

		AGENDA ITEM 6
		PSEG/12/15
Committee:	Place Services and Economic Growth Scrutiny Committee	
Date:	23 July 2015	
FINANCIAL INCLUSION SCRUTINY REVIEW UPDATE (Minute 8/June 2014)		
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An in depth investigation on Financial Inclusion was conducted during the second half of 2012 by a Task and Finish Group, and its scrutiny report was agreed by the former Economic Development, Environment and Highways Policy and Scrutiny Committee (EDEHPSC) in January 2013 (Minute 4). A copy of that report is published on the Council's website via the Committee Management Information System.

The Financial Inclusion project was a cross cutting scrutiny review with implications for a number of the Council's functions as well as taking account of services provided by other external organisations. The EDEHPSC forwarded seventeen recommendations to the Cabinet that had budgetary, policy review and development implications. A response from the Cabinet was reported to this Committee in Minute 6/September 2013 when it was agreed that a Task and Finish Group should be reconvened to cross examine the Cabinet's response and what progress has been achieved through Council activity in the promotion of financial inclusion since the report was published.

The Task and Finish Group undertaking the monitoring of the original recommendations comprised four members: Councillors Ian Grundy (lead member), Tony Hedley, David Kendall, and Simon Walsh. It submitted a scrutiny report setting out its findings to the Committee in June 2014 (Minute 8), and a copy of that report is also published on the Council's website via the Committee Management Information System. While the Committee endorsed that report, it also agreed that:

‘Based upon its consideration of the Cabinet responses to the original recommendations arising from the original Scrutiny Report, it is recommended that the Leader of the Cabinet be requested to provide a progress report in May 2015 on:

- (a) the effectiveness of the measures that have been proposed and implemented to promote financial inclusion, as referred to in this report, and to illustrate whether or not the Council is realising its financial inclusion objectives, and
- (b) the implementation of new initiatives in the Council’s communication channels that can be demonstrated to have improved public access to information that promotes financial inclusion.’

A response from the Leader of the Council was received in May, and is now reproduced at the appendix to this report. It provides a detailed update on activity taken by the Council to promote financial inclusion across Essex.

The review on financial inclusion was an important piece of work undertaken by councillors engaged in scrutiny activity, and the Leader’s response draws together the progress that has been made by the Council since the review was undertaken in 2012.

Being mindful of the Committee’s broad remit and the need to prioritise resources, it is proposed that no further action be taken in relation to this particular review. However, it is an important topic and it is likely that some of the issues relating to financial inclusion that are referred to in the scrutiny report, will be considered as part of other reviews in the longer term by the Scrutiny Committees. Indeed the Committee’s own current investigation on Jobs, Skills and Welfare does touch upon issues around financial inclusion.

**Action required by the Committee at this meeting:**

**The Committee is asked to note the Leader’s response in this matter, and to agree that no further action be taken.**

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## **Appendix**

TO: Place Services and Economic Growth Policy and Scrutiny Committee  
22<sup>nd</sup> May 2015

Dear Chairman,

### **Monitoring the outcomes of the report on Financial Inclusion**

I am pleased to be able to provide the Committee with a response to their recommendation for a progress update on the work undertaken by the Council to promote financial inclusion. As the committee is aware financial wellbeing is a cross-cutting issue that affects people in different ways and therefore requires a range of actions and interventions to promote it.

I have included in the appendix a more detailed update on the individual recommendations from the original report but I would like to take this opportunity to provide a progress update on the effectiveness of the measures that have been implemented to date and our work to improve our communication channels.

Having sustainable employment was highlighted in your report as being one of the most effective ways of promoting financial inclusion and through the work of the Essex Employment and Skills Board we have achieved 8,000 additional apprenticeships in key growth sectors and set up a Skills Advisor Portal to promote training in the workplace.

To help create more jobs and drive business growth ECC, BT and BDUK have jointly invested £24.6m in providing superfast broadband coverage to 65,000 hard-to-reach homes and businesses in Essex. This will increase broadband coverage in the county to more than 87% by summer 2016. A second phase is planned with a further £18.9m of investment to reach an additional 51,000 premises. This will mean that 95% of premises in Essex will have access to superfast broadband by 2020.

