

Public Document Pack



Ian Vargeson – Member Services Manager
General Enquiries: Telephone No. 01362 656870
Member Services Fax No. 01362 690821
DX743950 Dereham 2

To The Chairman and Members of the Cabinet
All other Members of the Council – for information

Your Ref:
Our Ref: JB/L.3
Contact: Julie Britton
Direct Dial: 01362 656343
E-mail: julie.britton@breckland.gov.uk
Date 29 April 2009

Dear Sir/Madam,

CABINET - TUESDAY 12 MAY 2009

I refer to the agenda for the above-mentioned meeting and enclose the following items that were marked as separate documents:

Item No	Report Title	Page Nos
7.	Annual Audit and Inspection Letter 2007/08	70 - 83
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Yours faithfully

Julie Britton

Senior Member Services Officer

Annual Audit and Inspection Letter

Breckland Council

Audit 2007/08

March 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
-

Key messages

- 1 The main messages for the Council included in this Annual Audit and Inspection Letter are as follows.
 - Breckland Council is continuing to improve its performance although the rate of improvement has slowed. A higher than average proportion of the Council's performance indicators are amongst the best performers and most local priorities are being effectively tackled.
 - Crime levels are generally decreasing and the Council is showing stronger community leadership. Services are becoming more accessible to different groups within the community, and better tailored to their needs.
 - Strategic planning is strengthening with clear links being made between corporate, community and county plans. Performance management is robust and the Council has the capacity to deliver its plans.
 - We issued an unqualified audit opinion on the 2007/08 statement of accounts and certified the completion of the audit.
 - We concluded that, in all significant respects, the Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2008.
 - We assessed the Council as performing at level 3 in our 'use of resources' judgement which is a significant improvement and indicates the Council is performing well.

Action needed by the Council

- 2 We recommend that the Council:
 - continues to implement improvement plans to meet its key service priorities including those highlighted in the direction of travel report;
 - exercises strong governance and financial management to combat the pressures brought about by the current economic climate; and
 - continues to exercise strong governance through the period of uncertainty as the proposals for Norfolk local government re-organisation are clarified.

Purpose, responsibilities and scope

- 3 This report provides an overall summary of the Audit Commission's assessment of the Council. It draws on the most recent Comprehensive Performance Assessment (CPA), the findings and conclusions from the audit of the Council for 2007/08 and from any inspections undertaken since the last Annual Audit and Inspection Letter.
- 4 We have addressed this letter to members as it is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business and that it safeguards and properly accounts for public money. We have made recommendations to assist the Council in meeting its responsibilities.
- 5 This letter also communicates the significant issues to key external stakeholders, including members of the public. We will publish this letter on the Audit Commission website at www.audit-commission.gov.uk. In addition the Council is planning to publish it on its website.
- 6 Your appointed auditor is responsible for planning and carrying out an audit that meets the requirements of the Audit Commission's Code of Audit Practice (the Code). Under the Code, the auditor reviews and reports on:
 - the Council's accounts;
 - whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources (value for money conclusion); and
 - whether the Council's best value performance plan has been prepared and published in line with legislation and statutory guidance.
- 7 This letter includes the latest assessment on the Council's performance under the CPA framework, including our Direction of Travel report, and the results of any inspections carried out by the Audit Commission under section 10 of the Local Government Act 1999. It summarises the key issues arising from the CPA and any such inspections. Inspection reports are issued in accordance with the Audit Commission's duty under section 13 of the 1999 Act.
- 8 We have listed the reports issued to the Council relating to 2007/08 audit at the end of this letter.

How is Breckland Council performing?

- 9 Breckland Council was assessed as Good in the Comprehensive Performance Assessment carried out in 2003. These assessments have been completed in all district councils and we are now updating these assessments, through an updated corporate assessment, in councils where there is evidence of change. The following chart is the latest position across all district councils.

Figure 1 Overall performance of district councils in CPA



Source: Audit Commission

The improvement since last year - our Direction of Travel report

Summary

- 10 Breckland Council is continuing to improve its performance although the rate of improvement has slowed. A higher than average proportion of the Council's performance indicators are amongst the best performers and most local priorities are being effectively tackled. Crime levels are generally decreasing and the Council is showing stronger community leadership. Services are becoming more accessible to different groups within the community, and better tailored to their needs. The Council's use of its resources, and the value for money that it secures, have improved and are now good.
- 11 Strategic planning is strengthening with clear links being made between corporate, community and county plans. Performance management is robust and the Council has the capacity to deliver its plans.

What evidence is there of the Council improving outcomes?

