

HOUSING MANAGEMENT CONSULTATIVE SUB COMMITTEE

Agenda Item

Brighton & Hove City Council

Subject:	Housing Financial Inclusion Community Banking Project - Interim Report		
Date of Meeting:	18 December 2012		
Report of:	Strategic Director of Place		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report shares with Housing Management Consultative Sub Committee the progress of the Housing Financial Inclusion Community Banking Project as at end of November 2012.
- 1.2 Tackling inequality is a key priority for the city council as outlined in the Corporate Plan. One of the strategic commitments is a strong focus on tackling financial exclusion. It is also a key aspect of the city's Sustainable Community Strategy with its own chapter; 'Providing Quality Advice and Information Services' setting out a range of actions that the Advice Partnership has been tasked with delivering which contribute to promoting financial inclusion.
- 1.3 The work of this project is feeding into the Corporate Financial Inclusion Strategy and commissioning plan currently being developed, as well as the corporate and local work to mitigate the impact of Welfare reform.

2. RECOMMENDATIONS:

- 2.1 That the Housing Management Consultative Sub Committee note the Interim Report

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 This report follows a report to Housing Management Consultative Committee on 19th March 2012 which outlined proposals for investment in services to promote financial inclusion amongst council housing residents. The report built upon the successful financial inclusion work undertaken by the Housing & Social Inclusion delivery unit and outlined proposals for delivering a step change in the availability of services which promote financial inclusion amongst council housing residents.

3.2 The introduction of self financing for the Housing Revenue Account from April 2012 makes it more important to ensure that income collection is maintained at the current high level. At the same time, the sharp downturn in the economy, unprecedented rises in household energy bills, rising unemployment and increasing debt levels are contributing to an increase in financial exclusion and fuel poverty, and impacting upon tenants' ability to pay rents and service charges.

3.3 This pressure upon tenants with low incomes is likely to be further exacerbated by the reforms proposed through the government's Welfare Reform Act. The Act aims to simplify and cap some welfare benefits. The following reforms will have a particular impact upon council housing tenants:

- In April 2012 reduction in benefit called non-dependant deductions for other adults (normally adult children) who live in claimants households will be increased above inflation for the second year. These deductions can be up to £73 per week.
- From April 2013, it is proposed that under-occupying social housing tenants of working age will be affected by a reduction in their housing benefit entitlement of up to 14 per cent if they have one spare room and up to 25 per cent for two spare rooms.
- From April 2014, the proposed introduction of Universal Credit will result in benefit payments for housing costs being paid directly to tenants.
- Changes to benefit eligibility and entitlement such as time limited claims for non-contributory ESA/JSA claims, benefit capping at a household level, mandatory engagement in work programmes/skills conditionality

A working group has been set up to identify and monitor the impact of the proposed welfare reforms to ensure that our financial inclusion interventions are targeted at those who are most affected by the proposed changes.

3.4 The Committee and Cabinet agreed to the commissioning of a joined-up solution for financial inclusion, involving the co-delivery of 'one-stop' services for financially excluded Council housing residents, through the creation of a Community Banking Partnership Model which integrates the 'ABCDEs' of Financial Inclusion:

- Advice specialist advice casework to assist tenants to deal with problems related to debt, money and fuel poverty
- Banking access to basic banking, bill and debt repayment services
- Credit access to affordable loans
- Deposits access to savings facilities and incentives to save
- Education - Improving financial capability and budgeting skills, increased awareness of expensive lenders such as payday loans, and the dangers of loan sharks and illegal money lending

- 3.5 A Project Board was set up in April and tasked with three key strands of work:
- I) Procurement of specialist debt and money advice for council tenants and leaseholders.
 - II) Banking: Development of the banking offer within the city.
 - III) Education: Development of training offer for staff and residents (financial literacy, financial capability, peer programmes and initiatives).

3.6 Procurement of Specialist Debt and Money Advice.

Using the new Grant Proposal model, a procurement process was carried out for the provision of specialist debt and money advice. The contract value was £80,000 plus £5,000 start up costs. The contract is for one year with the option to extend by a further 12 months and can be increased by 50% of the value without the need for further procurement.

- 3.7 Four providers submitted bids: Citizens Advice Bureau (Brighton & Hove); Brighton Housing Trust; Money Advice Community Support Service (MACSs) and A4 E (who hold the national Money Advice phone service contract). Following a robust procurement process MACSs were the preferred bidder and were awarded the contract accordingly in August 2012.

