

Report of Assistant Chief Executive (Citizens and Communities)

Report to Executive Board

Date: 16th July 2014

Subject: Citizens@Leeds: update on tackling financial hardship proposition

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of the main issues

- Executive Board received a report in November 2013 that set out a new approach to tackling poverty and deprivation based around four key propositions.
 - The need to **provide accessible and integrated services**;
 - The need to **help people out of financial hardship**;
 - The need to **help people into work**; and
 - The need to be **responsive to the needs of local communities**.
- An analysis of the impacts of the first year of the major welfare reforms shows that both Council Tax collection rates and rent collection rates are down in comparison to the previous year and this is likely to be related to the implementation of major welfare reforms in April 2013
- All three pilots aimed at providing 'wrap around' services to address debt issues and move people closer to the employment market have now started. A key element of these pilots is the need to join up financial support with the right kind of advice and personal support that engages with customers and helps them to improve their current situation.
- The provision of advice is now delivered through a 3 year contract with the Advice Leeds Consortium, which is made up of Leeds CAB, Chapeltown CAB and Better Leeds Communities. The ability of the consortium to meet the demand for advice is dependent on achieving efficiencies, modernising the service and introducing new ways of working. This means that there needs to be a review of where advice is currently delivered. The details of this review are contained within the annual advice plan which is attached for the Board's information.
- The high cost lending campaign has built on its successful launch in October 2013 and work is well underway to provide realistic alternatives to high cost lending.

Recommendations

Members of Executive Board are recommended to:

- i. Note the information on the first year impacts of the welfare reforms that came into effect from April 2013;
- ii. Note the launch of the pilots to tackle financial hardship among specific groups and request a further update once the pilots have concluded;
- iii. Approve the Annual Advice Plan;
- iv. Note the progress being made in relation to high cost lending in the city; and
- v. Approve the policy statement on tackling high cost lending in the city set out in paragraph 3.27.

Main Report

1. Purpose of this report

- 1.1. This report updates Members of Executive Board on the developing approach to tackle poverty and deprivation and provides more information on the pilots underway to help tackle financial hardship among specific groups;
- 1.2. The report seeks approval for an Annual Advice Plan that incorporates the work of the Advice Leeds Consortium, sets out the aims for the current year and puts in place arrangements to support the delivery of advice in future years.
- 1.3. Following the approval of an action plan to tackle high costs lending, the report provides an update on progress against the plan and gives information on the launch of a high profile campaign aimed at generating city-wide support for taking a stand against high costs lenders.

2. Background information

- 2.1. Executive Board received a report in November 2013 on developing a new approach to poverty and deprivation which included proposals for tackling financial hardship. This reports provides an update on the key proposals for tackling financial hardship:
 - Delivery of welfare advice and support across the city;
 - Delivery of a campaign to reduce high cost lending in the city;
 - Development and delivery of an Annual Advice Plan: and
 - Delivery of pilot initiatives to help care leavers, tenants in multi-storey flats and tenants in debt dependent on Discretionary Housing Payment awards. The pilots are intended to help inform the wider rollout of wrap-around support to citizens in financial hardship.
- 2.2. It is now over a year since the introduction of major welfare changes affecting Council Tax Support and Housing Benefit for tenants deemed to be under-occupying their properties and we are now in a better position to understand the impact of these changes. The main findings from an analysis of the first year impact of the welfare reforms are:
 - the overall in-year collection rate for Council Tax in 13/14 was 95.7%, down from 96.6% the previous year;
 - the collection rate for the 26k households who had previously received full Council Tax Benefit was 65%;
 - of these, 12,800 households had paid in full and 13,300 households finished the year with an outstanding balance to take into 14/15.
 - the in-year collection rate for Housing Leeds' rents in 13/14 was 97.85%, down from 98.06% the previous year;
 - the number of Housing Leeds tenancies affected by the under-occupancy changes reduced during the year from 7037 to 5675;
 - the % of households affected by under-occupancy in arrears in March 2013 before the under-occupancy changes started was 27%; the % of 'under-occupancy' households in arrears at the end of the 1st year was 49%

- 2.3. Alongside this information, we have also received a report from Advice Leeds providing case study information on the impacts of the reforms on individuals and families. The report is attached at appendix 1.

