTS schemes.
7. To target resources effectively to those who most need it, bids are invited from partners for projects that promote financial inclusion. These are subject to panel selection at which providers 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.
8. During 2015/16 FISG made six further grants following a competitive bidding process which attracted twelve proposals. A summary of the successful bids are in table 1 below:

Table 1: FISG project grants awarded in 2015/16

Provider	Project Title	Description	Duration	Period	Grant
Citizens Advice Bureau/ Advice York	Advice York	Build on existing Advice York work to continue to develop joint working in the advice sector across York to improve advice services and outcomes for clients.	12 months	1/9/15 - 31/12/16*	£27,561
Citizens Advice Bureau /Advice York	Advice York Debt Advice and Consultancy Support	To provide second tier support and training to advice services providers to enable existing staff within a range of organisations to provide an increased level of debt advice.	12 months	1/10/15 – 31/12/16*	£29,143
York Housing Association	Digital Inclusion at Home and in Communities	Further development of existing project which provides training to tenants for online activities including discounts, job searches, benefit applications & accessing online banking	12 months	1/1/16 - 31/6/17*	£24,095
Welfare Benefits Unit	Benefits Advice and Tribunal Support	Support residents by providing advice to workers to enable them to successfully help claimants challenge benefit decisions.	12 months	1/10/15 – 31/12/16*	£17,472
Peasholme Charity	'My Money, My Life...'	Further development of existing project to provide financial capability support for vulnerable and excluded people.	7 months	1/9/15 - 31/3/16	£16,134
Arc Light	Money Master	Support individuals in the early stages of resettlement to manage income effectively. Fund a Financial Inclusion specialist to work across Arc Light, Yacro, Making Every Adult Matter and A Bed Ahead projects.	12 months	1/10/15 - 30/9/16	£24,750

Total £139,155

*These projects have been extended but funding remains the same.

Table 2: 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

9. Grants made in 2016/17 were approved by the Executive Member for Adult Social Care & Health and were noted at the FISG meeting of 20/6/16. Monitoring of the projects, which run to various dates in 2016 and 2017, is ongoing. Outcomes of some of the projects funded so far include the following:

- **Advice York (hosted by CAB)**

10. The grant funded a co-ordinator to build on the existing Advice York work to continue to develop joint working to improve advice services across the city. Good progress has been made against the agreed aims.

- **Debt Advice and Consultancy Support (Advice York)**

11. By September 2016 131 people had accessed advice/benefit support with £52,832 of debt (for 54 residents) cleared and a further £191,349 (128 residents) actively managed. There were 19 instances of consultancy support to other agencies and 24 support workers from other agencies were trained on information and advice.

- **Digital Inclusion at Home and in Communities (York Housing Association)**

12. Between January 2015 and August 2016 a total of 412 customers accessed this project. Training on digital inclusion has been delivered to a variety of staff including CYC estate managers. Other initiatives include weekly digital inclusion drop in sessions at Auden House and West Offices and the opening of a community facility at Bretgate where residents can access the internet. YHA have also worked with Social Telecoms to provide Bretgate tenants with free Wi-Fi for 24 months (tenants will then have the option to continue for a small fee). The further development of this project has been paused as of August 2016 and will be restarted in early 2017 when a replacement staffing resource is recruited.

- **Benefits Advice and Tribunal Support (Welfare Benefits Unit - WBU)**

13. Second tier support for 40 cases has been provided to advice staff from other organisations including bespoke training, assisting with making written appeal submissions and attending oral hearings. Some 14 advisors attended a 'Challenging Decisions' course and a Benefits Toolkit course was delivered to 16 others. The WBU has taken on cases from 10 organisations.

- **'My Money, My Life...' (Peasholme Charity)**

14. The project helped 176 people - it delivered 7 events to 46 customers and financial training was provided to 107 residents. The customers that

accessed the service reported positive experiences against each of the key outcomes set.

- **Money Master (Arc Light)**

15. A full financial inclusion audit is now in place as part of the admission/initial needs assessment as a resident joins Arc Light (providing accommodation for the homeless). The project has provided intensive support to 48 people including several referred from other services - 5 referred from the Hospital Discharge Service and 2 from the MEAM (Making Every Adult Matter) project. Some 30 are still receiving support as they need long term support to deal with challenging issues. Some 37 have been helped to open bank accounts, 17 residents received support with Department for Work and Pension (DWP) or Tax Credit appeals and 15 received debt support. Over £1,780 of debt has been resolved with another £9,300 in the pipeline. There were 22 instances of wage issues/claim support/funding support and steps have been taken to raise awareness of issues with Job Centre Plus staff to encourage appropriate sensitivity to those declared homeless.

