

Report for Resolution

Report to Executive
24 March 2010

Report of Head of Community Services

Subject Financial inclusion strategy actions for 2010/11

8

Purpose

To report to the Executive a range of proposals for work during 2010-11 which will contribute to achieving the aims and objectives of the financial inclusion strategy.

Recommendations

Approve the options contained within the report and delegate authority to the Deputy Chief Executive Officer in consultation with the Portfolio Holder to approve further budget allocation for those areas where investigation and development work is required if they are shown to meet the aims and objectives of the financial strategy.

Financial Consequences

The recommendations in this report will be met from approved budgetary provision

Risk Assessment

The failure of the actions proposed in the strategy will result in people suffering the impacts of the financial exclusion which have been intensified by the impacts of the recession

Strategic Priority and Outcome/Service Priorities

The report helps to meet the strategic priority “Strong and prosperous city – working to improve quality of life for residents, visitors and those who work in the city now and in the future.”

Executive Member: Councillor Waters - Corporate Resources and Governance

Ward: All

Contact Officers

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Background Documents

Making Your Money Count – A Financial Inclusion Strategy for the City

Report

Background

1. The Executive approved the Council's Financial Inclusion Strategy on 8 April 2009 having previously identified this as being a priority.
2. The strategy stated that 'the Council would work with key organisations from the public, private and third sectors to ensure that all residents in Norwich have the resources to enjoy a decent quality of life'. This means that people should have enough money in their pockets, advice and support about managing their money effectively and access to reliable and safe sources of credit.'
3. The strategy has six themes, these being:
 - Working more collaboratively
 - Income maximisation
 - Access to free money advice
 - Increase access to financial products and services
 - Improve the way people manage their money
 - Increase access to affordable credit.
4. The Council redesignated a post as financial inclusion manager who set out to:
 - implement the action plan for 2009-10
 - to co-ordinate the council's work
 - improve internal and external partnership work, and to
 - develop initiatives that fitted within the overall approach of the strategy either as the council or in partnership with other providers
5. £125,700 was secured from the Neighbourhood Renewal Fund transitional funding (NRF) and £50,000 from LEGI to support the short term actions to 31 March 2010.

Progress

6. Since April the following work has been completed and outcomes achieved:

7. **Working more collaboratively**

What we have done

Develop better partnership working to support residents

- Organised nine money fairs, bringing together up to 27 organisations offering help and support
- Trained 46 front line staff from different organisations in financial capability
- Developed a multi-agency information point at the Norman Centre, involving 19 organisations from both public and third sector
- Established a multi-agency advisory group to guide the work

8. **Income maximisation**

What we have done

- Identify ways of maximising the income of Norwich residents
- 163 households took advantage of the 9 money fairs, with a further 200 households seeking advice and assistance with housing and council tax

benefit. This resulted in an increase of over £3,300 pounds of additional benefit received by local residents per week, which translates to an additional £175,000 coming into the Norwich economy over a one-year period.

- Developed a benefit take up campaign on disability living allowance (care) and attendance allowance with Age Concern Norwich. Annualised estimates of benefits paid are estimated to be in the region of £200,000 benefiting some 130 households.

9. Access to free money advice

What we have done

Increase free financial advice for residents

- Provide additional funding to Norwich CAB to increase debt advice and provide fast tracked debt advice to direct referrals from the city council. 69 households have received this free service and in some cases continue to receive assistance with resolving their debt problems
- Provided funding for an additional MABS worker (money advice and budgeting service) to help people manage multiple debts. 37 households have been helped to date with a total of over £200,000 of debt to some 100 creditors.

10. Increase access to financial products and services

What we have done

Increase the number of Norwich residents saving money through informed use of financial products and services

- Worked with local banks and building societies to refresh the Council's basic bank account leaflet
- Provided training to front line staff so they can signpost and where appropriate support customers to choose and open a bank account. One training session has already taken place with a further two planned for March.

11. Improve the way people manage their money

What we have done

Increase the number of Norwich residents able to manage their money better

- Funded the MABS Service to expand their service across the City via credit unions. For the period ending December 2009, MABS has worked with 37 households to negotiate and pay their debts while at the same time starting to accrue savings through a credit union savings account.

