

AGENDA MANAGEMENT SHEET

Name of Committee Cabinet

Date of Committee 28 May 2009

Report Title **Scrutiny Review of Financial Well-Being: Report of the Chair of the Community Protection OSC**

Summary This report outlines the findings and recommendations of the Community Protection Overview and Scrutiny Committee, following a review into individual financial well-being.

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Would the recommended decision be contrary to the Budget and Policy Framework? No.

Background papers None

CONSULTATION ALREADY UNDERTAKEN:- Details to be specified

- Other Committees Community Protection Overview and Scrutiny Committee (on 31/03/09)
- Local Member(s) N/A
- Other Elected Members Cllr Richard Chattaway
- Cabinet Member Cllr Richard Hobbs, Cllr Peter Fowler
- Chief Executive Jim Graham
- Legal Jane Pollard
- Finance
- Other Strategic Directors David Carter, Paul Galland
- District Councils
- Health Authority

Police

Other Bodies/Individuals Monica Fogarty

FINAL DECISION YES

SUGGESTED NEXT STEPS:

Details to be specified

Further consideration by this Committee

To Council

To Cabinet

To an O & S Committee

To an Area Committee

Further Consultation

Agenda No

Cabinet – 28 May 2009.

Scrutiny Review of Financial Well-Being

Report of the Chair of the Community Protection Overview and Scrutiny Committee

Recommendation

1. That Cabinet adopts for implementation the recommendations of the Financial Well-Being Scrutiny Review.
2. That Cabinet refers the report to the Public Service Board and requests that the Public Service Board agrees for implementation the work identified in recommendations 2 and 9.

1. Introduction

- 1.1 On 17 June 2008, the Community Protection Overview and Scrutiny Committee (OSC) resolved to conduct an in-depth scrutiny review of individual financial well-being in Warwickshire after concerns were raised regarding the ability citizens to protect themselves against loan sharks and access affordable credit and financial advice in the current economic downturn. A panel comprising six elected Members, Chaired by Councillor Ross, was duly formed to carry out this review. The attached report outlines the findings and recommendations of the panel. These were considered and endorsed by the Community Protection OSC on 31 March 2009.

2. Recommendations

- 2.1 For ease of reference, the panel's recommendations are given below:

No	Recommendation	Timescale
1.	The Chief Executive urgently identifies a responsible officer to lead on the County Council's contribution to the financial well-being agenda and delivery of the recommendations included within this report. Progress and outcomes against the recommendations should be reported to the Community Protection Overview and Scrutiny Committee on a six-monthly basis. The panel should be reconvened to monitor progress if required.	Immediately

<p>2.</p>	<p>Warwickshire County Council's Cabinet agrees to the establishment of a countywide strategic Financial Well-Being Partnership and requests that the Public Service Board takes forward this piece of work. The Partnership should:</p> <ul style="list-style-type: none"> a. Invite participation from all public, private and voluntary sector agencies with a stake in the financial well-being of Warwickshire's residents, including Housing Associations; b. Develop a Financial Well-Being Strategy addressing the following four priority areas: <ul style="list-style-type: none"> 1. Financial literacy 2. Debt management 3. Income maximisation 4. Access to financial services c. Encourage relevant partners to lead theme groups to deliver these four priorities; d. Develop a stand alone website and associated literature providing a comprehensive guide to all service providers, both locally and nationally based, which are available to Warwickshire's residents in the pursuit of financial well-being. Literature should be made available in all appropriate community centres, including libraries, one-stop-shops, GP surgeries, supermarkets, children's centres, village halls, etc. Community Forums and Parish Councils should also be used to disseminate information; e. Within the debt management theme, review debt recovery processes across the local public sector to ensure that customers are treated consistently and to identify opportunities for achieving a 'one-stop-shop' approach; and. f. Within the income maximisation theme, adopt a countywide benefit take-up strategy. 	<p>By 31 March 2010</p>
<p>3a.</p>	<p>Funding for the Citizens Advice Bureaux be considered as part of the forthcoming review into how Warwickshire County Council funds the voluntary and community sector.</p> <ul style="list-style-type: none"> b. As part of this review the Strategic Director of Customers, Workforce and Governance designs a new and sustainable funding model for Citizens Advice services in Warwickshire, which aims to deliver equity of provision across the county, alongside an emphasis on 'narrowing the gaps'. 	<p>By 31 March 2010, implementation 2011/12.</p>

c.	To improve efficiency and optimize the use of resources, the new model should take an integrated approach, bringing together funding streams from key stakeholders including existing funders of Citizens Advice services such as the District, Borough, and Town/Parish Councils, and exploring opportunities to involve other public sector partners such as Health and Police. Funding should be provided on a minimum three-year basis, in compliance with the Warwickshire Compact to ensure consistency and transparency, and should be set against agreed priorities and outcomes. The new funding model should be designed by the end of March 2010 with implementation in the 2011/12 financial year.	
4.	Warwickshire County Council works with Warwickshire's Citizens Advice Bureaux to promote and publicise Advice Guide and the forthcoming countywide Citizens Advice telephone service.	By 31 March 2010
5.	Warwickshire's Citizens Advice Bureaux be asked to build on the development of Legal Advice Warwickshire and the opportunity it creates for further collaboration on Citizens Advice initiatives.	By 31 March 2010
6a.	Warwickshire County Council, through the proposed Financial Well-Being Partnership (identified in recommendation 2), supports Coventry and Warwickshire Cooperative Development Agency and Warwickshire's Credit Unions to develop a clear business case for the development and sustainability of Credit Unions in the county.	By 31 March 2010
b.	As part of this business case, Warwickshire's Citizens Advice Bureaux be asked to investigate opportunities around how they could support Credit Unions, for instance in terms of sharing their experience and practice around the recruitment and management of volunteers.	
7.	Upon its satisfaction with the business case for Credit Union development (identified in recommendation 6), Warwickshire County Council in partnership with Warwickshire's Credit Unions and the Coventry and Warwickshire Cooperative Development Agency:	By 31 March 2010
a.	Embarks on a high profile publicity campaign, both internally to staff and externally to the public and partner agencies, to promote membership of the Credit Unions and encourage volunteering. The County Council operates a payroll deduction scheme with Credit Unions which should be promoted to all staff, particularly at induction;	

b.	Explores how the County Council can work with Credit Unions, and Warwickshire's District Councils, to establish a structured programme of school banking projects alongside the financial capability module within the PSHE curriculum.	
8.	Warwickshire County Council via the Warwickshire Direct Partnership works with Warwickshire's Credit Unions and Citizens Advice Bureaux to consider the co-location of services within appropriate premises, such as one-stop-shops, libraries and children's centres, as opportunities arise.	Ongoing
9.	The Public Service Board evaluates the North Warwickshire Child Poverty Reach Out Service after 12 months to establish: <ul style="list-style-type: none"> i) the outcomes achieved; ii) the value of continuing the service in North Warwickshire and options for funding any continuation of the project; and iii) whether the project should be extended across other areas of the county. 	March 2010
10.	The Warwickshire Observatory works with the District and Borough Councils regarding the application and analysis of customer and other administrative data to ensure consistency across the county in identifying customers in most need.	By September 2009
11.	Warwickshire PCT be requested to work with health professionals and GP practices to publicise and communicate information about the availability of benefits to patients.	By July 2009
12.	Trading Standards works with the Illegal Money Lending Team and its partner agencies to design and deliver a high profile campaign on the issue of loan sharking and a training programme for all front-line staff dealing with vulnerable residents. The campaign should include publicity of the Illegal Money Lending hotline and promotion of Warwickshire's Credit Unions. It should also encourage those in debt to seek advice from the appropriate agencies. The Warwickshire County Council website should be developed to this effect, and include an online reporting mechanism.	By September 2009
13.	Trading Standards raises awareness amongst residents that intimidating behaviour from <i>legal</i> money lenders is unlawful and should be reported.	By September 2009

14.	Trading Standards works with the Office of Fair Trading to inspect high risk credit licence applicants.	Ongoing
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CLLR RICHARD
CHATTAWAY
Chair of the Community
Protection Overview and
Scrutiny Committee

Shire Hall
Warwick

30 April 2009

Scrutiny Review of Financial Well-Being

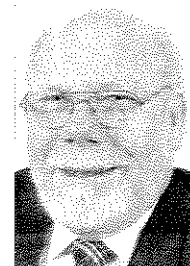
Report of the Financial Well-Being Scrutiny Panel

April 2009

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Foreword by the Chair, County Councillor John Ross



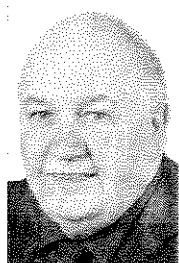
In today's modern society, financial well-being is vitally important – it is crucial that we all have access to basic financial services so that we can effectively manage our money, plan for the future and cope with any periods of financial difficulty or distress that we may face. Unfortunately, however, there are still many who are financially excluded and facing serious over-indebtedness. These people are often the most vulnerable in our communities and at risk of being targeted by loan sharks and sub-prime money lenders.

This scrutiny review could not have been undertaken at a more timely moment. In the midst of an economic crisis, we have been able to consider whether the advice and support services in Warwickshire are effectively supporting those in financial difficulty, and what, if anything, we can do to improve things.

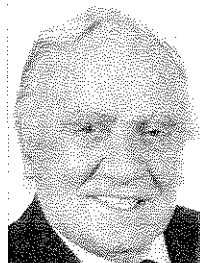
What we have learnt through this process is that a complex network of advice and support services exists across Warwickshire. With growing unemployment and increasing demand for advice, these services are experiencing immense pressure on their resources. Our key conclusion is that Warwickshire needs to establish a strategic Financial Inclusion Partnership, which brings together all such agencies to improve their coordination, efficiency and maximise their capacity. There are many examples of good practice to be found within Warwickshire and these need to be shared and implemented across the county. The panel's ambition is to see the development of a coherent, fair and accessible system in support of the financial well-being of Warwickshire's residents.

I would like to take this opportunity to thank all those who have contributed to this review. The information provided to the panel and the support from officers has been invaluable.

Panel Members



**Cllr Richard
Chattaway**



**Cllr Gordon
Collett**



**Cllr Chris
Davis**



**Cllr Bob
Hicks**



**Cllr Nina
Knapman**

1. Introduction

- 1.1 In the summer of 2008, the Community Protection Overview and Scrutiny Committee resolved to conduct an in-depth scrutiny review into individual financial well-being in Warwickshire after concerns were raised regarding the ability of citizens to protect themselves against loan sharks and access affordable credit and financial advice in the current economic downturn.
- 1.2 A scrutiny panel of 6 County Councillors was duly formed to carry out this review and develop recommendations which would lead to long-term improvements both in terms of the County Council's contribution to individual financial well-being, and in the contribution of partner organisations, such as the District and Borough Councils, Citizens Advice Bureaux and Credit Unions.
- 1.3 Members of the panel were:
- Councillor Richard Chattaway
 - Councillor Gordon Collett
 - Councillor Chris Davis
 - Councillor Bob Hicks
 - Councillor Nina Knapman
 - Councillor John Ross (Chair)
- 1.4 This report summarises the evidence gathered by the panel and outlines the extent of the challenges facing both individuals, in relation to accessing financial support and advice, and agencies, in delivering those services against growing demand and limited resources.
- 1.5 The panel has developed a set of recommendations to help address these challenges for the County Council and its partners to consider. These are available in section 13 of the report. The panel is aware that these may have financial implications for the County Council.

