

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Corporate Director – Place</b>
<b>Date of Decision:</b>	<b>18<sup>th</sup> April 2017</b>
<b>SUBJECT:</b>	<b>FINANCIAL INCLUSION STRATEGY</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref:003368/2017</b>
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved <input type="checkbox"/></b> <b>O&amp;S Chairman approved <input type="checkbox"/></b>
<b>Relevant Cabinet Member(s) or Relevant Executive Member</b>	<b>COUNCILLOR TRISTAN CHATFIELD, CABINET MEMBER FOR TRANSPARENCY, OPENNESS AND EQUALITY</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Mohammed Aikhlaq, Corporate Resources and Governance</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
<p>1.1 To update Cabinet on the production of the Financial Inclusion Strategy for Birmingham City Council and Birmingham Financial Inclusion Partnership.</p> <p>1.2 To seek approval to the adoption of the Financial Inclusion Strategy and the associated action plan.</p>

<b>2. Decision(s) recommended:</b>
<p>That Cabinet approve -</p> <p>2.1 the adoption and publication of the Financial Inclusion Strategy and associated Action Plan</p>

<b>Lead Contact Officer(s):</b>	Karen Markall
<b>Telephone No:</b>	Welfare Reform Manager & Financial Inclusion Partnership Lead 0121 464 3427
<b>E-mail address:</b>	<a href="mailto:Karen.markall@birmingham.gov.uk">Karen.markall@birmingham.gov.uk</a>

### **3. Consultation**

#### 3.1 Internal

The strategy has been shared with senior officers across directorates who have commented upon the final draft. Consultation has been undertaken with all the Cabinet Members through the Executive Management Team.

#### 3.2 External

Throughout the process the Financial Inclusion partners have contributed and commented on the strategy. Appendix 2 provides a list of the partners.

### **4. Compliance Issues:**

#### 4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

This strategy fits into all four of the key council's priorities. The proposals aim to reduce economic inequalities between communities and ensure disadvantaged people have more opportunities and they are therefore consistent with the council plan. The Financial Inclusion Strategy has been developed to support and complement other BCC policies, plans and strategies including; Birmingham Child Poverty Commission Report, Birmingham Health and Wellbeing Strategy, Birmingham Homelessness Strategy and the national Financial Capability strategy.

#### 4.2 Financial Implications (Will decisions be carried out within existing finance and Resources?)

The funding for delivering this strategy is included in the approved budgets for services for 2017/18 and supporting financial inclusion and embedding it within service delivery, as business as usual, will deliver a range of benefits that could help reduce costs and improve organisational efficiency and effectiveness: potential benefits may include increased payment by direct debit, reduction in rent arrears, and more sustainable local centres through tenant sustainability. The costs of supporting financial inclusion are far outweighed by the costs of not supporting financial inclusion.

#### 4.3 Legal Implications

Under section 1 of the Localism Act 2011 the Council has the power to enter into arrangements set out in this report, which are within the remit and limits of the general power of competence as set out in sections 2 and 4 of the Localism Act 2011.

#### 4.4 Public Sector Equality Duty

Risk management and equality issues have been considered. No risks have been identified, the strategy is supporting all citizens in a coordinated response to financial exclusion.

## 5. Relevant background/chronology of key events:

- 5.1 The Birmingham Financial Inclusion Strategy 2017 -2020 replaces the Birmingham City Council Financial Inclusion Strategy, Counting the Cost 2010-2012, which saw the creation of a multi – agency Financial Inclusion partnership to deliver on its aims.
- 5.2 The legislative landscape has changed greatly since the last strategy was written with challenges such as Welfare Reform 2012, Local Government Finance Act 2012, Welfare Reform and Work Act 2016 and the Care Act 2014 impacting Birmingham Citizens greatly. The new strategy has been refreshed to reflect these changes.
- 5.3 Fundamental to the delivery of the Financial Inclusion Strategy and Action Plan is the council supporting the essential networks and Partnerships which link together businesses and third sector providers of support to the financially excluded.
- 5.4 This Financial Inclusion Strategy and Action Plan have been developed, and will continue to be developed as a multi-agency approach, in consultation and with the involvement of partners and stakeholders through the City's Financial Inclusion partnership.
- 5.5 There are 6 objectives within the action plan

**FINANCIAL PRODUCTS & SERVICES** - “Improve access to financial products including affordable and responsible credit, an appropriate bank account, basic home contents insurance and savings facilities”

**ADVICE, INFORMATION & FINANCIAL EDUCATION** -“Build financial resilience by ensuring citizens can access appropriate advice, information and financial education”

**FOOD & FUEL** - “Tackle inequalities by reducing the number of citizens living in food poverty; tackle inequalities that cause citizens to be living in fuel and food poverty whilst ensuring we are addressing the crisis”

**STRATEGIC INFLUENCE** – “Coordinate and embed standard financial inclusion , to improve strategic coordination of city led financial inclusion targets”

**EMPLOYMENT, EDUCATION, SKILLS & TRAINING** –“To provide support with education, skills and training to help people into sustainable, meaningful employment in order to achieve financial security”

**DIGITAL INCLUSION** - “Increase digital access through the development of digital skills, confidence whilst ensuring that digital products and services meet the needs of residents”

