

# Adoption and Implementation of Financial Inclusion Policy

**Cabinet**

**Date: 13<sup>th</sup> July 2016**

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| Author:            | Deputy Leader of the Council and Cabinet Member Finance,<br>and Corporate Services<br><br>Director of Law & Democratic Services / Head of Revenues &<br>Benefits |
| Wards:             | All  |
| Locality Affected: | All  |
| Parishes Affected: | All  |

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## **1. Purpose and Reasons**

- 1.1 Following the appointment of the Social Inclusion and Welfare Manager, as agreed and funded by the One Swindon Board, seek Cabinet support for the adoption of the Financial Inclusion Policy. This Policy along with the projects being developed will help residents maximise their income and make the most of their money, helping them to live free from the harmful effects of poverty. Poverty can adversely affect wellbeing and health.
- 1.2 The report also seeks support to increase the numbers of residents who are members of Credit Unions. Credit Union membership increases the financial support available and repayment does not cause undue hardship.
- 1.3 The Council's Priority number four is to help people to help themselves, while always protecting the most vulnerable children and adults and Financial Inclusion helps meet this priority. The recommendations also contribute directly to the delivery of pledge 24 of the Council's Vision: to provide early support for people in debt so that we significantly reduce the need to use bailiffs to recover Council Tax and other debts.

## **2. Recommendations**

### Cabinet is recommended:

- 2.1 Adopt the proposed Financial Inclusion Policy attached at Appendix 1.
- 2.2 Authorise the Head of Revenues & Benefits to:
  - 2.2.1 Encourage residents to join Credit Unions, to ensure that if residents require financial support it is available and can be repaid, without causing hardship.
  - 2.2.2 Take the necessary steps to develop the projects summarised and set out in Appendix 1 and bring back to Cabinet for adoption as may be required.

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## 3. Detail

### Financial Inclusion

- 3.1 Swindon Borough Council has been running a successful programme to reduce the use of Enforcement Agents (bailiffs) for Council Tax arrears since August 2014 (Cabinet Minute 23, 2014/15 refers). Within the first year of operation, the Council had reduced the number of summons issued by 3,008 compared to 2013/4. At the same time the Council Tax collection rate improved by over 0.3% to 97.73. (Cabinet Minute 36, 2015/16 and associated report refers). During 2015/16 the number of summonses issued reduced by a further 1,600 and the number of Enforcement Agent (bailiff) referrals reduced by 1,899 (further information on this can be found in the Annual Debt Management Report).
- 3.2 In addition, in September 2015, Council adopted Priority number four, to help people to help themselves, while always protecting the most vulnerable children and adults. This included pledge 24, a commitment to reduce further the use of bailiffs (Council Minute 33, 2015/16 refers). Cabinet subsequently adopted the Council Plan to achieve these pledges and set a target to reduce the annual percentage of arrears cases leading to bailiff referrals.
- 3.3 A study into Financial Deprivation in Swindon using Financial information, and data from Council Tax, Housing Benefits, Housing rent and from the Swindon Emergency Assistance Fund, undertaken in October 2015, showed that those households in arrears and those requiring support were often the same. A number of these households were shown to have children. Following this study a business case was made and agreed by the One Swindon Board which led to the Appointment and funding for a Social Inclusion and Welfare Manager for a period of 17 months.
- 3.4 The Social Inclusion and Welfare Manager started work at the end of March 2016 and commenced working with partners and other Council officers in delivering a number of projects and has produced, in discussion with others the attached Financial Inclusion Policy.
- 3.5 If adopted by Cabinet, the list of suggested projects to be undertaken include:
  - 3.5.1 Maximise income and respond to welfare reform. This would ensure that residents claim their benefit entitlement and support is needed for those that need it to make their claims.
  - 3.5.2 Support residents to manage their debt by promoting and increasing the budgeting and debt advice that is available.
  - 3.5.3 Help residents to train, gain, and remain in employment through increasing the support available to support, coach and train those residents who need assistance.

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Further information on the subject of this report can be obtained from Andy Stevens, (01793) 464661, [anstevens@swindon.gov.uk](mailto:anstevens@swindon.gov.uk).

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- 3.5.4 Promote the expansion of affordable credit options, as an alternative to expensive payday loans or illegal money lending by increasing and promoting membership of credit union in Swindon and discourage the use of pay day loans and prevent the operation of 'loan sharks'.
- 3.5.5 Increase skills in money management, reduce fuel poverty, increase financial resilience, and promote access to bank accounts by assisting residents to switch energy suppliers and assist in the switch to credit meters. Promote eating well for less courses and access to bank accounts.
- 3.6 Further details of the projects are set out in Appendix 1.
- 3.7 These projects were presented and discussed at the Benefits and Welfare Reforms Strategy Cabinet Member Advisory Group on the 25<sup>th</sup> May 2016. The same meeting also received information on the work to prioritise emergency assistance awards to those with the greatest need and the development of additional communication via the Council's website and Facebook.
- 3.8 Attendees at the meeting noted the work being undertaken. Comments were made regarding what additional help could be provided to help individuals suffering with depression or mental health concerns. Further work on this is being undertaken and this will alter the delivery of some of the projects.
- 4. Alternative Options**
  - 4.1 Cabinet could request that officers investigate alternative projects and resubmit them for consideration. However, this policy statement has already benefited from contributions of external partners through the Benefits and Welfare Reforms Strategy Cabinet Member Advisory Group.
  - 4.2 Cabinet could choose not to adopt a policy, but this would delay or undermine achieving the relevant parts of the Council's Vision.
- 5. Implications, Diversity Impact Assessment and Risk Management**
  - Financial and Procurement Implications
    - 5.1 The cost of the Social Inclusion and Welfare Manager post is being met from the successful One Swindon bid and there have been no other costs identified with the Financial Inclusion work. Where successful Financial Inclusion work may prevent cost being incurred elsewhere in the Council or Public Sector, where the early intervention has prevent residents from falling into greater need and dependency.

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## Legal and Human Rights Implications

- 5.2 Legal and Human Rights considerations have been taken fully into account in compiling this report. It is considered that the steps taken by the Council in relation to Financial Inclusion are proportionate and compatible with convention rights.

## All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 An additional member of staff has been employed by the Council using the One Swindon bid money. Financial Inclusion will help the Council in achieving Priority four, which is to help people to help themselves, while always protecting the most vulnerable children and adults.

## Diversity Impact Assessment

- 5.4 A Diversity Impact Assessment (DIA) in respect of the Policy has been undertaken and no adverse impacts have been found. Consideration will be given as to how the projects will be delivered to all parts of the community, to maximise the benefits and how monitoring of this will be undertaken.

## Risk Management

- 5.5 Risks of the individual projects will be considered as part of their delivery.

## **6. Consultees**

- 6.1 The Board Director, Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.
- 6.2 The Benefits and Welfare Reforms Strategy Cabinet Member Advisory Group

## **7. Background Papers**

- 7.1 None

## **8. Appendices**

- 8.1 Appendix 1 – Financial Inclusion Policy

## **9. Key Decision/Decision in Cabinet Work Programme and Forward Plan**

- 9.1 This is not a Key Decision and is included in the Cabinet Work Programme and Forward Plan for July 2016.