- 12** Breckland Council had 43 per cent of its PIs amongst the highest performing for district councils in 2007/08. This is 10 per cent above the national average. However the rate of improvement slowed to below average compared to district councils nationally, with 54 percent of its performance indicators (PIs) showing improvement.
- 13** The Council's business plan was refreshed in 2008 to reflect local residents' changing priorities. Its main aims for 2008 to 2014 are as follows.
- Building safer and stronger communities.
 - Prosperous communities.
 - Environment.
 - Delivering the entrepreneurial Council.
 - Your Council, your services.
- 14** Levels of crime are generally amongst the lowest for comparable areas and decreasing. The exception is the number of robberies, which showed a slight increase in 2007/08, but still remained below average. Overall fear of crime is low and declining, although there was a slight increase regarding fear of robbery. There is a strong partnership with the police which is effectively tackling anti-social behaviour at a local level, for example by creating a respect zone at a car park in Dereham. The Council is beginning to look at new approaches to community cohesion and is supporting a special government pilot project to look at specific cohesion initiatives in Thetford. A number of community events have been organised under the 'Pride in Breckland' banner, but it is not clear what impact this has had on achieving the Council's main aims. Residents continue to enjoy living in a generally very safe environment.
- 15** The Council continues to support the development of local businesses. Small grants to fledgling businesses are linked to advice and training packages through Business Link or other business support services. There is an online directory of local businesses and a new grant finder toolkit has helped over 100 businesses with funding and business support. The Shop Independent campaign encourages residents to use local shops and presents an award to the best independent shop in each of the five market towns. Co-ordinated support is given by the Council and partner agencies to businesses that are running into difficulties. However, in 2007/08 the Council was amongst the worst performers for payment of invoices, which could impact on its local suppliers. Initial problems with a new electronic ordering system regarding invoice payments have been addressed. Performance has been closely monitored and is improving. Despite a focus on the local economy, unemployment levels within the district were close to the average for the region in 2008. Support has been provided to specific areas and business sectors, for example through the major Rural Enterprise Valley project. This has been completed and met most of its aims in terms of support for the motor sport and advanced engineering sector based along the A11 corridor. Outcomes have been the sharing of best practice, increased turnover and creation of a substantial number of jobs.

How is Breckland Council performing?

- 16** Council performance in helping to ensure sufficient affordable decent housing and dealing with homelessness has been mixed. The Council seeks to secure a decent standard of housing across the district as part of its 'prosperous communities' aim, and has been successful in increasing the number of affordable homes being built. This more than doubled in 2007/08 with 161 dwellings completed – well above the average for district councils. Working with a registered social landlord and buying properties from developers has secured over 100 affordable properties in the last year. The Council has provided grants to encourage property owners to redevelop their vacant properties, but the percentage of private sector homes vacant for six months or more was worse than the district council average in 2007/08.
- 17** The Council continues to strengthen and improve its homelessness and housing advice services. For example the development of a number of key partnerships and schemes such as the YMCA 'Nightstop' and education programme, Stonham Housing Support, Intensive money advice services with the Citizens Advice Bureau and the mortgage rescue scheme.
- 18** The impact of this work means that despite a large increase in the number of households approaching the Council for assistance, the number of homelessness applications is falling. In 2007/08 the number of households accepted as priority homeless decreased, but was still above the national average. A higher than average number of households were in temporary accommodation (although this had decreased). The average length of stay in hostel accommodation was worse than the national average. Despite the Council's efforts, homelessness remains a challenge.
- 19** The Council has performed well in terms of waste recycling, retaining its position amongst the highest performers with an increase to nearly 42 per cent recycled in 2007/08. Kerbside collection is provided for all residents and recycling is actively promoted, such as through coffee mornings for older residents and a 'recycling wheel' handout that helps householders easily identify what can be recycled and where. The cost of waste collection remained very low compared to other district councils, and the amount of waste generated decreased slightly and is lower than average. Fly-posting and graffiti remain very low, and the amount of litter decreased to about the average for district councils. The Council is continuing to work towards greater protection of the global and local environment. The new Environmental Strategy 2008 to 2013 has the over-arching aim of making the district carbon neutral. Initiatives in the current year include reviewing and adjusting collection routes resulting in a reduction in the mileage of refuse vehicles, and investigation of the potential for the Council offices to be powered by a wind turbine. A clean and attractive environment is being sustained.

- 20** The Council's use of its resources, and the value for money that it secures, have improved and are now good. Generally above average levels of performance are being secured from overall average service costs. The cost-effectiveness of enterprises, such as the proposed wind turbine, is carefully evaluated. The Council ensures that it secures the required level of performance from expenditure, for example a proportion of the waste contractor's monthly fee is linked to an independent survey of customer satisfaction with the service. A public finance initiative has successfully secured the rebuild and refresh of leisure facilities and the contract is securing high levels of participation and of service quality. The efficiency and quality of services, such as revenues and benefits has been acknowledged by external awards. The Council owns a wide portfolio of commercial premises and the rent generated through effective management is helping to keep down the level of local council tax. Efficient and cost effective services have been secured through the business-like approach.
- 21** The Council is strengthening its community leadership role, and securing the increased community involvement. It is developing its 'Your Council, your services' aim, for example through community forums. These are being established in all five of the market towns, with the first, in Thetford, being regularly attended by about 370 residents. Councillors take up the issues raised in the forums, for example approaching the Learning Skills Council with proposals for further education provision in the town. The Council has made it easier for local people to hold it to account with the publication of a 'Neighbourhood Charter' setting out the standard of service, as agreed with residents, that they can expect it to provide. This is strengthening local democracy, empowering communities and increasing the profile of their councillors.
- 22** Diversity and equality issues are being increasingly addressed and the Council is amongst the best performers regarding its duty to promote racial equality. In 2008 it hosted a major conference on engagement and support for migrant communities, and is working with partners to identify the health needs of this group of people. Services have been made more accessible to minority groups, for example through a recycling leaflet in Polish. The Council has achieved level 2 of the local government equality standard, and it is working with a local disability action group to prioritise service areas where there are barriers to access for people with disabilities. Members of the group are being trained to review the Council's equality impact assessments and to identify any gaps. Identified weaknesses regarding equality and diversity have been addressed, for example cultural services now more effectively cater for older people, such as through the 'Green gym' programme of walks and other physical activity. Services are becoming more accessible to different groups within the community, and better tailored to their needs.
- 23** The Council continues to deliver effective services that support people on restricted incomes. For example the speed with which new housing benefit claims and changes in circumstances are processed is amongst the best in the country. In addition the accuracy of this service is very high. Such high performing services are supporting people in vulnerable circumstances in the economic downturn.

