

Appendix Two: Implementation Plan One: Commission

A Community Banking Partnership for Brighton & Hove

Vision for Commission

The council wishes to support the creation of an important new strategy and related initiative for the residents of Brighton & Hove. It is committed to and recognises the need to play a leadership role in relation to the city's financial wellbeing. Furthermore, it acknowledges that this needs to be done through a transformative partnership approach which facilitates the creative use of collective resource.

The difficult national climate and its consequent impact locally need radical responses. Financial exclusion has become a very real reality for many already vulnerable residents in the city, whilst services are struggling to respond to unprecedented demand. This tension is rehearsed, reviewed and met in this Strategy.

The creation of a Community Banking Partnership, (CBP), represents the council's funded commitment to responding to the systemic nature of financial exclusion. Our vision is for the creation of a transformational commission that enables the city to bring together partners in creating a replacement model for services that are no longer sustainable. It is therefore as much about cultural and organisational change as it about delivering services to meet identified need.

We are faced with the unfortunate reality that changes to public funding mean that the council cannot continue to fund and commission support in the same way and at the same levels. The broader picture means that a significant proportion of our community and voluntary sector provision is no longer sustainable. As part of this we recognise the council itself must change and this is reflected in our organisational change plan attached to our financial inclusion strategy.

We therefore offer this commission in the spirit of co-producing something new, exciting, dynamic and meaningful but also framed by the economic realities we all face.

1. Purpose of this Document

This document sets out Brighton and Hove City Council's Community Banking Partnership commissioning plan.

The commissioning plan is just one of three delivery plans aimed at reducing financial exclusion and improving financial health all of which are described in the Council's Financial Inclusion Strategy.

The commission aims to both specifically support residents who are experiencing the greatest need and address urgent gaps in areas of key

service provision.

Central to this approach is the intention to commission a sustainable 'Community Banking Partnership' (CBP) and the details of our approach to establishing this partnership is described below.

The council has identified funding for this project of £400,000 which will be used to commission the partnership. The Housing and Social Inclusion Team have already built the foundations for this work through their commissioned support for council tenants. It is therefore intended to develop and extend this model for the rest of the City.

The commission, in conjunction with the other actions within the broader strategy, is seeking to support the development and establishment of a sustainable CBP. The successful approach will therefore include significant collaborative activity that results in the development of CBP services that are sustainable in the longer term beyond the life of this commission.

The council will adopt an approach which maximises the benefits and opportunities of collaborating with partners in flexible and timely ways. It is currently seeking procurement advice and carrying out early engagement with the market to identify the appropriate mechanisms to do that. This document is therefore a draft expression of principles and approach and may be subject to further alteration.

2. Background

The City Council has undertaken a comprehensive, collaborative and evidence based approach to developing a Financial Inclusion Strategy and all associated documents can be found here: www.brighton-hove.gov.uk/financialinclusion. The city council's approach to Financial Inclusion has been developed as part of the authority's wider work on Welfare Reform, digital inclusion and Child Poverty, including our Safer Families, Safer Communities programme.

As part of this process the Council has worked with the city's Advice Partnership and key stakeholders to develop the following local definition of Financial Health:

"Having enough resources to meet basic needs adequately and to be able to make choices over a prolonged period to maintain physical and mental well being and participate in community and society."

To this end the City Council, with its partners, has defined the intended strategic outcome of the Financial Inclusion Strategy as follows:

"The residents of Brighton and Hove are able to maintain and improve their financial wellbeing and resilience."

This outcome is supported by the following delivery principle:

‘Those most disadvantaged and at risk of exclusion will receive the greatest support in achieving better financial wellbeing and resilience’.

The outcome aims to ensure residents are able to empower themselves in identifying and addressing the financial exclusion risks and problems they face and have sufficient resources to meet basic needs and manage economic change where and when it affects them. Through the delivery principle the strategy aims to ensure our approach best meets the needs of those in greatest need.

To achieve this, the strategy has identified three strategic actions with carefully aligned delivery plans and this commissioning plan. The strategic actions are summarised as follows:

The establishment of a sustainable **Community Banking Partnership** aimed at ensuring residents most disadvantaged and most at risk of experiencing financial exclusion are able to achieve better financial wellbeing and resilience.

Brighton and Hove City Council will review its organisational culture, policy and practice **to ensure it better supports financial wellbeing and resilience.**

City partners will work collaboratively together **to better utilise city resources and promote financial wellbeing and resilience.**

3. What is a Community Banking Partnership (CBP)?

One reason for the persistence of financial exclusion is that the diverse initiatives to tackle it normally only address one element of the problem; predominately those concerned with access to a bank or affordable loans.