3. Main Issues

Annual Advice Plan

- 3.1 An Annual Advice Plan has been developed to support the Citizens@Leeds proposition around tackling financial hardship. The main elements of the plan, which is set out at appendix 2, are:
- *Continue to develop the capacity of the Welfare Rights Team to provide specialist advice around disability benefits, including support with appeals.* This is increasingly important as the ESA review programme continues and with the prospect of a review of Disability Living Allowance cases from 2015 as the switch to Personal Independence Payments starts to gain momentum.
 - *Develop and deliver a rolling programme of training for front line staff.* The programme will provide frontline workers from across the council with the right tools and knowledge to help identify and support customers in financial hardship.
 - *Support the ongoing development of the Advice Leeds Network.* Advice Leeds is adopting and promoting practices which will help its members reach more people and it's important that the Welfare Rights Team actively supports this activity
 - *Support targeted work around debt and deprivation:* The focus is on promoting debt advice agencies such as Step Change Debt Charity, debt resources such as the Money Information Centre and actively promoting alternative affordable credit options such as Leeds City Credit Union
 - *Developing the Welfare Rights Team as a centre of excellence for advice work.* The team would have responsibility for ensuring the quality of advice provided by frontline advisors, delivering professional training to frontline advisors and developing an internal advisor network that supported home visitors who provide an advice role.

Delivery of welfare advice and support across the city

- 3.2 In July 2013 Executive Board approved a request to agree a contract with the Leeds Advice Consortium for the provision of welfare advice for a 3 year period from April 2014.
- 3.3 The new advice contract, awarded to the Leeds Advice Consortium (comprising Leeds CAB, Chapeltown CAB and Better Leeds Communities) commenced service on 1 April this year. A considerable amount of work has been undertaken with the advice providers and other council partners and directorates in preparation for the new contract. The ambition has been to develop a much more integrated advice service which is more universally available but also concentrates more on areas of greatest need. Leeds CAB is the lead agency and will be responsible for managing the process of change.

3.4 The new services has ambitious goals and over the next three years will work towards delivering significant improvements to the type and amount of advice delivered in Leeds including:

- Transferring resources to telephone increasing the number of calls answered from 12,000 to 35,000 per year.
- A 50% increase in the opening time of the telephone service to 45 hours per week
- A 50% increase in drop-in opening hours from 84 to 126 hours per week
- Doubling the number of individual clients helped to 40,000 by 2017

Funding commitment

3.5 The Council has for many years seen support for financial inclusion initiatives – providing affordable credit and banking services and advice provision - as a priority in the city. This is now even more important with the impacts of the changes to welfare benefits and the many problems people are facing as a result of poverty. For this reason the Council has not made significant cuts to the funding for advice since 2010. Despite the major cuts to council funding, this year the budget for advice has been protected and will remain the same as the previous year. Clearly, the extent of protection to this funding area in future years cannot be guaranteed considering the financial challenges the Council faces.