- **GP Surgeries and Outreach Advice (CAB)**

16. This project was funded for two years from the 2014 bidding round. Working successfully in partnership with Priory Medical Group, welfare advice appointments have been available at three GP surgeries (primarily at Rawcliffe and Cornlands Road and a trial period at Victoria Way, Huntingdon). Some 395 appointments have been attended by 201 clients with 145 positive financial outcomes achieved for 65 clients, resulting in an annualised financial gain of over £315k. Other clients received one off advice or were signposted to other services.

Other activities

17. Raising awareness of opportunities to tackle financial inclusion is a key role of the group and its partners. This is primarily achieved through the members of the group and in particular through those who have links to other organisations and agencies across the city, for example the CAB and Advice York. Invitations to bid for grants are also widely circulated which raises the profile of the group, its aims and objectives and the funding allocated by the council. Whilst current partnership working is positive, it is recognised that further promotion could be beneficial to ensure that more organisations are aware of the range of financial inclusion activities supported by FISG and how to access available resources.
18. FISG partners have worked together to take a coordinated approach to supporting York tenants affected by the lower benefit cap that was implemented from November 2016. FISG members have worked with

colleagues across CYC and throughout the city (e.g. with housing associations) to ensure a coordinated city wide approach is adopted.

19. The South Yorkshire Credit Union (SYCU) have been active participants in FISG over the last two years and opened new premises in Acomb on 1st June 2015. The shop, called 'My Living', offers affordable financial and purchasing services to all. Work has been ongoing to continue to promote membership to York residents and to CYC staff. Work is also underway exploring the adoption of the 'Tenancy Support Scheme' for York 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, to enable them to protect their tenancy and manage their debts more effectively.
20. In 2015/16 FISG members worked with the National Trading Standards Illegal Money Lending Team to host two events. The first was a loan shark awareness training day which included attendees from across CYC, SYCU and other local organisations. Following this a loan shark awareness day was held in Acomb to reach out to residents followed by a similar one in November 2016 again in Acomb with one planned for West Offices reception.
21. A good working relationship has been developed with the Community Furniture Store (CFS) which has included the successful delivery of goods to residents who qualify for help through the Council's YFAS scheme (see paragraph 31 below). Further work will take place over the next few months to promote the CFS to residents and Council staff and to make links link to the One Planet York initiative.
22. The 'Rental Exchange' scheme began to be rolled out for the council's own 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. We expect around two thirds of our tenants to see an increase in their credit score as a result of incorporating their rent payment data to the credit bureau database once it becomes fully used by lenders during 2017. This will allow residents to obtain wider access to better value financial products.

Council Tax Support (CTS)

23. Since April 2013, the council has had a local CTS scheme (for working age residents) in place, in line with national legislation. It provided a maximum of 70% relief for those on the lowest incomes. The scheme it replaced (Council Tax Benefit) was fully funded by the Government and allowed up to 100% support. Those of state pension age are protected and can continue to receive up to 100% help. During 2014, Advice York reviewed CTS schemes nationally, with a particular focus on the York scheme. Their

report¹ (*'Pushed into Poverty'*) looked at the impact on financially vulnerable residents of having to meet at least 30% of their council tax costs.

24. A decision was taken at Executive on 29th October 2015 to consult with residents on the level of financial assistance provided by the Council in respect of its CTS scheme. The consultation set out a number of options for consideration.
25. Following that consultation a decision was taken by Executive on 15th December 2015, to increase the maximum amount of support available by 7.5% to 77.5% effective from 1st April 2016. Whilst the full impact of this on CTS recipients won't be known until after the end of the current financial year the current position is that the value of the bills raised in 16/17 for CTS working age customers (5,013) was £2.316m (average bill of £461.99) compared with £2.488m if the 7.5% reduction had not been applied reducing the liability by £172k or an average £34 per CTS recipient.
26. 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 the basis of hardship 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 2015/16 £26,745 was awarded under this scheme. FISG has been working closely with partners to ensure this scheme is more widely publicised to residents. There has been a modest increase in take up during 2016/17 so far with £19,502 awarded by 16/12/16 (it was £18,197 at the same point in 2015/16).
27. Officers have also been working closely with the CAB to agree a 'Council Tax Good Practice Protocol' which sets out a number of recommendations to ensure fair, proportionate and appropriate practise when recovering council tax arrears with a particular emphasis on those with low incomes or who are vulnerable. This was signed at a launch event on 20 December 2016.

