

To: City Executive Board
Date: 16 October 2017
Report of: Executive Director Organisational Development & Corporate Services
Title of Report: Financial Inclusion Strategy 2017-2020

Summary and recommendations	
Purpose of report:	To approve the Financial Inclusion Strategy for the period 2017-2020 attached at Appendix 1 and request approval of £50,000 to fund emergency support for residents migrating to Universal Credit in the remainder of 2017/18
Key decision:	Yes
Executive Board Member:	Councillor Susan Brown, Board Member for Customer and Corporate Services
Corporate Priority:	A Vibrant, Sustainable Economy, Strong and Active Communities
Policy Framework:	Corporate Plan.
Recommendation(s): That the City Executive Board resolves to:	
<ol style="list-style-type: none"> 1. Approve the adoption of the revised Financial Inclusion Strategy for the period 2017-2020 attached at Appendix 1; 2. Delegate authority to the Executive Director Organisational Development & Corporate Services in consultation with the Executive Member for Customer and Corporate Services to review and update the Strategy's action plan; 3. Utilise £50,000 of the 2016/17 Council underspend to provide an emergency support scheme to cover essential living costs for people migrating to Universal Credit within the current financial year, and to delegate authority to the Executive Director Organisational Development & Corporate Services to develop the scheme in consultation with the Executive Member for Customer and Corporate Services. 	

Appendices	
Appendix 1	Financial Inclusion Strategy
Appendix 2	Financial Inclusion Strategy consultation
Appendix 3	Risk Register
Appendix 4	Equalities Impact Assessment

Introduction and background

1. The current public funding climate, cuts in welfare and below inflation wage increases continue to put pressure on those with the lowest incomes. Rising costs of living in relation to basic needs such as home energy and food together with increased housing costs are exacerbating the problems of vulnerable residents and also pushing others currently at the 'tipping point' into potential difficulties. This means there is an increased danger of people falling into debt, getting into rent arrears, failing to adequately heat their homes or feed themselves and their family properly. The Financial Inclusion Strategy has been reviewed in light of these ongoing challenges.
2. The issues which the Financial Inclusion Strategy aims to tackle are outlined in the Strategy document at Appendix 1. They include a cumulative reduction of £47.8 million in welfare benefits paid to Oxford residents from 2010 to 2020, median rents costing more than half of median earnings, 13% of residents in fuel poverty and more than 4% of residents with no skills or qualifications, preventing them from either accessing or progressing in the employment market.
3. In July, consultation was carried out to seek views on the existing Financial Inclusion Strategy. There were only a small number of respondents but those responses that were received were very useful and well informed. Appendix 2 details the consultation outcome and the revised Strategy has been amended in light of these responses.
4. Learning from the work carried out under the previous Financial Inclusion Strategy has also informed revisions. The revised Strategy document, attached at Appendix 1, includes details of successful outcomes achieved in the financial inclusion work undertaken in the last three years. Some of these are set out below.
 - A more customer focused approach to collecting council debts, reducing the costs incurred by customers.
 - Preparing council tenants for Universal Credit by paying them Housing Benefit direct and supporting them to manage their rent payment, and piloting this approach in the private sector.
 - Developing a fuel poverty model to target funding and support to relevant households.
 - Employing two energy advice offers to provide energy advice to Council tenants (1,813 visits conducted by August 2017).
 - Supporting 232 residents affected by benefit reductions, to access employment.
5. Financial Inclusion is not an issue which the Council can tackle on its own, and the Strategy identifies a number of external partners who the Council works with in this area. One key group of partners are the organisations commissioned to provide advice services under the Council's Advice and Money Management commissioning theme. An independent review of these services to inform the 2018-21 commissioning period has been completed and the new specification for these services has been written to ensure

that the following aims of the Financial Inclusion Strategy are supported by commissioned advice services.

Residents will:

- know where to access information and advice, and will be able to access these services through their preferred channel;
- be able to seek free advice about their debts and be supported to make affordable repayment plans;
- have increased ability and confidence in managing everyday finances including contracting with and changing utility companies;
- be supported to claim the benefits to which they are entitled;
- be guided to access emergency support when required;
- be given advice on managing their finances, including the payment of their housing costs;
- be assisted in accessing digital services;
- be helped to overcome barriers to work;
- be supported to become self-sufficient in accessing online services.

6. The main changes to the Strategy are:

- enabling residents to access services through their channel of choice;
- focusing on the payment of housing costs when supporting residents to manage their income;
- supporting people to access Universal Credit which represents the biggest ever change in the delivery of welfare benefits;
- changing the focus of fuel poverty work to ensure support is targeted to those who need it, instead of reducing the number of people affected by it (this is due to the change in the way the government measures it);
- utilising £50,000 to establish an emergency support fund for residents migrating to Universal Credit.

Public Consultation

7. Public consultation on the Financial Inclusion Strategy was carried out for four weeks from 13 July 2017 to 11 August 2017. A range of partners in the Housing and Voluntary sectors were invited to respond to the consultation. The consultation was also available on the Council's website for members of the public to respond to. A summary of the responses is provided at Appendix 2.
8. As a result of the public consultation an action has been added to the Action Plan which is; to promote Oxfordshire Credit Union's services, and some other minor changes have been made which are outlined in Appendix 2.

Review

9. Given the range of factors which impact on financial inclusion, it is not possible to develop a definitive action plan for the next three years. It is intended to review the plan on an annual basis to ensure actions are progressing, and to identify new actions where required.

Financial implications

10. The wider rollout of Universal Credit from October 2017 brings a risk of households being left without any income for six weeks or longer as they migrate to the new Benefit. As such £50,000 is requested to fund an emergency support scheme, with authority

delegated to the Executive Director Organisational Development & Corporate Services to develop the scheme in consultation with the Executive Member for Customer and Corporate Services.

11. Over and above this, the report does not propose any additional new expenditure. The majority of actions seek to ensure that existing funding and initiatives to promote financial inclusion are aligned to produce greater outcomes.

Legal issues

12. None.

Level of risk

13. A risk assessment can be found at Appendix 3.

Equalities impact

14. The equalities impact assessment can be found at Appendix 4.

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Background Papers: None