Increased Demand

- 3.6 Advice agencies have been working hard to respond to growing need for advice following the financial crisis. Leeds CAB for example has more than doubled the number of people assisted in recent years (18,663 clients assisted in 2013/14, compared to 8,821 in 2008/09). Demand for advice continues to exceed supply however and, given the ongoing pressures on public spending, any further increase to client numbers can only come from reconfiguring existing provision.
- 3.7 With the introduction of welfare reform and an ever increasing demand on advice services, consideration has been given on how to provide an even better service to more people by using the existing resources more efficiently.
- 3.8 Traditionally the location of facilities outside the city centre has been as a result of historic circumstances rather than a strategic plan about the best way to deliver advice services. The new contract will aim to have a much more strategic approach to enable a fairer distribution of resources across the city. The council's own customer services facility and particularly the new Citizens at Leeds Community Hubs will be an important part of the new delivery arrangements.
- 3.9 During this year, a reconfiguration of services will be undertaken in order to achieve this objective. Part of the reconfiguration will be to move some resources to new channels of delivery, primarily by telephone and also through e-mail and web services. By doing this it should be possible to provide advice support for more people with a similar level of resource thereby providing more efficiencies in service delivery. In order to do this it will be necessary to review existing face-to-face provision across the city.
- 3.10 In addition to the city centre location Leeds CAB currently has bureaux in Crossgates, Morley, Otley and Pudsey. Staff numbers at these bureaux have declined over the past several years resulting in reduced opening times and a reduced number of volunteers

operating from these locations. For 75 years Leeds CAB have provided a mainly face to face service, However, in recent years clients are wanting a choice of access channels to better suit their circumstances.

Integration of provision

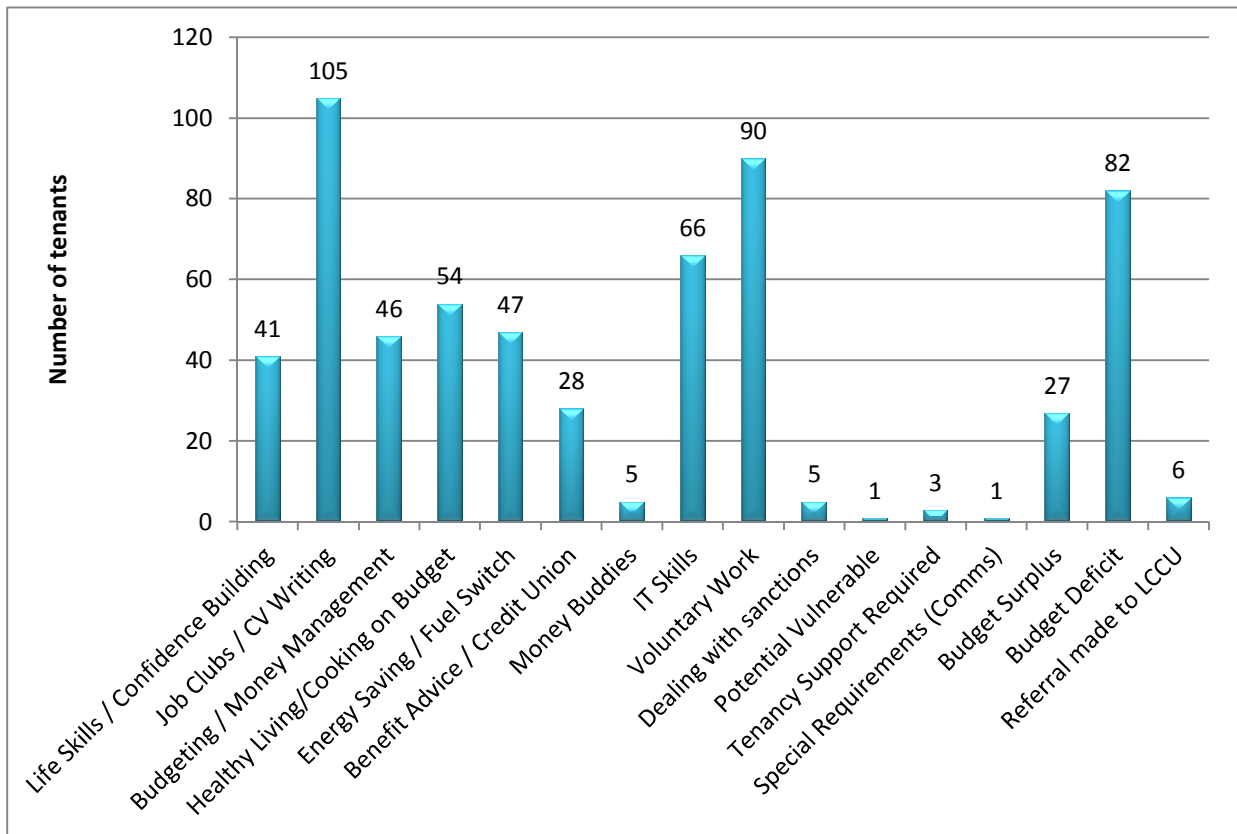
- 3.11 In order to provide a comprehensive telephone service, and at the same increase the amount of face-to-face advice, there will be a need to reconfigure services which are currently offered face-to-face in various areas of the city.
- 3.12 As part of the new integrated approach and in addition to direct access through advice agencies and outreach, all of the council's One Stop Centre staff will be afforded training to enable them to deal with first point of call visits from citizens who are in need of advice. It is possible that in many instances people visiting a One Stop Centre may be able to resolve their issue with the customer services officer thereby not needing any further referral. If further advice is required, Customer Services Officers will have a number of options:
- An appointment with an advisor from the Leeds Advice Consortium or other appropriate Quality Marked advice agency
 - An appointment with a Welfare Rights worker
 - Access to a free phone from which they will be able to call the Leeds Advice Consortium advice line, Stepchange debt charity or Department for Work and Pensions
- 3.13 All options will be available to every resident presenting at a One Stop Centre, so that they can choose the one best suited to their needs and circumstances. Access will be available in all One Stop Centres, Monday to Friday so they should provide clients with an improved access to services. Alongside this universal service there will be targeted services delivered from a number of community locations. Children's Centres will provide advice services to parents with children under 5 and women who are pregnant at 12 locations. Services will also be provided at 11 mental health outreach services across Leeds and at 21 GP practices. All these services will be part of the overall citywide integrated provision.
- 3.14 Prior to these changes taking place a communications plan is being developed to guide members of the public and Elected Members about how to access advice within the city. It is anticipated that the reconfiguration will commence in October 2014 and will be completed by the end of March 2015.

