

**Decision Session - Executive Member for
Finance and Major Projects**

13 March 2023

**Report of the Director of Customers & Communities
Portfolio of the Executive Member for Finance and Major Projects in
consultation with the Executive Member for Housing and Safer
Neighbourhoods**

Financial Inclusion Interim Strategy 2023-25

Summary

1. This report outlines the work undertaken to produce a draft interim strategy in line with the current Council Plan objective to *Review the Council's approach to Financial Inclusion*. The production of this strategy and its delivery priorities has been delayed by the coronavirus pandemic and then the focus of all resources has been to deliver significant support needed for residents facing the Cost-of-Living Crisis. The strategy is interim, given the launch in March 2023 of the Poverty Truth Commission, the work of which will inform strategic policy on Financial Inclusion matters going forward.
2. Members are asked to consider and approve the content of this report as the strategy for 2023-25 to be updated as required by the next City of York council administration and/or in consideration of the findings from the York Poverty Truth Commission. This is in acknowledgement and in light of the continued need for city partnerships to work collectively together on this agenda to maximise joint capacity and resources; the council alone does not have the resources nor singular solutions to address the poverty challenge faced by many in the current Cost-of-Living Crisis and in the years to come.

Recommendations

3. The Executive Member in consultation with the Executive Member for Housing & Safer Neighbourhoods is asked to approve the Interim

Financial Inclusion Strategy 2023-25.

Reason: To ensure all the priorities outlined in the strategy are a focus for the council and its partners to mitigate the impact of the Cost-of-Living Crisis and drive work to address underlying causes of poverty, ensure resident income is maximised and long-term recovery is achieved.

Background

Previous strategy and legacy

4. The previous strategy was developed and approved by the then Executive in November 2012 in response to the recommendations of the 2012 Fairness Commission. The strategy and the delivery Financial Inclusion Steering Group continued to be relevant throughout that decade and this, and the Group has grown in strength and membership. The work of the Group and welfare support activity in York generally is reported to portfolio holders twice a year.
5. At the heart of the previous strategy was the aim to develop a clear and joined up service offer to York's residents, which emerged as the Advice York partnership Group that still exists today. This was to deliver the following:
 - Intervene early before specialist debt and benefits advice is needed.
 - Implement innovative approaches to save residents money e.g. community bulk buy of fuel, food etc.
 - Engage with the hardest to reach in settings familiar to them e.g. financial advice in pubs, surgeries and community settings.
6. This strategy also delivered the following recommendations from the Final Report of the 2012 Fairness Commission:
 - Create a simple and shared system to get help and advice to the people, including access to central information hubs, outreach centres and promotional activity.
 - Make far greater use of early intervention and preventative measures to promote inclusion.
 - Target investments and services to reduce inequalities and improve life chances in the most disadvantaged areas.

7. These aims all underpin the council's current approach to Financial Inclusion in the council and the city, including the development of Community Hubs, strength-based approach to community involvement and development and Local Area Co-ordination, as well as support provided throughout the pandemic and Cost-of-Living Crisis.

Development of a new strategy

8. The process in constructing this strategy included:
 - A number of workshops with the partnership Financial Inclusion Steering Group¹ in 2022.
 - 'Solutions Lab' discussions at the Cost-of-Living Summit held on 31st October 2022, which focussed on the draft Financial Inclusion strategy themes, and resulted in themes being added.
 - As a result of recommendations from the Summit a cross reference with the original 2012 Fairness Commission recommendations for areas that remain as important now as then.
 - A cross reference to the recently approved 10-year strategies (Economic, Health & Wellbeing and Climate change Strategies) and any other relevant policies and strategies.