2. Background

- 2.1 Financial well-being is a huge and complex subject area. It is informed by a wealth of research, public information, media attention and campaigning by specific service providers. A range of Government initiatives exist in support of financial well-being, and a multitude of public, private and voluntary sector services reside at the local and national level to provide advice and support to citizens in times of financial difficulty.
- 2.2 Financial well-being, also referred to as financial inclusion, is defined as ensuring that everyone has access to appropriate financial services, enabling them to:
- Effectively manage their money on a day-to-day basis;
 - Plan for the future and cope with financial pressure; and

- Deal effectively with financial difficulty and distress¹.

- 2.3 Whilst the UK has one of the largest, most sophisticated and competitive financial services sectors in the world, evidence suggests that the financial services market is not meeting everyone's needs. For example, a small but significant minority of people are unable to access even the simplest financial services – such as basic bank accounts, credit and insurance – which can lead to financial distress and over-indebtedness. The latest figures indicate that up to 2.1 million people, living in 1.4 million households do not have access to a bank account of any kind². Bank accounts provide a range of payment mechanisms, enabling lower prices for goods and services. They also provide a mechanism through which income can be paid.
- 2.4 Research has revealed that those living on low incomes – including older people, benefit recipients, social renters and the unemployed – are most likely to be affected by what is known as 'financial exclusion', that is, "the inability, difficulty or reluctance to access appropriate mainstream financial services"³. Financial exclusion can impose real costs on individuals and their families, as well as the wider community within which they live.
- 2.5 During the review process, the panel recognised that financial exclusion could be further exacerbated by the current downturn in the global economy. The crisis in the banking sector and increasing unemployment will undoubtedly increase demand for advice and support placing additional pressure on those providing such services.

3. Objectives of the Review

- 3.1 The scope of the review is attached at **Appendix A** of the report. Within this the key objectives were agreed by the panel as:
- a. To establish optimum service delivery across all agencies;
 - b. To ensure that there is sufficient capacity to deliver services by reviewing how services are currently delivered, and identifying opportunities to streamline services and improve efficiency;
 - c. To ensure that the most vulnerable are aware of the services available and can access them easily, addressing the restrictions imposed by poor levels of literacy or the inability to communicate and be understood;
 - d. To make recommendations that add value; and
 - e. To identify good practice.

¹ HM Treasury (March 2007) "Financial inclusion: they way forward"

² Family Resources Survey (2006/07)

³ Joseph Rowntree Foundation (2008) "Financial inclusion in the UK"

4. Methodology

4.1 In order to meet the objectives of the review, the panel held a series of meetings between August 2008 and February 2009 to consider and scrutinise evidence from a variety of sources and key stakeholders. Below is a list of those who have contributed evidence to this review:

- Adult, Health and Community Services Directorate – Gill Jowers, Ravi Virk and Carol Edkins
- Birmingham City Council – Jacqui Kennedy
- Birmingham Illegal Money Lending Team – Christopher Connor
- Bedworth, Rugby and Nuneaton Citizens Advice Bureau (BRANCAB) – David Gooding
- Children, Young People and Families Directorate – Elizabeth Featherstone
- Coventry and Warwickshire Cooperative Development Agency – Mike Hoyland and Mandy Shine
- Environment and Economy Directorate – David Hill
- North Warwickshire Borough Council – Bob Trahern
- North Warwickshire CAB – Carol Musgrave
- Nuneaton and Bedworth Borough Council – Brian Berry
- Performance and Development Directorate – Nick Darwen
- Rugby Borough Council – Sue Goode
- Rugby Credit Union – Laurie Bird
- Stratford upon Avon and District Citizens Advice Bureau– Anna Thomas
- Stratford Council for Voluntary Services – Julia Philips
- Stratford District Council – Vicky Rutter
- The Pension Service – Barbara Farndon
- Trading Standards – Mark Ryder and Peter Nicholls
- Warwick Citizens Advice Bureau – Hilary Holland
- Warwickshire Direct – Caroline Watts and Ruth Jones
- Warwickshire Welfare Rights Advice Service – Lynn Webster

4.2 Other scrutiny methods included desktop research on both local and national initiatives, visits to Warwickshire's Citizens Advice Bureaux, and a best practice visit to Birmingham City Council.

4.3 Whilst every effort has been made to grasp a broad understanding of the issues relating to financial well-being, the panel acknowledges that a time-limited scrutiny review cannot cover every aspect or consult every stakeholder. Nevertheless, the panel is confident that its recommendations will deliver improvements in relation to the financial well-being of Warwickshire's residents.

5. Findings – The National Context

5.1 Over recent years there have been a number of Government initiatives focused on promoting financial inclusion; developing the financial literacy of consumers; and ensuring responsible lending. Key initiatives include:

- A Financial Inclusion Fund – used to fund face-to-face money advice; illegal money lending pilots in Birmingham and Glasgow; and the creation of a Growth Fund to help third sector lenders increase the supply of affordable loans to those on low incomes. Currently available until 2011;
- A Financial Inclusion Taskforce – to support the delivery of the Government's priorities on financial inclusion (see www.financialinclusion-taskforce.org.uk);
- An Action Plan for Financial Inclusion for 2008-11 – developed by a cross-ministerial working group in 2007;
- A National Strategy for Financial Capability – launched in 2004 to help at improve public knowledge and understanding of personal finance;
- The introduction of personal finance education into the new secondary school curriculum – in September 2008; and
- Revisions to the Consumer Credit Act in 2006 – aimed at establishing a fairer, clearer and more competitive market for consumer credit.

5.2 The most recent initiative is a Financial Inclusion Champions project launched in October 2008 by the Department for Work and Pensions and the Treasury. Champions have been appointed on a regional basis and will be working across their area to build and coordinate partnerships to promote financial inclusion. In particular they will aim to stimulate the demand for, and in some cases increase the supply of, basic financial services for financially excluded people. Birmingham City Council has been appointed as the Financial Inclusion Champion for the West Midlands region.

6. Findings – The Economic Context

6.1 Throughout the review, the panel kept abreast of the national and local economic situation to ensure that the evidence considered was informed by the current context, and to understand the nature of the challenges facing Warwickshire's residents.

6.2 During this period, the panel saw the UK economy enter into recession after experiencing two consecutive quarters of negative economic growth. It also saw some of the highest monthly increases in claims for unemployment benefits since the 1980's (see table 1. below). In January 2009, for example, the Jobseekers Allowance (JSA) claimant count for Warwickshire was 9,511 up by 17% on December 2008 – the highest monthly increase since 1984.

Table 1: Jobseekers Allowance Claimant Count – January 2009

	Jan-09		Monthly Change Dec 2008 – Jan 2009*		Year-on-Year Change Jan 2008 – Jan 2009	
	Count	Rate	Count	% Change	Count	% Change
UK	1,282,645	3.4	129,317	+11%	452,103	+54%
West Midlands	146,790	4.5	14,090	+11%	48,189	+50%
Coventry	8,992	4.6	907	+11%	2,429	+37%
Warwickshire	9,511	3.0	1,385	+17%	3,964	+72%
North Warwickshire	1,267	2.9	162	+15%	657	+108%
Nun'ton & Bedworth	3,147	4.2	399	+15%	1,279	+69%
Rugby	1,665	3.1	257	+18%	603	+57%
Stratford-on-Avon	1,302	1.9	254	+24%	581	+81%
Warwick	2,130	2.5	313	+17%	844	+66%

Notes: *Claimant count figures are not seasonally adjusted. Care is needed in interpreting monthly changes in the District counts, which will be affected by seasonal fluctuations. Source: JSA Claimant count (www.nomisweb.co.uk) © Crown Copyright 2009

- 6.3 The data provided to the panel indicated that the area most affected by the economic downturn is North Warwickshire, but even Stratford-on-Avon, where traditionally there has been low unemployment, was starting to see sharp increases in the numbers of people claiming Jobseekers Allowance. The impact of the rise in unemployment on claims for other benefits is discussed in section 9.6 of the report.
- 6.4 This evidence served to reinforce the importance of the scrutiny exercise in identifying how financial advice and support can be quickly and effectively disseminated to residents, and how they can be protected against debt and loan sharks. It also raised concerns as to whether key voluntary and community sector organisations, such as the Citizens Advice Bureaux, had the capacity to manage the inevitable increase in demand for advice.
- 6.5 The panel noted that in response to the recession, a dedicated webpage on the Warwickshire website (www.warwickshire.gov.uk/recession) had been introduced providing both residents and businesses with information on where to go for advice and help. Similar websites were also launched by the District and Borough Councils. In addition to the agencies covered within the review, the panel was made aware of the following nationally-based advice sources:
- Citizens Advice Guide (www.adviceguide.org.uk)
 - Consumer Credit Counselling Service (www.cccs.co.uk)
 - Consumer Direct (www.consumerdirect.gov.uk)
 - Directgov (www.direct.gov.uk)
 - Home Heat Helpline (www.homeheathelpline.org.uk)
 - Money Saving Expert (www.moneysavingexpert.com)
 - National Debtline (www.nationaldebtline.co.uk)
 - Warm Front (www.warmfront.co.uk)

7. Findings – The Voluntary and Community Sector

7.1 There are numerous voluntary and community sector organisations operating within Warwickshire which provide advice and information to the county's citizens in support of their financial well-being. Due to the time-limited nature of the review, the panel chose to focus on the key service providers which were identified as the Citizens Advice Bureaux, Credit Unions and Warwickshire Welfare Rights Advice Service.

7.2 Citizens Advice Bureaux (CABs)

About the service

7.2.1 Citizens Advice is a national charity which offers free and impartial advice to help individuals resolve their legal, money and other problems. In 2007/08, Citizens Advice Bureaux across the country provided advice to over 1.2 million people and dealt with 5.5 million new problems⁴. The Advice Guide website (www.adviceguide.org.uk) also received over 7 million hits during 2007/08.

7.2.2 In Warwickshire, there are four Citizens Advice Bureaux (CABs), all of which are independent registered charities:

- Bedworth, Rugby and Nuneaton CAB (BRANCAB);
- North Warwickshire CAB;
- Warwick CAB; and
- Stratford upon Avon and District CAB.

7.2.3 The County Council provides the CABs with an annual grant as a contribution to their core running costs, with the expectation that they will meet the quality assurance standards accredited through the Citizens Advice national umbrella body. Grants for 2008/09 were as follows:

Table 2: Warwickshire County Council CAB Grants 2008/09⁵

	County Council Grant 2008/09	Population (based on mid-2007 estimates)	Amount per head of population
BRANCAB	£170,249	212,200	£0.80
North Warwickshire CAB	£63,150	62,200	£1.02
Warwick CAB	£64,611	134,600	£0.48
Stratford CAB	£60,091	117,800	£0.51

⁴ Citizens Advice Impact Report 2007/08

⁵ This table does not make a correlation to demand for CAB services.

- 7.2.4 CABs also receive varying levels of funding from the District and Borough Councils (identified in Table 3) plus occasional top ups from Warwickshire County Council's Area Committees.

Table 3: CAB Grants from the District and Borough Councils for 2009/10

Authority	CAB Grant 2009/10	Additional one-off contributions	Notes
Nuneaton & Bedworth Borough Council	£113,000	-	Includes rent concession
Rugby Borough Council	£53,855	-	Plus housing contract
North Warwickshire Borough Council	£45,050	£12,000 (housing support work) £38,000 (child poverty project)	Plus rent concession
Warwick District Council	TBC		
Stratford District Council	£45,500	-	-

- 7.2.5 The panel noted that as part of the budget resolution for 2009/10, the County Council agreed to review its grant contributions to the voluntary and community sector, including the CABs.

