

Plymouth City Council



Financial Inclusion: A multi agency strategy for Plymouth April 2009 to March 2012

Financial Inclusion is the process which ensures a person's incoming money is maximised, their out-goings are controlled and they can exercise informed choices through access to basic financial services.

Please ask if you would like this Financial Inclusion Strategy 2009-2012 in another language or accessible format, please contact 01752 304321

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Foreword

Against a national background of a rapidly worsening economic situation, Plymouth faces major challenges in supporting people to cope with financial pressures.

With the steep decline in house prices, increasing unemployment and unavailability of affordable credit, problem debt and house repossessions are increasing rapidly. Yet nationally, there is nearly £10 billion of unclaimed welfare benefits and tax credits. The biggest under-claims are in Council Tax Benefits (mainly pensioners), Pension Credit and Working Tax Credit.

During 2008, Plymouth experienced a 75% increase in mortgage and 57% increase in rent possession orders, compared to 2007. The third sector expects to deal with over £100m of debt in Plymouth this financial year, and - based on national figures – we could have £48.5 million in unclaimed welfare benefits and tax credits. In addition, almost 12,000 households in Plymouth are in fuel poverty.

People with problem debt and low incomes are likely to experience poorer quality of life and less opportunity. Often hard earned wages go on high interest credit repayments which means less of those wages are recycled within the city. Many don't feel the full benefit of a return to work as they are missing out on their entitlement to tax credits and welfare benefits. Their life story acts as a disincentive to others thinking of making the same journey and means Plymouth's overall income and expenditure is not as high as it could be.

The government recommends that those experiencing money problems seek expert advice. Its back to work agenda is likely to see an increase in enquiries from lone parents, sick and disabled people. However, tightening budgets mean many agencies are withdrawing these services. For instance, Job Centreplus has withdrawn its traditional role as first port of call for benefits advice; instead signposting callers to leaflets or the third sector.

Plymouth has a good track record of working in partnership on financial inclusion issues. Our award-winning multi-agency Income Maximisation Strategy, delivered over £13 million in previously unclaimed benefits and tax credits and we have a successful track record of commissioning advice services from the third sector. Nationally too, some progress has been made. Pension poverty has fallen by 50% over the last 6 years and over half a million children lifted out of poverty over the last five years. But we now face new challenges.

These challenges will inevitably see an increased demand for local advice and support services of the kind provided by the third sector. In Plymouth, November 2007 to October 2008 saw debt enquiries up 26% and welfare benefits enquiries up 50%, compared to the same period in the previous year.

Ensuring advice and support is provided in the best possible way and delivering financial inclusion through multi-agency work, are key components of our new Financial Inclusion Strategy. As part of our approach to tackling poverty and deprivation in Plymouth, we want to promote financial inclusion

Financial Inclusion is the process which ensures a person's in-coming money is maximised, their out-goings are controlled and they can exercise informed choices through access to basic financial services.

By promoting financial inclusion, we aim to maximise opportunities and improve quality of life during difficult times. This will contribute to narrowing the gap between our most and least deprived neighbourhoods. This will assist in making Plymouth one of Europe's finest, most vibrant waterfront cities where an outstanding quality of life is enjoyed by everyone through people becoming healthier, wealthier, safer and wiser.

Councillor Peter Brookshaw (Cabinet member for Safer and Stronger Communities, Housing and Supporting People and Community Cohesion)

Steve Meakin (Chair of the Institute of Money Advisers)

March 2009

Executive Summary

In 2006, PCC and its partners worked together to develop the only multi-agency Income Maximisation Strategy in England. The Strategy brought together advice agencies across all sectors to deliver the best possible services in Plymouth and was recognised in 2007 by the Institute of Revenues, Ratings and Valuations annual awards as best practice in the country. The Income Maximisation Strategy successfully coordinated services that dealt with over £190 million of problem debt and raised £13 million of previously unclaimed welfare benefits and tax credits.

However, the economic downturn presents us with new challenges in supporting people to cope with financial pressures. Unemployment is rising, house prices are falling and more people are experiencing fuel poverty. There is a lack of affordable credit and problem debt and house repossessions are increasing. There are also challenges in achieving national return to work and child poverty objectives. These changes are placing increased pressures on already stretched advice services.

In response to these issues, this Financial Inclusion Strategy 2009-2012 has been developed by Plymouth City Council in partnership with other organisations to improve financial inclusion. Financial Inclusion is the process which ensures a person's in-coming money is maximised, their out-goings are controlled and they can exercise informed choices through access to basic financial services.

In January 2009, a consultation document was distributed via partners across all sectors. It invited people to identify Financial Inclusion work that will enable Plymouth City Council and its partners to work together to co-ordinate and monitor progress and achieve the best possible results for the people of Plymouth. This consultation, together with an analysis of current issues has been used to inform the Financial Inclusion Strategy's key aims, which are:-

- Maximise take up of welfare benefits and tax credits with an emphasis on in-work benefits
- Reduce problem debt
- Provide accessible and high quality Financial Inclusion services
- Reduce fuel poverty
- Maximise opportunities for delivering Financial Inclusion through partnership working.