Local Authority Partnerships have been set up to support people on benefits, in particular those moving onto Universal Credit (UC). They are helping them with accessing the online claim forms and providing budgeting support. As UC is rolled out further additional support will be provided to vulnerable groups through these partnerships and the Welfare Reform Project Group will monitor the use of the support. This is an excellent example of working collaboratively with both districts and the voluntary sector to achieve better outcomes for our residents.

I am also pleased to say that as a result of the work carried out by the Welfare Reform Project Group, the Essential Living Fund which provides crisis support, has had agreement to continue for a further year.

Your report highlighted the excellent work of the Village Agent project and recommended that this was extended to urban areas. In July 2014 the Community Agent scheme was launched and this is available in both urban and village areas. Since its launch the scheme has supported over 2000 people of which 256 received debt and benefit advice.

It is not enough just to provide help and support to those who are experiencing financial issues, we must ensure that our residents know how to access that help and support. Communication channels are key to this and we have undertaken a major review of ECC's website. As a result of this all financial inclusion content is now grouped together on a single page creating a de facto portal on to the Living Well Website. It is too soon to report on usage of the portal but this will be monitored and customer feedback will be sought to drive further improvement.

The website includes details of local Citizens Advice Bureaux whose funding allocations have been altered to reflect the number of people that may be experiencing financial issues within their area. This was a key recommendation from your report and I am pleased to say that this has been implemented in full. In addition we are working with Chelmsford CAB to develop a funding strategy that will enable them to become more financially self-sustaining.

Furthermore a financial inclusion campaign, designed to raise awareness and encourage contact with organisations who can provide support and carried out via social media will be included within the Community Resilience thread of the Communications Forward Plan later this year.

These interventions demonstrate the commitment ECC has to promoting financial inclusion across all its areas of work.

I would like to take this opportunity to thank the Committee for their continued focus on financial inclusion and its impacts on the residents of Essex.

Yours sincerely



Cllr David Finch, Leader of the Council

## **Leader's Progress Report on Financial Inclusion**

### **Recommendation 1**

**That as part of its equality and diversity framework the County Council take into account financial inclusion both when assessing the potential effects of future policy development and when reviewing the impact of current policies, and the monitoring of financial inclusion issues across the Council be incorporated into the terms of reference for the Equality and Diversity Board.**

The Equality and Diversity Board is now been incorporated into the Corporate Governance Board but as recommended in your original report from January 2015 the revised Equalities Impact Assessment now takes into account the socio-economic status of individuals as well as the characteristics protected in law.

### **Recommendation 2**

**That the County Council undertake an in depth review of what the Council and other public agencies could do to promote skills and employment not only for young people but more generally for other residents in the context of financial inclusion.**

Whilst there has not been a formal review the promotion of skills and employment is an on-going focus of the Essex Employment and Skills Board (ESB).

The ESB have taken the opportunity to feed into the European Social Fund process earlier this year to promote our priorities and proposed solutions for Essex. They include a clear reference to our growth sectors and addressing skills shortages in Essex, including:

- 8,000 additional Apprenticeships in key growth sectors
- Supporting careers choices, through industry / education programmes, training for teachers and tutors and the development of an Essex Careers site
- Higher Level Skills including programmes to support graduates into employment
- Increasing numeracy and literacy
- Improving employer access to training through further development of the Skills Adviser portal. The 'Skills Portal' is now live and ESF will enable it to go to the next stage.

Additionally our ECC 'Evidence Base' database is already helping to inform schools and colleges, their facilities and the courses they offer. Our Education and Industry programme helps to showcase our local industry and helps young people to understand the study choices they need to make to get into growth sectors.

### **Recommendation 3**

**That the Welfare Reform Working Group be urged to high light the impact of the proposed welfare reforms upon policy development or service changes on the issue of financial inclusion, and that there is specific support in place to provide residents with suitable information guidance and IT infrastructure through libraries and other local authority access points.**

With regards to Financial Inclusion and Welfare Reform (in particular Universal Credit (UC)), support with budgeting and making claims on line is an aspect of the additional support for vulnerable claimants being provided through Local Authority Partnerships between district/boroughs/city councils, the voluntary sector and the Department for Work and Pensions (DWP).

This forms part of the additional support for vulnerable people as part of the Universal Support Delivered Locally (formerly the Local Support Services Framework) to accompany and compliment the introduction of UC.

The Welfare Reform Project group has developed good relations with district partners to monitor the implementation of UC and usage of this support.

