

Appendix E

National review of strategies to tackle financial exclusion in local authorities.

The following local authorities have been recognised for their best practice in delivering financial inclusion strategies:

WEST SUSSEX COUNTY COUNCIL

A number of other local authorities have decided to adopt the CBP model in promoting financial inclusion. West Sussex's Financial Inclusion Strategy sets out their rationale for using a Community Banking Partnership as the strategic framework for FI work, following the South Hampshire model.

LEEDS CITY COUNCIL

Following extensive research, Leeds City Council took the decision to deal with financial inclusion particularly in the more deprived communities in the city. In order to ensure a long-term and sustainable commitment, political support was secured from across all the Council's main political parties. A steering group was established to cover all city council departments and many partners from the public, private and voluntary sector. A number of projects are now in place including embedding financial inclusion into all the main council and strategic partnership strategies and policies, development of financial literacy packages for school age children and offering families basic financial advice and debt counselling via the Council's Children's Centres. Elected Members are actively involved. The project was initiated by and regularly reports to the Leeds Economy Partnership (LEP) which is chaired by the Executive Member for Development. All aspects of this work have followed extensive user engagement and are user-led. Leeds City Council have utilised already existing networks, such as One Stop Shops and benefits offices to reach vulnerable people and help tackle their financial problems.

SHEFFIELD CITY COUNCIL

Sheffield City Council recognises the need to create a sustainable alternative to doorstep lenders and loan sharks for those who are financially excluded. The Local Strategic Partnership, Sheffield First, has adopted 'A Financially Inclusive Sheffield' and the local authority is working with a range of partners such as Moneyline Yorkshire (IPS) Ltd, Sheffield Credit Union and Financial Inclusion Services (Yorkshire) Ltd. Sheffield City Council has high levels of commitment to this agenda from senior officials up to Chief Executive level as well as cross-party support from elected members. Sheffield City Council has a working partnership with Housing Associations in the city, and had introduced shared access to benefit systems in order to facilitate greater shared understanding of customers' financial situations. Sheffield City Council have a wide range of project and initiatives such as city wide credit union, setting up of a financial inclusion consortium, the face to face debt support workers, schools workers and local collection points for credit unions and city bond to address financial inclusion.

SOUTH TYNESIDE COUNCIL

In South Tyneside creating and retaining wealth is in the Corporate Strategy and promoting financial inclusion and tackling over-indebtedness is a key element of the Council's closing-the-gap approach to regeneration and transformation. In 2003, a partnership was formed by the Council, TEDCO (local enterprise agency) South Tyneside Credit Union, Citizens' Advice Bureau and STRIDE to develop the programme to reduce hardship, provide alternatives to high-cost lenders and assist

residents to gain financial capability. The partners recognised that they served the same client groups and took a collaborative approach to analysing needs and developing customised solutions.

Elected Members support this work through Scrutiny and Constituency work and also as Chair and Vice Chair of South Tyneside's Community Legal Services Partnership. The Council held a series of 'neighbourhood days' to understand how people experience social exclusion. The primary objectives are to increase local money flows to generate wealth retention and economic activity leading to a virtuous cycle of improvement. A leaflet entitled 'Your Money and You' was also developed by local residents, and has been widely distributed within the authority.

LONDON BOROUGH OF NEWHAM

BHCC could follow the example from the London Borough of Newham where the local authority deposits money in a Credit Union account on behalf of looked after children who are then able to withdraw it at 18 with conditions. On leaving care, the young person is able to open their own Credit Union account to support the setting up of a new home. Financial education is also provided aimed at assisting looked after children to manage their money and tenancy commitments more effectively.

LAMBETH COUNCIL

Financial support for families

'Every Pound Counts' was a three year campaign in Lambeth to increase take up of benefits by vulnerable groups. A central referral hub allows benefit advisers to access relevant council databases, with the client's permission, and share the information with partner advice agencies. This helps to identify those who are missing out on benefits and improves the service offered to vulnerable users. The project costs over three years were £672,000 which released £3,750,000 in benefits to 2000 recipients.

NORTH TYNESIDE AND SOUTH TYNESIDE COUNCILS

Sustained employment for parents

The Tyne Gateway Project trains parents who are living in poverty to become community entrepreneurs. Individuals are targeted and encouraged to attend an awareness raising course to prepare for full time employment as a community Entrepreneur. Support is provided through Jobcentre Plus, local Further Education colleges and the Family Information Service. Successful graduates of the course go on to develop projects that focus on tackling child poverty at a local level, using their own knowledge and experience of living below the poverty line. In addition to increased income participants report a shift in their attitudes towards benefits with increased aspirations both for themselves and for their children.

KIRLEES COUNCIL IN PARTNERSHIP WITH CITIZENS ADVICE BUREAU

Children's Centre Moneywise Project, Kirklees

Citizen's Advice Bureau advisors work alongside Children's Centre staff focusing on uptake of unclaimed benefits and managing debt payments. For an annual service cost of £100,000 in 2008 this project secured £602,000 in income gain and debt management for 556 families. This shows clear value for money and has added outcomes around increased financial inclusion.

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