12. Increase access to affordable credit

What we have done

Support the development of credit unions in Norwich to reduce the number of people accessing high interest doorstep credit

- Encouraged the Norwich credit unions to offer loans, which do not exclude people of the Islamic faith. They now all have systems in place to which comply with the requirements of Sharia Law.
- Allocated £20,000 to seed fund a development worker to facilitate development of all the Norwich based credit unions.
- Allocated £50,000 to support and resource a joint programme with Foundation East to provide loans and support for new businesses

13. There is also a range of mainstream Council services that contribute to greater financial inclusion including:

- the housing service arrears and rent team (including the money advice team and arrears prevention)
- the benefits service has created a special team to work with customers on a face-to-face basis resulting in improved efficiency and a speedier claims process
- the economic development team's many initiatives that address the worklessness agenda which has a direct impact on financial capability of individuals
- the LEAP project is helping homeless people gain a tenancy linked to employment or training
- housing property services continues to improve Council properties, replacing windows and upgrading heating systems leading to lower household utility bills both through better insulation and more efficient heating and an improvement in carbon emissions. By the end of February 2010 there were 1,713 properties upgraded in the financial year.

14. Much of the focus in 2009-10 concentrated on active measures to assist people in financial problems which has been exacerbated by the 'credit crunch,' whether it was inability to cope with restricted access to credit facilities, reduced income from short time working or ultimately redundancy.

Proposals for 2010-11

15. £175,000 has been allocated in the general fund to continue or develop further measures during 2010-11. Planning for this coming year's work has been enhanced from evaluating the impact of the current programme and from discussions with the multi-agency advisory group.

16. For example, whilst the money fairs were in general a success, it was felt that their impact would be increased by concentrating on a theme or demographic group.

17. The current programme has also had a focus of providing immediate support to residents. Whilst there is a need to continue to provide increased levels of debt advice and debt management there is also a need to direct some level of resource to actions that will allow people to be better placed to survive financially in the future.

18. The proposed programme sets out to increase people's capacity for making more informed choices in financial products and provide training for vulnerable people in budgeting skills.

19. At the invitation of the Executive, Scrutiny committee will be reviewing progress of the financial inclusion strategy and make recommendations on medium term actions at its meeting on the 11 March 2010. These will be reported orally at the meeting.

Current Norwich economic data

20. The latest Norwich Monthly Economic Barometer (Nov 2009) shows that the claimant count for unemployment has increased to 4.7%, from 3.2% in November 2008. The figures for the eastern region and UK at November 2009 are 3.4% and 4.1% respectively. It is worth noting that at all geographic levels, the main increase was between November 2008 and February 2009 and since May 2009 the rates have remained generally level. Three quarters of claimants in Norwich are male with a high rate in the 18-24 age group who are long-term unemployed. It is recognised, however, that the data under-represents the actual unemployed population, particularly women.
21. The barometer also reports that there are jobs available locally through Job Centre Plus, but at times a miss-match of skills among claimants to take up these jobs.

Possible priority groups

22. Given the level of resource available, it is important to ensure that it is targeted to areas of greatest need, and/or where the greatest impact can be made.
23. The recession and credit crunch have changed the profile of people experiencing financial exclusion. Along side those who have long been identified as deprived, there are now people who are experiencing debt problems and / or unemployment, possibly for the first time. While the need for financial inclusion work will continue long after the recession ends, there are additional acute needs across a wide cross section of the population in the short to medium term. At the same time, those who have traditionally experienced financial exclusion are likely to be having an even more difficult time during the recession.
24. The financial inclusion partnership advisory group has identified the following gaps or issues that require further work or focus – financial literacy training, access to basic bank accounts and support for older and other vulnerable people. Where financial inclusion is concerned, this will include:
- long-term unemployed people, particularly those with low levels of skills and qualifications
 - people in employment but on low wages
 - low income families with children, including single parent families
 - people who do not have a bank account, insurance, and other key financial products
 - priority groups identified by the Government's Social Exclusion Task Force, particularly care leavers at age 19 and adult offenders under probation supervision
 - people in or at risk of crisis (homeless, chaotic families, etc)
 - BME communities
 - older people
25. Some of the options in this paper aim to help the general public to help offset the wider impacts of the recession. These will by definition also be available to vulnerable individuals, who will be signposted and / or supported to access these services where possible and appropriate. However, many of the options

below are specifically designed for certain vulnerable groups and others, such as the money fairs, are intended to be delivered in conjunction with partners who have links to many of the specified target groups.