How is Breckland Council performing?

How much progress is being made to implement improvement plans to sustain future improvement?

- 24** Linkages between key plans have been strengthened. A sustainable communities strategy that identifies the priorities of the local strategic partnership was developed alongside the local development framework, using joint consultation and evidence collection under the direction of a joint steering group. The business plan now takes into account local area agreement targets and indicators. Links to Council and/or county priorities are required for all activities in service plans. Targets for each of the Council's five main aims, service specific and cross-cutting targets, and the local area agreement targets are all clearly captured in the annual delivery plan. This helps identify variances such as in participation in sport where Norfolk is on target but Breckland is below target. This joined up approach demonstrates stronger partnership working and helps ensure that service delivery contributes to meeting corporate, community and countywide priorities.
- 25** Performance management continues to be robust. The careful monitoring, regular reporting and thorough scrutiny and challenge support the Council in identifying areas for improvement. For example scrutiny in the 'performance clinic' identified that some of the complaints received are avoidable. This has resulted in changes such as through council tax letters being written more clearly. The existing performance management arrangements are extending to include a more comprehensive approach to risk management and to cover input to the local area agreement.
- 26** Capacity is being strengthened. The appraisal system is now clearer and more streamlined. Increments have been replaced by performance related pay, with the expected competencies and performance clearly specified for each individual. However, sickness absence has been increasing year on year and was worse than average in 2007/08. Review by the performance clinic led to a policy for tackling this area. Implementation started in May 2008, with training for all staff and the introduction of interviews on return to work after short term absences. Longer term sickness has been tackled for example by referral to occupational health. This has helped identify issues such as workplace stresses that have been addressed, leading to the individuals' successful return to work. The approach has been supportive and no members of staff have left as a result of the process. Council data indicates that overall sickness levels are now significantly reduced.
- 27** The approach to training has improved with the pooling of individual service budgets and appointment of a training officer. Training is provided to support the core competencies for officers and for councillors. Lower training costs have been secured by working with partners, for example leadership and organisational training with RAF Marham. The Council was recently awarded the Member Development Charter in recognition of its provision of the support, skills and training councillors need in order to develop and effectively manage their local communities.
- 28** Norfolk is currently subject to a review by the Boundary Committee into the future of local government across the county. Whilst the outcome of this review has been delayed and will not be known for some time, it is inevitably drawing on the capacity of officers, councillors and partners. There is a risk that improvement levels may not be sustained going forward.

The audit of the accounts and value for money

- 29** Your appointed auditor has reported separately to the Audit Committee on the issues arising from our 2007/08 audit and has issued:
- an audit report, providing an unqualified opinion on your accounts and a conclusion on your vfm arrangements to say that these arrangements are adequate; and
 - a report on the Best Value Performance Plan confirming that the Plan has been audited.

Use of Resources

- 30** The findings of the auditor are an important component of the CPA framework described above. In particular the Use of Resources score is derived from the assessments made by the auditor in the following areas.
- Financial reporting (including the preparation of the accounts of the Council and the way these are presented to the public).
 - Financial management (including how the financial management is integrated with strategy to support council priorities).
 - Financial standing (including the strength of the Council's financial position).
 - Internal control (including how effectively the Council maintains proper stewardship and control of its finances).
 - Value for money (including an assessment of how well the Council balances the costs and quality of its services).
- 31** For the purposes of the CPA we have assessed the Council's arrangements for use of resources in these five areas as outlined in Table 1.

Table 1

Element	Assessment (out of 4)
Financial reporting	2
Financial management	3
Financial standing	2
Internal control	3
Value for money	3
Overall assessment of the Audit Commission	3

Note: 1 – lowest, 4 = highest

The key issues arising from the audit

- 32** The Council made significant improvements in its use of resources assessed performance in 2007/08. The improved scores resulted in part from the establishment of an audit committee to strengthen governance arrangements and the continued development and embedding of risk management arrangements in day-to-day management of the authority.
- 33** During the course of our use of resources work the economic climate brought about the collapse of three Icelandic Banks in which the Council had invested £12 million. Administration processes are now in place for all three banks and information is awaited regarding the amount and timing of any repayments of the investments. Officers are considering the impact of loss of interest and the potential loss of the investments on the Council's reserves and how to mitigate this risk.

Looking ahead

- 34** The public service inspectorates have developed a new performance assessment framework, the Comprehensive Area Assessment (CAA). CAA will provide the first holistic independent assessment of the prospects for local areas and the quality of life for people living there. It will put the experience of citizens, people who use services and local tax payers at the centre of the new local assessment framework, with a particular focus on the needs of those whose circumstances make them vulnerable. It will recognise the importance of effective local partnership working, the enhanced role of Sustainable Communities Strategies and Local Area Agreements and the importance of councils in leading and shaping the communities they serve.
- 35** CAA will result in reduced levels of inspection and better coordination of inspection activity. The key components of CAA will be a joint inspectorate area assessment and reporting performance on the new national indicator set, together with an organisational assessment which will combine the external auditor's assessment of value for money in the use of resources with a joint inspectorate assessment of service performance.
- 36** The first results of our work on CAA will be published in the autumn of 2009. This will include the performance data from 2008/09, the first year of the new National Indicator Set and key aspects of each area's Local Area Agreement.

