

Financial Inclusion

Inter-Faith Engagement Event

**Nicky Cambridge, Communities and
Equality Team, Brighton and Hove City
Council**

25th July 2013



**Brighton & Hove
City Council**

Context

- National context – ‘perfect storm’ for most vulnerable
- Local context – less resource, new responsibilities
- Community and voluntary sector losing key income sources such as legal aid
- Total picture is difficult = increasing demand, decreasing resources



Brighton & Hove
City Council

Council's Approach

- Fast paced development programme leading to new Strategy adopted at P&R in March 2013.
- Transformative partnership approach which recognises difficult reality.
- Creation of Community Banking Partnership to respond to systemic nature of financial exclusion based on ABCDEF framework.
- Change required both internally and externally.
- Delivery mix of commissioning, organisational change and partnership working.



Brighton & Hove
City Council

New Programme

- Financial Inclusion Strategy has three ‘implementation plans’
 - Commissioning
 - Organisational Change
 - Partnership Working
- Strategic Outcome: ‘Residents in Brighton and Hove maintain and improve their financial wellbeing and resilience’.
- Delivery Principle: ‘Those most disadvantaged and at risk of exclusion will receive the greatest support in achieving better financial wellbeing and resilience’.
- All informed by Needs Assessment, EIA and ABCDEF Framework



Brighton & Hove
City Council

ABCDEF of Financial Inclusion

A = Advice. Specialist advice to help people deal with problems of debt, money and benefits (and often housing, employment and legal help too).

B = Banking. Transactional banking will be a critical response to the government's forthcoming Universal Credit programme.

C = Credit (Loans). Those financially excluded struggle to access afford credit turn to pay day loans and loan sharks.

D = Deposits (Savings). Encourage and supporting saving.

E = Education. Giving people the skills and knowledge to manage their own financial health.

F = Food and Fuel. No of households living in fuel poverty in Brighton and Hove risen to 16,000 in 2010. Basic shopping bills and increases in food poverty and use of food banks.



Brighton & Hove
City Council

What causes Financial Exclusion?

- Rising household and essential bills such as food, fuel and rent
- Poor education and training (leading to unemployment)
- Recession (which can a number of effects)
- Debt (often associated with loan sharks or pay day loan companies)
- Loss of home/job or family breakdown
- Illness, disability or bereavement within the family
- Becoming new parents (larger families often more vulnerable)
- Some groups particularly vulnerable e.g. those with disabilities, families from Black and Minority Ethnic communities, lone parents
- Changes to benefit entitlement
- Starting a new business
- Going into or coming out of prison
- Leaving the armed forces
- Reductions in income
- Long term worklessness
- Costs of school – uniform, trips, school dinners etc.



Brighton & Hove
City Council

The impact of financial exclusion:

FOR THE INDIVIDUAL/FAMILY:

- Increase in mental health problems (and other health problems) including depression, loss of self esteem, guilt and in extreme circumstances suicide
- Family breakdown and or neglect of children
- Loss of family home
- Inability to get a bank account or loss of account
- Bankruptcy leading to years of difficulty
- Paying more for basics – ‘the poverty premium’ estimated at £1,280 per year
- Not being able to access affordable credit (loans)
- Lacking the financial comfort of a small savings pot and no insurance
- Need for (but lack of) specialist and independent impartial advice
- Poor diet and inadequate clothing
- Being unable to fully participate in life – and for children that means in schools and learning
- Increase in likelihood of criminal activity



Brighton & Hove
City Council

The impact of financial exclusion:

FOR THE COUNCIL:

- Increase in demand for our services (often those most expensive such as social care)
- Rent (and other income) arrears leading to problems with Council budgeting.
- Increase in legal costs and challenges (e.g. as a result of evictions, bailiff visits etc)
- Increased transactional costs (financially excluded people may not have bank accounts)
- Rising debt levels in the city leads to poor ill health and associated problems.
- Increase in demand for and cost of temporary accommodation.