26. The budget would allow for all the following options, which are grouped according to the themes of the financial inclusion strategy:

Working more collaboratively

27. Money fairs

To run a series of money fairs and learning from the 2009 programme to base these on a particular theme or targeted to specific areas linked to the council's new neighbourhood approach.

Cost: £10,000 plus staff and partner time

28. Training front line staff

In 2009/10, front line council staff were trained to enable better collaborative working with an external agency that helps older people. There is scope for further training to improve services for a wider set of priority groups. Some of this training can be achieved simply by working in greater collaboration with local partners, developing training in-house. In addition, there is a range of free training available for front line regarding financial literacy and capability. For example, Money Mastery is a free one-day money coaching seminar for professionals who work with young people. Up-skilling existing staff embeds the knowledge within existing services. The council would also seek to identify staff from partner organisations that may benefit from this training.

Cost: £2,000 plus staff time

29. Council staff pool for supporting vulnerable clients

Following discussions with the council's customer contact team, some of our more vulnerable clients (including those defined as financially excluded) can get lost between being given information and putting it into practise. This can lead to an increase in stress for the customer, increased workload to the council and potentially increased costs. Further work could be done to develop a proposal to provide a pool of staff volunteers or a partner organisation who can support vulnerable customers in taking whatever action the customer contact team has advised. This could range from helping the customer to complete a form, arranging an appointment with a specific person or agency, and even accompanying the customer to that appointment.

Cost: £0 – staff time

30. Multi-agency advice services

Development of multi-agency advice services based on the experience from the community advice service at the Norman Centre and linked to neighbourhood working. Major partners include Job Centre Plus, CAB, and Norfolk Community Law Service and others.

Cost - to be identified

Income maximisation

31. Income maximisation for older people

In 2009/10, front line council staff received training to enable them to make direct referrals to Age Concern Norwich where an older person may qualify for disability benefits. Funding is being sought to enable Age Concern to be able to respond to the resulting higher level of demand for this intensive service.

This involves a home visit to assess whether the client might be eligible for any unclaimed disability benefits, helping clients complete any forms and chasing claims. Age Concern estimate that 70% of the referrals result in successful claims for disability living allowance / attendance allowance. Further funding could enable this level of service provision to continue.

Cost £10,000

32. Free access to council tennis courts

The NRF programme has funded a free swim programme during 2009/10 and NRF under spend is likely to be available to continue this for a further year. Provision of free access to sport facilities could be expanded within the financial inclusion programme to include free tennis on the Council's hard courts. The Council receives annual income from hard courts of approximately £1300 at six locations across the city, all within deprived neighbourhoods. It is proposed to run a 12 month pilot scheme for free casual tennis use at the following sites:

Harford Park (2 courts), Bowthorpe Park (2 courts), Alderman Walker Park, Heartsease (2 courts), Waterloo Park (1 court) and Lakenham Recreation Ground (2 courts). Business coaching and booked fixtures would still be chargeable and take up of the scheme would be reviewed during the year.

33. Work is in progress to investigate the development a Greater Norwich Tennis Partnership, which if approved and successful could include free access and external investment to hard courts in Eaton Park. This could work well with a council-led scheme for free access to the other hard courts in Norwich, with the potential for addressing certain barriers (purchase of rackets, free or reduced cost lessons) from work with partners.

Cost estimated at £1300 plus cost of free / subsidised lessons

34. Employability Skills Programme

Seetec offers an Employability Skills Programme in Norwich, which entails practical help and advice for customers to help them into work. The programme offers individual packages of support and training, including literacy and numeracy skills (from Entry Level 1 up to Level 2), occupational training, certification and licence courses, soft skills, work experience, job search help and support, etc.