To achieve our aims, we will undertake a series of actions including :-

- Commissioning face to face debt and money advice
- Strengthening credit union provision as an alternative to doorstep lending
- Targeted advice to remove barriers to work e.g. tax credit and child care for parents
- Awareness-raising for advice agencies on fuel poverty
- Production of fact sheets reflecting economic climate
- Welfare benefits and tax credit take -up initiatives.

As a result of this consultation, we have identified the following changes in emphasis (compared to the previous Income Maximisation strategy – see paragraph 2.1):-

- Prioritisation of take up of *in-work* benefits and tax credits
- More focus on money and debt advice for people adversely affected by the economic situation
- Not only maximising income, but assisting people in using their money to best advantage;
- Delivering debt prevention services as well as debt remedy services.

The Financial Inclusion Strategy Action Plan provides detailed outputs and outcomes, against which progress will be monitored by a multi agency, multi sector steering group.

1. Introduction

1.1 People with problem debt and low incomes are likely to experience poorer quality of life and less opportunity than others. Quite simply, if you experience debt or income problems, you are less likely to be healthy, wealthy, safe or wise. Despite this, we know that every year, large numbers of people in Plymouth are experiencing problem debt and wasting their hard earned wages on high interest credit repayments. This means less of those wages are recycled within the city. Many don't feel the full benefit of a return to work as they are missing out on their entitlement to Tax Credits and Welfare Benefits and their life story acts as a disincentive to others thinking of making the same journey. This also means that the City's overall income and expenditure is not as high as it could be.

1.2 In response to these issues, this Financial Inclusion Strategy 2009-2012 has been developed by Plymouth City Council (PCC), in partnership with other organisations to improve financial inclusion in Plymouth. This builds on the work of our multi agency Income Maximisation Strategy 2006-2009 (See Appendix 2)

1.3 On the basis of consultation with a wide range of partners in the statutory and third sectors, and analysis of the effects of the current and emerging economic downturn in Plymouth, we have identified clear aims. This includes maximising welfare benefits and tax credits take up with an emphasis on in-work benefits, reducing problem debt and fuel poverty and delivering quality financial inclusion services through partnership working

1.4 We have considered the background and context for financial inclusion work in Plymouth, and this strategy describes how we intend to approach future work through a detailed action plan.

2. Background

2.1 In 2006, we developed the only multi-agency Income Maximisation Strategy in England and Wales. A working group was set up comprising representatives of all sectors. Feedback from subsequent consultation indicated strong support for PCC to lead the development of a multi agency Income Maximisation Strategy (IMS). As a result, the IMS was developed to address identified priorities. We achieved many positive outcomes, including realising over £12 million in previously unclaimed welfare benefits and tax credits, assisting over 5000 people with problem debt and a strong partnership approach between statutory and third sector partners to achieve real outcomes. (See Appendix 2)

3. New Challenges

3.1 The economic downturn presents us with new challenges in supporting people to cope with financial pressures. Unemployment is rising, house prices are falling and more people are experiencing fuel poverty. There is a lack of affordable credit and problem debt and house repossessions are increasing. There are also challenges in achieving national return to work and child poverty objectives. These changes are placing increased pressures on already stretched advice services

3.2 Despite this, nationally, as many as 6 million people missed out on means tested benefits last year totalling £10 billion. This includes up to 1.8 million pensioners estimated to be entitled

to Pension Credit, up to 2.9 million people missing out on Council Tax Benefit and almost a million people missing out on £2,280 million of unclaimed housing benefit.

3.3 In addition, Tax Credits are a crucial extra financial aid for those supporting children and those with low incomes. However, to many, the process is complex and confusing. Nationwide, around £4.3 billion worth of tax credits went unclaimed last year, and Citizens Advice received over 3.5 million calls from people who were confused by the Tax credit and benefit system.

3.4 Using these national figures, it is estimated that there is £48.5 million of unclaimed benefits & tax credits in Plymouth, with 25,000 people missing out on their full entitlement. This includes 7,750 pensioners who are entitled to Pension Credit as well as 11,800 people entitled to Council Tax Benefit and 4,000 entitled to Housing Benefit.

3.5 Law/policy changes

3.5.1 The government wants to see 80% of adults in work and plans radical welfare reform to get there. This includes simplifying working age benefits, and removing Incapacity Benefit in favour of Employment Support Allowance.

3.5.2 There are carrots and sticks: people may have to work for their benefits if still claiming Jobseekers Allowance after two years, but there is also the promise of personalised support to help disabled people into work. Child maintenance payments will no longer be deducted from out-of-work benefits for parents, but those on benefits whose eldest child is 12 or older will be expected to look for work.