- 7.2.6 Statistics provided by the CABs are available at **Appendix B** of the report.

Key findings

- 7.2.7 The presentations and visits to Warwickshire's CABs reinforced the importance and value of the services they provide to the community, particularly in this time of economic difficulty.
- 7.2.8 As a consequence of the economic crisis, however, CAB managers were beginning to see an increase in demand for advice – particularly in relation to debt, benefits and employment – and a growing pressure on staff and volunteer capacity as a result. In some cases there were now waiting lists for appointments.
- 7.2.9 At the same time, the panel's research revealed some variations across the county in terms of CAB opening hours, provision of home visits, premises, training, and outreach services, with some areas being better served than others. Lack of provision in rural areas was identified as a key concern for the panel.
- 7.2.10 With regards to funding, the panel learnt that the grants provided to the CABs from the County Council are allocated on a historical basis, with no logical formula applied, except for some weighting towards the north of the county. In addition, whilst the County Council expects the CABs to meet Citizens Advice quality standards, there is no service level agreement with the CABs to indicate how funding should be spent. Provision of the grant on a year-by-year basis offers little security and limits service planning. At

a district level, the CABs have different funding arrangements or service level agreements with the District and Borough Councils.

- 7.2.11 The panel is of the view that a partnership approach to funding the CABs would be significantly beneficial. This should include Health and the Police who also have a stake in the CAB due to the preventative role the service plays. For example, over-indebtedness can lead to health decline and criminal activity if not addressed.
- 7.2.12 CABs ability to secure other sources of funding from national and local bodies is variable and depends on the eligibility criteria of the funds available. This varies across all districts. For example, BRANCAB and Warwick are the only CABs in receipt of funding from the Legal Services Commission to fund debt case workers, with these contracts not being available to CABs in North Warwickshire or Stratford; and Warwick is the only CAB in receipt of LPSA2 (Local Public Service Agreement 2) funding for the delivery of an outreach service across the district. North Warwickshire CAB has recently been successful in bidding for Narrowing the Gap funding, and will benefit from a proportion of the £170,000 recently awarded to North Warwickshire Borough Council by the Department for Children, Schools and Families for addressing child poverty (see section 9.6).
- 7.2.13 The variation and sustainability of funding across the CABs from both local and national sources is a concern to the panel. Smaller CABs are under particular pressure and may find it increasingly difficult to source funding from national bodies (e.g. the Legal Services Commission) which are looking to contract with larger suppliers.
- 7.2.14 To address some of the variations identified, the panel questioned whether all four CABs should amalgamate. This may bring benefits to the service in relation to securing funding, flexibility of staffing, and maximising value for money. The panel was particularly impressed with the structure in place at BRANCAB – originally three separate Bureaux – and is of the view that this model could work on a countywide basis.
- 7.2.15 Whilst the panel cannot influence a countywide amalgamation of Warwickshire's CABs, it noted that funding from the National Lottery for the development of Legal Advice Warwickshire (LAW) and a countywide CAB advice line, could encourage further collaboration on other CAB initiatives, which the panel would welcome. The panel was encouraged to hear that this is currently being explored by the Warwickshire Direct Partnership and the Warwickshire Association of Revenues and Benefits Officers (WARBO) specifically in the areas of aligning services and developing stronger signposting links.
- 7.2.16 The panel noted that Warwickshire's CABs are well served by volunteers, without whom the service couldn't survive. Many volunteers stay with the service for a number of years, whilst others see it as a good career development opportunity and a route into paid work. However, whilst more volunteers are always welcome, the CABs can only train a certain number

at any one time due to limited resources. It can take between 9–12 months to fully train a CAB volunteer.

- 7.2.17 Finally, it was revealed that whilst the CAB is a well known brand, many people are unaware of the services on offer until they actually visit their local Bureau or access the Advice Guide website. Better promotion of CAB services, particularly the Advice Guide website and the forthcoming CAB advice line, is essential.

Key recommendations

The panel recommends that:

Warwickshire County Council reviews its funding arrangements with the CABs and implements a more sustainable model which delivers improved equity of provision across the county. (See recommendation 3 in section 13)

Warwickshire County Council works with the CABs to promote and publicise Advice Guide and the forthcoming countywide CAB advice line. (See recommendation 4 in section 13)

The CABs build on the development of Legal Advice Warwickshire and the opportunity it creates for further collaboration. (See recommendation 5 in section 13)

7.3 Credit Unions and Coventry and Warwickshire Cooperative Development Agency

About the service – Credit Unions

- 7.3.1 Credit Unions are financial co-operatives, owned and controlled by their members. They play a vital role in the community by offering savings and affordable loans to those who live and work in the area. They are also beginning to offer a wider range of services including access to basic bank accounts, money advice and bill budgeting services.
- 7.3.2 Credit Union loans are traditionally given according to a member's regular savings rather than the source or the amount of their income. They are able to offer low interest rates on loans as much of the work is done by volunteers, keeping running costs to a minimum. At the end of each year, profits are given back to members in the form of a dividend on savings. By law, Credit Unions can charge up to 2% per month on the reducing balance of a loan. They are the only financial organisations in the UK to be subject to a cap on interest rates.
- 7.3.3 There are five Credit Unions covering Warwickshire (see **Appendix C** of the report for details):
- Bedworth and Bulkington Credit Union;

- New Way Credit Union (North Warwickshire);
- Nuneaton Credit Union;
- Rugby Credit Union; and
- South Warwickshire Credit Union (Stratford and Warwick).

7.3.4 All Credit Unions are authorised and regulated by the Financial Services Authority, just like banks and building societies. They are members of the Financial Services Compensation Scheme to keep members' money safe, and subscribe to the Financial Ombudsman Service to allow members some redress, should they have a complaint.

7.3.5 Credit Unions offer accredited training for their volunteers, which is nationally recognised and can act as a pathway to paid employment for many volunteers.

About the service – Coventry and Warwickshire Cooperative Development Agency

7.3.6 Coventry and Warwickshire Cooperative Development Agency (CWCD) is a not-for-profit organisation offering free, high quality, professional business support for local people to create and sustain all types of social enterprises. Supported by a team of six staff, the CWCD also undertakes a wide range of projects within Coventry and Warwickshire promoting financial and economic inclusion. In particular, the CWCD has worked with Credit Unions on various initiatives including the development of a bill budgeting service and the development of school banking projects.

7.3.7 With regards to the former, initially established in 2007 by North Warwickshire Borough Council, the bill budgeting service is now available in one-stop-shops across Warwickshire. Since their roll-out, sessions have been very popular, with the main referrers being the CABs, Warwickshire Direct and the District and Borough Councils. The chart below gives an idea of take-up:

Table 4: One Stop Shop Budgeting Interviews – Breakdown for June to December 2008 (including telephone enquiries)

Location	Sessions	Signposted	Basic Bank Ac	Credit Union	Heart of England Loans
Atherstone & Coleshill	139	59	9	34	33
Warwick	34	16	3	12	8
Rugby	69	28	12	25	18
Bedworth	61	18	3	3	26
Nuneaton	72	26	6	25	18
Leamington	27	13	2	6	6
Stratford	1	0	1	0	0

- 7.3.8 With regards to school banking projects, the CWCDA has supported Warwickshire's Credit Unions to set up school banks in a number of schools across the county to help teach children about money management and encourage the savings ethos. In North Warwickshire, the CWCDA are aiming to open a further eight more over the next 12 months as part of the child poverty project. In South Warwickshire, the CWCDA is working with South Warwickshire Credit Union to develop services in Children Centres.
- 7.3.9 The CWCDA has also carried out a lot of work on business development models for the Credit Unions in Coventry and Warwickshire, in consultation with the Credit Unions and the Financial Services Authority. More information on the work of the CWCDA is attached at **Appendix D** of the report.

Key findings

- 7.3.10 Warwickshire is fortunate to have five Credit Unions covering the whole of the county. However, they are small organisations with relatively low membership, dependent largely on volunteers and external grants for the running of their services. As a result there is some variation across the county in relation to opening hours, drop-off points, and other services provided, with many hampered by a lack of funding to develop any further.
- 7.3.11 Traditionally, a customer has to save with a Credit Union in order to be eligible for a loan. However, the Panel learnt that Warwickshire's Credit Unions have formed a partnership with Coventry and Warwickshire Reinvestment Trust to offer Heart of England Loans which can be accessed by people on very low incomes. This is a welcome development that needs to be better promoted.
- 7.3.12 Apart from ad hoc grants from the County Council's Area Committees, the panel was disappointed to learn that there is currently no annual contribution from the County Council to support the Credit Unions. However, some funding is being provided by both the County and District Councils to finance the bill budgeting service offered in the county's one-stop-shops. In most Districts this will stop from June 2009 unless ongoing funding can be identified. It is understood that a partnership bid will be made by the District Councils for funding to enable the service to continue.
- 7.3.13 The panel was encouraged by the development of school banks and believes that such projects should be available to all schools in Warwickshire. The County Council should work with the Credit Unions and the CWCDA to develop a structured programme of school banking projects which sit alongside the financial capability module within the PSHE (Personal, Social and Health Education) curriculum.
- 7.3.14 When considering best practice examples in relation to Credit Unions, the panel learnt from both Leeds City Council and Essex County Council that local authorities can play a greater role in supporting Credit Unions and increasing their capacity. However, this might also be achieved through the

amalgamation of some smaller Credit Unions. Like the CABs, amalgamation may provide more financial security, a reduction in administrative costs, economies of scale and greater financial return. Countywide Credit Unions are not unusual and work well in many areas, including Worcestershire, Shropshire, Essex, and Suffolk. The panel is of the view that work by the CWCDAs to develop Credit Unions should be supported by the County Council. This should build on the initial work started by the District Councils and supported by Warwickshire Direct.

Key recommendations

The panel recommends that:

Warwickshire County Council supports Coventry and Warwickshire Cooperative Development Agency and the Credit Unions to develop a clear business case for the development and sustainability of Credit Unions in Warwickshire. (See recommendation 6a in section 13)

Warwickshire's CABs investigate opportunities around how they could support Credit Unions, for instance in terms of sharing their experience and practice around the recruitment and management of volunteers. (See recommendation 6b in section 13)

Warwickshire County Council promotes membership of the Credit Unions both internally to staff, and externally to the public. (See recommendation 7a in section 13)

Warwickshire County Council works with Coventry and Warwickshire Cooperative Development Agency and Warwickshire's Credit Unions to develop a structured programme of school banking projects to run alongside the financial capability module within the PSHE curriculum. (See recommendation 7b in section 13)

7.4 Warwickshire Welfare Rights Advice Service

- 7.4.1 Warwickshire Welfare Rights Advice Service (WWRAS) plays a key role in promoting awareness and take-up of state benefits across Warwickshire. In 2007/08, the organisation helped citizens to claim over £3.7 million in benefits. WWRAS focuses mainly on disability, housing and low-income benefits, which are currently the most under-claimed.
- 7.4.2 WWRAS provides advice and training to Warwickshire County Council staff and those in other public and voluntary sector agencies to equip them to identify benefit entitlements for their clients, and ensure that they know how to claim them. It also offers an appeal and tribunal representation service to customers who have been unsuccessful with a benefits claim.
- 7.4.3 WWRAS has supported many local and countywide benefits take-up campaigns, including a campaign coordinated by WARBO on the take up of housing and council tax benefits. This is a two-year project financed by

LPSA2 resources until March 2009. It is expected to result in an additional 2,000 claims for housing and council tax benefits and is largely responsible for the achievement of securing over £1.1 million in performance reward grant which could be used to finance similar work in the future as outlined in this report. As part of this initiative, a housing and council tax benefit take-up strategy was developed, which all have signed up to. This also involved the Pension Service in promoting both housing, council tax and other welfare benefits.