35. Funded by the Learning Skills Council, the programme is targeted at JSA claimants at 6+ months unemployment, but is open to anyone. The service can be increased to match demand, at no cost to the council and could be promoted on a one-to-one by front line staff and through Tenant Talk and Citizen. This service could contribute to filling the gap when the community learning mentors cease at the end of March 2010.

Cost £0 - staff time

36. Living wage

The council has effectively been a living wage employer for its own staff for nearly twenty years. The council is not in a position currently to ensure that contract staff are also paid a living wage. However, there is scope to develop a local campaign to make Norwich a living wage city. There are a number of companies that have signed up to the living wage in London who employ staff locally and these could be approached to investigate the development of a campaign to develop Norwich as a living wage city and promote the benefits of

a living wage to other employers. There are also many community groups that may be interested in working with the council to highlight this issue.

Cost £0 – staff time

Access to free money advice

37. CAB debt advice

An additional £43,000 was provided to the CAB from the financial inclusion budget in 2009-10 which was in addition to an existing annual core grant of £56,000. The council has received a grant application from CAB for £99,000 in 2010-11, which includes this higher level of funding and therefore provision

38. The additional £43,000 enables city council frontline staff to refer individuals to CAB, with an appointment guaranteed within 10 working days (compared to the normal waiting period of 6-8 weeks). During the appointment, residents are given a full financial health check. Where appropriate, CAB can also enter into direct negotiation with creditors, check on income maximisation, and/or help residents apply for under-claimed benefits.

39. CAB is also a partner in the Norman Centre “community advice” service, which provides an opportunity for drop in advice or the provision of local appointments.

Cost £43,000

40. Money Advice and Budgeting Service (MABS)

MABS is a free credit consolidation service linked to a credit union account. Working in conjunction with credit unions in the city, its primary aim is to negotiate with multiple creditors where customers are unable to meet the demands of repayment. The original service was developed in the west of the city with funding from Norwich Consolidated Charities and this was expanded to develop a city wide response with £42,000 from the Council’s financial inclusion budget in 2009-10. Norwich Consolidated Charities have committed £20,000 for a second year, guaranteeing the post until the end of October.

Cost £42,000

41. Debt advice for older people

Debt advice older people has been identified as a gap and the values of and issues facing older people regarding finances mean that more general debt advice is not always suitable to this client group. A need has been identified for more tailored advice. The financial inclusion manager is currently scoping the possibility of developing such a service delivered by a third sector organisation to ensure that vulnerable / excluded older people are targeted for debt, financial, benefits and pensions advice.

Cost to be confirmed

Increase access to financial products and services

42. Access to basic bank accounts

One key indicator of financial exclusion is not having a bank account and many of the council’s clients do not have bank accounts. These are important for receiving and making direct payments, accessing lower tariffs via direct debits and as a gateway to other services - bank account holders can build up a credit history and rating and increase their financial capability / literacy. The council needs to work with banks and other partners to improve promotion of and access to basic bank accounts (basic bank accounts do not allow overdrafts).

The costs of this work would be minimal for printing and linked to the money fairs in 2010/11.

Cost £1,000 plus staff time

43. Access to home contents insurance

Ongoing work to encourage the take up of home contents insurance with council tenants initially and subsequently working with housing associations and their tenants.

Cost £0 staff time

Improve the way people manage their money

44. Financial Literacy / capability training

Financial literacy / capability training is widely available throughout the city and can be provided in varying ways geared towards the needs of the individual. In many cases however identifying providers and matching the needs of individuals or groups can be an intensive process. Fortunately within the city council we already possess the expertise in accessing a variety of these training programmes throughout the city.