Following a period of mobilisation, the contract began from the 1st October 2012. Referrals are increasing rapidly and on target for the performance outcomes specified in the contract. This funds 480 in depth case work interventions over the year as well as some lower level interventions. The service is being delivered across 5 outreach locations initially: The Bridge, Whitehawk Inn, Portslade Adult Learning (Boundary Road); Oxford Street Housing Office and Hangleton & Knoll Community Centre, as well as the MACS office in Old Steine. Home visits and targeted outreach sessions are also being provided.

- 3.8 MACS are working closely in conjunction with the Housing Inclusion Team and the Housing Income Management Team's Money Advice Worker. Referrals are managed by the Inclusion Team who also take the opportunity to discuss different aspects of our money advice services with clients and provide support with financial capability, literacy, numeracy, general money advice or those affected by the Housing Benefit changes or other aspects of welfare reform.

The joined up service has been widely advertised across the city by both teams (MACS and the Housing Inclusion Team); articles in Hoving In (August and November issues); through networking with teams and agencies; stakeholder events, attendance at targeted events; mail shots to external locations eg GP surgeries and post offices; leafleting community locations eg libraries, community centres, council offices, adult learning providers, advice services etc; on the website; at the City Assembly (November). Posters are due to go up in all block and community rooms.

3.9 Education Strand

The Housing Inclusion Team are leading on the delivery of the Education strand. The budget of £10,000 has been matched with the Learning Cities Project Interreg funding to maximise the opportunities for staff and residents.

Both Financial Inclusion Co-ordinators have now undertaken the accredited “Teach Me” and “Teach Others” Financial inclusion training courses provided by Transact and are working with tenants on an individual basis and in groups in a range of ways to “make the most of their money”.

This includes

- Budgeting skills, money management
- Financial health checks
- Benefits maximisation
- Understanding the jargon – bank accounts, direct debits etc, interest rates and borrowing terms etc
- Using the Internet for online banking, shopping, finding the best deals/tariffs
- Reducing energy bills/promoting energy efficiency
- Support to those affected by the upcoming HB changes
- Targeted information sessions for tenants eg older people, young parents etc

Other team members will also be undertaking this training to support this area of work.

Financial Literacy

The Team will also be providing literacy and numeracy support in group work (provided by a qualified basis skills tutor), and by signposting to existing provision within the community.

Peer Mentor Programmes

The Inclusion Team have launched a range of mentoring programmes for residents including Money Mentors; Loan Shark Advocates; Energy Efficiency Advisors; Train the Trainer. A rolling programme of training will commence in the New Year starting with the Energy Efficiency Advisor courses in January. Staff will also be trained in these areas in order to support residents.

Financial Inclusion Training for Staff

The Inclusion Team and Service Improvement Team will be carrying out a mapping exercise across the division to identify the staff training requirements for financial inclusion in order to develop a training programme for staff.

Three staff within the Housing Income Management Team are undertaking Money Advice qualifications.

In-house training has been provided to frontline teams around the impact of welfare reform (particular focus on Housing Benefit) for council tenants. Home visits are being carried out with those households identified to be affected by the Housing Benefit and council tax changes

Advice Partnership

The Social Inclusion & Involvement Manager is working with the Advice Partnership to deliver a range of Financial Inclusion training for volunteers.

3.10 Banking Strand

Housing and Social Inclusion commissioned Toynbee Hall to carry out an independent review into the Banking offer and access to affordable credit within the city. The fieldwork for the review was carried out in late summer and involved a range of cross sector and internal stakeholders. The review will assist the council to develop its commissioning strategy in relation to

- Provision and promotion of basic bank accounts for tenants and leaseholders
- Provision and promotion of low cost loans
- Incentives to save

The review will

- Identify and clarify the role/potential role of current providers (including, but not exclusively the locally based [East Sussex Credit Union](#))
- Clarify the legal/FSA implications relating to the promotion of services from any specific provider
- Work with the local provider(s) of community banking services on the development of a business plan that will enable them to meet the Council's commissioning needs

The Toynbee Hall report is expected week ending 30th November. Commissioning decisions for the remaining £45,000 will consider the findings and recommendations made in the report which most benefit council tenants and leaseholders in financial exclusion, and maximise the council's capacity to continue to collect rental and service charge income at the current levels.