Pilot initiatives

- 3.15 3 pilot initiatives have been developed to test new approaches to providing financial support. The pilots, which are all now operational, deliver a package of benefit entitlement, advice and personal support with the intention of helping tenants to improve their circumstances.

Multi-storey flats initiative

- The initiative focuses on tenants affected by the Housing Benefit under-occupancy rules. The pilot sees key workers working with tenants to identify the right package of support to help tenants improve their financial situation and, where appropriate, help to improve their employment prospects. The additional support, which also includes help to deal with the shortfall in benefit caused by the under-occupancy rules, is conditional on tenants fully engaging with the initiative. The full package of support includes:
 - Income and expenditure checks;
 - Budgeting and income management advice;
 - Discretionary Housing Payment support;
 - Links to debt management support;
 - Links to Credit Union options;
 - Links to Jobs and Skills support;
 - Links to Volunteer Centre opportunities;
 - Links to lifestyle courses (stop smoking, healthy eating etc.)
- The pilot involves joint working from across the council, with the 3rd Sector and with Jobcentre Plus. Housing Leeds provide the key workers and have been supported by Welfare & Benefits, Public Health, Employment & Skills, Families First, Jobcentre Plus and a number of 3rd sector organisations.
- The pilot has been operational since the start of May 2014 and in the first month 257 tenants have been visited with 155 tenants engaging with the initiative. The early results have been very impressive with over 600 support activities arranged for tenants taking part in the initiative with 53% of tenants having signed up to participate in 3 or more activities. The graph below shows the activities tenants have agreed and the number of tenants for each activity. Even at this early stage there are positive outcomes from the visits:
 - One tenant in a top floor flat had no aspirations, was isolated and cut off and hadn't eaten properly for a while. With the help of the Key Worker, the tenant received a food voucher, applied for a grant to help with water debt, joined a local gardening club and a woodwork club and has become a volunteer driver;
 - Another tenant is taking advantage of the support with his under-occupancy charge by getting an internet connection as he has just completed an IT course and wants to make the most of his skills. He has successfully sent a number of CV's and has now secured a job interview next week.
- The initiative is intended to run until November 2014 and will be measured against a number of indicators including: tenants moving into work, rent arrears reductions, ability to meet rent liability without Discretionary Housing Payment support.