3.5.3 Plymouth has a higher than average number of lone parents and people not working who receive Incapacity Benefit. (See appendix 4) It is precisely these two groups which the government is targeting with its "back to work" changes in welfare benefits. As households adapt to these new priorities, this is likely to lead to an increased need for advice services.

3.6 Debt

3.6.1 Problem debt is a growing concern. The statistics below illustrate the trend around lending and the increase in personal indebtedness¹.

- Total UK personal debt at the end of October 2008 stood at £1,455 billion, an increase of 4.7% over the previous 12 months. This equates to £64 billion more.
- Total consumer credit lending to individuals at the end of October 2008 was £235 billion. This was an increase of 5.5% over the previous 12 months.
- The average household debt in the UK is £59,630
- 1 person every 4.8 minutes is declared bankrupt or insolvent.

3.6.2 Using national averages, we can estimate that in Plymouth:-

- Total personal debt including mortgages is approximately £6.3 billion
- £1 billion is owed in non-secured debt.
- 1 in every 11 households or 18,000 people has debt that brings risk of poverty through debt repayments
- 36,000 in Plymouth have priority debts that they owe money on.
- The third sector expects to deal with over £100m of problem debt this year.

¹ www.poverty.org.uk

3.7 Repossessions

3.7.1 Nationally, there were 28,000 repossessions in 2007/08, an expected 45,000 repossessions in 2008/09, and an anticipated 75,000 in 2009/10. In addition, the most recent Citizens Advice Bureau figures for July to September 2008 (Q2 2008/9) show a 51% increase in new mortgage and secured loan enquiries. Locally, Plymouth County Court is experiencing an increase of repossession cases, as the table below shows.

REPOSSESSIONS IN PLYMOUTH (October to December 2008)		
	Total	% increase over the previous 12 months
Mortgages claims issued	217	18%
Landlord claims issued	297	77%
Mortgage possession orders made	198	75%
Landlord possession orders made	211	44%

3.8 Unemployment

3.8.1 In December 2008, UK unemployment was estimated at 1.92 million. This was an increase of 131,000 from the previous three months, the highest level since September 1997.

3.8.2 Unemployment in Plymouth has risen 53% in the last year, with the city's unemployment total increasing by 1,455, reaching a total of 4,176. This is expected to rise further

3.9 Fuel Poverty

3.9.1 A household is considered to be in fuel poverty if it spends 10% or more of its net income on achieving:-

- The main living area with an average temperature of 21°C;
- Other occupied rooms with an average temperature of 18°C;
- Temperatures maintained for 16 hours per day for homes that are occupied all day;
- Temperatures maintained for 9 hours per day for those homes whose inhabitants are in work or full time education. ¹

3.9.2 Fuel poverty currently affects approximately 2.4 million, or 11.5% of households in England. There are also approximately 23,900 excess winter deaths in England and Wales, of which the underlying cause is exposure to cold ². and a 10% increase in fuel debts compared to the same period last year (July to September 2007/2008)

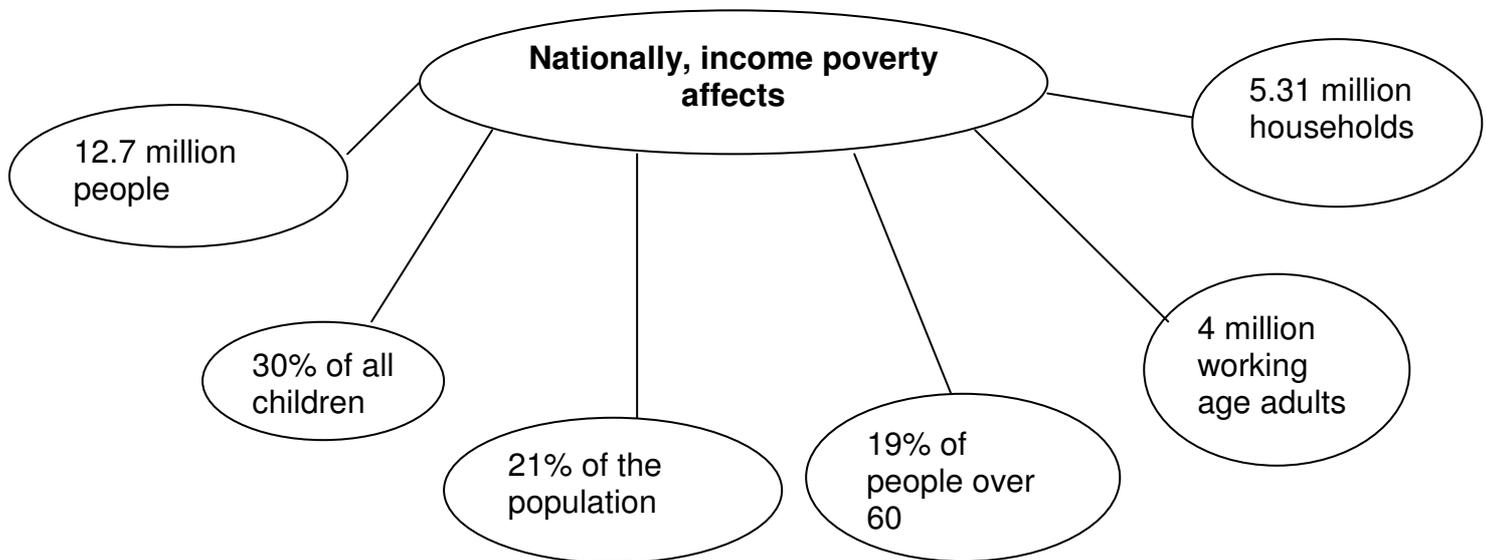
3.9.3 Fuel poverty decreased rapidly from over 6million households in 1996 to 2 million households in 2003. Since then fuel poverty has increased despite efforts to improve the energy efficiency of homes as price rises have significantly outstripped income rises.