- 7.4.4 In 2008, WARBO commissioned WWRAS to develop a more generic countywide take-up strategy to build on the work and activity already taking place. It is hoped that this can be delivered in 2009/10 but is reliant on ongoing funding being secured. The countywide take-up strategy lays out how agencies should work together to improve access, information, promotion and take-up of all benefit types. It supports a strategic approach which is essential in times of recession. The panel learnt that the County Council has yet to sign up to this strategy and is of the view that all partners in both the statutory and voluntary sector need to sign up to the strategy in order to maximise the take-up of all available entitlements.
- 7.4.5 Attached at **Appendix E** is a resource map of benefit services produced by WWRAS to show the range of agencies from which the public can get information and advice on benefits. WWRAS plays a vital role in bringing together these agencies enabling them to reach those who would not otherwise get advice and support.
- 7.4.6 Through the presentation, the panel noted that whilst the current economic crisis has not caused any significant changes to demand, services from WWRAS have become increasingly important as front-line agencies deal with more people who are losing their jobs or experiencing money problems.
- 7.4.7 At a national level, it was noted that the benefits system is complicated and doesn't help with encouraging take-up.

Key recommendation

The panel recommends that:

Warwickshire County Council and all partners involved in the Public Service Board, who are yet to sign up to the countywide benefit take-up strategy, do so in order to achieve a consistent approach. (See recommendation 2f in section 13)

8. Findings – Illegal Money Lending

- 8.1 Illegal money lenders, commonly referred to as loan sharks, are those who operate without a consumer credit licence, and therefore, outside the law.
- 8.2 The panel heard from both the County Council's Trading Standards Service and the Illegal Money Lending Team, on the issue of loan sharks and the serious impact this has not only on individuals but on whole communities in terms of the criminal behaviour it can induce. The evidence reinforced the importance of both Credit Unions in the provision of affordable loans, and CABs in the provision of debt advice.
- 8.3 The Illegal Money Lending Team, based in Birmingham, was initially established in 2004 as a pilot project to tackle illegal money lending across the West Midlands region. The Team has since had great success in bringing loan sharks to justice, not only on illegal money lending charges but on related offences such as money laundering, counterfeiting and assault. Over 20 loan sharks have been brought to justice since 2004, resulting in prison sentences totalling over 30 years and the elimination of around £7.5 million of illegal debt. The Team has helped over 6,000 victims.
- 8.4 In 2007, as a result of the project's success, Illegal Money Lending Teams were established across the country by the Department for Business, Enterprise and Regulatory Reform. The Birmingham-based team was expanded to cover the North East, the South East, West Yorkshire and the East of England.
- 8.5 The team has dedicated resources both to tackle and prosecute loan sharks, and support those who fall victim to such criminals. Reflecting the resource intensive nature of removing a loan shark, the team consists of 17 investigators, two senior investigators and a project manager. A police officer is also seconded to the team. These resources are available to Warwickshire.
- 8.6 The panel heard that loan sharks operate in the most deprived communities and target the most vulnerable and marginalised in society. Loan sharks are often well known in such communities.
- 8.7 There is very little intelligence regarding loan sharks operating in Warwickshire – only two have been identified and prosecuted since the Illegal Money Lending Team was established in 2004. In reality, however, it is likely that the numbers operating are significantly higher, particularly given the current economic climate.
- 8.8 The Illegal Money Lending Team is looking to raise awareness of loan sharks amongst communities and create a climate where victims feel able to come forward. This work includes liaising with service providers, such as Housing Authorities and Housing Associations, who are a vital source of intelligence and often the first point of contact for vulnerable tenants.

- 8.9 The panel is of the view that the County Council has a greater role to play in supporting the work of the Illegal Money Lending Team through raising awareness of the issue both internally to front-line staff, such as social workers and Warwickshire Direct officers, and externally to the general public, with particular targeting of deprived areas. This should include promotion of the free and confidential illegal money lending hotline (**0300 555 2222**) and a mechanism for members of the public to report incidents via the Warwickshire web.
- 8.10 In addition to the problem of illegal money lending, the panel is also concerned about legal money lenders (i.e. those with a licence to lend) who charge very high interest rates and can often adopt intimidating behaviour towards customers that default on a loan. The absence of a cap on interest rates in the UK appears to be a major problem, as does the ease of obtaining a consumer credit licence.

Key recommendations

The panel recommends that:

Trading Standards works with the Illegal Money Lending Team and its partner agencies to design and deliver a high profile publicity campaign on the issue of loan sharks, and a training programme to all front-line staff who deal with vulnerable residents. (See recommendation 12 in section 13 for details)

Trading Standards raises awareness amongst residents that intimidating behaviour from legal money lenders is unlawful and should be reported. (See recommendation 13 in section 13)

Trading Standards works with the Office of Fair Trading to inspect high risk credit licence applicants. (See recommendation 14 in section 13)

9. Findings – Local Authorities

- 9.1 The panel heard from four sections within the County Council which contribute to the financial well-being of Warwickshire's residents: Adult, Health and Community Services, Children, Young People and Families, Trading Standards, and Warwickshire Direct. The panel also received evidence from Warwickshire's District and Borough Councils.

9.2 Adult, Health and Community Services

- 9.2.1 The direction of travel within Adult Social Care is shifting to give more choice and control to the customer. Known as the 'personalisation agenda', this will involve, where appropriate, a new self-assessment process and the provision of 'individual budgets' to customers so that they can plan,

choose and purchase their own care and support. These initiatives are being piloted and introduced in a phased approach over a three-year period and will not replace traditional assessment and care management processes, which will still be needed for the most vulnerable customers.

- 9.2.2 The panel expressed some caution over these developments, which represent a significant cultural shift for both the organisation and the customer. In the current economic climate, the panel is concerned that customers with an individual budget may choose to spend the money on other financial pressures rather than on the care and support they need. The panel feels that close monitoring of this new initiative is essential and was pleased to learn that the Adult and Community Services Overview and Scrutiny Committee plan to scrutinise this development at a future meeting.

9.3 Children, Young People and Families

- 9.3.1 The Child Poverty Strategy was presented to the panel, within which financial inclusion is a key focus. The Strategy includes a raft of measures, including the development of Children Centres, Extended Services, raising educational attainment, early intervention and prevention, and removing barriers to work.
- 9.3.2 On the subject of financial inclusion, the Strategy proposes the development of a Financial Inclusion Partnership, initially in Nuneaton and Bedworth, but with a countywide roll-out if successful. The basis for this was that further coordination of services to avoid duplication and maximise resources was essential to improving effectiveness in tackling poverty. The proposal for a Financial Inclusion Partnership is discussed in more detail later on in the report.
- 9.3.3 With regards to Children's Centres, it was noted that the CABs, mainly in Warwick District, run weekly sessions in some centres which are proving to be very popular and a means of reaching out to people who wouldn't normally access the main Bureau. The panel is of the view that this should be a key provision within all Children's Centres, where possible, with funding allocated accordingly. Outreach sessions are also available once a month at Stratford Children's Centre where Stratford District Council provides housing and homelessness advice; Orbit Heart of England provides welfare and benefit advice to tenants; and a Police Community Support Officer attends to discuss community issues.
- 9.3.4 Some partner agencies showed a limited awareness of Warwickshire's Child Poverty Strategy and, particularly, of the development of Warwickshire's Children's Centres. Consequently, the extent to which existing partnerships are working, and how well information is being effectively communicated both outside and within the LAA/PSB (Local Area Agreement/Public Service Board) arena, is questionable. Involving all partners at the beginning of any developments is essential to delivering joined-up services and reducing duplication, it also ensures that the knowledge, expertise and talent that exists within all public service organisations is capitalised upon and encouraged.

- 9.3.5 The panel welcomed information from North Warwickshire Borough Council on their recent success in winning a bid for funding of £170,000 from the Department for Children, Schools and Families to address child poverty in North Warwickshire. The successful bid, announced in February 2009, is one of ten national Child Poverty Innovation pilots and will be used to deliver a 'Reach Out Service'. The initiative will build on the key themes of the Child Poverty Strategy, but in particular, it will seek to address financial inclusion by delivering financial and other complementary advice via a mobile vehicle. The project will bring together the services offered by the CAB, the Credit Union and the Borough Council as well as ad hoc support from Jobcentre Plus, North Warwickshire and Hinckley College and Connexions. Links will also be made to the County Council's Family Information Service and Extended Services initiatives. The service will initially concentrate on areas of deprivation but will also target pockets of deprivation in what are perceived to be more affluent areas. Depending upon the success of the pilot project, this could present a solution to the limited service provision in rural areas across the whole of Warwickshire.

Key recommendation

The panel recommends that:

The Public Service Board evaluates the North Warwickshire Child Poverty Reach Out Service after 12 months to establish:

- i) the outcomes achieved;**
- ii) the value of continuing the service in North Warwickshire and options for funding any continuation of the project; and**
- iii) whether the project should be extended across other areas of the county. (See recommendation 9 in section 13)**

9.4 Warwickshire Direct

- 9.4.1 Warwickshire Direct customer contact centres and one-stop-shops are successfully providing a new and improved way of accessing both County and District Council services from a single place. There are seven one-stop-shops already in place across the county with others in the planning process.

- 9.4.2 One-stop-shops contribute to the financial well-being agenda by allowing customers to access the following services:

- Apply for and chase claims for council tax and housing benefits;
- Apply for council tax discounts and exemptions;
- Apply and seek advice on housing;
- Apply for a free English national bus pass;
- Apply for free school meals; and
- Arrange a home visit from the Pension Service for a complete benefits check.

- 9.4.3 Similarly to Children's Centres, one-stop-shops are now broadening the services they have on offer within them e.g. Credit Union budgeting services, registrar services, and some also make/offer CAB appointments. One-stop-shops provide the most appropriate and accessible gateway to customers and the panel is of the view that there is scope to develop these arrangements and invite voluntary sector partners to consider greater partnership working and possible co-location of their services.

Key recommendation

The panel recommends that:

Warwickshire County Council via the Warwickshire Direct Partnership works with Warwickshire's Credit Unions and CABs to consider the co-location of services within appropriate premises, such as One-Stop-Shops, Libraries and Children's Centres, as opportunities arise. (See recommendation 8 in section 13)

9.5 Trading Standards

- 9.5.1 In addition to work on illegal money lending, the panel heard from Trading Standards regarding their priority to tackle rogue trading and make Warwickshire a "rogue trader free" county. This is particularly important in the current economic climate as people may be more vulnerable to such criminals. The panel welcomed that in December 2008 an additional £10,000 was awarded to Trading Standards to tackle rogue trading across the county.

9.6 District and Borough Councils

- 9.6.1 In addition to the work already mentioned, representatives from the District and Borough Councils informed the panel of a range of initiatives they are delivering in support of financial well-being. Examples of good practice include basing benefits officers within Job Centres, provision of information through council tax bills and newsletters, advertising on buses, organising credit crunch surgeries, mapping levels of deprivation to target claimants, and introducing fast track claims processing systems. Like the County Council, each District and Borough Council is also offering advice and information on their websites and in hard copy in relation to how both residents and businesses can cope with the credit crunch.
- 9.6.2 The District and Borough Councils have developed effective partnership arrangements both with each other, through the WARBO group, and also with the CABs, Credit Unions, WWRAS, Jobcentre Plus and Pension Service. The WARBO group has provided a mechanism through which the District and Borough Councils can share best practice across a wide range of financial inclusion indices, and it has facilitated joint-working on a number of initiatives, such as the benefits take-up campaign and training.