Closing remarks

- 37** This letter has been discussed and agreed with Chief Executive. A copy of the letter will be presented at the Cabinet. Copies need to be provided to all Council members.
- 38** Further detailed findings, conclusions and recommendations on the areas covered by audit and inspection work are included in the reports issued to the Council during the year.

Table 2 Reports issued

Report	Date of issue
Audit and inspection plan	March 2007
Annual Governance Report	September 2008
Opinion on financial statements	September 2008
Value for money conclusion	September 2008
Annual audit and inspection letter	March 2009

-
- 39** The Council has taken a positive and constructive approach to audit and inspection work, and I wish to thank the Council's staff for their support and cooperation during the audit.

Availability of this letter

- 40** This letter will be published on the Audit Commission's website at www.audit-commission.gov.uk, and also on the Council's website.

Sue Jewkes
Comprehensive Area Assessment Lead (CAAL)

March 2009

The Audit Commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

Copies of this report

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For further information on the work of the Commission please contact:

Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ

Tel: 0844 798 1212, Fax: 0844 798 2945, Textphone (minicom): 0844 798 2946

www.audit-commission.gov.uk



Breckland Council
**financial
inclusion
strategy**
2009-11

Introduction

Breckland Council's housing team has developed this Financial Inclusion Strategy to understand the impact the current financial climate is having on our residents and to highlight the services which are available from the Council and its partners to improve financial awareness and solutions for those residents.

The Councils vision is to make Breckland 'a better place with a brighter future' by enhancing and improving the wealth, well being and quality of life of people who live and work in the district.

This is being delivered by five thematic priorities :

- Building Safer and Stronger communities**
- Prosperous Communities**
- Environment**
- Delivering the Entrepreneurial Council**
- Your Council, Your Services**

The development of the strategy and its related action plan seek to deliver against the priority for 'Prosperous Communities'. It also underpins the importance of working in partnership especially with Housing Associations to challenge the impact of financial exclusion. Improving the quality of life for the residents is an important priority for the Council which includes improving their financial well being whether it is in investing in businesses to secure jobs, improving skills or tackling debt problems.

Breckland is part of the County of Norfolk , opportunities to improve the quality of life for residents also comes from countywide improvements to services. Thus within the County wide local area agreement we work together to tackle a number of issues which will improve access to services, supporting independent living, increasing the supply of affordable housing, improving skills among some of the areas which relate to financial inclusion. The County strategy Norfolk Ambition is working to

Create communities that prosper, welcome and support.

This Strategy will set out the issues and extent of financial exclusion nationally and locally, identify the work currently happening across the District to promote financial inclusion , highlight our recommendations for improving financial awareness and solutions to reducing the impact of financial exclusion.

What is Financial Inclusion ?

Financial inclusion is defined as the ability of an individual, household or group to access appropriate financial services or products. Financial exclusion is when people do not have access to the same services. Both terms are used within the document.

Financial inclusion allows people routes out of the current hardship they may be facing, assists people to maintain a comfortable lifestyle and provide prevention options to those that may fall on hard times.

There are a number of barriers to financial inclusion which we wish to address they are illustrated on the following diagram :-



These barriers are most likely to affect quite large numbers of people from particular parts of our community. Following extensive national research by the Chartered Institute of Housing those most likely to be affected are :-

- ⊙ Single parents
- ⊙ Over 60's
- ⊙ Young Adults between 18 and 24
- ⊙ People with disabilities
- ⊙ People who are homeless
- ⊙ Households on low and insecure incomes and / or in receipt of benefits
- ⊙ Refugees and asylum seekers

- ⊙ Living in local authority or housing association accommodation

The causes of financial exclusion can be attributed to a variety of reasons but will always be to a change in circumstances such as :-

- ⊙ Losing your home
- ⊙ Losing your employment
- ⊙ Breakdown of a relationship
- ⊙ Illness, disability or bereavement within the family
- ⊙ New parents
- ⊙ Change to benefit entitlement
- ⊙ Start of a new business
- ⊙ Going into or coming out of prison
- ⊙ Reduction in your income

The Impact of financial exclusion causes additional hardship and disadvantages those affected. The impact of this was highlighted by HM treasury in 2007 in their policy document 'Financial Inclusion : An Action Plan for 2008 – 11'

Inability to set up direct debits to make payments or receive salary without a bank account reduces ability to obtain work

Paying more for utilities due be unable to access benefits of paying through bank account

Not being able to access affordable credit and relying alternative credit at high rates or illegal lenders and loan sharks

Lacking the financial comfort provided by a small amount of savings or insurance products which can reduce unexpected financial pressures

Lack of access to impartial advice particularly on debt problems

The issues surrounding financial exclusion and financial capability can have an impact on an individuals lifestyle putting them at risk of social exclusion as well. Social exclusion then has a wider bearing on our communities affecting health, family breakdowns, crime levels, the environment we live in and an individuals ability to contribute equally.