3.9.4 Using national averages, almost 12,000 households in Plymouth are affected by fuel poverty. In addition, between April and September 2008, over 200 people/families approached advice organisations in Plymouth because they are unable to afford their gas/electric bills.

²www.berr.gov.uk/files/file48036.pdf

3.10 Income Poverty

3.10.1 A person is deemed to be experiencing income poverty if they receive less than 60% of UK average household income, after housing costs³.



3.10.2 Recent government initiatives have resulted in significant reductions in poverty amongst pensioners and children. Pension poverty has fallen by at least 50% over the last 6 years⁴ and over half a million children have been lifted out of poverty over the last five years⁵.

3.10.3 Using national averages, we can estimate that in Plymouth, approximately 1 in every 4.7 households experiences income poverty, with over 13,300 children and 10,200 pensioners directly affected. However, given Plymouth's position in the 2007 Index of Multiple Deprivation, when compared to national averages, these totals are likely to be higher.

3.11 Advice

3.11.1 The government recommends that those experiencing money problems seek impartial expert advice. In Plymouth, these services are largely provided by the third sector. However, these organisations already have waiting lists which are expected to grow. Plymouth Citizens Advice Bureau, which provides such advice, is seeing the effects of the economic downturn and has reported 34% more enquiries from people with debt and benefits problems in the last 12 months. A particular area of concern is a 35% increase in mortgage and secured loan arrears problems over the last 12 months.

³ www.cpag.org.uk

⁴ www.communities.gov.uk

⁵ IBID

4. Plymouth Sustainable Community Strategy

4.1 Our Local Strategic Partnership's vision for the future of Plymouth is ⁶:-

"By 2020, Plymouth will be one of Europe's best, most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone

It will be:-

- A healthy place to live and work
- A city which creates and shares prosperity
- A safe and strong city
- A location for learning, achievement and leisure".

4.2 Financial inclusion has a direct role to play in helping Plymouth meet its strategic objectives particularly in respect of:-

- Improving health and well-being
- Developing a prosperous economy
- Promoting inclusive communities.

4.3 Financial inclusion issues, particularly access to advice services for Welfare Benefits and Tax Credits, are explicitly referred to in Plymouth City Council's: Housing Strategy⁷; Homelessness Strategy⁸; and the Supporting People Strategy⁹. This Financial Inclusion Strategy therefore supports and complements the work being done in these areas. Financial inclusion work is also a specific element of the Council's corporate improvement priority 4 – Reducing inequalities between communities.

5. How we will improve financial inclusion in Plymouth

5.1 A consultation document was distributed via Plymouth Welfare Rights Forum members, Devon Money Advice Forum, Advice for All and Local Strategic Partnership partners as well as other statutory and Third Sector partners. It invited suggestions that will enable Plymouth City Council and its partners to work together to co-ordinate and monitor progress and achieve the best possible results for the people of Plymouth.

5.2 As a result of this consultation, we have identified the following changes in emphasis (compared to the previous Income Maximisation strategy – see paragraph 2.1):-

- Prioritisation of take up of *in-work* benefits and tax credits
- More focus on money and debt advice for people adversely affected by the economic situation
- Not only maximising income, but assisting people in using their money to best advantage;
- Delivering debt prevention services as well as debt remedy services.

⁶ Plymouth's Sustainable Community Strategy 2007-2020

⁷ Housing strategy 2008-2011

⁸ Plymouth Homelessness Strategy 2008-2011

⁹ Supporting People Five Year Strategy 2005-2010

5.3 Therefore, this Financial Inclusion Strategy and its associated action plan have been developed with five aims to address the issues identified as priorities during consultation.

The aims are:-

- Maximise take up of welfare benefits and tax credits with an emphasis on in-work benefits
- Reduce problem debt
- Provide accessible and high quality Financial Inclusion services
- Reduce fuel poverty
- Maximise opportunities for delivering Financial Inclusion through partnership working.