A CBP seeks to address the systemic pressures and impacts leading to financial exclusion by bringing together a range of specialist partners who work together to provide a seamless support service to those affected by financial exclusion.

In developing the model nationally, CBP pathfinders have identified a model entitled the ‘ABCDE’ of financial exclusion. This has been adopted by the City Council with the addition of the letter ‘F’; as follows:

Advice – this includes specialist advice to help people to deal with problems of debt, money and fuel poverty. Tackling the wider causes and impacts of financial exclusion is also critical to this strategy however, so this strand will include activity to support the wider range of social welfare issues such as housing, debt, employment and welfare benefits legal advice.

Banking – the provision of services that enable residents to receive and make payments, store cash safely and act as gateways to other services. Transactional banking (the ability to make electronic transfers) will be a critical response to the government’s forthcoming Universal Credit programme, although access to transactional banking services is critical to all financially vulnerable residents.

Credits (Affordable Loans) – those at risk of financial exclusion struggle to access affordable credit and the market is swamped with ‘pay day loan’ companies offering quick, easy access to secure loans but at very high interest rates. This commission will address this by providing alternative low cost, easily accessible loans that have reasonable interest rates.

Deposits (Savings) – the commission will encourage and support saving. It has been demonstrated that even small amounts of savings **can help prevent greater poverty in the long term.**

Education – the commission will include a focus on empowering people to manage their financial health, as this is critical to a resilience approach. This activity will focus on the provision of opportunities to improve financial literacy through the city’s community learning hubs. Given the natural synergies with financial and digital literacy this will be integrated.

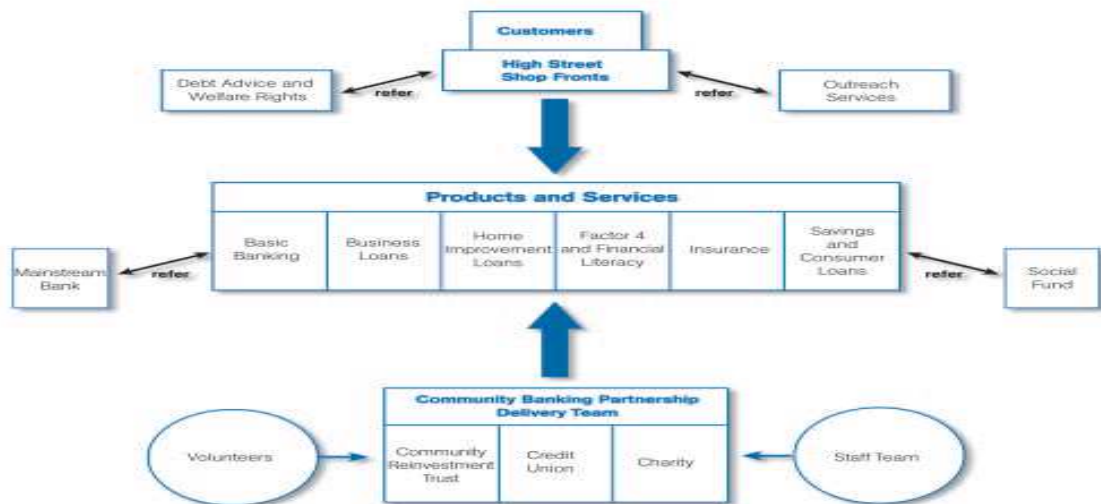
Food and Fuel – the number of households living in fuel poverty in Brighton and Hove has increased over the last three years rising to approximately 16,000 households in 2010. Equally basic shopping bills have increased considerably and there are certain pockets of the city facing food poverty. Central to the approach therefore will be the delivery of the council’s fuel poverty programme and partnership with the city’s food partnership to deliver on its priorities.

There are numerous ways in which these services can be delivered and the following diagram illustrates one approach. The council recognises however that the city will need to develop its own model that best fits local supply and demand.

Diagrammatic Model of an example Community Banking Partnership

The diagram below has been developed based on lessons from CBP pathfinder and pilot work across the country. The diagram captures key elements of successful CBP models, some of which have been operating since 2005.

This is an illustrative example of how a CBP might look. We recognise that a local response might look different and are therefore not prescribing any particular model. Outcome based commissioning gives the providers the flexibility to develop their own delivery structures.