45. We propose to provide a client referral service into training programmes where these people have been identified by our own front-line staff. With appropriate rolling training, staff will be better prepared to help our customers identify their learning needs and thereby make appropriate referrals with guidance from the Community Learning Mentors team leader. This could be in terms of one-to-one assistance or group based work and allows us to utilise resources available locally but provide a flexible responsive service

46. The proposal also provides a number of other benefits including:

- supporting and developing the Tackling Worklessness Operational Forum (TWOFF) which starts to facilitate the joined up services between each other and with Council needed for total place approach.
- the opportunity to develop a Norwich AOB (Advice and Opportunities Brokers) which whilst based on a model in Camden, has many similar traits to the multi-agency information service at the Norman Centre and could be explored for delivery through new neighbourhood offices or other neighbourhood locations.
- continue to build capacity in council front line staff including providing specialist support to the neighbourhood teams to identify individuals in need of support and referral

Cost: £20,000 with provisionally agreed income of £60,000 from the Norfolk Investing in Communities programme

47. Financial inclusion for ex-offenders and other vulnerable groups

Ex-offenders are one of the priority groups of the Government's Social Exclusion Task Force. This client group has, on average, very low levels of financial inclusion, which contributes to higher rates of reoffending. The national charity UNLOCK has developed a successful financial literacy and capability programme for use within prisons. Linked with obtaining a basic bank account, this programme is currently delivered by FTC in the Norwich prison. However, the programme is not currently available for offenders with non-custodial sentences. The council could scope how to provide this training in conjunction with the probation service to those with non-custodial sentences. Funding for this might be available from the National Offender Management

Service (NOMS).

48. FTC can also help those at risk of offending, and the council could scope ways of making this programme available to other priority clients in the wider community (e.g. chaotic families via Families Unit; homeless clients via LEAP, etc). A full-time instructor could cost £24k per annum, but part-time arrangements are also possible. Other funding sources may also be available for such work and should be investigated. If shown to be successful, the programme could be rolled out further. This would contribute to the Council's role within the Safer Norwich Partnership, which has a responsibility from 1st April to reduce re-offending.

Cost unknown at this stage

49. **Money management**

Learning from Cotman Housing Association's money management training there is a possible business case for landlords to provide financial inclusion training to tenants and Cotman Housing is trialling a money management course for its residents in Costessey this February. If successful, they will be looking to roll this out to their Bowthorpe and city centre estates. There may be scope to learn from their approach, and develop a similar programme for use with council tenants. (There may also be scope for developing such training in line with the course developed by UNLOCK).

Cost unknown at this stage

Increase access to affordable credit

50. Credit union development

Following an award from LEGI funding in 2009/2010, Norwich credit unions are currently investigating development prospects with the support of the financial inclusion manager.

Cost unknown at this stage

Conclusions

51. It is recommended that the full range of options are approved, for those options where costs have been identified or which require external grant-aid and staff time from officers and partners.

52. The proposed list of activities leaves a budget of £39,700. A number of areas have been identified for further investigation for implementation or further consideration which will form part of this work programme.

Financial inclusion options 2010/2011

theme from financial inclusion strategy / options	cost	target group
Total Budget	£175,000	
Working more collaboratively		
Money fairs	10,000	identified vulnerable groups
Training front line staff	2,000	identified vulnerable groups
Council staff pool for supporting vulnerable clients	0	vulnerable council customers
Multi-agency advice services	unknown	identified vulnerable groups
Income maximisation		
Income maximisation for older people	10,000	older people
Free access to council tennis courts	1,300	residents in low income neighbourhoods
Employability Skills Programme	0	unemployed
Living wage	0	employed on low wages
Access to free money advice		
CAB debt advice	43,000	all Norwich residents
Money Advice and Budgeting Service (MABS)	42,000	all Norwich residents
Debt advice for older people	unknown	older people
Increase access to financial products and services		
Financial literacy/capability training	20,000	all Norwich residents
Access to basic bank accounts	1,000	identified vulnerable groups
Access to home contents insurance	0	social landlord tenants
Improve the way people manage their money		
Financial inclusion for ex-offenders and other vulnerable groups	unknown	identified vulnerable groups
Learning from Cotman Housing Association's money management training	unknown	council tenants
Money management	unknown	council tenants
Increase access to affordable credit		
Credit union development (covered by MABS above)	0 (see above)	identified vulnerable groups all Norwich residents
Sub total	£129,300	
Balance for options where budget requirement is not yet known or still to be allocated	£45,700	