

To: City Executive Board
Date: 16 October 2017
Report of: Scrutiny Committee
Title of Report: Financial Inclusion Strategy 2017-2020

Summary and recommendations	
Purpose of report:	To present Scrutiny Committee recommendations on the Financial Inclusion Strategy 2017-2020
Key decision:	Yes
Scrutiny Lead Member:	Councillor Andrew Gant, Chair of Scrutiny
Executive Board Member:	Councillor Susan Brown, Customer and Corporate Services
Corporate Priority:	A Vibrant, Sustainable Economy, Strong and Active Communities
Recommendation(s): That the City Executive Board states whether it agrees or disagrees with the recommendations in the body of this report	

Appendices
None

Introduction

1. The Scrutiny Committee considered the Financial Inclusion Strategy 2017-20 at a meeting on 9 October 2017. The Committee would like to thank Councillor Susan Brown, Board Member for Customer and Corporate Services, and Paul Wilding, Revenue and Benefits Programme Manager for presenting the report and answering questions.
2. The Board Member for Customer and Corporate Services said that a need has been identified to support people transitioning to the Universal Credit (UC) benefit system. Because UC is paid in arrears, these people will face a gap in their benefit payments of typically five or six weeks and in some cases up to ten weeks. This will be very problematic for families who are already struggling, particularly in the lead up to Christmas. The Department for Work and Pensions (DWP) has offered to provide loans to bridge this gap but these only equate to half of what people are entitled to and the repayment mechanism is quite harsh. The Council is making

£50k available to provide emergency support during this period and will need to develop a policy quickly to ensure that this support can be delivered effectively.

Summary and recommendations

3. The Committee noted that a consequence of the transition to UC is an increased risk that people will be unable to sustain tenancies. As well as causing hardship for families, this could create costs for the Council. The Revenue and Benefits Programme Manager said that it was difficult to know exactly who would be affected and when. The Council was proactively engaging with private sector landlords to raise their awareness of UC. Many landlords now refuse to accept UC recipients and the Council does not want to further disincentivise them. The Council is also communicating to tenants, for example about what information they need to provide to prevent extended delays in their benefits payments. The DWP had provided councils with some funding which is being used to fund additional officer resource and communications campaigns.
4. The Committee asked about the reporting burden UC places on individuals and whether adequate support mechanisms are in place to assist people with the online system. The Revenue and Benefits Programme Manager said that the Welfare Reform Team is working closely with the Contact Centre and Jobcentre Plus. The evidence required for UC is comparable with Jobseekers Allowance. It will be less burdensome for certain groups of claimants who are currently in receipt of Income Support. Feedback about the online system is broadly positive but the move to a digital platform is a big change. Local authorities are expected to provide 'universal support', including help with making and managing claims and personal budgeting support (which the Council is currently publicising). More broadly, the 'headwinds' are very challenging and there are underlying issues, for example with mental health provision, that are beyond the Council's ability to solve.
5. The Committee questioned what forms the emergency support will take and how the £50k figure was derived. The Revenue and Benefits Programme Manager said that there is no written framework yet but that the support will take the form of benefit in kind rather than cash payments. The Council will draw on good practice from local emergency support schemes elsewhere in the country. The figure of £50k was informed by discussions with another local authority but it is difficult to anticipate at this stage what the level of need might be. The Committee supported the revised strategy and the provision of an emergency support scheme.

Recommendation – That further funding is identified for emergency support if £50k is found to be insufficient to cover the essential living costs of people migrating to Universal Credit.

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