5.4 Central to achieving our Financial Inclusion Strategy's aims is the provision of good advice and support services. This strategy will be used to inform our commissioning of these services.

5.5 To achieve our aims, we will undertake a series of actions including:-

- Commissioning face to face debt and money advice
- Strengthening credit union provision as an alternative to doorstep lending
- Targeted advice to remove barriers to work e.g. tax credit and child care for parents
- Awareness-raising for advice agencies on fuel poverty
- Production of factsheets reflecting economic climate
- Welfare benefits and tax credit take-up initiatives.

5.6 Our action plan will be monitored quarterly to ensure barriers are addressed and targets achieved.

6. Conclusion

6.1 This strategy sets out the context and background to financial inclusion work and explains why we need a Financial Inclusion Strategy and action plan in Plymouth. It outlines what we need to do to improve financial inclusion and how we intend to achieve this, together with links to the Plymouth Sustainable Community Strategy. The following action plan provides the detailed action, targets, outputs and outcomes, against which we will monitor progress.

FINANCIAL INCLUSION STRATEGY ACTION PLAN 2009-2012

AIM 1 – Maximise take up of welfare benefits and tax credits with an emphasis on in-work benefits					
Objectives	Actions	Partners/Lead	Targets	Output/Outcomes	Timescales
1.1 - Ensure take up of in-work welfare benefits and in work tax credits.	1.1a - Commission and establish welfare benefits and tax credit advice services, encouraging partnership work where appropriate.	Plymouth City Council (Social Inclusion Unit), Third Sector organisations. Contract delivery organisation(s) to be confirmed	Achieve a city wide total of at least £4m per annum of previously unclaimed Welfare Benefits and Tax Credits.	Increase the “value”of work and reduce poverty.	April 2009 and quarterly review.
1.2 - Support families to access welfare benefits and tax credit services, working in partnership where appropriate	1.2a. Work to engage with vulnerable groups to increase take up of in work tax credits and associated welfare benefits	Plymouth City Council (Social Inclusion Unit), Third Sector organisations. Contract delivery organisation(s) to be confirmed.	Achieve a city wide total of £600,000 in child and family related benefits and contribute to a total of at least £4m per annum of previously unclaimed Welfare Benefits and Tax Credits,	Reduce the amount of children in poverty in Plymouth.	April 2009 and quarterly review.
	1.2b – Deliver targeted campaigns aimed at different vulnerable groups e.g. pensioners, carers, homeless people, people with learning disabilities etc	Plymouth City Council (Social Inclusion Unit), Third Sector organisations. Contract delivery organisation(s) to be confirmed.	Deliver at least 4 targeted campaigns per year	Improve access for vulnerable groups and reduce barriers to entitlement of in-work tax credits and welfare benefits	April 2009 and quarterly review.

AIM.2 – Reduce problem debt					
Objectives	Actions	Partners/Lead	Targets	Output/Outcomes	Timescales
2.1 - Provide debt and money advice services	2.1a –Commission debt and money advice services, encouraging partnership work where appropriate.	Plymouth City Council (Social Inclusion Unit), Third Sector organisations. Contract delivery organisation(s) to be confirmed	Contribute to an advice network that will deal with a city wide total of £100m in personal problem debt per annum,	More people have access to debt advice in Plymouth	April 2009.
2.2 – Support vulnerable groups to access debt and money advice services, working in partnership where appropriate	2.2a – Deliver targeted campaigns aimed at different vulnerable groups e.g. carers, homeless people, people being repossessed, people with learning disabilities etc	Plymouth City Council (Social Inclusion Unit), Third Sector organisations. Contract delivery organisation(s) to be confirmed	Deliver at least 4 targeted campaigns per year aimed at different vulnerable groups	Improve access for vulnerable groups and reduce barriers to debt and money advice services	April 2009 and quarterly review.

AIM.3 – Provide accessible and high quality Financial Inclusion services					
Objectives	Actions	Partners/Lead	Targets	Output/Outcomes	Timescales
3.1 – Improve financial inclusion provision and services	3.1a - Encourage partners to make funding bids in order to support and develop provision of financial inclusion services	Plymouth City Council (Social Inclusion Unit) , Third Sector organisations	Secure £600,000 per annum of external funding	More funding for advice services in Plymouth	April 2009
	3.1b – Continue to develop and support Advice For All as a network for advice organisations	Plymouth Citizens Advice Bureau , Plymouth City Council, Third Sector organisations	Develop a dedicated website and encourage more partnership working	Increase the opportunities for people to receive advice services	April 2009
	3.1c – Promote and develop a strong Credit Union in Plymouth, to become a formal partner with Plymouth City Council	Plymouth City Council (Social Inclusion Unit) , City of Plymouth Credit Union, Fortress Credit Union, Hope Credit Union.	Identify a preferred Credit Union provider for the city and investigate payroll deductions for PCC staff	Reduce financial exclusion through Credit Union services that provide opportunities to save and access low cost credit	Oct 2009 and 6 monthly review
	3.1d – Promote the Advice 4 All training programme for advisors and organisations	Plymouth Citizens Advice Bureau , Plymouth City Council, Third Sector organisations and education providers.	Ensure training programme is available on at least 2 websites and in 2 city wide publications	Increase the quality and breadth of advice in Plymouth	July 2009 and quarterly review
	3.1e – Train PCC front line staff and members in Financial Inclusion topics	Plymouth City Council (Social Inclusion Unit) , Third Sector organisations and education providers.	Train at least 20 front line staff and 10 members	People using the call centre, and councillor surgeries receive appropriate advice	Dec 2009 and quarterly review