Effective partnership working has led to the development of three formal shared service partnerships between North Warwickshire Borough Council and Coventry City Council – around sharing benefit and project support; between Stratford-on-Avon District Council and Warwick District Council – around business rates and some benefits support; and between Rugby Borough Council and Coventry City Council – around fraud. Through these arrangements the authorities are able to make efficiency savings and better utilise their resources to address financial exclusion. Effective links with other agencies such as the Pension Service have in the last 18 months resulted in the highest pension credit and attendance allowance increases in the Midlands regions. North Warwickshire Borough Council has been successfully working as part of a national pilot on better information exchange with Jobcentre Plus via an “In and Out of Work” pilot. This has made it easier for customers on benefits to take short-term work, and has been so successful that it is now being rolled out nationwide.

- 9.6.3 With regards to the impact of the current economic climate on services, the District and Borough Councils are seeing an increase in claims for housing and council tax benefits; an increase in discretionary housing payments; an increase in the number of debts being written off; and an increase in fraudulent claims. The credit crunch is also expected to affect council tax collection rates and place additional pressure on staffing and financial resources, particularly in benefits services. Table 5 below identifies the increase in caseload experienced by each District Council over the last three years. Take-up work undertaken during this period has contributed to these increased figures.

Table 5: District and Borough Council Benefits Caseload Statistics

	April 07	April 08	April 09	Overall Increase in last 2 years (%)
North Warwickshire Borough Council	4558	4537	5006	9.8%
Warwick District Council	8376	8524	8782	4.8%
Stratford District Council	6809	7119	7979	17.3%
Rugby Borough Council	5909	6157	6866	16.1%
Nuneaton and Bedworth Borough Council	10751	11014	12242	13.8%

- 9.6.4 The approach to debt recovery emerged as a concern for the panel particularly as the need for recovering unpaid debts was likely to increase as a consequence of the recession. The District and Borough Councils each have a locally agreed debt strategy. Whilst these strategies have developed according to local contexts and are therefore different, the five Councils have adopted common practices in terms of speed and approach of recovery. All provide advice and information to assist people in financial difficulty, common leaflets, and court costs will soon be aligned. A countywide bailiff contract also exists ensuring a consistent approach, standards and fee structures. At present this doesn't include Stratford-on-

Avon District Council but will be reviewed when the contract is re-tendered in the autumn of 2009. Clear policies are in place within this agreement to deal with vulnerable people and help those most in debt by remitting costs, providing discretionary housing payments, awarding benefits where possible and providing a wide range of payment methods and dates. Residents can now pay by direct debit, by free payment at the post office, by PayPoint and Payzone, by debit/credit card over the telephone or internet, or by cheque or cash.

- 9.6.5 In terms of improvements to the way personal debt is recovered across all public sector agencies in the county, the Panel is of the view that a joined-up approach would be beneficial as it would ensure that people who owe money are treated holistically with a variety of debts being managed by a single organisation. This one-stop-shop approach could also achieve efficiency savings by reducing duplication.
- 9.6.6 The District and Borough Councils highlighted that better coordination and improved information/data sharing between partners is essential to ensuring that the most vulnerable people are supported at the earliest possible stage. Organisations need to be smarter and more proactive in identifying problems and preventing crises from occurring. A tool that many local authorities are now using is Experian's Mosaic database, which enables the identification of areas of deprivation and therefore more effective targeting of customers. This is currently used by the Warwickshire Observatory and by three of the District Councils. The Warwickshire Observatory, in particular, has significant expertise in the use of Mosaic and the panel is of the view that this could be better shared between Warwickshire's authorities to maximise its benefits. Licensing, data protection and governance issues would need to be worked through in order to take this forward. This approach could also be applied to other sources of administrative data, where applicable.

Key recommendation

The panel recommends that:

Warwickshire County Council and its partners review debt recovery processes across the local public sector to ensure that customers are treated consistently and to identify opportunities for achieving a 'one-stop-shop' approach. (See recommendation 2e in section 13)

The Warwickshire Observatory works with the District and Borough Councils regarding the application and analysis of customer and other administrative data to ensure consistency across the county in identifying customers in most need. (See recommendation 10 in section 13)

9.7 Links to the Local Area Agreement (LAA)

9.7.1 Whilst financial well-being is not a specific target within the current LAA, there are three indicators which directly relate to the issue:

- NI 116 – Proportion of children in poverty (*within the Children and Young People block*);
- NI 152 – Working age people on out of work benefits (*within the Economic Development and Enterprise block*); and
- NI 187 – Tackling fuel poverty – people receiving income based benefits living in homes with a low efficiency rating (*within the Stronger block*).

9.7.2 The panel recognises, however, that financial well-being is also crucial to the achievement of a number of other targets. Consequently, not addressing the issue will potentially have a negative impact on crime, health, community cohesion, employment, housing and education.

10. Findings – Other Organisations

10.1 The Pension Service

10.1.1 The Pension Service is part of the Department for Work and Pensions (DWP) and provides support for pensioners, carers and those with disabilities to claim a variety of benefits they may be entitled to, including pension credits and warm front grants. It does this through face-to-face contact and home visits.

10.1.2 The Pension Service works in partnership with local authorities, with a number having set up joint visiting teams so that customers are only visited once, and other agencies including Warwickshire Direct, South Warwickshire Carers Support Service, PHILLIS (Promoting Health and Independence through Low Level Integrated Support), etc, all of whom can make referrals to the service.

10.1.3 Through its presentation to the panel, it was established that the emerging challenge is identifying and accessing vulnerable people and hard to reach groups, particularly in rural areas, who are not necessarily known to local authority services e.g. housing or social care, but may be in significant deprivation. Whilst council tax benefit records have been used effectively, more intelligence is needed to support the identification of such groups. This could be provided via the Warwickshire Observatory.

10.1.4 Furthermore, whilst partnership working is good across the county, engagement with the PCT is proving difficult. Health agencies, particularly GP practices for example, have a major role to play in alerting the Pension Service as soon as someone becomes ill as they may be entitled to certain

benefits. The panel is of the view that every effort should be made to improve partnership working and communication with the PCT.

Key recommendation

The panel recommends that:

Warwickshire PCT be requested to work with health professionals and GP practices to publicise and communicate information about the availability of benefits to patients. (See recommendation 11 in section 13)

10.2 Housing Associations

- 10.2.1 Whilst the panel did not hear directly from Housing Associations, it was keen to acknowledge the important role that Housing Associations play in supporting financial well-being, particularly considering that social renters are one of the groups most at risk of financial exclusion.

11. Findings – Best Practice

- 11.1 As part of the review the panel considered how other local authorities are working to tackle financial exclusion. These included Cambridgeshire and Essex County Councils, and Leeds and Birmingham City Councils. The panel was particularly impressed by the approach taken by both Leeds and Birmingham, who have both successfully used a partnership approach to bring together key agencies to better coordinate their services and deliver a range of joined-up initiatives.

11.2 Leeds City Council

- 11.2.1 Since 2003, Leeds City Council has been developing a strategy to tackle financial exclusion across the city and integrate the work of all key partners through the establishment of a partnership steering group. Key achievements of the partnership include:
- Expansion of Leeds Credit Union and the co-location of branches within the council's one-stop-shops;
 - The development of financial literacy packages for young people both in schools and in libraries;
 - Embedding financial inclusion into all of the main council and strategic partnership strategies, including the LAA;
 - Developing a corporate debt policy involving key partners; and
 - Providing training to all frontline staff on delivering basic financial management and debt counselling to customers, including staff in Children's Centres.

11.3 Birmingham City Council

- 11.3.1 Birmingham City Council established a Financial Inclusion Partnership in October 2006 to address and improve financial inclusion, and promote a more coordinated, partnership approach to debt recovery, access to financial services and the provision of money advice for the citizens of Birmingham.
- 11.3.2 Its creation was the key recommendation of a debt scrutiny review carried out in 2005/06, which identified that public and voluntary sector resources weren't being used to maximum efficiency and that communication between service providers was poor.
- 11.3.3 The Chair of the panel and the scrutiny officer made a visit to the authority to explore the initiative in more detail and understand the practicalities of setting up and running a partnership such as this.
- 11.3.4 In undertaking this visit it was identified that Birmingham's Financial Inclusion Partnership deliberately has a loose governance structure and loose terms of reference. This helps the Partnership to focus on outcomes and means that the group can expand as new agencies come aboard.
- 11.3.5 The Partnership consists of a strategic group, which meets every three months; and 4 sub theme groups, which are led by relevant partner agencies and meet every six weeks. They are:
1. Financial Literacy – led by Children's Services
 2. Access to Financial Services – led by the Credit Union representative
 3. Money Advice – led by the CAB Chief Executive
 4. Debt Recovery – led by the Head of Council Tax
- 11.3.6 Additionally, instead of targeting areas of most need, which tends to be the case for many authorities, from the outset the Partnership was keen to secure consistency across the city so that no area was neglected. This was seen as a preventive measure.
- 11.3.7 The idea of a Financial Inclusion Partnership has recently been explored in Warwickshire. A bid was put in for funding from the Area Based Grant by Mark Ryder, Head of Trading Standards, to develop a Financial Inclusion Partnership for the Nuneaton and Bedworth area. Elizabeth Featherstone (CYP&F), David Gooding (BRANCAB) and Lynn Webster (WWRAS) were also involved in developing this proposal. The bid was not successful at that particular time. The panel noted that a formal partnership of this nature has been set up in North Warwickshire to oversee the Child Poverty Project. This partnership could be considered as a catalyst to pilot this type of approach.

Key recommendation

The panel recommends:

The establishment of countywide strategic Financial Well-Being Partnership involving all agencies from the public, private and voluntary sector with a stake in the financial well-being of Warwickshire's residents. (See recommendation 2 in section 13)

12. Conclusions

- 12.1 The evidence gathered by the panel has served to demonstrate that a lot of good work is already taking place in support of financial well-being across Warwickshire. Individuals can access advice and support through a variety of public and voluntary sector agencies – in person, by telephone or online.
- 12.2 Whilst agencies are working exceptionally hard to respond to the current economic downturn, many, such as the CABs, are struggling to cope with increasing demand and are concerned about being able to sustain the level of service required.
- 12.3 The network of agencies in existence across the county is complex and the panel feels that there is scope to improve the coordination and access to services, particularly in rural areas where outreach services would be beneficial. Focus also needs to shift to prevention and working smarter to intervene earlier when an individual faces financial difficulty.
- 12.4 The panel feels that all such initiatives and work streams need to be pulled together under the umbrella of a countywide strategic Financial Well-Being Partnership for the delivery of a coherent, joined-up approach.