Reference: http://www.neweconomics.org/sites/neweconomics.org/files/Community_Banking_Partnership.pdf

3.1 Objectives of the Community Banking Partnership

The following objectives have been identified through consultation and best practice learning from elsewhere in the country.

- 3.1.1 Provision of appropriate money, debt and fuel poverty advice and support involving practical help with household budgets, food purchasing, paying bills, tariffs and energy efficient measures.
- 3.1.2 Access to mainstream and alternative transactional banking services, with basic bank accounts being the start not the end of financial inclusion.
- 3.1.3 Provision of easy to access, affordable credit which includes small amounts and quick decision making.
- 3.1.4 Access to a savings (deposit) vehicle as evidence shows this is central to any long-term solution to financial exclusion, particularly one that seeks resilience as an outcome.
- 3.1.5 Provision of a range of educational opportunities in relation to financial literacy and digital inclusion and appropriate referrals into services that will support residents, (including young people), to improve their employment opportunities. This needs to include financial education in schools and youth settings.
- 3.1.6 Efficient and effective delivery of services and actions through the provision of integrated access, signposting and referral points for clients and service providers alike. The intention is for an experience of 'seamless offer.'

3.1.7 Appropriate signposting to employment services that enable people to gain long term sustainable work.

3.2 Key Principles for the Community Banking Partnership

The following principles have been identified through consultation and best practice learning from elsewhere in the country.

3.2.1 That services directly resourced and provided by the CBP through this commission are primarily for the benefit of the residents of Brighton & Hove. That these services are available and accessible to all residents but targeted to those people most at risk of financial exclusion as defined by the Financial Inclusion Needs Assessment and its recommendations (both people and place). This approach needs to include referral partnership work with the Stronger Families, Stronger Communities Programme.

3.2.2 That the CBP ensure residents understand how to access support in relation to their financial health by, for example, adopting a clear, unified and cohesive branding approach which is marketed and publicised appropriately.

3.2.3 That the CBP adopts (as a consortium or group of individual organisations) sector quality marks and operates through appropriate regulatory procedures.

3.2.4 That the CBP comprise relevant partners in delivering the ABCDEF model (consideration needs to be given to the membership and the membership review process). This approach needs to include referral partnership work with the Stronger Families, Stronger Communities Programme.

3.2.5 That the council is a key partner in the model and that it mobilises its resources where possible to help facilitate and deliver the objectives of the Partnership.

3.2.6 That the CBP works collaboratively to establish a sustainable service delivery model. This will include work to include fundraising from grant providers and partnership working with the council, the wider public and private sector and the community and voluntary sector.

3.2.7 That the CBP identifies and works with the wide range of services in the city that are either already, or interested to, support financially excluded residents. This should include services for young people and vulnerable families in partnership with the Safer Families, Safer Communities programme and those working with key groups and places identified in the Needs Assessment.

3.2.8 That the CBP adopts a robust monitoring and evaluation approach across all partners that demonstrates impact, value for money and

reach.

- 3.2.9 That the CBP works in partnership with the Illegal Money Lending Team to identify loan sharking hot spot areas and ways to mitigate against this.
- 3.2.10 The CBP has effective and appropriate partnerships with established banks and other financial institutions
- 3.2.11 The CBP is able to support and respond to changes in local and national policy; for example, the forthcoming national banking partnership arrangements aimed at supporting the establishment of Universal Credit.
- 3.2.12 The CBP works to compliment statutory emergency assistance to people in financial crisis including social fund, children act payments and other support arrangements.
- 3.2.13 The CBP works in partnership with services aimed at relief of Food and Fuel Poverty. This needs to include links to voluntary and faith sector emergency assistance to people in financial crisis (e.g food and clothing provision).
- 3.2.14 Public engagement is critical to the development and delivery of the model to ensure it meets local need and aspiration. This should be built into the ongoing evaluation of its work.

3.3 Model of Delivery

The council will commission through an outcomes approach so that partners are able to work flexibly to create an appropriate partnership locally.

We will seek to work with providers who operate with strong social values and are able to demonstrate a detailed knowledge of Brighton & Hove's communities and have a track record of successful delivery as well as developing trust within the community for similar schemes. Detailed procurement arrangements are to be developed.

The authority will be seeking an appropriate allocation of the commission's resources to each part of the CBP framework (ABCDEF) in order to support the establishment of a sustainable delivery model and meet resident's needs as set out in the Needs Assessment. In some circumstances this may mean integrating with other previously resourced commission or activity to avoid duplication and build on existing activity; for example, by integrating the Council's Fuel Poverty programme into the CBP model.