AIM.3 – Provide accessible and high quality Financial Inclusion services (Cont)					
Objectives	Actions	Partners/Lead	Targets	Output/Outcomes	Timescales
	3.1f - Develop outreach advice services in the community e.g. community centres, Sure starts, schools etc.	Plymouth City Council (Social Inclusion Unit), Third Sector organisations. Contract delivery organisation(s) to be confirmed.	Ensure that there are at least 10 regular outreach services in Plymouth, delivered in the community	More people have accessible advice services	March 2010

AIM.4 – Reduce fuel poverty					
Objectives	Actions	Partners/Lead	Targets	Output/Outcomes	Timescales
4.1 Improve education and awareness about energy efficiency and fuel poverty.	4.1a – Deliver fuel poverty awareness sessions to multi-agency staff, advisers, community, user and interest groups.	Westcountry Energy Action Plymouth City Council, Third Sector organisations	Deliver fuel poverty awareness sessions to a minimum of 100 people per annum.	More fuel poverty advisors in Plymouth	April 2009.
4.2 Embed fuel poverty awareness within the advice process.	4.2a - Provide fuel poverty advice in the context of general financial inclusion advice services.	Plymouth City Council (Social Inclusion Unit) , Third Sector organisations	Ensure that front line financial inclusion services have trained fuel poverty advisers	Increased knowledge and understanding of issues regarding fuel poverty.	October 2009.
4.3 Raise awareness in the advice sector to alleviating fuel poverty in generic advice services	4.3a- Arrange a fuel poverty conference	Plymouth Citizens Advice Bureau	Deliver a conference for at least 100 people	Reduction in fuel poverty as more advice is given on accessing, best deals etc.	September 2009
4.4 Reduce fuel poverty by maximising income by other sources	4.4a- Make applications to utility trust funds and other charities to pay off energy debts	Plymouth Citizens Advice Bureau	50 applications in one year	More people assisted with fuel debt	April 2010

AIM 5 Maximise opportunities for delivering Financial Inclusion through partnership working					
Objectives	Actions	Partners/Lead	Targets	Output/Outcomes	Timescales
5.1 - Support Financial Inclusion partnership working	5.1a – Develop further partnership work with Third Sector	Plymouth City Council (Social Inclusion Unit) , Third Sector organisations	Identify and provide specific support for the Plymouth Welfare Rights Forum, and Devon Money Advice Forum.	A strong Plymouth Welfare Rights Forum, and Devon Money Advice Forum, that acts as advisors to the Financial Inclusion Strategic Steering Group	April 2009 and six monthly review.
	5.1b – Develop further partnership work with private and public sector partners	Plymouth City Council, Third Sector organisations Contract delivery organisation(s) to be confirmed	Establish 5 initiatives to work with The Pensions Service, Jobcentre Plus, Her Majesty's Revenues and Customs and fuel providers.	Improved links to deliver more and better advice	April 2009
5.2 Promote financial inclusion services and information	5.2a –Commission financial inclusion advice services, encouraging partnership work where appropriate.	Plymouth City Council (Social Inclusion Unit), Third Sector organisations. Contract delivery organisation(s) to be confirmed	A dedicated financial inclusion advice service in Plymouth	More people have access to financial inclusion advice in Plymouth	April 2009.
	5.2b - Produce a regular series of financial inclusion fact sheets for circulation to advisors and service-users.	Plymouth Citizens Advice Bureau Plymouth City Council, Third Sector organisations	Produce 4 fact sheets per annum to be included on at least 2 websites	Improve information relating to income maximisation service providers.	October 2009.

