

London Borough of Lambeth Financial Resilience Strategy 2016–19

Foreword: Lambeth Council

Lambeth has a strong track record of building and promoting financial resilience in our communities. We led the way in London in 2014 with an ambitious Financial Resilience Strategy, developed with a range of stakeholders to mitigate the effects of welfare reform, debt and poverty on our residents. While we are proud of our successes, now is not the time to be complacent. With further changes to the welfare system, such as a lower benefit cap and the rollout of Universal Credit, and no guarantee from the Government that councils will receive funding to continue providing a 'local welfare safety net', this is still an uncertain time for some of our communities.

Over the last six months we've been working with partners, stakeholders, citizen groups, providers, charities, residents and many others to understand the challenges ahead and refresh our Financial Resilience Strategy.

Financial resilience means being able to cope with difficult times but also being able to access and use resources to succeed long-term. It is about helping people to help themselves. The strategy's outcomes and priorities reflect this and recognise that increasing people's incomes – by accessing the right benefits, getting into work and progressing in work – and increasing people's financial capability – by being able to manage and plan finances, deal with debt and pay rent – are central to our approach.

This revised strategy confirms our commitment to work in a coordinated way across the council and with our partners, co-locating services and sharing data where possible. Doing this well will result in a reduction in poverty for our residents; reduced costs to public services; increased income to the council through rent and council tax payments; and benefits to the local economy, with more people in work.

It is down to us – public bodies, agencies, communities and citizens – to create the conditions that help build resilience. This is a borough strategy, which commits us all to a range of activities and ambitions to make that a reality. It builds on the successes of our approach to date and the strong partnerships we have developed. Together, I'm confident that we will continue to make a difference.



Cllr Paul McGlone
Deputy Leader, Lambeth Council
Cabinet Lead for Finance and Investment

Foreword: Lambeth Citizens

These are challenging times for the citizens of Lambeth – though Lambeth continues to be an exciting and welcoming place in which to live and work. Lambeth Citizens is part of Citizens UK with over 300 member institutions. Community organising is based on the principle that when people work together they have the power to change their neighbourhoods, cities, and ultimately the country for the better. Our member organisations listen to their members and are very aware of the difficulties facing them and their fellow citizens – often providing support before they turn elsewhere for help. During the period of the first Financial Resilience Strategy we have been active in promoting the Living Wage, increasing membership of the local credit union and highlighting some of the greatest abuse by pay day lenders on the high streets. We are increasingly conscious of the lack of decent affordable rented housing across London.

We support the key priorities in this refreshed strategy – to increase people’s incomes, especially promoting the Living Wage, and improving people’s ability to cope financially, whether they are in work or not. It is important to continue the partnerships between all stakeholders to work together effectively and ensure that help is well targeted to those most in need. We are proud of our diverse and inclusive borough and want everyone to enjoy what it offers, living in strong communities in good affordable housing, with a decent standard of living.

Barbara Wilson and Sarfraz Jeraj
Co-Chairs, Lambeth Citizens

1. Our approach

Context

Lambeth is a thriving and diverse part of London. Skills and employment levels are high and there is a huge amount of development in the borough. However, this masks inequality, cost of living and in-work poverty are increasing and benefit changes continue to affect those on low incomes. These issues are creating real pressure and hardship for some, particularly for those who are in low paid jobs, who are looking for work and who claim a benefit.

Government's welfare reforms will continue to result in less money for some residents and Universal Credit will require people to manage their benefits in different ways. While we cannot replace the benefits that people will lose we can do more to help residents increase their incomes and improve their financial capability, by making sure they have the skills and support they need. Whether that is advice, employment support, budgeting support and help progressing in work.

This is a borough strategy. Large reductions in Government funding are affecting the Council's and other partners' ability to respond to need. So we must be clear about our priorities, prevent and pre-empt problems, join-up our services and think about how we fund what we do. That means looking at the combined resources that health, housing associations, businesses, developers, charities, providers and others have.

Our focus

Financial resilience is about ensuring residents have the skills and resources to be able to cope with difficult situations as well as making the most of opportunities to thrive in the long-term. It is important because the cost of a lack of financial resilience is high to both households affected, such as debt and the impact on a person's well-being, and to the council and other public services. For example, the cost to the NHS by those driven to illness by financial worries or the cost to the Council when someone becomes homeless because they cannot pay their rent. Our approach is about providing personalised support for people who claim a benefit, who are in low paid work or looking for work, through:

- *Interventions at crisis points* – people do get into difficult circumstances and need emergency support but alongside this they need advice and support to avoid a future crisis.
- *Prevention and early intervention* – by providing the right support before people get into difficulty and pre-empting problems.
- *Sustainability* – building the skills and confidence of our residents so they are able to support themselves, be resilient and make the most of opportunities.

Our priorities and outcomes

The strategy has been co-produced with residents, partners, councillors, community groups, providers and many others. It builds on the first [Financial Resilience Strategy](#) and our [Income and Debt Strategy](#). It has two priorities and seven outcomes. Under each outcome we have identified priority groups within our broader target groups i.e., those claiming a benefit, those in low paid work and those looking for work.

Priority 1: Increasing people's incomes

- People can access personalised employment support
- People are able to progress in work and earn at least the London Living Wage
- People get the benefits and credits they are entitled to.