13. Recommendations

- 13.1 The panel has made the following recommendations in response to the findings and conclusions drawn from the evidence gathered:

No	Recommendation	Timescale
1.	The Chief Executive urgently identifies a responsible officer to lead on the County Council's contribution to the financial well-being agenda and delivery of the recommendations included within this report. Progress and outcomes against the recommendations should be reported to the Community Protection Overview and Scrutiny Committee on a six-monthly basis. The panel should be reconvened to monitor progress if required.	Immediately

2.	<p>Warwickshire County Council's Cabinet agrees to the establishment of a countywide strategic Financial Well-Being Partnership and requests that the Public Service Board takes forward this piece of work. The Partnership should:</p> <ul style="list-style-type: none"> a. Invite participation from all public, private and voluntary sector agencies with a stake in the financial well-being of Warwickshire's residents, including Housing Associations; b. Develop a Financial Well-Being Strategy addressing the following four priority areas: <ul style="list-style-type: none"> 1. Financial literacy 2. Debt management 3. Income maximisation 4. Access to financial services c. Encourage relevant partners to lead theme groups to deliver these four priorities; d. Develop a stand alone website and associated literature providing a comprehensive guide to all service providers, both locally and nationally based, which are available to Warwickshire's residents in the pursuit of financial well-being. Literature should be made available in all appropriate community centres, including libraries, one-stop-shops, GP surgeries, supermarkets, children's centres, village halls, etc. Community Forums and Parish Councils should also be used to disseminate information; e. Within the debt management theme, review debt recovery processes across the local public sector to ensure that customers are treated consistently and to identify opportunities for achieving a 'one-stop-shop' approach; and. f. Within the income maximisation theme, adopt a countywide benefit take-up strategy. 	By 31 March 2010
3a.	<p>Funding for the Citizens Advice Bureaux be considered as part of the forthcoming review into how Warwickshire County Council funds the voluntary and community sector.</p> <ul style="list-style-type: none"> b. As part of this review the Strategic Director of Customers, Workforce and Governance designs a new and sustainable funding model for Citizens Advice services in Warwickshire, which aims to deliver equity of provision across the county, alongside an emphasis on 'narrowing the gaps'. 	By 31 March 2010, implementation 2011/12.

c.	To improve efficiency and optimize the use of resources, the new model should take an integrated approach, bringing together funding streams from key stakeholders including existing funders of Citizens Advice services such as the District, Borough, and Town/Parish Councils, and exploring opportunities to involve other public sector partners such as Health and Police. Funding should be provided on a minimum three-year basis, in compliance with the Warwickshire Compact to ensure consistency and transparency, and should be set against agreed priorities and outcomes. The new funding model should be designed by the end of March 2010 with implementation in the 2011/12 financial year.	
4.	Warwickshire County Council works with Warwickshire's Citizens Advice Bureaux to promote and publicise Advice Guide and the forthcoming countywide Citizens Advice telephone service.	By 31 March 2010
5.	Warwickshire's Citizens Advice Bureaux be asked to build on the development of Legal Advice Warwickshire and the opportunity it creates for further collaboration on Citizens Advice initiatives.	By 31 March 2010
6a.	Warwickshire County Council, through the proposed Financial Well-Being Partnership (identified in recommendation 2), supports Coventry and Warwickshire Cooperative Development Agency and Warwickshire's Credit Unions to develop a clear business case for the development and sustainability of Credit Unions in the county.	By 31 March 2010
b.	As part of this business case, Warwickshire's Citizens Advice Bureaux be asked to investigate opportunities around how they could support Credit Unions, for instance in terms of sharing their experience and practice around the recruitment and management of volunteers.	
7.	Upon its satisfaction with the business case for Credit Union development (identified in recommendation 6), Warwickshire County Council in partnership with Warwickshire's Credit Unions and the Coventry and Warwickshire Cooperative Development Agency:	By 31 March 2010
a.	Embarks on a high profile publicity campaign, both internally to staff and externally to the public and partner agencies, to promote membership of the Credit Unions and encourage volunteering. The County Council operates a payroll deduction scheme with Credit Unions which should be promoted to all staff, particularly at induction;	

b.	Explores how the County Council can work with Credit Unions, and Warwickshire's District Councils, to establish a structured programme of school banking projects alongside the financial capability module within the PSHE curriculum.	
8.	Warwickshire County Council via the Warwickshire Direct Partnership works with Warwickshire's Credit Unions and Citizens Advice Bureaux to consider the co-location of services within appropriate premises, such as one-stop-shops, libraries and children's centres, as opportunities arise.	Ongoing
9.	The Public Service Board evaluates the North Warwickshire Child Poverty Reach Out Service after 12 months to establish: <ul style="list-style-type: none"> i) the outcomes achieved; ii) the value of continuing the service in North Warwickshire and options for funding any continuation of the project; and iii) whether the project should be extended across other areas of the county. 	March 2010
10.	The Warwickshire Observatory works with the District and Borough Councils regarding the application and analysis of customer and other administrative data to ensure consistency across the county in identifying customers in most need.	By September 2009
11.	Warwickshire PCT be requested to work with health professionals and GP practices to publicise and communicate information about the availability of benefits to patients.	By July 2009
12.	Trading Standards works with the Illegal Money Lending Team and its partner agencies to design and deliver a high profile campaign on the issue of loan sharking and a training programme for all front-line staff dealing with vulnerable residents. The campaign should include publicity of the Illegal Money Lending hotline and promotion of Warwickshire's Credit Unions. It should also encourage those in debt to seek advice from the appropriate agencies. The Warwickshire County Council website should be developed to this effect, and include an online reporting mechanism.	By September 2009
13.	Trading Standards raises awareness amongst residents that intimidating behaviour from <i>legal</i> money lenders is unlawful and should be reported.	By September 2009
14.	Trading Standards works with the Office of Fair Trading to inspect high risk credit licence applicants.	Ongoing

APPENDIX A – Scope of the Review

Review Topic	Financial Well-Being
Panel Members	Cllr Chattaway, Cllr Hicks, Cllr Knapman, Cllr Collett, Cllr Davis, Cllr Ross
Key Officer Contact	Mark Ryder – Head of Trading Standards and Healthier Communities
Scrutiny Officer Support	Louise Denton – Overview and Scrutiny Officer
Rationale (key issues and/or reason for doing the review)	<p>“Narrowing the Gap” – taking in all super output areas in the county – it being noted that this formed only part of the rationale for the review.</p> <p>To ensure standards and quality of service.</p> <p>To assess effectiveness of service delivery.</p> <p>To identify what parameters are covered by services.</p> <p>To ensure acuteness of services to counteract any predators that may arise during the “credit crunch” (the current financial situation).</p> <p>To consider how to communicate to a wider audience the best access to financial advice.</p> <p>To focus on the impact on individuals not businesses.</p> <p>To ensure resources are maximised by services being delivered in partnership to ensure duplication is avoided.</p>
Objectives of Review (specify exactly what the review should achieve)	<p>To establish optimum service delivery across all agencies.</p> <p>To ensure that there is sufficient capacity to deliver services by reviewing how services are currently delivered and identify opportunities to streamline services and identify efficiency opportunities.</p> <p>To ensure that the most vulnerable are aware of, and can access services. Addressing the restrictions imposed by poor levels of literacy or the inability to communicate and the ability to be understood.</p> <p>To make recommendations that add value.</p> <p>To identify good practice.</p>
Scope of the Topic (what is specifically to be included/excluded)	<p><u>Included:</u></p> <p>Individuals.</p> <p>All agencies – impact of financial services.</p> <p>To identify malpractice.</p> <p>To look at enforcement and raise awareness of criminal activities.</p>

	<p>To give advice about how to access help.</p> <p>To start where the demand is greatest.</p> <p><u>Excluded:</u></p> <p>Businesses</p> <p>Banks</p> <p>Supermarkets</p> <p>Utility services – as these are seen as one of the “drivers” of the present financial situation.</p>
<p>Indicators of Success (what factors would tell you what a good review should look like)</p>	<p>To make robust recommendations that can be cascaded down to all agencies.</p> <p>To engage with providers and identify joined up/partnership working.</p> <p>WCC to show leadership and engage partners to stimulate improvement in services.</p> <p>To identify most of the services/organisations offering advice.</p> <p>To open up communications between partners.</p>
<p>Specify Witnesses/Experts (Who to see and when)</p>	<p>To call evidence from the Borough and District Councils/ Partners/ Voluntary Organisations/ Credit Unions etc.</p> <p>To investigate and learn through examples of good practice/benchmarking.</p> <p>To use the examples of good practice to utilise existing TS resources.</p> <p>To call for demographic information from Warwickshire Observatory.</p> <p>To call on the LAA – Healthier Communities Block.</p> <p>To call on consumers (voluntary agencies/association and carers) and Senior Citizens Advice Group (SCAN).</p> <p>To use information provider by antique buyers – as a barometer for people wanting to convert goods (medals) into cash.</p> <p>Site visit – to see examples of good practice.</p>
<p>Consultation with Stakeholders (who should we consult?)</p>	<p>Consumers – as above.</p>

Level of Publicity (what level is appropriate and what method should be used)		Publicity – to be considered upon completion of the review. Currently no publicity – concern about raising expectations. Use all types of media to disseminate information e.g. radio and the press.	
Barriers/dangers/risks (identify any weaknesses or potential pitfalls)		Losing focus- potential to overstretch the review. Raising expectation. Non-delivery. Lack of resources to improve. Agencies may be territorial	
Projected Start Date	August 2008	Draft Report Deadline	9 March 2009
Meeting Frequency	Monthly	Projected Completion Date	End of March 2009
When to evaluate impact			
Methods for tracking and evaluating			

APPENDIX B – CAB Statistics November 2008

Introduction

This briefing note provides Members with details of the numbers of queries dealt with by Warwickshire's four Citizens Advice Bureaux (CABs) during November 2008, and how this compares with the same period last year.

This data has been drawn together from information provided by the managers of the four CABs.

Note

The briefing note identifies the percentage change for each type of query dealt with. However, it is important to consider these alongside the actual numbers – in some cases a large percentage increase relates to only a small number of queries.

1. Warwick District CAB

1.1 General information:

Bureau Opening Hours:	<p>Generalist advice (drop-in): Mon 1pm-7pm Weds & Fri 10am-3:30pm (17 advice hours per week)</p> <p>Generalist advice (telephone advice): Monday 1pm-7pm Weds, Thurs & Fri 10am-3:30pm</p> <p>Specialist advice: Appointments throughout the week 9am-5pm. Outreach sessions throughout Warwick District Monday – Friday.</p> <p>Home visits: Arranged for those unable to access the CAB service direct.</p>
Number of paid staff in office:	20 paid staff (16 FTE)
Number of volunteers:	55 (includes 14 Trustees, 26 generalist advisers (4 of these also act as Advice Session Supervisors), 7 trainees, 4 receptionists, 3 administrators (1 of these also acts as receptionist), 1 Social Policy Coordinator).
Are appointments prioritised? If so, how?	<p>A small number of appointments are available with a generalist adviser, but this is an exception.</p> <p>Specialist advisers see clients by appointment.</p>
Current waiting time for appointments?	Variable (very). But emergencies are always covered.