Brighton & Hove
City Council

Needs Assessment

- Those already most socially disadvantaged are likely to be those most at risk of financial exclusion. This includes groups such as those protected through the Equality Act 2010, but also those living in the city's most disadvantaged neighbourhoods and expensive city centre private accommodation.
- Many residents will experience cumulative disadvantages as they are from a number of affected communities and are living in areas or have tenures characterised by most challenging circumstances.



Brighton & Hove
City Council

Needs assessment continued..

People

- Women and lone female parents
- Families with a disabled child
- Older people living in fuel poverty/ or without a bank account
- Young people without a bank account and with low financial literacy
- Disabled people
- People with mental health problems
- LGBT people, with some groups within that designation being potentially more vulnerable such as trans people
- BME communities
- Gypsies and Travellers and other 'chronically excluded' groups (such as such as street homeless, temporarily housed, ex-offenders and refugees and migrants).
- Personnel leaving the Armed Forces
- Those surviving domestic violence
- Those who misuse substances and / or alcohol

Place

Moulsecoomb and Bevendean, East Brighton (Whitehawk)
Hollingdean and Stanmer, Queens Park
Hangleton and Knoll, Brunswick and Regency
St Peters



Brighton & Hove
City Council

Implementing the Strategy

- Financial Inclusion Strategy has three ‘implementation plans’
 - Commissioning
 - Organisational Change
 - Partnership Working
- Strategic Outcome: ‘Residents in Brighton and Hove maintain and improve their financial wellbeing and resilience’.
- Delivery Principle: ‘Those most disadvantaged and at risk of exclusion will receive the greatest support in achieving better financial wellbeing and resilience’.
- All informed by Needs Assessment, EIA and ABCDEF Framework



Brighton & Hove
City Council

Commissioning

- Emergency grants to mitigate against legal aid changes.
- Commissioning for 'Community Banking Partnership' through **ABCDEF** framework.
- A = advice, B = banking, C = credits (loans), D = debits (savings), E = education, F = Fuel and Food
- Three commissions through a 450k (currently one off) pot:
 - AEF** – prospectus grants model (300k)
 - CD** –ring fenced to Credit Union due to specialist nature (90k)
 - B** – private sector plus 10k development fund
 - E** – additional grants for neighbourhood activity focused on digital inclusion (50k)



Partnership Action Plan

Created through engagement of partners.

Example activity:

- Working with advice partnership to reconfigure advice, including 'advice hub'
- Creation of 'basic banking forum' for city
- Work with national consultancy on needs of private sector tenants
- Work with other local authorities in E/W Sussex on joint procurement
- Work with Food Partnership on food poverty
- Explore 'money mentors' programme in partnership with Toynee Hall, Housing and Community Learning Hubs
- Work with key affected groups on specific projects – e.g. Black and Minority Ethnic Communities, women (especially lone parents) and disabled people.
- Work with faith organisations as key places of support at time of crisis.

BHCC Organisational Change Plan

Created as a result of internal engagement and review of policy/practice.

Activity includes:

- Review of Council's Welfare Rights Team training offer (to ensure targeted and resourced appropriately)
- Work with libraries as key points of information/sign posting.
- Build on CBP work undertaken by Housing.
- Financial Inclusion Awareness Training for front line staff.
- Undertake 'Financial Health Check' through Toynbee Hall.
- Work with Council's Fuel Poverty Programme.
- Undertake 'cumulative impact assessment' of welfare reform.
- Ensure full integration with welfare reform programme.
- Exploring scrutiny on debt and high interest lenders.



Brighton & Hove
City Council

Finally

- Evolutionary process
- Performance management arrangements being developed (will be Interplan based)
- Recognise need for ongoing funding which will need to be evidenced through business case

CONTACT INFORMATION:

Nicky Cambridge (01273) 296827

nicky.cambridge@brighton-hove.gov.uk



Brighton & Hove
City Council