3. National Context

The current financial climate which has a stagnant housing market, falling interest rates, financial institutions in difficulty, increases in mortgage repossessions, increase in unemployment figures creates a bleak back drop for positive activities.

The Government has produced a range of strategies, policies and initiatives for organisations to work with to improve outcomes for people facing financial exclusion based on their findings to support 'Promoting Financial Inclusion' 2004. It is clear that one organisation can not achieve this alone and it is key that organisations work in partnership to tackle exclusion in an area. The Government have also allocated resources through a Financial Inclusion Fund to deliver a range of initiatives which include:-

Increase of face to face money advice for individuals

- ⊙ Money advice outreach pilots through the Legal Services Commission
- ⊙ Department of Work and Pensions to have a growth fund to support credit unions and third sector lenders
- ⊙ Support for the Now Lets talk Money campaign via the Department of work and pensions to work with intermediaries in increase access to financial services

Financial Inclusion has to started to have a higher profile among organisations, this has made it easier to produce information on the impact of financial exclusion within communities, although a lot of the statistics are focused nationally rather than locally. Transact – the national forum for financial inclusion have collated some useful national statistics :-

Bank Accounts

- ⊙ 6% of all UK households do not have a bank account of any kind and 1in 10 do not have a current account;
- ⊙ Around two thirds of households with no bank account have an annual income under £14,500;
- ⊙ 10% of individuals with income below £100 per week do not have a bank account, compared with 2% with an income between £500 and £800;

- ⊙ Approximately half of the unbanked households are single people living alone, compared with 30% of the population as a whole;
- ⊙ A further fifth are lone parents, roughly double the proportion among the population as a whole;
- ⊙ Approximately 60% of the unbanked households rent accommodation from local authorities or housing associations;
- ⊙ At least 800,000 children live in households with no bank account;
- ⊙ Individuals with no bank account can pay up to 10% in commission to cash a cheque.

Cost of accessing money and credit

- ⊙ It has been estimated that individuals on low incomes pay a 'poverty premium' of £1,000 per year in accessing basic financial services and utilities (through use of pre-pay utility meters, cheque commission charges and the use of non standard credit such as home credit lenders);
- ⊙ People without access to direct debit pay an extra £70 per year for their energy bills;
- ⊙ 7.8 million individuals cannot access mainstream credit;
- ⊙ Low income consumers pay an average of £129 per month (11% of their income) on servicing high cost finance;
- ⊙ A quarter of Social Fund loan applications are refused and 1 in 4 of those applicants borrow from doorstep lenders or loan sharks;
- ⊙ An estimated 2.3 million individuals in the UK borrow from home credit lenders and 600,000 use pawnbrokers;
- ⊙ Individuals on benefits borrow an estimated £330 million per year from home credit lenders, paying £140 million per year in interest;
- ⊙ The average APR charged by home credit lenders is 177%, whilst loan sharks can charge up to 1000%;
- ⊙ Up to 165,000 individuals use illegal lenders at any time;
- ⊙ Between 1995 and 2003 around 3,000 banks and building societies closed in areas with a concentration of low income households;

- ⊙ A quarter of all cash machine withdrawals made from fee-charging ATMs is under £20, with the average charge at £1.50 per withdrawal;
- ⊙ The proportion of fee-paying machines has increased from around 2 per cent in 2000 to over 40 per cent in 2006
- ⊙ Although accounting for less than 4 per cent of total cash withdrawals, it is estimated that consumers paid around £140 million in cash machine charges in 2004
- ⊙ 1,701 areas with the most deprived households have no free cash machine or access to one within a kilometre.

Savings and assets

- ⊙ 60% of adults among the poorest 20% of households in the UK would like to save at least £10 per month but are unable to do so;
- ⊙ 55% of individuals on low income have no savings, compared to 33% of the population as a whole;
- ⊙ Nearly a quarter of the UK's wealth is owned by 1% of the population, with the proportion of households with no assets at all doubled to 10% between 1979 and 1996.
- ⊙ 3 million households in social housing do not have contents insurance but are twice as likely to be burgled than those living in privately owned accommodation;
- ⊙ Half of the poorest 20 per cent of households are uninsured, whereas only one in five households on average incomes are uninsured;
- ⊙ Only half of the poorest 10 per cent of households have home contents insurance, compared to 78 per cent of the population as a whole;
- ⊙ No progress was made in reducing the proportion of low income households without contents insurance in the five years up to 2004/05.

Community make-up

- ⊙ 35 per cent of people living in deprived areas lack bank accounts;
- ⊙ 68 per cent of financially disengaged people live in the 10 per cent most financially excluded postcode areas;
- ⊙ 25 per cent of financially disengaged people

live in the 3 per cent most financially excluded postcode areas.

4. Breckland

Facts and figures are much more accessible to highlight the issues on a local level. This has been due to the East of England Development Agency (EEDA) undertaking some research which was published in 2009 and the ability of Experian (credit reference agency) to publish data they hold.

Breckland is a large rural district with 5 market towns covering an area of 135,010 hectares with a population of 128,300 (according to the latest population figures). It is one of the fastest growing areas in England with the population changing by 12% since 1991. There is a growing diversity to our population with a number of residents coming from Europe.