1.2 Comparison of the main CAB issues dealt with in the months of November 2007 and November 2008:

Category	Nov-07	Nov-08	% increase
Benefits	345	323	-6%
Consumer	36	33	-8%
Debt	783	841	7%
Education	5	1	-80%
Employment	173	195	13%
Finance	24	30	25%
Health	19	15	-21%
Housing	167	124	-26%
Immigration	5	11	120%
Legal	78	60	-23%
Other	14	5	-64%
Relationships	70	80	14%
Sign-posting (to other agencies)	4	1	-75%
Tax	17	26	53%
Travel	12	5	-58%
Utilities	29	20	-31%
Totals:	1781	1770	-1%

1.3 Specific issues which the CAB manager has highlighted:

Category	Issue	Nov-07	Nov-08	% increase
Benefits	Jobseekers Allowance	18	20	11%
Debt	Mortgage Arrears	21	50	138%
	Rent Arrears	37	58	57%
	Council Tax Arrears	56	91	63%
	Water Arrears	41	47	15%
	Fuel Arrears	35	40	14%
	Bankruptcy	52	59	13%
Employment	Redundancy	14	47	236%

2. Stratford-upon Avon and District CAB

2.1 General information:

Bureau Opening Hours:	Mon, Tues, Weds & Fri 10am – 4pm (24 advice hours per week)
Number of paid staff in office:	7 (including 2 full-time and 5 part-time)
Number of volunteers:	46 (including 28 volunteer advisors, 9 generic volunteers and 9 Trustees)
Are appointments prioritised? If so, how?	No
Current waiting time for appointments?	1 week. No change from the same period last year.

2.2 Comparison of the main CAB issues dealt with in the months of November 2007 and November 2008:

Issue	Nov-07	Nov-08	% increase
Benefits	217	264	22%
Consumer	41	41	0%
Debt	166	208	25%
Education	3	5	67%
Employment	102	137	34%
Finance	19	33	74%
Health	15	10	-33%
Housing	71	75	6%
Immigration	5	7	40%
Legal	66	48	-27%
Other	19	19	0%
Relationships	108	65	-40%
Sign-posting (to other agencies)	41	33	-20%
Tax	6	10	67%
Travel	2	10	400%
Utilities	24	11	-54%
Totals	905	976	8%

2.3 Specific issues which the CAB manager has highlighted:

Category	Issue	Nov-07	Nov-08	% increase
Benefits	Housing Benefit	22	37	68%
	Council Tax Benefit	18	39	117%
	DLA-Care Component	17	27	59%
	Jobseekers Allowance	8	17	113%
Debt	Credit Store & Charge Card Debts	25	43	72%
	Unsecured Personal Loan Debts	14	27	93%
Employment	Redundancy	14	41	193%
	Terms & Conditions of Employment	4	15	275%

2.4 Comments from the CAB manager:

I have highlighted where there has been a notable increase in an issue raised. Some issues have declined e.g. advice given on Incapacity Benefit.

It is interesting to note that the overall number of enquiries, comparing November 2007 to November 2008 has increased by 8%. The issues being raised are changing but as yet we have not experienced an unmanageable increase in requests for advice.

This month (December) advisors are reporting that up to 40% of their work is surrounding redundancy and employment issues. If this is the case, we can expect that benefits & general debt advice will also increase in the next few months. We will be able to gain a true perspective of this possible change in March.

3. North Warwickshire

3.1 General information:

Bureau Opening Hours:	Mon, Tues & Fri 10am-2pm Wednesday 4pm-6:30pm (14.5 advice hours per week)
Number of paid staff in office:	9 staff, 5.5 whole time equivalent
Number of volunteers:	27 (including 11 advisors, 8 trainees, 3 Disability Benefit Unit advisors, 2 social policy coordinators, 1 training volunteer and 2 administration volunteers)
Are appointments prioritised? If so, how?	No – but advisors always deal with emergencies as they arise.
Current waiting time for appointments?	Money advice – 5 weeks – no new debt clients can be seen after 15 December as referrals have been suspended to enable advisors to catch up on casework. Without the Christmas break waiting times would be 3 weeks. North Warwickshire Borough Council funded Money Advice (restricted referrals) – 2 weeks. Outreach – Kingsbury 2.5 – weeks, Coleshill 2.5 – weeks. Disability Benefits Unit – 1 week. Home visits – service terminating 31/12/2008.

3.2 Comparison of the main CAB issues dealt with in the months of November 2007 and November 2008:

Issue	Nov-07	Nov-08	% increase
Benefits	152	229	51%
Consumer	9	14	56%
Debt	847	299	-65%
Education	0	0	0%
Employment	25	26	4%
Finance	15	17	13%
Health	4	3	-25%
Immigration	0	0	0%
Legal	21	27	29%
Other	7	9	29%
Relationships	30	15	-50%
Sign-posting (to other agencies)	0	0	0%

Tax	4	8	100%
Travel	4	2	-50%
Utilities	6	3	-50%
Totals	1148	674	-41%

3.3 Specific issues which the CAB manager has highlighted:

Category	Issue	Nov-07	Nov-08	% increase
Benefits	Job Seekers Allowance	1	8	700%
	Pension Credit	12	18	50%
	Housing Benefit	13	16	23%
	Council Tax Benefit	19	23	21%
	Working Tax Credit	6	17	183%
Debt	Personal Loans	22	42	91%
	Bankruptcy	5	11	120%
Employment	Redundancy	4	8	100%
	Dismissal	7	17	143%
	Contracts of Employment	1	11	1000%

3.4 Comments from the CAB manager:

All Statistics were lower than expected in November 2008 due to a shortage of advisors. We were therefore unable to provide telephone advice services which considerably affected the number issues raised.

Demand for money advice continued to increase during the year. In 2005, 36% of new issues dealt with were debt related. In 2007/8, this figure rose to 68.7%. For comparison the Midlands regional percentage was 33%.

Bureau money advisers are currently dealing with £4,169,130 of debt.

1 half time money advisor post is terminating in January 2009 (redundancy) and 1 half time money advisor post is terminating in March 2009 (end of project).

The bureau was awarded funding for 1 year from "Narrowing the Gap" funding for a full time money advisor post.

4. Bedworth, Rugby and Nuneaton CAB (BRANCAB)

4.1 General information:

<p>Bureau Opening Hours:</p>	<p>Bedworth: Mon, Tues, Thurs & Fri 10am-2pm. Weds appointments only. (16 advice hours per week)</p> <p>Rugby: Mon, Tues, Weds & Fri 10am-2pm. Thursday appointments only. (16 advice hours per week)</p> <p>Nuneaton: Monday – Friday 10am-2pm. (20 advice hours per week)</p> <p>Bedworth and Rugby offices offer drop in face to face advice (no appointments necessary), during the above times, where clients are offered a diagnostic interview, if the enquiry is straight forward the information / advice is supplied straightaway, if not the client will either wait to see an adviser for a longer interview on the same day or be referred to a debt, welfare benefits or housing caseworker if appropriate.</p> <p>We also operate a telephone advice service between 10am and 4pm each weekday with our offices in Bedworth and Rugby linked via virtual call centre technology this gives us the capacity to eventually offer up to 6 advice lines open each day although the reality at present is that it is more likely to be 2/3 lines open each day.</p> <p>In Nuneaton we offer pre booked appointments through a series of satellite advice points based in community venues around the town and through the Contact Centre. The Contact Centre's main function is to book and co-ordinate client appointments however apart from also giving advice from the Centre we have a self help computer kiosk where clients can access advice via Citizens Advice's Advice Guide. We also offer advice by email via our websites www.cabnuneaton.org.uk and www.cabrugby.org.uk .</p>
<p>Number of paid staff in office:</p>	<p>23</p>
<p>Number of volunteers:</p>	<p>100 (including Trustees). The majority of the volunteers are trained generalist advisers, or trainees, other roles include receptionists, administration support and social policy campaign work.</p>

Are appointments prioritised? If so, how?	-
Current waiting time for appointments?	Waiting time for a debt case worker is 2-3 weeks.

4.2 Comparison of the main CAB issues dealt with in the months of November 2007 and November 2008:

Issue	Nov-07	Nov-08	% increase
Benefits	863	806	-7%
Consumer	65	80	23%
Debt	1009	1042	3%
Education	8	14	75%
Employment	269	247	-8%
Finance	85	78	-8%
Health	45	19	-58%
Housing	157	133	-15%
Immigration	10	18	80%
Legal	121	127	5%
Other	15	21	40%
Relationships	204	194	-5%
Sign-posting (to other agencies)	34	43	26%
Tax	23	10	-57%
Travel	30	15	-50%
Utilities	66	58	-12%
Totals	3004	2905	-3%

4.3 Specific issues which the CAB manager has highlighted:

Category	Issue	Nov-07	Nov-08	% increase
Benefits	Job Seekers Allowance	19	50	163%
Debt	Fuel Debts	55	76	38%
	Bankruptcy	21	49	133%
Employment	Redundancy	24	51	113%

4.4 Comments from the CAB manager:

BRANCAB has always worked to full capacity and is aware of the unmet need for advice in the community we serve. Therefore the statistics that we have provided need to be looked at in a wider context. As you will see we dealt with approximately 100 less issues in November but this can be accounted for as

we were a) short of volunteers because of sickness/family problems; b) one of our part time debt caseworkers was off all month due to illness; and c) whilst establishing our linked telephone service, Bedworth telephone lines were out of action for over a week. These changes can make a slight difference to monthly statistics yet our client contacts remain fairly static ranging from an average of 2, 800 to 3,000 per month.

It may be of interest to note that BRANCAB is one of the largest CABx in terms of client contacts. In the West Midlands area only Birmingham and Walsall CABx have more client contacts.

I think the main issue for BRANCAB is that we do not have enough capacity to help those clients not eligible to legal aid where their income is just above the eligibility criteria. These people often working families are particularly vulnerable to the downturn in the economy.

Our debt clients are initially seen by a generalist adviser who will assist the client to deal with any priority debts or emergencies that need intervention immediately. Our current waiting list to see a debt caseworker has risen from 2 to 3 weeks.

We have 3.5 FTE Legal Services Commission funded debt caseworkers (2 at Rugby and 1.5 at N&B) who can see eligible clients. In addition to this we have 2 0.5 FTE debt caseworkers funded by the Financial Inclusion Fund working in Nuneaton & Bedworth who are able to see non eligible clients who are deemed 'vulnerable'.

This means that Rugby has little provision for non eligible clients beyond offering self help packs and N&B has not got enough capacity to cope with the demand. It should be noted that 10 years ago WCC funded a full time debt caseworker in each bureau across Warwickshire, at a time when Nuneaton, Bedworth and Rugby were separate bureaux. However as we have received inflation only increases to our grants in recent years these posts have mainly been lost as costs of providing the service have outstripped the inflationary rises we have received.

At BRANCAB we value the support we receive from WCC and recognise the financial restraints under which the Council is currently operating. However the economic circumstances make it imperative that we think creatively about how we can find the resources to manage the anticipated demand.

APPENDIX C – Credit Union Information (correct as of February 2009)

Name and Location	Common Bond	No. of Members	No. of Volunteers	Opening Times	Other Collection Points
Rugby Credit Union CVS House 19 & 20 North Street Rugby CV21 2AG 01788 577900 www.rugbycreditunion.co.uk	Live or Work	313	23 volunteers	Tues-Thurs 10-3.	Collection points in Overslade Community Centre and the following schools: Cawston, St Oswalds, Henry Hinde, Newbold Riverside, Brooke, Rokeby and Oakfield.
New Way Credit Union 158 Long Street Atherstone CV9 1AE 01827 718851 www.nwccunion.plus.com	Live or Work	248	11 volunteers	Thurs & Fri morning in main office and Tues & Weds morning in the Borough Council office.	Collection points in two primary schools: Woodside and Arden Hill.
Nuneaton Credit Union Hatters Space Abbey Street Nuneaton CV11 5BT 024 7664 2480	Live	548	?	Two collection points: Hatters Space – Wed 6.30-8.00pm; Camphill Community Centre – Wed, 10am-12pm.	
Bedworth and Bulkington Credit Union 49a King Street Bedworth CV12 8JD 024 7631 1999 Mel.barlow@babcu.co.uk	Live or Work	911	12 volunteers	Mon-Fri 9:30-2.	Collection points in 3 local schools.
South Warwickshire Credit Union 9 Alcester Road Studley B80 7AN 01527 857152 www.southwarwickshirecreditunion.com	Live or Work	?	23 volunteers	Large number of collection points across Stratford, Studley, Alcester, Leamington and Warwick – see website for details.	Collection points also available in the following schools: Mappleborough Green, Dunnington, Salford Priors, Tanworth in Arden, Studley Infants, Studley Juniors, St Nicholas Studley, Our Lady Primary, Bishopton, Newborough, All Saints Primary.



