

## What is 'financial inclusion'?

**Financial Inclusion can be defined as the availability and equality of opportunity to access finance and financial services enabling people to maximise opportunities, move into employment, become more self-reliant, and enhance their physical and mental wellbeing. Financial inclusion contributes to greater social mobility and levelling up, a more effective welfare system and greater national resilience to economic shock.**

## Context

Financial Inclusion and Welfare was one of the three workstreams within the Poverty Commission's work and is a priority for our delivery plan. 7 recommendations were made for year one delivery and five for year two.

These cover a range of activity from council tax support to the community hub model. This supports the delivery plan by giving an overview of the key strands of work in this area.

To set the context, financial inclusion is driven in a large part by levels of income. Given the pandemic and changes in employment (including the introduction of furlough which is due to end in September), levels of income are set within an ever-changing, challenging context.

A total of 33,600 jobs belonging to Brent residents were furloughed at the end of January 2021 –the 4th highest in London, and 9th highest in England. Over 4,000 applications were made for support from the Resident Support Fund (RSF) in the period up to 31 March 2021. The most popular type of requests to the RSF were for support with rent arrears, paying off debt, and household expenditure. More than one in ten working age Brent residents are now claiming unemployment related benefits (11.1%), which is up 7.5% since March 2020. Harlesden and Stonebridge wards have the highest proportion of unemployment related claimants as a proportion of their adult population, with 16.9% and 16.7%

respectively of their adult population claiming benefits. Harlesden and Stonebridge wards also had the highest number of RSF applicants.

Poverty is increasing, in and out of work, with those out of work particularly affected by benefit cuts and delays. 1 million people in the UK do not have a bank account and 1 in 5 adults would not be able to cover more than one month of living expenses if they lost their source of income. 28% of adults, or 14 million people have experienced a direct negative effect on their income due to coronavirus (as of May 2020). 12.5 million UK adults have little or no confidence in their ability to manage money. 22% of all adults in the UK have less than £100 in savings<sup>1</sup>.

For Brent Council, tackling financial exclusion and promoting greater financial literacy, capability and inclusion is about more than addressing the symptoms of being excluded. It is about cultivating relationships with a broad range of stakeholders to help people to make informed choices and make best use of the advice available. A key element is fostering broader independence and resilience.

## Impact of Covid-19

As already described, Brent residents have seen their jobs significantly impacted by Covid-19. The borough has relatively high numbers of both furloughed workers and self-employed residents receiving government support. Claimant unemployment levels are also much higher than average in Brent.

## Priorities

Brent has identified three key priorities for improving financial inclusion and informing our activity in this area. These are:

- Helping people to move from reliance on benefits
- Helping people to overcome high levels of debt, and promote responsible borrowing
- Encouraging people to build their awareness of financial services and make appropriate choices with their finances

<sup>1</sup> Financial Commission 2021

<sup>2</sup> Citizens Advice, Near the cliff-edge: how to protect households facing debt during COVID-19

## Helping people to move from reliance on benefits

Our key activities in this area include:

- Providing wrap-around support to help residents to access employment, skills and other linked support (e.g. financial inclusion and health) through Brent Hubs.
- Earlier signposting, and improved access, to free regulated debt advice.
- Providing adult education services across the borough through the Brent Start programme, from a number of locations including libraries, community centres, primary schools, and Family Wellbeing Centres.
- Providing job and apprenticeship opportunities, advice and support, through the borough-wide Brent Works service.
- Brent Works job and apprenticeship brokerage is working in partnership with Jobcentre Plus and the United Colleges Group to engage employers that are recruiting and to develop a responsive set of courses that help people to re-train and access these opportunities. Support will be offered for unemployed residents, those that are under-employed requiring more hours, as well as people seeking to increase their income through better quality employment.

## Helping people overcome high levels of debt, and promote responsible borrowing

Our key activities in this area include:

- Using the Residents Attitude Survey to survey Brent households on their financial activity. In particular, to get a better understanding of the borough's "underbanked" communities.
- A focal point of the Council's approach to supporting residents who are experiencing financial hardship is our network of Brent Hubs and our newly created Resident Support team within Customer Access. The Hubs team is well embedded within our communities and is supporting residents. The Resident Support team considers RSF applications and makes awards.
- Our approach within the ethical debt policy and our debt write off policy ensures no resident is left with multiple debts that they cannot cope with, but also as a Council ensures we have taken every step to support the resident with payment and proper recovery procedures.
- Working closely with Citizens Advice, third sector partners and Credit Unions to ensure we tailor support to residents who find themselves in difficulty.
- Enhance our use of mutual aid groups to make referrals and recommendations on behalf of residents and communities for us to support residents at grass root level.
- Positively encouraging all council staff to use a credit union and ensure that the employee assistance programme is highlighted.