Discretionary Housing Payments (DHP)

28. 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

¹ http://www.adviceyork.org.uk/our_reports.html

receives a direct grant from the 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 2015/16 the council made 692 awards totalling £160,896 which was less than the DWP grant of £177,652. This was a reduction on 2014/15 when 954 awards totalling £237,863.were made, slightly exceeding the DWP grant of £231,900.

29. The DWP DHP grant for 2016/17 is £205,155 and expenditure by the end of November 2016 was £116k (50% of the total available budget). Demand tends to pick up in the second half of the year and with the lower benefit cap in place from November 2016 we expect there to be increased pressure so it is anticipated that the grant will be exceeded and that the council's additional funding already set aside of £29k may need to be called upon.

York Financial Assistance Scheme (YFAS)

30. YFAS was established on 1st 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.
31. The Government ended the existing funding arrangements for these local schemes from April 2015. However, the council committed additional funding in 2015/16 to support YFAS following the withdrawal of this grant from Government.
32. 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.
33. 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, supermarket food vouchers and fuel top-ups for emergencies and pre-paid cards in exceptional circumstances. Food bank vouchers are issued through other supporting agencies.
34. There have been no changes to the scheme since 2015. Recent feedback on the service is encouraging. For example a CAB worker stated ' I have personally found YFAS to be very helpful on the phone and willing to follow urgent cases up to ensure that they are processed with 24 hours'.

35. A summary of expenditure in 2015/16 is shown in the tables below:

Table 3: Household types helped

Category	Number
Single people, no children	692
Households with children	542
Couples, no children	43
Over pension age	51
Total	1,328

Table 4: Types of spend

Category	Spend
Goods (fridges/cookers)	£160,185
Supermarket vouchers	£27,491
Help with energy bills	£9,379
Other	£2,973
Total	£200,028

Table5:: Category of spend

Category	Spend
Community	£158,414
Emergency	£41,614
Total	£200,028

36. Current spend on YFAS in 2016/17 (as at 16/12/16) is £163k with a projected outturn of about £223k, an increase of just over 10% compared to 2015/16.

37. There have been a significant underspends on YFAS and on the council tax discretionary reduction scheme since their inception in 2013/14 and this is shown in the table below. However, all underspends have been retained in the reserve (£770k by the end of 2015/16) so this funding is available going forward, and there will need to be consideration of potential use of some of this resource, alongside retaining a reasonable reserve to meet potential future pressures. The baseline budget agreed for 2017/18 is £209k (£159k for awards and £50k administration costs). Members will consider this issue as part of the financial strategy report in February 2017.

Table 7: Combined budget and spend for YFAS and council tax discretionary reduction schemes

	2013/14	2014/15	2015/16	2016/17
Total Budget	£415,141	£515,141	£715,140	£459,590
Under spend	£144,299	£158,379	£468,258	£236,000 (estimate)

Consultation

38. As noted above, full consultation with residents and stakeholders was carried out in advance of changes to York's CTS scheme.

Analysis

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

Council Plan

40. 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

41.

- a. **Financial.** Future funding of FISG projects and YFAS will be covered within the new Budget Strategy in February 2017.
- 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

42. 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 2016/17.
- 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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Report Approved
 Date 10/1/17
Specialist Implications Officer(s) *List information for all***All**

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 30th July 2015 - Annual Report of the Financial Inclusion Steering Group 2014/15

Report of the Director of Customer & Business Support Services 29th October 2015 – Council Tax Support Scheme Review

Report of the Director of Customer & Business Support Services / Portfolio of the Executive Leader, Finance & Performance and Executive Member for Adult Social Care & Health 15th December 2015 - Council Tax Support – Consultation Decision Report

List of Abbreviations

AY Advice York

CAB York Citizen's Advice Bureau

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