Care Leavers initiative

- The aim of this initiative is to provide support around managing a tenancy as well as benefits advice and support, jobs and skills advice, education opportunities and healthy living options. Funding for an additional Welfare Rights worker has already been approved to work exclusively with Care Leavers and this post, in association with the Children’s Services appointed Key Worker, will provide a central point for the identification of the package of support required by the Care Leaver.
- This initiative started in February 2014 and support has been provided to 84 care leavers with a number of these remaining ongoing cases. The first 4 months have also seen:-
 - The creation of surgeries within each area office for staff to discuss their cases;
 - The provision of support and technical expertise in relation to financial policies;
 - The establishment of a direct link with the DWP which has resulted in benefit claims now being processed within 3 weeks of a young person’s 18th birthday thus reducing the cost of support previously picked up by Children’s Social Care. Benefit gains to Care Leavers are estimated at £130k p.a. to date;
 - The provision of awareness sessions and training to all 13+ teams and attendance at team meetings on a monthly basis;
 - The creation of a working party to review the way financial support is provided to care leavers, including care leavers faced with an emergency.
- The initiative has also identified benefits in providing welfare rights support to Foster Carers and work is underway to explore the best way to meet demand and offer a consistent and comprehensive service

Discretionary Housing Payments and debt

- This initiative, which has also been operational since early May 2014, focuses on tenants applying for additional financial support because they have significant debt issues. Analysis of the level of debt declared by tenants applying for Discretionary Housing Payments over a 2 month period in 2013 showed that 830 tenants had debts of £1,541,429
- A new process has been developed which offers different levels of support. For tenants where it is not deemed appropriate to make a DHP award, information is provided about debt advice agencies and tenants are encouraged to contact them. Where debt levels are significant enough to warrant a DHP award, an award is made on condition that tenants take steps to address their debt issues. Officers discuss the options for getting help to tackle debt with tenants and will either make appointments with Step Change Debt Charity or, where the situation warrants it, with a debt agency such as St Vincent's or CAB who provide face to face support. Since the start of the pilot conditional DHP awards have been made for 30 tenants with a total of £118,289 of debt. Early feedback has been very positive:
 - In all 30 cases the customer has agreed to engage to get advice;
 - Referrals have been to GroundWorks (The Green Doctor) for energy saving advice;
 - The preference to date has been for face-to-face advice and the majority of customers have had appointments with Citizens Advice. The Key Worker make the referral directly and sets up the appointment with CAB then discussing with the situation with customer and agreeing the best way forward. Face-to-face appointments are then made within a 2-week period where necessary;
 - Additional emergency help has been identified and provided in a small number of cases
- The DHP award is conditional on customers engaging with the process and Key Workers are monitoring engagement to ensure that customers have attended appointments etc.

3.16 All pilots will be evaluated to measure their effectiveness both from an operational perspective and from the perspective of the tenants involved in the pilots. The aim is to help develop the wider roll out of more integrated and supported services to more tenants.

High cost lending update

3.17 The Executive Board, at its June 2013 meeting, agreed a comprehensive action plan to address the issue of combatting high cost lenders and to promote more affordable financial services through Leeds City Credit Union (LCCU) and Headrow Money Line (HML). Following on from the major national conference held by Leeds in October 2013, a number of key initiatives have been taken forward.