APPENDIX D – Community Banking Services and Credit Union Development within Warwickshire

Introduction

Financial inclusion has been a major issue in Warwickshire for many years. It has been highlighted in recent months by the current economic crisis.

Many residents never engage with any organisation and are exceptionally hard to reach. These are the very people that Warwickshire County Council should be seeking to engage with. **Coventry & Warwickshire Co-operative Development Agency (CWCD)** has discovered that its range of financial services now enables it to access these hard to reach people. We have had success in both attracting them to our services and also in encouraging them to access other services such as training and job advice and guidance.

(CWCD) has supported the formation and running of credit unions in Warwickshire since 1997. At that time there were four credit unions giving part-coverage, now, following some amalgamations, there are five covering the whole of the county. These vary in size from 250 to 910 members, none of which are likely to be sustainable in the long term without some restructuring. CWCD assisted the credit unions with the amalgamations by providing the information required by the Financial Services Authority and assisting with the writing of the required submissions.

We have provided technical help, training and advice on practical, financial and legal matters to these credit unions as it is not always realised that running a credit union is in legal terms, closely akin to running a small bank or building society. This means that the level of expertise required for some aspects of the work is very high for what are essentially, volunteer led organisations. CWCD will continue to support the credit unions for the time being, although funding for this work is meagre and likely to be non-existent within two years.

CWCD has also helped the credit unions with their loan portfolio analysis, revising loans policies and loan rates as part of an integrated business plan approach to future planning. We have assisted credit unions with recruiting and retaining volunteers, giving advice and support in managing volunteers and have provided training courses both for individual credit unions and general ones open to all. These courses are not only needed to increase volunteers' knowledge and ability to perform the functions required, but also there is a legal requirement for volunteers to attend refresher courses regularly on certain subjects, notably anti-money laundering legislation. With the changes in legislation over recent years, and the proposed extensive new legislation, the need for training will increase in the near future rather than diminish.

Financial education for the younger generation is important in eliminating future financial exclusion. CWCDAs are currently instrumental in the "Reach Out" project in North Warwickshire. This is developing best practice in establishing a structured programme of school banking projects alongside the financial capability module within the PSHE curriculum.

Credit Union sustainability

Whilst working towards developing a clear business case for the development of sustainable credit unions in Warwickshire, all credit unions' business plans have been updated. Strategy meetings and ideas emanating from the Coventry & Warwickshire Credit Union Forum have resulted in credit unions looking at possible future mergers and the sharing of services.

CWCDAs have been in discussions with local credit unions to look at the feasibility of providing a

"Back Office Service" to all credit unions in the area. This would mean setting up a centralised administration service which would use a computerised system to maintain credit unions' accounts and probably use an on-line system to provide each credit union with instant up-to-date information. This would mean removing the heaviest burden from each credit union and allow them to do what they do best, serve their customers and attract new members, not spend much time in front of a computer or sorting the accounts. The cost of providing this service is currently being determined to see if the idea is feasible.

Recent initiatives aimed at attracting new members have been well received, particularly the offer to Warwickshire County Council employees for Christmas loans. This significantly increased the size of the Warwickshire payroll deduction scheme. This area of membership using payroll deduction is currently being explored with other large employers. An appropriate leaflet has been produced and is being distributed with the assistance of WCC.

Financial Inclusion – Additional Services/Products

It gradually became apparent that although the savings and loans service provided by the credit unions was very valuable, it was insufficient in itself to address the financial exclusion faced by many people in Warwickshire. This was not a position that was unique to the area and nationally, ways of combating financial exclusion were being sought. A pilot scheme consisting of seven areas of the country, including Coventry and Warwickshire was set up to explore ways of improving the situation. The report on this pilot "Community Banking Partnership – the joined - up solution for financial inclusion and community economic development" will be available shortly from the National Association of Credit Union Workers.

Locally CWCDAs looked at the needs that were not being met and sought ways of addressing them. Credit union loans at very reasonable rates of interest (probably unbeatable for smaller loans) were available to members who saved regularly, but not to non or new members. This proved to be a difficulty for many whose position did not allow them to save (or who could not budget sufficiently well to save) and who were in many cases, only able to access loans from the likes of doorstep lenders whose rates of interest were high (in excess of 189% apr in many cases).

The government was also looking at this situation and as a result provided some £34million to allow organisations to lend to people on lower incomes who would not otherwise qualify for a loan. This fund – the “**Growth Fund**”, administered by the DWP, had to be bid for by interested organisations. A consortium of local credit unions and Coventry and Warwickshire Reinvestment Trust (CWRT) was successful in securing Growth Fund money and is now available through credit unions across the county. The interest rate is higher than for credit unions as the risk is much greater, but at 25 – 35% apr, is much lower than other loans for this sector, notably the doorstep lenders current rate of 189% apr. CWRT is a Community Development Finance Institution, set up in 2004, initially to provide a source of funding for small businesses with a community benefit, that could not find funding elsewhere. It originally obtained a grant from the Phoenix Fund for this purpose. As it was set up to process these loans, it was straightforward to add the administration of Growth Fund loans to its work.

As getting some customers to repay was sometimes proving difficult, often as a result of a lack of budgeting skills, three other initiatives arose:-

First, CWCDAs worked with the DWP to allow credit unions to apply for an attachment of benefits for those who were behind with payments and on benefits. This has had some success, but is not always a solution.

Secondly to help people to be able to budget, CWCDAs were given money to provide **budgeting advice** in many of Warwickshire County Council’s “Warwickshire Direct” one stop shops. A list of times and locations is appended to this report. This service offers budgeting advice along with help **opening basic bank accounts** and tries to address any other financial concerns, offering assistance in beginning to address these. This may be signposting to other services/ departments, or a dual approach with another organisation. It does not offer debt advice for people with serious debt problems which are covered by the Citizens Advice Bureaux service, but we can arrange appointments for people who need this service. We can of course give people access to any of the services mentioned in this paper, and particularly encourage credit union membership to assist people in the future. This is an excellent example of co-ordinating services. It was run as a pilot project funded by the borough councils and WCC. We are currently looking for additional funding to continue this initiative.

Thirdly CWCDAs worked with a national organisation to set up a **bill payment service** whereby people can elect to have bills paid for them using direct debit. All they need to do is specify the bills to be paid and an appropriate single amount will be taken from their bank account at agreed times and disbursed to all the organisations at the

appropriate time. We can for instance, take money at weekly intervals and pay suppliers monthly if that is what is required. This takes the worry out of paying regular bills.

Conclusion

Consideration is now being given to other ways of helping people with their financial needs. Discussions with other organisations include banking facilities which could be provided by credit unions, insurance, funeral plans, child trust funds, Isa's and payment of benefits directly to credit unions.

The ultimate aim is to provide or to be able to signpost to, any financial services that people who have had difficulty, or are likely to have difficulty in accessing elsewhere. We would also like to be able to make people aware of how to get a reasonable service / deal from other organisations to ensure people are not excluded or discriminated against because of their financial situation or financial acumen.

In order to achieve this aim a joined-up approach will be required from all agencies in the county working in these areas. Work will also be required with commercial financial organisations to persuade them to take a full part in achieving the aim.

APPENDIX D – Resource Map of Benefit Services across Warwickshire



Warwickshire Welfare Rights Advice Service

1. Offer training, telephone consultancy and publications to support advisers in the agencies below to deal with benefit enquiries or signpost clients into appropriate help.
2. Advise individuals by
 - * taking client referrals for advice and help with APPEALS
 - * doing targeted take up work to identify those not in contact with advice agencies and encourage claims.
3. Advise WCC on the policy implications of changes to benefits law and policy

Organisations offering Advice and Information on Benefits

Voluntary sector

- Citizens Advice Bureaux
- DIAL (NBBC/NW only)

Statutory sector

- The Pension Service (60+ on referral only)
- WCC benefits advice and income control team (those assessed for a Care package)
- All District and Borough councils (Housing and Council Tax benefit only)

Plus

- DWP leaflets, DWP Benefits Enquiry line and Direct.gov website (National written information on benefits and telephone help for disabled clients)

Private sector

No local solicitors or agencies doing Welfare Rights work at present

Potential Benefit Referrers

WCC staff

- Contact Centre
- PHILLIS
- OTs
- Social Workers
- Specialist teams
- Councillors
- Childrens centres
- Extended schools

PCT

- District Nurses
- Community Matrons
- GP's

Hospitals

- Discharge Liaison
- PALS
- Ward Staff

Care homes and care providers

Specialist schools and FE colleges

Community centres and self help groups

Ethnic minority day care and other specialist services

- Older People Forums

Organisations from which the public seek benefits information

- Age Concern
- Independent Advocacy
- Guideposts
- South Warwickshire Carers Support Service
- Rowan Organisation, DIAL and other specialist disability groups
- Warwickshire Assoc. for the Blind
- British Legion
- Advicerights
- African Caribbean Project
- MIND, Alzheimer's Society and other mental health charities
- MENCAP and other Learning Disability charities
- Barnados
- Connexions
- Housing associations and other social landlords
- Homeless projects
- Credit Unions
- Doorway
- SAFA/British Legion
- WREP
- CISWO

The diagram overleaf shows the overall mapping of benefits services across Warwickshire. It attempts to demonstrate in brief how the public can access benefits information and advice. Please be aware that this is a summary of our database of over 800 contacts across the county. Details of specific groups or teams in any locality can be made available.

Organisations supporting benefits take up and advice fall into 3 broad groupings, all of which WWRAS link together as a county wide support service

1. Those who specifically offer information and advice on benefits as a key part of their work
2. Those whose users are likely to be actual or potential claimants, who are not benefit advisers. They need to be aware of benefit entitlements so as to signpost or refer people into advice services. It includes a mixture of statutory workers, as well as those in small community groups, who can be key in identifying unclaimed benefits.
3. Those who advise on a range of issues including benefits but for whom benefits advice is not the main thrust of their work.

WWRAS is funded by the county to support this wide network by raising awareness and understanding of basic benefit issues so that the public do not fail to claim. Many people miss out on entitlements and the broader the network of those who know about benefits the less this is likely to be an issue.

CABx are the only front line agency which specifically offers benefits advice to claimants on an open door basis. Other agencies do it within the limits stated.

NB the statutory authorities (DWP, Her Majesty's Revenue and Customs and Local authorities) have traditionally administered benefits rather than offering advice and encouraging take up. This role is changing in the light of the Government anti-poverty agenda and they are now charged with promoting take up more proactively. However their skill in doing this cannot be assumed. Local Pension Service staff are excellent but their regional colleagues are not and LPS staff is now reducing. Jobcentreplus and HMRC do not offer holistic benefits advice.

As a result the voluntary sector still has a key role to play in advising and advocating on behalf of individuals and offering an independent perspective.

I hope this give an over view of the benefits advice available!

Lynn Webster
 (Service Manager)
 Warwickshire Welfare Rights Advice Service