Our population in relation to financial inclusion:-

- ⊙ Nearly 10% of households receive an income of less than £10,000 in 2007 compared to 8% nationally
- ⊙ Almost 22% of Breckland's population, aged 16-59 were claiming for one or more benefits for the following reasons; sick and disabled, unemployed, housing/council tax benefit, income support, jobseekers allowance
- ⊙ 4,235 are registered as long term sick or disabled (Mar 07)
- ⊙ 2500 were unemployed (Mar 07)
- ⊙ Increase of 75% in unemployment claimants in January 2009
- ⊙ A significant reduction of vacancies across the district
- ⊙ 13,500 are economically inactive (Mar 07)
- ⊙ 23,260 residents are over 65
- ⊙ Over 33% have no qualifications
- ⊙ 6% of 16-18 year olds were not in employment, education or training (NEET)
- ⊙ 50% of our residents live in areas with no ATM
- ⊙ Post offices are still closing in rural areas
- ⊙ There are 7507 social housing units in the District

5. Current activities within Breckland

Credit Unions

Credit Unions are not for profit financial institutions which provide loans, savings accounts and other financial services. They are supported by a range of agencies such as the Department for Work and Pensions, Councils and Housing Associations. In Breckland, Norfolk Credit Union is the largest Credit Union which can be accessed through its branches in Watton, Swaffham and Attleborough. They are looking to expand to provide cover for the whole of the District. The Credit unions are run mainly by volunteers and provide a community alternative to the high banks and building societies as they do not make a profit.

Housing Associations

There are a number of Housing Associations who provide homes across the District, the largest of which is Peddars Way Housing Association. The Housing Associations have been tackling financial exclusion with their tenants for a number of years but lately this activity has improved by working together as landlords and with the Council.

For new tenants the process begins with effective tenancy sign up processes where officers work with the new tenants to set up rent accounts, make benefit claims and sort out energy suppliers. If appropriate support may continue following the commencement of the tenancy through floating support provided by Stonham Homestay. Each partners positively works to ensure that the rent remains paid and that tenancies are sustained for the future

New technology is used such as texting to remind people to pay their rent and in some cases to check their rent balances.

When a tenant does fall into arrears contact is made very quickly to work with the tenant to prevent them losing their home.

As the majority of tenants are on fixed low incomes, they are at a greater risk to losing their belongings so the Housing Associations offer affordable home contents insurance to their tenants, either through AON, National Housing Federation or Farris. Take up has been quite low.

Housing Associations have formed strong partnerships

with the Credit unions to guarantee lending to their tenants. This means that tenants who may not usually fall within the lending risk criteria of the Credit Union can be lent to as the loan is backed by the Housing Association. Some funds have been set-up specifically to allow tenants to borrow to pay for Oil, however most funds are general.

Allowing tenants to borrow through these schemes at an affordable interest rate, should lower the burden on their financial commitments.

Wherry Housing Association has created posts for in-house mobile money and benefits advisors and all their staff have been trained in benefits and money advice. They are due to publish their money management booklet, which sets out how tenants can save money, budget effectively and manage their debts. The booklet will cover topics such as loans and grants, savings and borrowing, bills, paying for childcare, training and recycling.

Broadland Housing Association have created a partnership with the training and employment agency Meridian East, targeting tenants who are out of work and assisting them to retrain.

Cotman Housing Association are holding an Employment fair in early 2009 aimed at bringing employers and potential employees together. This provides employers with a choice of candidates without the drawn out process of going through many CV's. The employment fairs also provide support from agencies such as ACAS, who support residents who have been made redundant in addition to other Housing Associations and benefits departments.

All Housing Associations are investing in improving their housing stock to make it more energy efficient to improve tenants lives and reduce the cost of fuel.

Trading Standards

Trading Standards operate across the County on a variety of issues which includes their campaign to reduce the amount of illegal money lenders throughout Norfolk. The campaign called 'Don't get in with a loan shark...it will cost you an arm and a leg' is supported with an increase in partnership work with Housing Associations and Local Authorities to increase awareness and increase prosecutions of illegal money lenders

Rent Deposit Loans Scheme

The Council provides a rent deposit loan scheme which has helped 85 with a deposit and 1 months rent, successfully preventing them from becoming homeless. The loan is interest free and enables people to manage their payments to suit their income level.

Mortgage Rescue Scheme

The Mortgage Rescue Scheme is funded by central government but delivered through Housing Associations and Local Authorities. The scheme is targeted at potential cases of mortgage repossession with an income of less than £60,000 and a property value of less than £190,000. The applicant either sells out to the Housing association and becomes a tenant or they can part sell to a Housing Association in a similar way to Shared Ownership.

Furniture projects

There are several furniture projects in Breckland, namely; Keystone Green Ventures, YMCA, Salvation Army and The Gatehouse. The projects recycle unwanted furniture for those on a low income who can not afford to furnish their home. It enables those that have just secured a tenancy to be able to move in without the need to borrow large amounts of money to furnish their home.

Intensive Money Advice Service

The council works in partnership with a local Citizens Advice Bureau to deliver a debt advice service to those threatened with losing their home due to serious debt problems. The advisors work with clients to reduce their debts, secure their home and put plans in place to continue to reduce their debts.

Affordable housing

The provision of other housing options for people who can not buy their own home is available through the many Landlords who operate in the District be that Private sector landlords or registered social landlords such as Housing Associations. A range of options are available to meet the financial situation of those seeking a home, from social rented accommodation to part own and part rent to ownership at a lower level.