Overarching Commitments

9. The Financial Inclusion Steering Group and Council Management Team (CMT) identified the following overarching principals for the period of the strategy taking into account the context of a national Cost-of-Living Crisis:

We will commit to:

- ▶ **listening to people with lived experience** through for example the Poverty Truth Commission and coproduction to drive policy direction;
- ▶ ensuring local responses to poverty **work towards long-term strategic responses to tackling the causes of poverty**, rather than only addressing immediate or emergency needs;
- ▶ **inclusion for all**. We will seek to eliminate the disproportionate impact of poverty on, for example, black & minority ethnic

¹ The membership of the group includes: Welfare Benefits Unit, Joseph Rowntree Foundation, York CVS, Explore York, Citizens Advice York, Community First Credit Union, York Food Bank, NHS, Two Ridings and a number of CYC directorate representatives. The Executive Members for Housing & Safer Neighbourhoods, for Finance & Performance and for Adult Social Care & Health are members of the group. There is a standing invitation to a representative of the Parish Councils.

communities, disabled people, carers and older people. Equalities impacts will be tackled, and barriers removed by clear actions not words;

- ▶ **working with families and their wider networks** to reduce poverty and the impact of it on children's lives to ensure children get the best start in life;
- ▶ being **responsive and timely** in making positive changes working in partnership with key decision makers and stakeholders **by understanding the data and** current financial inclusion **trends** and influences at local and national level; and
- ▶ ensuring **Financial Inclusion Steering Group** truly operates at a city level influencing anchor institutions and wider stakeholders with clarity of role, purpose, and mechanisms for delivery through its membership.

Priority Themes

10. The Financial Inclusion Steering Group through a number of workshops identified the following themes with a number of priority actions as set out at Annex A to this report:

- Food Insufficiency
- Cost of Energy
- Housing Insecurity for:
 - Renters
 - Homeowners
- Debt
- Advice Services
- Remove Barriers and Enable Change
 - reduce inequalities
 - digital inclusion
 - accessible information.

11. New themes were added from the Cost-of-Living Summit held in October 2022:

- Transport Costs
- Support to Business.

Alignment with 10-year strategies

12. The cross-cutting elements, from all three plans as outlined in the Health & Well-Being Strategy align well with this strategy (see Annex B). Individual actions have been referenced and built into the plan where appropriate.

Monitoring and Review

13. The Financial Inclusion Steering Group will continue in its role in overseeing the delivery of the strategy and will review alongside this the recommendations of the Poverty Truth Commission as they emerge and across all constituent agencies.
14. Responses to recommendations will also be taken through Council Management Team and Executive. Jointly the Council and Health partners will have oversight through the Resilient Communities Strategy Group reporting to the ICS York Place Board.
15. Progress will be reported publicly as part of the six-monthly interim/annual Financial Inclusion and Welfare Benefits Update to the Executive Members of Finance & Major Projects, and Housing and Safer Neighbourhoods (portfolio holders for Financial Inclusion).

Consultation

16. Significant consultation and engagement across the city with residents, partners, stakeholders and regional partners feedback informed the development of the 10-Year strategies (Climate Change, Economic and Health & Well-being) and related action plans and Equality Impact Assessments. The feedback from this consultation and engagement activity is published on the council website here: <https://www.york.gov.uk/10YearStrategies>
17. A small number of people with lived experience of poverty were present at the Cost-of-Living Summit (along with partners from 39 organisations) and all partners on the Financial Inclusion Steering Group who all work closely with residents have had input to the priorities contained in this report.
18. The reason for launching this Interim Strategy now is to align with the work of the Poverty Truth Commission (March 2023 launch) and the actions relating to each priority will be amended as relevant to reflect any recommendations from the Commission.

Options

19. The options available to Executive Members are:

- Option 1 - approve implementation of this strategy.
- Option 2 - reject or delay approval of the strategy.

Analysis

Option 1

20. The advantages of approving implementation of this strategy:

- ensure the council, all its services and key Financial Inclusion partners are aligned in their work to address financial inclusion in the city;
- as described in paragraph 18 above allow the strategy to sit alongside the Poverty Truth Commission work and respond to its findings whilst continuing to deliver against identified priorities;
- to provide a narrative on financial inclusion in the city that can blend in with work being planned by the Universities and Joseph Rowntree Foundation all geared towards addressing the underlying cause of poverty in the city.

21. There are no identified disadvantages to Option 1 which is the recommended option.

Option 2

22. Whilst addressing the short-term impacts and existing poverty issues in the city, the principles in this report shift focus to addressing the underlying causes of poverty and impacts of the Cost-of-Living Crisis, working in partnership with the voluntary and community sector across the city. Should Executive Members choose not to support this strategy then this shift may not be achieved.