Leeds City Credit Union (LCCU)

3.18 The credit union has an ambition to build its loan book to £20m i.e. approximately 20% of the £90m estimated total high cost lending market in Leeds. It is felt that this level of affordable borrowing would be sufficient to disrupt the high cost lending market. The growth phase of this plan will require investments in staff, technology and marketing. In

addition to reducing the market share of the high cost lenders, the plan would also see a considerable additional saving for households and the local economy and further build the capacity of the credit union. LCCU already provides a substantial amount of affordable credit in Leeds; the current loan book is £7.1m. The council continues to support the Credit Union with this ambition

Promotional campaign

- The Council and the Credit Union worked together to deliver a pre-Christmas advertising campaign on Credit union loans in the most deprived wards. This helped the Credit Union achieve new lending of £1.9m in the quarter ending December 2013. This was the most successful quarter for new lending and represented an increase of 25% on the same quarter last year. Of this total figure approximately £1.1m was made available to financially excluded families. This would mean a saving of £760,000 to these families compared to if these households had borrowed from a door step lender – savings would be much greater if compared to a payday lender. Lending to the end of March 2014 (traditionally a quiet time for lending) was 48% higher at £1.3m than the comparable quarter for 2013. Membership is now at its highest level ever, with total membership of almost 28,000 (end March 2014).

Credit Union Loan Shop – ‘Your Loans Shop’

- The Council has worked with LCCU to support the opening of a ‘Your Loans Shop’ on Roundhay Road. This will to create a loan shop delivering loans at affordable interest rates. The image of the shop is bright and eye catching to compete with the cash shops nearby and is scheduled to open in July 2014. LCCU were awarded a grant from Barclays Bank to re-open their former office and the council supported the initiative by agreeing an exchange of premises – this was approved by Executive Board in June 2014.

Community Hubs

- The Community Hub at St Georges Centre in Middleton has a Credit Union branch and work is underway to better exploit Leeds City Credit Union at Armley Community Hub and Compton Centre Community Hub. The existing Credit Union branch in Armley is to be promoted as a real alternative to the loan shops on Armley Town Street first choice for residents needing a loan, extra cash for a child’s school uniform or who have debt issues.
- At Compton Centre there are options to explore a link with the Credit Union’s proposed Loan Shop on Roundhay Road which would enable loans, paid by card, to be made quickly and simply.

Money Information Centre (MIC)

- 3.19 The national conference held in Leeds in October saw the launch of the Take-A-Stand campaign, seeking to warn of the dangers of high cost lending. This was followed up by a positive campaign to promote the alternatives and where help can be obtained. Currently, people with financial worries are often unaware of the variety of help they can access both from the Council and other agencies across Leeds. This led to the creation of the Money Information Centre which was officially launched in March 2014.
- 3.20 MIC is a one stop website resource which signposts people to free and independent advice and help with finance and debt. The site brings together all the alternatives to

high cost lending in an easy to understand and accessible manner. It provides signposting to better money advice and information about benefits, debt, loans and savings, affordable credit, household budgeting and access to food banks.

3.21 Before launching MIC, the Council undertook research around perceptions of high cost lenders in the city. The research highlighted that the general public have a low awareness of alternatives to high cost lenders. The key messages of MIC are:

- MIC is here to help support you when managing your money
- High cost loans aren't the only option
- You can trust us to offer you low-risk, lower interest alternative to high cost lenders
- MIC is the place where you find all the information you need when it comes to managing your money
- You can have more control in choosing how to manage your money by using MIC

3.22 In the four weeks following the launch of the site there were 5,000 page views – the 'Need a Loan' page had most unique page views over the same period (472). This was driven by promotional activity that took place around the launch, through Council Tax inserts and press coverage. The website was promoted on buses (external and internal adverts) and at the bus station and on illuminated lamp post panels as well as through pull up screens in all LCC One Stop Centres, postcards and posters delivered through council partners and a letter from the Leader of the Council to large employers (500+) to raise awareness of the campaign. Training was provided to staff at libraries, One Stop Centres and Credit Union branches in order to help assist those seeking help. In addition to these promotional activities the following was achieved:

