

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	<b>Meeting:</b>	<b>Cabinet Member for Safe and Attractive Neighbourhoods</b>
2.	<b>Date:</b>	<b>3rd October 2011</b>
3.	<b>Title:</b>	<b>Improving Financial Confidence</b> <b>All Wards</b>
4.	<b>Directorate:</b>	<b>Chief Executive's</b>

### 5. Summary

The Financial Inclusion Project at Voluntary Action Rotherham is to take the lead in a partnership bid to the new Big Lottery funding scheme, Improving Financial Confidence. This is a 5 year project worth between £500k and £1m focusing on the needs of people in social housing to improve their financial capability.

The partnership includes representatives from a broad range of organisations with an interest in this area of work including RMBC's Neighbourhoods and Adult Services, housing associations, advice services, Children and Young People's services, the NHS, Probation and a number of specialist service providers.

The project is to work with young people in social housing and first time tenants, in response to the identified need amongst this group to improve the success and sustainability of tenancies. A disproportionate number of young people and first time tenants are represented amongst the failed tenancies which is costly both in financial and social terms for the tenants, the housing providers and the community in general. We believe that if we can provide dedicated and intensive support on a peer mentoring basis and through a well planned, informal and customised training package, we will be able to significantly improve the financial confidence of tenants, and affect their behaviour and therefore the success rates of tenancies. Additional outcomes would be improved neighbour relations and enhanced employment/educational opportunities.

The success of this funding bid would be a significant and very welcome boost to financial inclusion work in the borough and provide a platform from which other work, related to our Financial Inclusion Strategy (attached) could be promoted.

### 6. Recommendations

#### **Elected Members are asked to:**

To note the proposal for the Improving Financial Confidence funding bid that is being led by Voluntary Action Rotherham as outlined below.

## **7. Proposals and Details**

### **7a. Background to the Big Lottery funding**

The Big Lottery Fund has launched a new scheme to help people who lack access to basic financial services develop their confidence and capabilities. The Improving Financial Confidence scheme will target residents in social housing in three categories: people moving in and out of work, young people (16-24 yr olds) in social housing and first time tenants. Projects may address all or any of those priorities. They must also address the three Big Lottery objectives:

- Social housing residents have greater access to affordable financial services and products.
- Social housing residents develop their skills and confidence in using financial services and products.
- Social housing providers engage with residents most in need and help them understand financial inclusion

Grants of £500,000 to £1 million are available to projects lasting between three and five years. The scheme is open to partnerships of organisations delivering housing and financial services, must include at least one non-profit housing association and must be led by a voluntary sector organisation.

The Big Lottery has identified 69 local authority areas eligible to apply, including Rotherham. Only one application per eligible area is allowed and it must be endorsed by the relevant local authority.

This is a competitive exercise. The timescale is as follows:

- 16th Sept 2011 – deadline for submission of the outline proposal
- Nov 2011 – notification of whether we're invited to submit a full bid
- May 2012 – deadline for submission of full bid
- Aug 2012 – notification of decision on funding
- Project must start within 6 months, ie before Feb 2013

### **7b. Progress so far**

We have secured the active involvement of a broad range of organisations (details of which are attached), and the several partnership and bid-writing meetings that have taken place have been productive and focused.

We have attended two Big Lottery information events which have been helpful in providing practical guidance on bid content (evidence, beneficiaries, outcomes) and completion. There is strong support for the Financial Inclusion Project leading on this bid.

VAR hosted a well attended regional conference delivered by the national credit organisation, the Centre for Responsible Credit, which provided research data on financial inclusion and social housing to support the bid. This was a useful and well received event.

## **7c. Rationale for selecting our target groups**

The decision to select young people and first time tenants as beneficiaries is based on evidence from 2010 Ltd, now Neighbourhoods and Adult Services, showing the disproportionate impact of failed tenancies amongst younger people in relation to the total housing stock. Engaging with young people at the start of their tenancies provides a good basis for preventative work. There is strong support from the Registered Social Landlords for this approach. The Big Lottery is looking for focused and innovative initiatives with a “test and learn” ethos and, if successful, the capacity to be rolled out in other areas. The partnership agrees that our chosen range of beneficiaries gives us the best opportunity to test out a less traditional, more imaginative approach.

## **7d. Proposed project structure and management**

The project will employ a Project Co-ordinator with Administration Support who will be based at VAR. There will be Mentor Support Workers who will also have an advice/financial capability role and volunteer mentors who will be identified and recruited through our partners. We have already identified two volunteer mentors. The project will be managed by a steering/management group made up of representatives from the partnership. The Financial Inclusion project at VAR already has a strong track record project management and could, with the agreement of the partnership, provide a model.

## **7e. Sustainability**

The future sustainability of the project is based on the use of volunteer mentors, the strength of the partnership and the establishment of an effective training programme. If successful in meeting our objectives the partner social housing providers will have a strong incentive to support on-going work in financial inclusion as a cost effective intervention to support tenants and reduce the impact of failed tenancies.

## **8. Finance**

There are no financial implications. The Big Lottery does not require any match funding and the project will be wholly funded by the Big Lottery.

## **9. Risks and Uncertainties**

This is a competitive process. The funding is limited to 69 authorities thereby giving us a better than average chance of success. However competition is high, most projects having indicated that they will be asking for the maximum £1m, so there is a possibility of rejection at the outline bid stage. Success at the outline bid stage does not guarantee funding.

The bid process is particularly long and will not be completed until August 2012. People now involved in the bid writing process, or who are currently active in their organisations and in the partnership may well have moved on before funding is secured and the project begins.

## **10. Policy and Performance Agenda Implications**

This funding fits extremely well with the Financial Inclusion Strategy, published earlier this year, particularly in terms of targeting resources on those most in need, focusing on social

housing, and having a partnership approach. It also links closely with the work of Children and Young People's Services, the Think Family Board and Strategic Housing Partnership objectives.

## **11. Background Papers and Consultation**

- Tackling Financial Exclusion – a targeted approach (Financial Inclusion strategy 2011-2014)
- Improving Financial Confidence – partners
- Approved by Cabinet Member for Community Development, Equality and Young People's Issues on 12<sup>th</sup> September, 2011

## **12. Author**

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