Access is through the Councils Housing register and the

Housing Options team which manage the service.

6. Gaps in our service

Through looking at what we are doing and where we need to be we have identified a number of areas for improvement and development. As a housing focused document we recognise that a wider net needs to be thrown to tackle financial exclusion for everyone and this is a start to that process.

Recommendation 1: Develop appropriate services for Breckland residents to increase awareness and greater understanding of financial matters because the current climate has seen an increase in the number of housing benefit claims made, an increase in the number of housing applications and the number of requests for debt advise.

We will do this by

- ⊙ delivering appropriate services and tools to reduce financial inclusion in a partnership approach with Housing Associations and voluntary organisations. We believe it has to be customer led through effective consultation to increase the knowledge, skills and ability levels of residents to budget and reduce outgoings.
- ⊙ aim to involve agencies/companies/financially excluded people in the delivery of the Financial Inclusion Action Plan

Recommendation 2: Reduce the number of homelessness applications for repossessions due to mortgage or rent arrears because we have seen an increase in the number of applications for advice and subsequent homelessness prevention action due to mortgage and rent difficulties .

We will do this by

- ⊙ raising awareness of Financial Inclusion and increase access for our residents to affordable and manageable financial services
- ⊙ Increasing the skills and knowledge of our front line staff so they are better equipped when supporting customers who may be financially excluded
- ⊙ Ensuring the appropriate support and advice services are available to all residents

- ⊙ Reducing the number of customers struggling as a result of using illegal money lenders and offering alternative options
- ⊙ Educating young people about the importance of budgeting and prioritising payments
- ⊙ Continuing a supply of housing options

Recommendation 3: Lift 200 households out of Fuel Poverty each year because the increase in energy bills more households are finding it difficult to manage not just in keeping warm but in travelling to key services.

We will do this by

- ⊙ increasing household income and lower residents energy bills by improving energy efficiency of homes
- ⊙ Increasing the number of customers benefitting from bulk fuel ordering schemes
- ⊙ Increasing household income of those who are financially struggling

Recommendation 4: Increase awareness of debt organisations through public and employer debt information and advice sessions because we are a large rural area we recognise that not everyone has access to services which are predominantly provided in the market towns.

We will do this by

- ⊙ Increasing access to independent and impartial debt advice through voluntary and statutory organisations
- ⊙ Providing information and advice for residents affected by some of the issues relating to financial inclusion

It is recognised that the strategy is a housing focused document and the direction of travel needs to move it to a joined up approach from all departments across the Council. We will aim to have the strategy and action plan reviewed annually until a new inclusive strategy is produced.

Financial Inclusion Action Plan

Recommendation 1: Develop appropriate services for Breckland residents to increase awareness and greater understanding of financial matters .

Aim to

- ⊙ deliver appropriate services and tools to reduce financial inclusion in a partnership approach with Housing Associations and voluntary organisations. We believe it has to be customer led through effective consultation to increase the knowledge, skills and ability levels of residents to budget and reduce outgoings.
- ⊙ aim to involve agencies/companies/financially excluded people in the delivery of the Financial Inclusion Action Plan

Outcome

Appropriate services made available to residents of Breckland

Ref	Action	Partner	Resources	Timescales
1.1	Meet with agencies/companies to gain commitment and ownership over delivery of the Action Plan, formalise partnerships to	Breckland Council	Within existing resources	Ongoing
1.2	Incentivise customers who are potentially financially excluded and/or not financially capable to participate in consultation, which will help shape the development of actions	Breckland Council / Mancroft Advice Project	£250 required Homelessness Prevention Fund	Ongoing

Recommendation 2: Reduce the number of homelessness applications for repossessions due to mortgage or rent arrears.

Aim

- ⊙ raise awareness of Financial Inclusion and increase access for our residents to affordable and manageable financial services
- ⊙ Increase the skills and knowledge of our front line staff so they are better equipped when supporting customers who may be financially excluded
- ⊙ Ensure the appropriate support and advice services are available to all residents
- ⊙ Reduce the number of customers struggling as a result of using illegal money lenders and offering alternative options
- ⊙ Educate young people about the importance of budgeting and prioritising payments
- ⊙ Continue a supply of housing options

Outcome

Reduction of homeless applications vs enquiries to 15% for mortgage arrears/ repossessions and 5% for rent arrears and possessions on private sector tenancies. Increase in the use of Credit Unions and reduction in the use of illegal money lending.

Ref	Actions	Partner	Resources	Timescales
2.1	Provide training to Breckland front line staff specifically aimed at increasing their knowledge and skills when supporting customers who may be financial excluded and/or not financially capable	Breckland Council	Breckland Council	During 2009/10
2.2	Approach Housing Associations in Breckland to facilitate an information session for their staff regarding loan sharks from a representative of the Illegal money lending team	Breckland Council / Trading Standards	Within existing resources	All Associations by March 2010
2.3	Arrange for a representative of the illegal money lending team to give an information session regarding loan sharks to the Homelessness Forum and Homelessness Team Meeting	Breckland Council / Trading Standards	Within existing resources	Completed