## Encouraging people to build their awareness of financial services and make appropriate choices with their finances

Our key activities in this area include:

- Delivering interventions to improve the financial/budgeting skills of residents – including working in partnership to deliver awareness sessions on available financial services. Promote a culture of saving through our work with for example, Advice4Renters and Credit Unions.
- Working with schools, charities and the financial services industry to deliver high quality financial education for young people including digital support.

## The Brent Offer

The Brent Offer is very much a partnership approach, particularly with our valued voluntary and community sector. This multi-agency approach ensures there is something for everyone who is experiencing financial hardship, and seeks to guarantee that specialist services are available for those who need more help and support. Our range of services includes:

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### Resident Support Fund and Interest free loans

Financial assistance is available for Brent residents who have experienced a crisis, emergency and are in extreme financial hardship through the Residents Support Fund (RSF). A grant and/or loan from this fund could help with reduced household income, increased household costs, or arrears with rent, mortgage or council tax and/or debt. Grant packages in the form of digital packages are available to residents who are unable to access the internet. The RSF also offers interest free loans, which are administered in conjunction with a Credit Union partner. Affordable credit is not always available to people on low income, so the RSF interest free loans offer an alternative to residents who may be unable to access mainstream credit.

The Council is also working with two Credit Unions to provide competitive loan and saving products to Brent Council staff.

Visit:

[www.brent.gov.uk/services-for-residents/benefits-and-money-advice/resident-s-support-fund/](http://www.brent.gov.uk/services-for-residents/benefits-and-money-advice/resident-s-support-fund/)

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### Council Tax Support Scheme

In April 2020, Brent Council introduced a new and simpler Council Tax Support Scheme, which is based on a household's ability to pay rather than the traditional means-tested Council Tax Award. The scheme provides support to residents who need help to pay their Council Tax. The amount of help a household can get is dependent upon who lives there and how much each adult earns. Support is available to residents following a straightforward online application form.

Visit:

[www.brent.gov.uk/services-for-residents/benefits-and-money-advice/council-tax-support-information/](http://www.brent.gov.uk/services-for-residents/benefits-and-money-advice/council-tax-support-information/)

## Foodbanks

The Council recognises the vital role that foodbanks play in the borough particularly in challenging times. Whilst recognising this role the council is also keen to reduce foodbank dependency. During the pandemic, foodbanks in the borough saw an increase in demand and the Council has worked closely with the Food Aid Network to share information, provide access to funding and ensure links are made with other services such as Brent Hubs. Alongside food aid, foodbanks have been providing welfare advice to those in crisis. To reduce the dependency on foodbanks as well as support the types of food on offer, initiatives which support growing local produce are in place and work well in the borough. These include community gardens - Harlesden community gardens, Sufra/St. Raphael's community garden and Northwick Park. Brent Hubs make referrals to foodbanks and provide an outreach service in food bank locations. Mutual Aid groups also make referrals. Foodbanks play a pivotal role in improving the health and wellbeing of residents. Their role is wider than food distribution and there are particular opportunities to support those with long-term conditions and ensure that the wider population are signposted to health services when they use foodbanks.

Visit:

<http://brentfoodaid.help/>

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### Money management

The Council advises or signposts the customer to other organisations that can help the customer to make good money handling decisions e.g. budgeting; opening an account or applying for loans. This service is delivered through our hub model as well from the Council's customer service team. Previous activity has included Community Money Mentors, a programme delivered by Advice4Renters. Further provision has been made in the current budget to scope and deliver interventions with a focus on improving financial and budgeting skills. This service will commence in 2021/22.

## Brent Hubs

The hub model now operates from five locations across the borough: Harlesden, Kilburn, Willesden, Wembley and Kingsbury. The service offer has been developed in partnership with local groups and organisations. Community Hubs bring together local partners in one place to provide holistic support alongside key council services. The core service offer includes:

- Benefits – housing benefits and council tax support, overpayment of benefits, change in circumstances, enquiries about JSA, ESA, Universal Credit processes, financial inclusion advice relating to benefits
- Housing and homelessness – rent arrears, facing eviction, repairs (relating to housing management), problems with landlords, moving home, sheltered accommodation enquires
- Money – debt, rent arrears, budget management, financial inclusion support
- Employment – support with setting up an email account, job search, CV writing, job applications, apprenticeships, course referrals, volunteering
- General support / form filling – support with reading letters and completing forms (e.g. medical appointments, MyAccount and digital support, universal credit, oyster card, freedom pass, driving license, blue badge forms, registering to vote and passport forms)
- Food and fuel aid– support in accessing food and fuel vouchers, referrals to food banks

Visit:

[www.brent.gov.uk/your-community/brent-hubs](http://www.brent.gov.uk/your-community/brent-hubs)

## Family Wellbeing Centres

In December 2020 Brent opened eight new Family Wellbeing Centres which were developed from existing Children's Centre venues around Brent. Family Wellbeing Centres provide a wide range of easily accessible support for families. Their core offer of support includes health, education, family support, support for parents/carers and SEND support.