AIM 5 Maximise opportunities for delivering Financial Inclusion through partnership working (Cont)					
Objectives	Actions	Partners/Lead	Targets	Output/Outcomes	Timescales
	5.2c – Produce a regular series of financial inclusion advice articles to be included in a variety of different media outlets	Plymouth City Council (Social Inclusion Unit) , Third Sector organisations.	Produce and distribute 8 financial inclusion articles per annum	Provide an opportunity for information sharing, networking and awareness-raising about financial inclusion issues	April 2009.
	5.2d Develop financial inclusion pages on Plymouth City Council website, including investigating the possibility of using interactive software	Plymouth City Council (Social Inclusion Unit) ,	A dedicated set of web pages that attracts more users	Increase the opportunities for people to receive advice services	March 2010
	5.2e Deliver services to encourage the take – up of free school meals, particularly in localities of greatest need.	Plymouth City Council (Childrens Services), Third Sector organisations. Contract delivery organisation(s) to be confirmed.	Take-up to be specifically linked to other advice work in contract and to also include 4 targeted initiatives per year to increase the number of children accessing free school meals	More children receive free school meals leading to maximisation of income and healthy eating	March 2010

AIM 6 Monitor, evaluate and review the Financial Inclusion Strategy					
Objectives	Actions	Partners/Lead	Targets	Output/Outcomes	Timescales
6.1 - Monitor and evaluate progress made towards overall aims identified in the Financial Inclusion Strategy Action Plan.	6.1a - Set up and facilitate quarterly meetings to monitor and evaluate actions identified in the Financial Inclusion Strategy.	Financial Inclusion Strategy Steering group.	1 meeting to be held per quarter commencing July 2009.	Improve strategic co-ordination and service delivery against agreed targets.	July 2009 and quarterly review.
	6.2b – Produce and distribute regular statistics on city-wide take-up figures of Welfare Benefits and Tax Credits and the amount of debt advice given.	Plymouth City Council (Social Inclusion Unit) , organisations providing welfare benefit, tax credit and debt advice services	Statistics produced and distributed quarterly	Improve understanding of Welfare Benefits and Tax Credits take-up, debt advice work, promote achievement and inform target setting and analysis.	April 2009 and quarterly.
	6.3c- Engage with external stakeholders to analyse the affect of help received	Plymouth City Council (Social Inclusion Unit) , organisations providing financial inclusion advice services	50 clients randomly selected and questioned about the effectiveness and appropriateness of the advice received	Independent and impartial audit achieved	February 2010

Appendix 1

A brief guide to Welfare Benefits and Tax Credits

ATTENDANCE ALLOWANCE

A tax free, non-contributory and non means-tested benefit paid to people aged 65 or over who have needed help with personal care for at least 6 months (For people aged under 65, please see section on Disability Living Allowance).

There are two rates of benefit depending on the amount of care and assistance required.

BEREAVEMENT ALLOWANCE

A taxable, contributory and non means-tested benefit, payable up to the 52nd week from the late spouse's death.

It is a weekly benefit payable to widows and widowers aged between 45 and state pension age.

BEREAVEMENT PAYMENT

A tax free, one off lump sum of £2000 payable when the late spouse has paid a certain level of national insurance contributions.

It is non means-tested and payable to the surviving partner as long as they or the deceased spouse were not receiving retirement pension at the time of death.

CARERS ALLOWANCE

A taxable non-contributory and non mean-tested benefit which is payable to someone who is caring for a person receiving Attendance Allowance, or the middle/highest rate care component of Disability Living Allowance.

CHILD BENEFIT

A non-taxable, non-contributory and non means-tested benefit payable to anyone bringing up children.

The child must be aged under 16, or under 20 and studying in full-time non-higher education,

CHILDS TAX CREDIT-

A non-taxable, non-contributory means-tested benefit payable to anyone bringing up children.

The child must be aged under 16, or under 20 and studying in full-time non-higher education

COUNCIL TAX BENEFIT

A tax free, non-contributory and means-tested benefit paid by the Local Authority, to help cover or pay towards Council Tax.

DISABILITY LIVING ALLOWANCE

A tax free, non-contributory and non means-tested benefit payable to people with disabilities before the age of 65, and who have needed care or had mobility problems for at least 3 months.

There are two components to the allowance based on care need and mobility issues.

Either or both of the components may be claimed.

EMPLOYMENT SUPPORT ALLOWANCE

Introduced on 27 October 2008 and replaced Incapacity Benefit and Income Support paid on incapacity grounds for new customer and is a new way of helping people with an illness or disability move into work, rather than stay on benefits.

HOUSING BENEFIT

A non-taxable, non-contributory and means-tested benefit paid by the Local Authority to help cover or pay towards rent

INCAPACITY BENEFIT

A non means-tested, contributory benefit that is taxable at the two highest levels. It is payable to people who are incapable of work for at least 4 consecutive days. Some occupational pensions may be taken into consideration.

People under 20 years of age should claim Incapacity Benefit In Youth.

The illness must have started before pension age, and the claim should be made within 3 months of the first day of sickness.

Employment Support Allowance has replaced this benefit from 27th October 2008

INCOME SUPPORT

A tax free, non-contributory and means tested benefit to help with everyday living costs. It can be paid to top up existing income or to people with no income. The amount you get depends on your family circumstances, your health, age, your income and any savings you may have. It is not payable to people who work for 16 hours or more per week, or have a partner that works 24 hours or more per week.

