
**Customer & Corporate Services Scrutiny
Management Committee**

4th September 2017

Report of the Assistant Director Customer Service & Digital

Overview Report on Financial Inclusion

Summary

1. This paper provides an update to Customer & Corporate Services Scrutiny Management Committee (CCSSMC) on the activities and initiatives undertaken by the council to promote financial inclusion across the city.

Background

2. The board established to help improve financial inclusion for residents is the Financial Inclusion Steering Group (FISG). Its core purpose is to ensure that people are able to access support and services that allows them to make more informed choices to reach and maintain financial stability. The board membership includes officers from all services, member Executive Portfolio Holders and key partners (South Yorkshire Credit Union and Citizens Advice York).
3. Council support includes the appropriate allocation of funding to support key projects aimed at addressing the root cause of financial exclusion delivered by partners that meet the FISG objectives. Over £300k has been made available for 2017/18 and 2018/19 and nine projects have been funded in 2017/18.
4. In addition FISG also has responsibility for the strategic oversight of the council's Discretionary Housing Payment (DHP), York Financial Assistance (YFAS) and Council Tax Support (CTS) schemes.
5. A detailed report to Executive on 13th July 2017 provided comprehensive information on the work of FISG during 2016/17 and the first quarter of 2017/18. The full report can be seen at Annex A. The rest of this paper

picks up the key headline information and key up to date statistics in relation to financial inclusion.

Roll out of Universal Credit (UC) Full Service

6. 'Full Service' UC including support for housing costs is being introduced in York between 12th July and September 2017 and will now apply to most but not all new claimants, and in some cases to existing claimants who have a change in their circumstances.
7. UC will replace and merge six¹ national working age benefits (known as legacy benefits) into a single payment. Full migration (including existing case load on legacy benefits) to UC is not expected to be complete until after 2022. The council will continue to administer Housing Benefit (HB) claims for pensioners beyond 2022 as well as other tenants in some specialist accommodation.
8. The switch to UC will present some well documented and difficult challenges for some of our residents. For example, the need to claim on line, the inclusion of the housing element in the single payment to the claimant, the move to a single monthly payment in arrears, a several week delay in the first payment and the stricter conditionality rules will create some disruption to the ability of some claimants to manage their finances effectively.
9. It will also mean that social landlords, including the council, and the council's council tax team will have to be mindful of the potential impacts of UC on their customers' ability to manage their finances and to tailor their support accordingly.
10. With all that in mind the council has undertaken a great deal of preparatory work with key partners to ensure that the transition to UC is as smooth as possible and that the appropriate support is available to residents. This includes Citizens Advice York (CAY) and the wider advice sector, the Department for Work & Pensions (DWP), Explore Libraries,

¹

The six benefits that will be replaced by UC for working age people are

- Income-based Jobseeker's Allowance (JSA) - not Contribution-based (CB)
- Income-related Employment and Support Allowance (ESA) - not Contribution based.
- Income Support
- Working Tax Credit
- Child Tax Credit
- Housing Benefit (HB)– this will be replaced by a Housing Credit within UC

social landlords, the Credit Union; the council's housing teams and customer services. All have been kept involved and informed.

11. For residents unable to use or access the internet to make a claim council staff will help find the best solution for them through the provision of 'Assisted Digital Support'. In addition, free access to the internet is available at West Offices customer centre, Explore libraries and Tang Hall Community Centre.
12. Council staff can also provide advice on 'Personal Budgeting and Support' including finding and opening the right bank account, managing money on a monthly basis and prioritising bills. The DWP predict the demand on the council for both digital support and budgetary advice will be 18 and 17 customers per week respectively.
13. The council's housing services have procedures in place to help identify those of its tenants who are claiming UC and may require additional support to pay their rent and secure their home.
14. We also worked closely with the Welfare Benefits Unit (WBU) to commission training for around 140 key front line staff to prepare them for UC to provide the best possible advice for their clients. In addition one of the FISG funded projects for 2017/18 is specifically linked to supporting advisers in dealing with UC enquiries.
15. As of June 8th 2017 there were 706 UC claims in payment in York (split evenly between those in and out of work) and 172 Council Tax Support claims reflecting that the impact of introducing UC for single working age customers has been fairly modest locally. We are monitoring the impact of the full roll out and to 31st July 2017 there have been:
 - 33 Customers using the self service computers in the Customer Centre to make their claims;
 - 5 Requests for assisted digital support (ADS);
 - 0 referrals to Explore for ADS;
 - 0 Requests for Personal Budgetary Advice (too early for this) .