Ref	Actions	Partner	Resources	Timescales
2.4	Deliver lessons in schools to educate and raise 15 and 16 year old skills for independent living	Breckland Council / YMCA	£30,000 CLG grant linked to schools project	To be delivered during 2009/10
2.5	Investigate and develop a mobile phone tenancy program to help young people understand responsibilities of budgeting and renting/owning a property	Breckland Council / Housing Associations / YMCA schools project	£6000, Part funding identified further resources to be sourced.	March 2010
2.6	Approach Housing Associations in Breckland and Home Insurance providers to further market their home insurance packages to social tenants	Home Insurance Providers / Housing Associations	Resources to be identified with partners	30 September 2009
2.7	Support the introduction and promotion the CUNA affordable insurance options to Credit Union customers	Breckland Council / Norfolk Credit Union	Norfolk Credit Union	30 March 2010
2.8	Support the creation of a Credit Union Current Account and the ability for customers to have a separate budget account	Breckland Council / Norfolk Credit Union	Resources to be identified with partners	30 March 2011
2.9	Promote a young savers account for people aged 0-16 to Housing Association tenants in Breckland	Breckland Council / Credit Unions / Housing Associations	Within existing resources	30 Dec 2009
2.10	Promote a Credit Union lock-in savings account to Housing Association tenants in Breckland	Breckland Council / Credit Unions / Housing Associations	Within existing resources	30 Sept 2009
2.11	Support the expansion of a Credit Union outlets in all Breckland market towns	Breckland Council / Norfolk Credit Union/ Housing Associations	Resources to be identified with partners	30 March 2010
2.12	Support the recruitment of Credit Union village representatives	Breckland Council / Norfolk Credit Union	Resources to be identified with partner	30 March 2010
2.13	Approach Housing Associations in Breckland to set-up a hardship fund where Credit Union loans are guaranteed by them to enable their tenants to borrow	Breckland Council / Credit Unions / Housing Associations	Credit Unions / Housing Associations	Ongoing
2.14	Investigate and develop a mobile banking service for residents in rural Breckland	Breckland Council / Banks / Building Societies	Resources to be identified with partners	30 March 2011
2.15	Investigate and develop a scheme to allow Breckland residents to acquire free or subsidised computer equipment and internet access	Breckland Council	Resources to be identified	30 March 2011

Recommendation 3 : Lift 200 households out of Fuel Poverty each year .

Aim

- ⊙ Increase household income and lower residents energy bills by improving energy efficiency of homes
- ⊙ Increase the number of customers benefitting from bulk fuel ordering schemes
- ⊙ Increase household income of those who are financially struggling

Outcome

200 households lifted out of fuel poverty

Ref	Actions	Partners	Resources	Timescales
3.1	Support the set-up a bulk oil ordering scheme in multiple Breckland parishes	Breckland Council / Parish Clerks	Within existing resources	30 December 2009
3.2	investigate gas and electricity bulk ordering schemes	Breckland Council	Within existing resources.	30 December 2010
3.3	Promote take up of benefits to Breckland Residents and help residents to maximise their income.	Anglia Revenues Partnership/Job Centre Plus/DWP/CAB	Anglia Revenues Partnership/Job Centre Plus/ DWP/CAB	Ongoing
3.4	Promote the take up of Warmfront to private sector tenants and homeowners by means of council publications, leaflets and our website to utilise further insulate their home and improve energy efficiency	Breckland Council / Warmfront	Within existing partner resources	30 June 2009 Ongoing
3.5	Investigate and develop a tailored programme of short-term vocational/soft basic skills training that help support individuals who are not eligible for mainstream provision	Breckland Council / Employment Agencies / Job Centre / Housing Associations	Resources to be identified with partners	30 March 2011

Recommendation 4 : Increase awareness of debt organisations through public and employer debt information and advice sessions.

Aim

- ⊙ Increasing access to independent and impartial debt advice through voluntary and statutory organisations
- ⊙ Providing information and advice for residents affected by some of the issues relating to financial inclusion

Outcome

Improved resources available for residents to increase awareness of financial and advice services

Ref	Action	Partner	Resources	Timescales
4.1	Produce an information booklet and aim to distribute to the majority of households across Breckland; the information booklet will include; Dangers of loan sharks Benefits of Credit Unions Affordable Housing Schemes Mortgage rescue packages Budgeting tools Where to go to get financial advice Cut through the financial jargon	Breckland Council / Trading Standards / Credit Unions / Citizens Advice	Resources to be identified with partners	30 September 2009

Ref	Action	Partner	Resources	Timescales
4.2	Create a 'financial inclusion web page' which gives residents of Breckland information detailed in 4.1	Breckland Council / Trading Standards / Credit Unions / Citizens Advice	Within existing resources	30 September 2009
4.3	Create sign-posting information that details where residents that are in financial difficulty can go to get advice and distribute to Parish Clerks to place in village halls	Breckland Council / Parish Clerks	Within existing resources	30 September 2009
4.4	Hold a Money Fair to provide residents with information and advice from a range of agencies, e.g. benefits, housing, debt etc	Breckland Council / Anglia Revenues Partnership / Citizens Advice	Within existing resources	Completed
4.5	Provide financial education to employees in their place of work by providing a free resource to employers.	Breckland Council / FSA	FSA	March 2011
4.6	Create a specific 'tenants' pack for customers going into Private Rented Accommodation that includes budgeting tools, information on their responsibilities as a tenant and places where they can go to get financial help and support.	Breckland Council	Homelessness Prevention Fund £600-£1,000	30 June 2009