INDUSTRIAL INJURIES DISABLEMENT BENEFIT

A tax free, non-contributory and non means-tested benefit paid to people who become disabled because of an accident at work or due to certain prescribed diseases caused by their job.

JOBSEEKERS ALLOWANCE

The benefit is divided into two allowances.

Contributory Jobseekers Allowance is a taxable, non means-tested benefit paid to unemployed people aged 18 and above, who work for less than 16 hours per week.

Income-based Jobseekers Allowance is a taxable, means-tested and non-contributory benefit paid to unemployed people aged 18 and above, who work for less than 16 hours per week.

LOCAL HOUSING ALLOWANCE

Local Housing Allowance (LHA) is a way of calculating Housing Benefit for tenants renting accommodation from a private landlord. It was introduced nationally on 7 April 2008. It applies to private sector tenants who make a new claim for benefit, and for existing customers on Housing Benefit who change address or move into private sector accommodation.

MATERNITY ALLOWANCE

A non-taxable, contributory and non means-tested benefit paid to pregnant women.

The benefit can be claimed from 11 weeks before the baby is due to the day following the child's birth.

PENSION CREDIT

The Guarantee Credit element of Pension Credit provides a guaranteed income for all pensioners. It is non-taxable, non-contributory and means-tested.

The Savings Credit element is paid to those aged 65 and over, who have saved for their retirement. It acts as a reward for those who have made provision above the basic State Retirement Pension.

STATE RETIREMENT PENSION

A taxable, contributory and non means-tested benefit payable at pension age.

SOCIAL FUND

A variety of lump sum payments, grants and loans administered by Jobcentre Plus.

Community Care Grants – a non-repayable grant for specific reasons such as help to resettle from institutional care.

Budgetary Loans – A repayable loan for things that you cannot pay for in a lump sum.

You must be receiving a means-tested benefit to apply.

Crisis Loans – A repayable loan available to anyone who needs help with day-to-day living costs or in an emergency.

Sure Start Maternity Grant – A non-repayable grant to help towards the cost of a new baby, available to families receiving a means-tested benefit and/or Child Tax Credit above the basic Family and Baby elements combined.

Funeral grant - A non-repayable grant to help towards the cost of a funeral, available to anyone receiving a means-tested benefit.

WIDOWED PARENTS ALLOWANCE

A taxable, contributory and non means-tested benefit payable to a widow or widower with dependent children aged under 16, or under 19 and in full-time non-advanced education.

WORKING TAX CREDIT

A tax free, non-contributory means-tested Tax Credit. It is paid as a top-up to earnings for families, couples and single people.

Appendix 2

Income Maximisation Strategy 2006-2009 – Success stories

Our multi-agency Income Maximisation Strategy received a highly commended award for Social Inclusion by the Institute of Revenues, Ratings and Valuations

Unclaimed entitlements to Welfare Benefits and Tax Credits totalled over £12 million pounds as a result of partnership work across the city

Thirty nine of 41 targets have been achieved so far

Close working between PCC and Westcountry Energy Action have enabled us to promote fuel efficiency and combat fuel poverty

Over 5000 people have received advice regarding almost £190 million of personal problem debt

Money advice has been delivered by Voluntary Sector partners and PCC working together in our housing offices

Every quarter, the Advice For All group of organisations meet to further develop services in our city

Sustaining the advice service infrastructure through core funding of £335,000 PCC has enabled third sector partners to generate £500,000 in additional project funding

Appendix 3

Examples of Welfare Benefits/Tax Credit Take-Up/Debt work funded/delivered by Plymouth City Council

Project	Project provider	Take up from April 2006 to September 2008	Total number of clients seen/claims received resulting in take-up
General advice	Citizens Advice Bureau	£5,712,066.00	3656
PCC Customer Services	PCC/DWP	£2,635,971.00	1252
Client Financial Services	PCC	£3,009,847.00	778
Welfare Benefits/Tax Credits Take Up	Routeways	£812,127.00	264
	Total	£12,170,011	5950

Appendix 4

Welfare Benefits and Tax Credit Statistics¹⁰

Type	National	Plymouth
Pension Credit (PC)	3.31 million (5.4% of the population)	14,000 (5.4% of the population)
Working Tax Credit (WTC)	9.94% of families receive WTC	9.92% of families receive WTC
Income Support (IS)	2.2m (3.6% of the population)	10,500 (4.1% of the population)
Jobseekers Allowance (JSA)	787,000 (1.29% of the population)	3,200 (1.27% of the population)
Incapacity Benefit (IB)	2.38m (3.9% of the population)	12,670 (5.05% of the population)
Housing Benefit (HB)	4.04m (6.62% of the population)	19,000 (7.57% of the population)
Council Tax Benefit	5.07m (8.3% of the population)	22,000 (8.77% of the population)

¹⁰www.dwp.gov.uk