The commission, in conjunction with the other actions in the strategy, is seeking to support the development and establishment of a sustainable CBP. The successful approach will therefore include significant collaborative activity that results in the development of CBP services that are sustainable in the

longer term beyond the life of this commission.

In addition the council would like to see the following:

- 3.3.1 A seamless model of delivery with the highest standards of inclusive customer service that enables access to services delivering on the ABCDEF objectives described above. Where possible there should be a 'one point of contact' approach with a single entrance (which could be virtual or physical) point, clear referrals process and access to diaries to make appointments or book courses across the range of service providers.
- 3.3.2 A lead accountable provider with responsibility for coordinating the Partnership.
- 3.3.3 Working agreements developed and signed by all partners.
- 3.3.4 A strong and cohesive brand across all delivery.
- 3.3.5 The production of an Equality Impact Assessment to support the requirement of working with, and focusing on, those most at risk of financial exclusion where and when it occurs (this may include offering outreach services in key neighbourhoods identified by the Needs Assessment).
- 3.3.6 Appropriate arrangements for monitoring the equalities demographic of clients accessing services e.g. understanding reach in relation to key groups such as disabled people and women.

3.4 Outcomes and Outputs from the Commission

A huge variety of outcomes and outputs have been achieved through Community Banking Partnerships around the country. Through this commission we are seeking a focus on the following actions, outcomes and outputs

Strategic Action: The establishment of a sustainable Community Banking Partnership aimed at ensuring residents most disadvantaged and most at risk of experiencing financial exclusion are able to achieve better financial wellbeing and resilience.

Outcome: Clients benefiting from the CBP will report a greater sense of well being as a result of being able to maintain and improve their financial wellbeing and resilience.

Sub Outcomes:

Improved Money and Budget Management

- Clients have increased ability and confidence in managing everyday finances including contracting utility companies and are able to do so without the need for ongoing support.
- Clients have increased financial literacy and access more financial education.

Improved Access and Use of Financial Services

- Clients are able to receive and make payments easily through mainstream or alternative transactional banking services.
- Clients are able to save and therefore better able to cope with financial crisis and changes in circumstance.
- Clients have better access to the range of financial services available to them including loans
- Clients have increased knowledge and confidence in using appropriate financial services that support better financial inclusion.

Improved Access to Information, Advice and Assistance

- Clients know where to access information and advice
- Clients are supported to use the right channel for their needs including face to face, telephone and online.
- Clients are supported to access information, guidance and practical help with food budgeting and management.

Outputs:

- Services are available and accessible and targeted to those people most at risk of financial exclusion as defined by the Financial Inclusion Needs Assessment and its recommendations.
- Increased number of clients with appropriate and well managed transactional payment options.
- Reduction in levels of borrowing amongst service users.
- Where borrowing is required this is characterised by increased responsible small loan awards together with decreased use of loan sharks and sub prime lenders
- Number of clients seen by the CBP, monitored by criteria to be agreed through the Needs Assessment.
- Increased levels of saving.
- Increased take up of insurance products.

4. Funding

The council has an available pot of £400,000 available to support this commissioning plan. It is keen to engage potential suppliers in how best to allocate and develop the procurement process to contract and deliver a CBP.

Please note it is the authority's broader intention to ensure any other commissioning of financial health services is aligned to our financial inclusion strategy. A related commission on Digital Inclusion will be undertaken in April and be aligned to this.

5. Timescales

The council's financial inclusion strategy will be presented at its Policy and Resources Committee Meeting on the 21st March 2013. It is hoped that the commissioning process will commence as soon as possible after this date with the funding period starting in 2013 (subject to bidding and negotiation processes) and running until March 2015.

6. Commissioning and Procurement

The council will adopt an approach to this commission that maximises the benefits and opportunities of collaborating with partners in flexible and timely ways. It is currently seeking procurement advice and undertaking early engagement with the market to identify the appropriate mechanisms to do that.

8. Performance Management

Adoption of an appropriate performance management framework and associated indicators will be critical to the negotiation and implementation of this commission. Performance management will include regular reporting to the commissioner, the Financial Inclusion Delivery and Performance Management Board and annual reporting to the Council's Policy and Resources Committee.

9. Key Contact

If you have any questions or would like more information on this commission please contact the council's Policy, Performance and Analysis team:

Nicky Cambridge, Financial Inclusion Commissioner
Communities and Equality, Brighton & Hove City Council
(01273) 296827
nicky.cambridge@brighton-hove.gov.uk