With regards the Fairer Charging Policy, given the phased implementation of the reforms, to date only terminology changes to the policy have been required. However, a Charging Group task and finish group has been set up as a result of the Care Act, and an officer from the Welfare Reform Project has been involved in these discussions and will continue to advise on impacts fop Welfare Reform and charging income to ECC.

Changes are anticipated to the policy but will not be required until the existing group of claimants (specifically disabled claimants) are moved onto UC. Similarly, changes to the leaving care handbook will be implemented as the roll out of UC continues.

In addition to this, one outcome as a result of the work carried out by the Welfare reform group has been that the Essential Living Fund, ECC's response to the Localisation of the Social fund, has had agreement to continue for a further year. The scheme will currently continue to run until April 2016; providing support for those in a crisis situation or resettling into the community. A further decision on 2016/17 will be required at a future date.

Under the current, first phase of the Superfast Essex programme, BDUK, Essex County Council and BT are jointly investing £24.6m to connect some 65,000 harder to reach homes and businesses to superfast broadband, which will increase superfast broadband coverage in the county to more than 87% of all premises by summer 2016.

The programme is now planning a second phase rollout, which will invest a further £18.9m to reach an additional 51,000 premises and aims to enable 95% of all addresses in Essex to access superfast broadband by 2020.

Alongside this infrastructure rollout, Superfast Essex also operates a comprehensive service take-up programme, which – in addition to providing updates and engagement relating to the rollout - is working closely with other ECC functions, in particular Place and Customer, and the Essex business community to ensure that the newly enabled connectivity starts to drive economic growth and wellbeing in the county.

#### ***Recommendation 4***

**That based upon the positive feedback received of the Village Agent project, consideration be given as to how the project could be extended into urban areas eg ‘Urban Agent’ pilot, and to develop an additional focus, at least in part, on promoting financial inclusion**

The Village Agent scheme was replaced by Community Agents Essex in July 2014 and is now available in both urban and rural areas across Essex.

Community Agents is not a scheme which specifically targets financial inclusion as its core, however, it recognises that to support people to remain independent, access to appropriate benefits can give people the peace of mind and a conversation about benefits is included in the initial conversation the agent has with the individual.

Between July 2014 and the end of March 2015, the scheme has supported a total of 2017 individuals and the data shows that a total of 256 people have been supported with debt and benefit advice. Over half the people being supported are over the age of 80 and approximately half the referrals are coming from ECC social care.

#### **Recommendation 5**

**That steps be taken to raise the awareness of all County Councillors and staff of the financial exclusion that exists in Essex in a way that enables them to signpost those individuals in need to the relevant services at the earliest opportunity.**

and

#### **Recommendation 6**

**That, as a primary source of information on the relevant services available across Essex, a prominent financial inclusion portal be developed on the ECC website, providing residents with easily accessible advice and signposting for support.**

and

## **Recommendation 10**

**That the County Council raise awareness of the StepChange Debt Charity, and consider how it may engage with that Charity's activities alongside targeted CAB preventative work, to extend debt advice to Essex residents**

There has been a major review of Essex County Council's website. All of the financial inclusion content is now grouped together on a single page, creating a de facto portal on the Living Well Website.

Within this information are links to other organisations, i.e. Citizens Advice Bureaux and other organisations to signpost users to services to support financial inclusion.

Because of the work done to improve the information available on the ECC website it is not possible to directly compare data from last quarter from March when the new portal went live. The Financial Assessments page, which contained much of the information, received a total of 208 page views from January to March this year.

The new Living Well pages will be monitored to ascertain levels of usage and customer feedback sought on how useful they found the information contained within the portal.

## **Recommendation 7**

**That the County Council review how it allocates funding to the twelve Essex Citizens Advice Bureau, which takes greater account of local need rather than being allocated according to population levels, and that clear objectives be established for the provision of that funding.**

As a direct result of the recommendation from the Scrutiny Report on Financial Inclusion in 2014 Essex CABx worked with officer's within ECC's Commissioning Delivery function to develop a way that ECC's total grant funding contribution to all CABx in Essex (a sum of £123,000) could be divided between the CABx across the County

The resulting work developed a tool to be used which worked out each districts percentage of the available grant based on:

1. The percentage of the total Essex population;
2. Number of people living in wards with Index of Multiple Deprivation ("IMD") score of 10+ (areas of high deprivation); and
3. Number of CAB clients (in a given period)

## **Recommendation 8**

**That the County Council consider how it may provide practical support for the CAB to reach out to potential community champions within the business**