Discretionary Housing Payments (DHP)

16. DHP is a discretionary payment that can be made to support benefit customers with their rental costs. Councils will retain responsibility for awarding DHPs for all eligible customers including those on UC. It is funded by way of a DWP grant which can be increased by the council to 2.5 times the DWP grant (CYC have an internal budget of £27K). The

grant in 2016/17 was £205,155 and CYC awarded £180,842 to 512 residents. The grant for 2017/18 has increased to £256,596 reflecting the continuing impact of on going welfare reforms. At week commencing 14th August the position of the 2017/18 DHP fund was:

Total DHP Fund available	£	283,596 (Includes £27K internal budget)	100%
Amount spent	£	87,773	31%
Amount remaining	£	195,823	69%

It is expected that the demand for DHP will increase by quarter 4 2017/18 and into next year as the full effects of the rollout of the full UC service affects a greater proportion of York's residents.

17. This area of spend is closely monitored given the expected increased demand that the roll out of UC will have on it.

York Financial Assistance Scheme (YFAS)

18. This locally funded scheme can assist residents to remain in or move into the community or with emergencies. It provides essential household goods such as cookers, beds, fridges as well as supermarket vouchers, fuel top-up for emergencies. Spend in the last two full financial years was £200,028 and £203,133 and the budget for 2017/18 is £209,590. There is no cash in the scheme as it uses either call off contracts or vouchers.
19. CYC will closely monitor any effect that the increase in UC activity has on the demand for YFAS although we expect any pressure to materialise later in the financial year. By the end of July 2017 CYC had spent a third of the budget for the year.

On-line Services for Residents

20. The Council has been moving many of its regular revenue and benefit transactions online since July 2017 the services currently available include:

Benefits

- New claims applications – Housing Benefit & Council Tax Support (CTS)
- Reporting changes of circumstances

Revenues

The following on-line facilities are now available:

Reporting of:

- Move in
- Move out
- Move within the city;
- Direct debits – set up and amendment;
- Single person discount ;
- Request a copy of Council Tax bill;
- Change of Tenancy
- Service for students;
- Special arrangements (Court Summons).

21. The move to digital provides far greater accessibility to council services on a 24/7 basis for all residents. It has also provided an early indication as to how our welfare benefit customers will adapt to the Government's digital by default agenda for UC. In terms of Housing Benefit 98% of claims are made digitally either at home or using the council's self service machines. The volumes for these digital channels are set out below and whilst we do not have full year statistics for all channels the channel shift for council tax from phone and face to face is nearly 40%.

Table

Process	Volume	Automation*	% of all Transactions**
All Revenues	5,000 per month (pm)	63%	N/A
New Benefit Claims	273 pm	N/A	98%
Change of Circ's	747 pm	N/A	100%

* Percentage of transactions completed with no human intervention

** No of transactions completed digitally by customers requiring assessment

- 22 The Benefit and CTS digital forms above include a calculator to ensure that customers do not make an application unless they are likely to be entitled to support.
23. The further rollout of digital as we move into 2018 will provide much greater support for all residents including welfare benefit customers through the use of webchat.

York Citizens Advice (CAY)

24. The CAY has recently reduced the number of drop in advice sessions it provides for customers at a time when there is growing need for support. The council is currently seeking the views of the advice sector and other partners in the city on ways to mitigate this reduction. This is in response to a Council Motion, relating to the provision of advice and support for residents affected by the further roll-out of Universal Credit, passed on 20 July 2017. A report will be going to the Decision Session of the Executive Member for Adult Social Care and Health on 14th September on this issue.

Recommendations

25. That committee members:

Note the work on promoting financial inclusion in the city and the preparations in place for the further roll out of UC.

Reason: So Members are aware of the activities and initiatives undertaken by the council to promote financial inclusion.

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**Report
Approved**



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Specialist Implications Officer(s) *None*

Wards Affected:

All



**For further information please contact the authors of the report
Background Papers:**

Annex A – Report to Executive 13/7/17 ‘Report on Work of the Financial Inclusion Steering Group for 2016/17 and 2017/18 Update’

Abbreviations:

CYC City of York Council
CAY Citizens Advice York
CTS Council Tax Support
DHP Discretionary Housing Payment
DWP Department for Work and Pensions
FISG Financial Inclusion Steering Group
HB Housing Benefit
UC Universal Credit
SYCU South Yorkshire Credit Union
YFAS York Financial Assistance Scheme
K £thousand