- 2.5 million pop-up adverts on web sites; and
- Click through rates from Facebook and the online advertising form a large percentage of visitors to the MIC homepage – approximately 75-85% (this is almost double the "normal" rate)

3.23 The MIC web site is proving to be a useful vehicle for directing people to appropriate advice. One good example of this is referrals through to StepChange debt charity. In May they had 235 visitors referred from MIC and the site was ranked at number 16 out of over 1,000 partners who referred from their sites to StepChange. To put this into perspective, all of the referrers above MIC were either search engines or key national money advice and debt advice services such as Money Saving Expert and the Money Advice Service."

Payday lenders blocking

3.24 In September 2013 all West Yorkshire authorities and York Council took action to block access to 190 payday lenders web sites from all council computers and public access terminals in libraries. Internet redirect pages were prepared explaining why the payday lender sites had been blocked.

3.25 Initially comparison sites and loan broker sites were excluded from blocking. These compare payday sites and offer "best" deals. However, a number of cases have been identified where individuals have been charged excessive fees for providing recommendations and in some cases this was even when the individual did not actually take out a payday loan. Therefore these sites were added to the block list when an update was undertaken in March 2014. During this update almost 50 new companies were added to the list which demonstrates that this is a very volatile market. A significant number of companies have left the market also.

Ongoing initiatives

3.26 Other initiatives are being explored to help tackle high cost lending in Leeds

- *Rent-to-buy Shop*: options are being looked for a rent-to-buy shop that, supported by Leeds City Credit Union or the Headrow Money Line, would provide a more affordable alternative to the current high street models
- *Sporting organisations*: At the conference in October, Leeds Rugby, YCCC and Leeds United agreed to declare themselves to be high cost lender free zones. Discussions are continuing to try to ensure that this position can be maintained into the future. Work is underway to spread the message to the many junior sporting clubs across Leeds. Meetings are being held during June with Leeds Rugby Foundation and Leeds United Foundation to discuss possible opportunities to participate in summer galas and promoting the message via advertising in programmes and other activities;
- *Promotional materials*: Over 700 posters have been distributed across the city to One Stop Centres, Children's Centres, housing offices, credit union branches, job centres, libraries, etc. as well as almost 15,000 postcards and 160 vinyl window stickers so that offices can be branded as Money Information Centres.

Policy Statement

3.27 Leeds City Council is committed to tackling high cost lending in the city and through its actions is leading the way in tackling high cost lending in the city. It is important that our own policies and procedures do not support the activities of high cost lenders and to help with this it is recommended that a clear policy statement is adopted to support officers. A proposed statement is set out below for consideration by the Executive Board. If approved, the Chief Officer (Welfare and Benefits) will take the necessary steps to promote the policy statement across the Council.

The Council is committed to tackling deprivation and poverty. A key priority is to significantly reduce the use of high cost lenders in the city. As part of our approach we want to ensure that Leeds City Council is a high cost lender free zone, which means reviewing our policies to ensure we are not knowingly supporting or promoting high cost lending. This includes;

- *Blocking high cost lending websites from all council private and public access computers.*
- *Ensuring that no payments are made through council administered grant or loans schemes to companies knowingly engaged in high cost lending.*
- *Not leasing or selling council property to companies knowingly engaged in high cost lending activities.*
- *Ensuring council owned advertising spaces do not promote high cost lending activities.*
- *Investigating the possibility of using planning restrictions to stop high cost lenders opening in the city.*
- *As far as possible ensuring that the investments of the Council are not reinvested with or used to support high cost lenders*
- *Any other service or facility that the council may provide which can be deemed to support any individual or organisation involved in high cost lending.*

The high cost short term lending market comprises of the following types of lender:- home credit, pawn brokers, money shops, payday lenders, rent to buy shops, and credit/log book loan companies. The type of finance offered is typically; unsecured, low value (typically loans from £50 to £1000), short term, and high cost (from upwards of 250% annual percentage rate).