**sector who may be willing to finance the work of their local CAB, including the option that it provide additional monies to finance the employment of a CAB fund-raiser tasked with reducing CAB reliance on local authority grants.**

We are currently supporting one of the Essex CABs to develop a funding strategy to enable them to become financial self-sustaining in the long term. Chelmsford CAB has links with a number of VCS sector organisations and plans to engage with us on several projects later in 2015 to increase the sustainability of these organisations long-term

Essex County Council supports the new Essex Funder Forum which is being driven by the BIG Lottery Fund. The Forum is an opportunity for discussions to take place at a county level about Essex's funding needs and includes Essex Local Authorities (including the Unitaries of Thurrock & Southend) as well as Clinical Commissioning Groups (CCGs)

By bringing together local, national & statutory funders working in the area, we hope to be able to learn about the work that each funder does in the region (and nationally, where this is applicable). By sharing this intelligence and information in an open & honest way, we seek to develop funder collaborations & partnership funding opportunities.

#### **Recommendation 12**

**That the County Council provide practical support and expertise in assisting Credit Unions to reach out to potential community champions within the business sector who may be willing to help finance the work of their local Credit Union to reduce reliance on local authority funding.**

and

#### **Recommendation 13**

**That the County Council takes active steps to promote positively on its website and within the literature that it produces, the existence and potential suitability of borrowing and/or depositing monies with credit unions, and that all such information should be readily accessible to all.**

The Scrutiny Monitoring report in June 2014 asked further questions about what work was being done with Churches to 'promote' financial inclusion and whether ECC could adopt a stance where it would not advertise 'pay-day Loan' companies on any of our materials.

There are no protocols in respect of the promotion of pay day loan companies within Essex County Council, but as we have no corporate facility for this to happen, these would not be necessary.

Essex churches are active among the 25 locations from which the county's credit union Essex Savers delivers money management services to local communities.

Chelmsford Diocese offer payroll deduction to members of staff who belong to Essex Savers. The Church of England has published useful leaflets and guidance notes and is part of the Churches Against Poverty Network.

#### **Recommendation 14**

**That the County Council work with borough, city and district councils and housing authorities to encourage them to consider using credit union to deliver social outcomes and to promote the use of credit unions on their website and within their literature, and to both staff and citizens.**

All twelve borough, city and district councils have been approached to ask them what their intentions are with regards to funding CAB in the future and whether they would consider entering into a joint agreements with Essex County Council.

#### **Recommendation 15**

**That the County Council engage with local schools and with other appropriate bodies with expertise in their field to promote the development and use of financial literacy courses for school children, so that training in financial literacy plays a greater role in the school curriculum. A financial incentive could be provided to promote intra-school competition, which could see individual schools and school children work to develop an appropriate financial literacy programme for different school years.**

Financial literacy continues to be taught in secondary schools as part of the curriculum. Activity is ongoing working with a recently retired headteacher to design and develop an intra-school completion.

Discussions have been held with the secondary Head teachers about joining the Pisa Schools programme however interest is minimal at this stage due to the other pressures facing schools at the present time. This will continue to be raised on a regular basis.

#### **Recommendation 16**

**That the County Council offer a range of appropriate budget management and financial literacy course both through its Adult Community Learning and Libraries services.**

Programmes are offered free of charge to people who do not have a Level 2 Maths or English qualification and are designed to provide the individual with essential knowledge, skills and understanding that will enable them to operate confidently, effectively and independently in life and work.

In the academic year 2013 -14 (September 2013-August 2014):

- 476 people enrolled with Adult Community Learning on Functional Skills English programmes achieved their qualification
- 736 people enrolled with Adult Community Learning on Functional Skills Maths programmes achieved their qualification

In the academic year 2014-15 (September 2014-August 2015)

- 533 people enrolled on Functional Skills English programmes
- 710 people enrolled on Functional Skills Maths programme

Adult Community Learning delivers Functional Skills ICT within Apprenticeship 16-18 and 19+ programmes. The programme was delivered to 100 learners (2014-15) and includes the development of technological skills and the use of excel spreadsheets to record and manage financial data related to budgeting.

Adult Community Learning continues to work in partnership with a range of organisations, including the voluntary sector, to provide programmes that meet the needs of a diverse population. An example is a budgeting programme currently being developed with Barnardos and the Department of Work and Pensions.

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