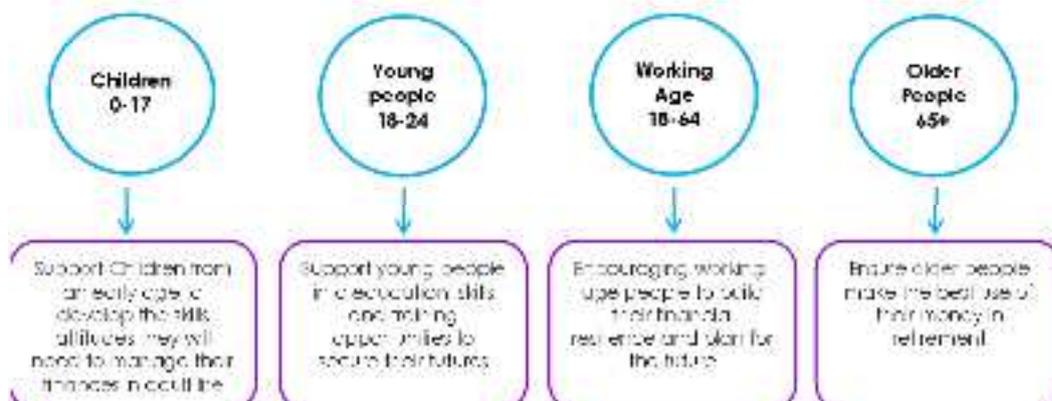
- 5.6 The aim of the partnership is to bring opportunities to citizens in Birmingham regardless of their start in life or situation. We will look to test and trial different approaches to meet the changing needs of citizens over a life time; addressing inequalities and building a set of common standards in our activities that will raise consistency and quality of service provision.
- 5.7 **Approach**  
The Financial Inclusion partnership approach is to ensure that local services are properly joined up and coordinated, with a ‘whole place’ approach to neighbourhoods, where collaboration and shared resources deliver the best outcomes for local people.

The strategy is underpinned by 3 principles:

<b>PREVENT</b>	<ul style="list-style-type: none"> <li>• Identify &amp; Tackle the root causes</li> <li>• Increase financial capability</li> </ul>	<b>Enabled by Policy, Strategy, collaboration &amp; Action</b>
<b>SURVIVE</b>	<ul style="list-style-type: none"> <li>• When difficulty or disaster strikes, ensure that there is appropriate crisis support</li> <li>• Citizens know how and are motivated to access support</li> </ul>	
<b>RECOVER</b>	<ul style="list-style-type: none"> <li>• Information, advice, education &amp; support to enable long term change (healthy behaviours) and resilience i.e. Sustainability.</li> </ul>	

### 5.8 Life Stages

The approach is to focus on the financial needs of all key life stages to ensure we can influence and shape activities to meet the changing needs of citizens. This will be reflected in the actions and activity that arise out of this strategy, thus ensuring that we meet the needs of the Birmingham community.



### 5.9 Collaboration

Adopting a proactive and preventative position to Financial Inclusion the partnership is collaborating closely with the Child Poverty Action Forum and Public Health on shared priorities that develop solutions to address inequality, and thus the root causes of exclusion.

5.10 This refreshed plan has been developed through collaboration between Birmingham Financial Inclusion Partnership (BFIP) members drawn from the community and voluntary sector such as Shelter and CAB, Birmingham Registered Housing Providers, Department of Works and Pension, financial institutions and officers of Birmingham City Council.

5.11 The strategy and associated action plan will be delivered through the Birmingham Financial Inclusion Partnership with partners taking the lead for each objective within the action plan directed by Birmingham City Council as the overall lead for the partnership.

- 5.12 Financial Inclusion is cross cutting priority which impacts across all the City's services. It impacts also on staff employed within the city and, as such, employment policies need to have due regard to this.
- 5.13 This strategy aims to provide the framework for shaping policies which directly and indirectly support the financial inclusion agenda. One of the key priorities is to identify any key gaps in policy development and to 'financial inclusion proof' existing policy, procedures, protocols and action plans.
- 5.14 The BFIP will ensure a 'whole place' style approach to tackling Financial Exclusion in Birmingham through shared services and the designing out of financial inclusion barriers in service design, policies and procedures

**6. Evaluation of alternative option(s):**

6.1 To do nothing is not an option for a city the size and diversity of Birmingham. Birmingham City Council is the best stakeholder to support the partners of the Birmingham Financial Inclusion Partnership to lead this process forward for Birmingham at this stage.

**7. Reasons for Decision(s):**

7.1 Adoption and endorsement of the Financial Inclusion Strategy at Cabinet level provides transparent and clear support and commitment to the strategy and a clear cohesive framework for action for Birmingham City Council and partners via the Financial Inclusion Partnership

<b>Signatures</b>	<b><u>Date</u></b>
Cabinet Member  ..... Cllr Tristan Chatfield Transparency, Openness and Equality	.....
Chief Officer  ..... Jacqui Kennedy, Corporate Director – Place	.....

**List of Background Documents used to compile this Report:**

1. Birmingham Financial Needs Assessment (2015)
2. Birmingham City Council Financial Inclusion Strategy 'Counting the Cost' 2010-2012, approved on 27<sup>th</sup> September 2010

**List of Appendices accompanying this Report (if any):**

1. Birmingham Financial Inclusion Strategy 2017-2020

<b>Report Version</b>		<b>Dated</b>	
-----------------------	--	--------------	--