23. Members could rely on the Poverty Truth Commission to drive this work, but existing work on producing this strategy which has flexed and responded to the current crisis would be wasted. Currently this work is helping to bring all partners together in response and planning activities

and provides a cohesive narrative for other organisations in the city who are developing their strategies.

24. For the above reasons Option 2 is not recommended.

Council Plan

25. The proposals relate to a wide range of priorities as set out in the Council's Plan 2019-23 (*Making History, Building Communities*) as well as address a specific action to develop the Council's approach to Financial Inclusion under '*Well-paid jobs and an inclusive economy*'.

Implications

26.

- **Financial**

Funding of the actions will be provided through the respective service budget or external funding sources where partnership work is involved (e.g. Advice York Big Lottery Funding Bid in progress). The Bus Service Improvement Plan October 2021 includes Commitments T1 to T8 on Fares and Ticketing. The funding for this has come from the Department for Transport for the period 2022- 2025.

Resourcing will also be explored through the next Council Planning and Service planning processes, and respective budget setting processes. Growth has been identified in the 2023/24 Financial Strategy to support Digital Inclusion (£100k) and to provide additional support to financially vulnerable residents facing the current Cost-of-Living Crisis (£250k).

Spend to deliver the action plan can only take place within approved budgets or through bids for additional funds— so there is no overall financial impact of this report as the council will essentially do what is possible within the resources available.

- **Human Resources (HR)**

Human Resources for the council will be managed within existing or grant funded allocations and/or working in partnership with other partners in the city with shared resources.

- **Equalities**
The result from the Equality Impact Assessment at Annex C is that groups in poverty are already in a significantly difficult situation with poorer experiences if affected by age (young and old), if disabled (mental health impacts particularly but not exclusively), are carers and/or from a Black & Minority Ethnic background. More work needs to be undertaken alongside those with lived experience such as the Poverty Truth Commission (and if developed – a Childrens Poverty Truth Commission) and to understand the poverty impacts on women as identified in the EIA. Overall however the strategy, if approved, will have an overall positive impact for people affected by equalities and/or human rights implications of poverty and the Cost-of-Living Crisis.
- **Legal**
There are no legal implications arising from this report.
- **Crime and Disorder**
None
- **Information Technology (IT)**
None
- **Property**
None
- **Other**
None

Risk Management

27. As outlined in the November 2022 Report 'Addressing the Cost-of-Living Crisis in York' there are many risks arising and without a strategy to address them the situation may not improve. The key corporate risks that this report will help to mitigate are:
- KCR4 Changing demographics (health impacts)
 - KCR9 Communities (Wider determinants of health impacts)
 - KCR10 Workforce/capacity risks
28. There is a risk to delivery on all the actions if sufficient financial resources are not available requiring prioritisation of the action plan.

Contact Details

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Report Approved **Date** 2/3/2023

Chief Operating Officer

Specialist Implications Officer(s): List information for all

Financial:

Name Debbie Mitchell
Title: Chief Finance Officer

Legal:

Name Bryn Roberts
Title Director of Governance

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

Previous Financial Inclusion Strategy and Action Plan - 6 November 2012:
[Agenda for Executive on Tuesday, 6 November 2012, 5.30 pm \(york.gov.uk\)](#)

Approval of Council Plan 2019-2023 – 24 October 2019:
[Agenda for Executive on Thursday, 24 October 2019, 5.30 pm \(york.gov.uk\)](#)

10-year strategies - 22 November 2022:
[Agenda for Executive on Tuesday, 22 November 2022, 5.30 pm \(york.gov.uk\)](#)

Addressing the Cost-of-Living Crisis in York - 22 November 2022
[Agenda for Executive on Tuesday, 22 November 2022, 5.30 pm \(york.gov.uk\)](#)

Financial Strategy 2023/24 to 2026/27 – 23 February 2023:
[Decision - Financial Strategy 2023/24 to 2027/28 \(york.gov.uk\)](#)

Annexes

- Annex A Interim Financial Inclusion Strategy 2023-25 – Themes & Delivery Priorities
- Annex B 10 Year Strategy Priorities
- Annex C Equalities Impact Assessment: Interim Financial Inclusion Strategy 2023-25

List of Abbreviations Used in this Report

- ICS Integrated Care System
- KCR Key Corporate Risk