A report outlining the commissioning proposals will be brought to the Committee for decision early next year.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 The initial report was agreed at HMCC and Policy and Resources Committee, and shared with the Advice Partnership Steering Group.
- 4.2 Financial inclusion was a key theme of the council housing City Assembly in November 2011. A presentation was delivered to tenants on the services of East Sussex Credit Union and workshops were held on money matters.
- 4.3 Tenants requested a theme on Inclusion for the City Assembly in November 2012. Presentations were given on Housing Benefit Changes and Council Tax changes, and the work of the Inclusion team and delivery partners.
An Information Hub was provided by a wide range of services and agencies with interactive sessions and information available including MACS, the Inclusion Team, Housing Income Management Team, Housing Benefits Team, the Credit Union, Welfare Rights Team and others.
- 4.4 Discussions with residents during consultation on the HRA Budget 2012/13 proposals at Area Panels and Housing Management Consultative Committee during January and February 2012 highlighted the need for targeted support for

residents who may be experiencing financial difficulty as a result welfare reform, recession, increases in energy costs and rent increases.

- 4.5 A presentation on the proposed delivery model was delivered on 9th March to residents to the Housing Income Management Monitoring Group. Residents will be involved in the design and delivery and monitoring of the service as part of an ongoing process to monitor commissioning, implementation, and review of the first year of the project.
- 4.6 The Advice Partnership facilitated a series of Financial Inclusion themed consultative working groups, workshops and events throughout 2011 involving over 30 local agencies and services and over 300 local residents. The Advice Partnership Co-ordinator has been closely involved in preliminary discussions related to the development of these proposals from the outset and has agreed to facilitate further wider consultation as appropriate
- 4.7 The Procurement process for the Money Advice Service included an open bidder's briefing session for prospective contractors.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The HRA Budget 2012/13 approved at Cabinet on 9 February 2012 included the creation of an earmarked reserve of £0.400 million to fund commissioning priorities in tackling financial exclusion and inequality, promoting access to services and improving support for vulnerable families and adults on low incomes. This report provided spending plans for £0.145 million of the reserve which was included in the 2012/13 Targeted Budget Management Report to Policy & Resources Committee.
- 5.2 These projects currently require one off funding, however future ongoing funding requirements will be built into the HRA Budget Strategy for 2013/14.

Finance Officer Consulted: Sue Chapman

Date: 06/12/12

Legal Implications:

- 5.3 The council as local housing authority has wide powers to manage properties within the HRA, and to do anything which is calculated to facilitate, or is conducive to or incidental to the discharge of its functions. The proposals in the report will assist the council to reduce rent arrears levels and improve income collection. They are therefore within the council's powers. Procurement of the advice services complied with all relevant procurement legislation, including the council's own Contract Standing Orders.

Lawyer Consulted: Liz Woodley

Date: 05/12/12

Equalities Implications:

- 5.4 The equalities impact assessment budget screening documents for the Housing Revenue Account identified the impact of rising fuels costs and rents upon council housing residents on low income. The development of services which promote financial inclusion amongst council housing residents aims to mitigate these impacts. A full equalities impact assessment of the new service will be developed as part of the service development process.

Sustainability Implications:

- 5.5 Advice on fuel poverty will link to wider work taking place within housing to improve the energy efficiency and sustainability of the housing stock

Crime & Disorder Implications:

- 5.6 None

Risk and Opportunity Management Implications:

- 5.7 A risk register in relation to this project will be maintained by the project board as part of the project management arrangements

Corporate / Citywide Implications:

- 5.8 The Corporate Plan (2011/15) sets out 3 key priorities, one of which is to 'tackle inequality and work to create a fairer city', with a focus on tackling financial inclusion. This is also one of the priorities set out in the City's Sustainable Community Strategy through which the Advice Partnership (one of the family of partnerships of the Local Strategic Partnership) has been tasked with delivering on a range of actions to promote financial inclusion. The proposals in this report compliment the broader strategic approach to Financial Inclusion that is currently being developed by the council. This work includes building a strategic and long term cross sector partners approach to finding solutions to financial inclusion that recognises, but goes beyond 'fixing problems now' and looks towards a sustainable and coherent approach to deep and systemic issues facing the city

SUPPORTING DOCUMENTATION

Appendices:

1. None

Documents in Members' Rooms

1. None

Background Documents

1. Promoting Financial Inclusion amongst Council Housing residents
HMCC Agenda Item 93 March 2012