4. Corporate Considerations

4.1 Consultation and engagement

4.1.1 The Council Policy Statement on high cost lending has been developed in conjunction with the relevant council services. Members of the Financial Inclusion Steering Group have also been consulted on the policy statement, to ensure a balance and comprehensive approach has been adopted.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The report provides an update on progress against initiatives previously agreed and there is no requirement for an equality impact statement. The initiatives set out in this report are focused on working with customers in financial hardship to agree suitable options for helping customers to improve their financial situation. A full evaluation of the initiatives will be completed at the end of the pilots and this will provide equality data to support the conclusions.

4.2.2 CAB are committed to undertaking an equality impact assessment as part of their reconfiguration exercise.

4.3 Council Policies and City Priorities

4.3.1 Addressing poverty and deprivation is a key priority for the Council. The activities set out in this report support the Best Council Plan, the Safer and Stronger Communities Plan, the Children's and Young People's Plan, the Child Poverty Action Plan and the Leeds Joint Health and Wellbeing Strategy all of which have a strong focus on addressing debt, maximising income and moving people and families out of poverty.

4.4 Resources and Value for Money

4.4.1 The pilots are being supported from existing resources. A final cost/benefit analysis exercise will form part of the end of pilot evaluation process.

4.5 Legal Implications, Access to Information and Call In

4.5.1 With regard to the recommendation 6.4, the policy statement, the Council has specific powers and duties in relation to providing public access computers, grants and loan schemes, selling and leasing property, advertising, planning restrictions and investments. In addition, under the Localism Act, the Council has a general power of competence to do anything that individuals generally may do. In exercising these powers, the Council must have regard only to its statutory purposes, and must not have regard to any unlawful purposes such as "boycotting" the lawful activities of high-cost lenders, or putting pressure on high-cost lenders to change their business models. However, under the Human Rights Act, the Council is under a duty not to act in a way which is incompatible with the right to respect for private and family life. Therefore, the Council is

obliged to have regard to the likely impact of high-cost lending on the private and family lives of borrowers, and is entitled to seek to minimise this impact by reviewing its own policies to ensure it is not knowingly facilitating or supporting the activities of high-cost lenders.

4.5.2 Although high-cost lenders have the right to freedom of expression and to peaceful enjoyment of their possessions under the Human Rights Act, the Council is entitled to restrict these rights in the public interest. Given the clear evidence referred to in this report, of the negative impact of high-cost lending on individuals' lives, and the fact that high-cost lenders still have many alternative means of pursuing their business, it is considered that any interference with the rights of high-cost lenders is necessary and proportionate, and well within the margin of appreciation accorded to public authorities.

4.6 Risk Management

4.6.1 The report provides an update on progress against planned initiatives and there are no relevant risks arising from this report.

5. Conclusion

5.1. All approved initiatives have now started with encouraging results. The gains for Care Leavers and Children's Services are encouraging and the level of engagement from customers in relation to the multi-storey flats initiative and the dent initiative are highly encouraging as well. The approach to delivering advice in the city continues to place the council and partners at the forefront of support for citizens and will help to ensure that every effort is made to continue to meet a growing demand in this area.

6. Recommendations

Members of Executive Board are recommended to:

- 6.1. Note the information on the first year impacts of the welfare reforms that came into effect from April 2013;
- 6.2. Note the launch of the pilots to tackle financial hardship among specific groups and request a further update once the pilots have concluded;
- 6.3. Approve the Annual Advice Plan;
- 6.4. Note the progress being made in relation to high cost lending in the city; and
- 6.5. Approve the policy statement on tackling high cost lending in the city set out in paragraph 3.27.

Background documents¹

Background documents

7. None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.