Both Brent Hubs and the council's Family Wellbeing Centres are aligned with a localities approach. Both models aim to build on and connect with local community assets (including organisations and groups), helping their clients to access the right services and support for them. The approach enables us to address complex issues that exist at a local level through tailoring approaches to meet local needs, and to work with communities to make them more engaged, connected and resilient. The key shift in this approach

is a move from focusing on single services to address specific issues (which often results in complex systems, which are challenging to navigate) to a more joined-up, issues approach relevant to needs and locations.

Visit:

[www.brent.gov.uk/services-for-residents/children-and-family-support/childcare/family-wellbeing-centres](http://www.brent.gov.uk/services-for-residents/children-and-family-support/childcare/family-wellbeing-centres)

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## Voluntary and Community Sector (VCS) model of collaboration

The model for collaborative working with the voluntary and community sector is intended ensures better delivery on key strategic objectives and challenges facing the borough. In particular, in ways that help deliver on the objectives shared across sectors to secure an inclusive, prosperous and sustainable future for all our people. It is based around creating a continually improving relationships across agencies and sectors that enable services and initiatives delivered in ways making the best of the resources, skills and knowledge of each side and promoting learning from best practice in each. There are two key elements, the Strategic Partnership Group and the thematic groups – These are based on a recognition that many of the issues we will be working on manifest themselves – and are experienced by residents – in Brent's neighbourhoods, where there are also many of the key resources and localised solutions that must be drawn on to address them. This model will be used to ensure that our financial inclusion offer and any changes are communicated promptly and effectively to the VCS as well as continuing to work in collaboration to deliver the offer.

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## Mutual Aid groups

Mutual aid groups are groups of self-managed volunteers who operate across the whole borough providing support to those who need it most. They are wholly independent from the Council; however, mutual aids and the council have developed a good working relationship where they have been able to provide support around a number of initiatives such as supporting people referred from the Brent Hubs. They support the provision of food aid and address financial inclusion by supporting people to fill in hardship fund grants and they also are able to provide micro grants through a platform called the Brent Solidarity Fund.

Visit

<https://www.brent.gov.uk/your-community/coronavirus/guidance-for-residents-asked-to-stay-at-home-self-isolate/>

## **Ethical Debt Recovery policy and breathing space legislation**

The Ethical Debt Recovery policy and the debt write off policy procedure ensure that no resident is left with multiple debts that they find difficult to manage and that as a Council we take every step to support the residents with payments and proper recovery procedures. In addition, the new Breathing Space legislation that came into effect on 4 May 2021 will impact the way in which service areas across the council can collect income and debt. Residents with existing debt from 4 May 2021 will be able to apply for 'Breathing Space'. If granted, the individual will then be given a 60-day 'Breathing Space' period, during which all recovery and enforcement action is halted while they receive professional debt advice to find solutions to their financial difficulties.

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## **Digital Inclusion**

The Council is developing and implementing a number of approaches to improve digital inclusion and skills across Brent, with the aim of increasing resident's digital confidence, access to digital equipment and connectivity, and an increase the Digital Champions offer. Initiatives include:

- A digital inclusion package of support available to eligible residents through the Resident Support Fund
- A series of Digital Inclusion pilots to explore how the council can support residents with specific needs
- A Digital Champion's pilot involving key internal services and a VCS partner
- Establishing a hosted network of key internal and external partners to monitor the implementation of the above initiatives and share best practise
- Agreements with providers to install full fibre connectivity to social housing across the borough, community centres and resident meeting rooms

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## **Improving intelligence**

The Council is developing a Financial Inclusion dashboard that will bring together various internal data sets. The data from the dashboard will build a holistic view of the financial situation of residents which will proactively identify households and geographical areas at risk of financial exclusion. This will enable officers to target support to areas where it is most needed, and work with residents to maximise their benefit income. The first iteration of the Financial Inclusion dashboard is due to go live in 2021.

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