Priority 2: Increasing people's financial capability

- Tenants are able to pay their rent
- People can plan and manage their finances
- People have access to the financial products they need
- Levels of problematic debt are reducing

Achieving our outcomes

We will only achieve our outcomes by working with partners and stakeholders across the borough. Looking at what we have learnt from the services provided under the first strategy, we know that:

- We need to use evidence to identify those who need our help the most and reach out to those residents.
- Different advice services are often based in various places across the borough. Where possible these should be located together to make sure residents get the support they need. Often when residents are signposted from one service to another, a significant proportion of people do not end up making contact with the other service.
- Support should be offered, as much as possible, in places residents already use – like GP surgeries, children’s centres, Jobcentres, the council’s customer centre, housing advice services, day centres and other community settings.
- Some residents with complex needs would benefit from a key worker approach, where one person helps them deal with the multiple issues they are facing.
- Collecting the right and consistent data about residents that access our services is important as is sharing this data, where possible, between agencies. This helps us to improve services, understand the impact we are having and help residents more effectively.
- Organisations involved in financial resilience bring a range of expertise and experience in a variety of areas including employment, advice, benefits, debt and housing. Many organisations do not have the resources to extend their services across the borough. We need to find more ways to come together to bid for funding to deliver support across the borough.

Our track record

We have a strong track record of building and promoting financial resilience in our borough. The services we have commissioned help our residents, deliver wider economic benefits to the community and reduce costs to public services.

GP Advice Pilot

We funded Citizens Advice Merton and Lambeth to provide advice in eight GP practices across the borough. This has had the following impact:



1,608 patients were assisted with 2,008 enquires between August 2014 and June 2015. Including advice and support for people with a debt and tenancy issues.



An estimated £191,319 of benefits were gained for patients in a six month period.



1,608 patients being referred for welfare advice instead of speaking to their GP which is estimated to have saved £4,896 in GP time across the eight practices between August 2014 and June 2015.

Benefit Cap Employment Project

St Mungo’s Broadway was commissioned to support households affected by the benefit cap to gain employment to help them increase their incomes. This has had the following impact:



For every unemployed person who begins a London Living Wage job, the local economy benefits by on average more than £14,000 a year. 129 residents affected by the benefit cap were helped into employment between April 2013 and June 2015.

2. Our borough

Demographics and housing

- 318,000 people live in the borough and it is one of the most densely populated places in the country with a complex social and ethnic mix, with large black African, Portuguese and black Caribbean population.
- This follows significant growth in the last decade, particularly among young working people. One of Lambeth's distinct features is its age profile, especially its high share of 25-34 year olds. The number of 16-64 year olds increased by 38,500 or 19.4% from 2004-2014 rising from 198,600 to 237,100. This was above the rate of growth for London (14.7%), as significant numbers of young people moved into the borough.
- Over the last five years Lambeth has seen some older working age families with children leave the borough to go to more affordable neighbouring places, while young professionals have been moving in from more expensive parts of London or cities with large universities.
- At least half of our residents have been in the borough for more than 10 years and they are more likely to be disadvantaged, unemployed, from a Black and Minority Ethnic background and living in social housing.
- In recent years there has been a noticeable increase in concern about lack of affordable housing and high private sector rents – which have increased by almost 20% between 2012 and 2015. It is increasingly difficult for people on low incomes and in housing need to find affordable accommodation in the borough.
- While overall the numbers claiming housing benefit has been decreasing in the borough, there has been an increase in residents aged 44 and over claiming Local Housing Allowance for renting in the private sector, reflecting national trends.

“I’ve struggled with rent arrears and my bills. You know you should open the letters and try and deal with it but it’s hard to know what to do. So they just pile up unopened on my kitchen table.”

Poverty

- In-work poverty is an increasing issue in London, a decade ago, the majority of children and adults in poverty in the capital were in workless families; now the majority live in a family where someone is in work. Nationally, the average person in poverty is now younger; more likely to be in work and more likely to living in the private rented sector.
- In London, 16% of people are classified as being in poverty before housing costs and 28% of people after housing costs – reflecting high housing costs. If we assume the percentages are the same in Lambeth there are an estimated 49,000 people in the borough in poverty before housing costs and 87,000 people after housing costs. A third of Lambeth children and a quarter of pensioners are living in poverty.
- Like many London boroughs, Lambeth has areas of affluence and areas of deprivation, often side by side.
- The latest deprivation data (2015) ranks Lambeth as the 8th most deprived borough in London and 22nd most deprived in England. The most deprived places in the borough are Brixton, Stockwell and parts of Norwood.

Income and debt

- The median annual household income in Lambeth is £38,490 (compared to £39,110 across London) and the median annual gross income for a full-time employed resident is £33,300 a year.
- People of a black African background are over-represented in low paid work, and older and Black Caribbean residents are also the least likely to consider that their financial circumstances have improved over the last year.
- Couple and lone parent families with dependent children have been especially affected by increasing private sector rents and other price increases in the last few years. The costs of fuel, food and rent make up greater share of expenditure for low-income families.
- Fuel poverty has increased in the borough; there are 12,215 fuel poor households in Lambeth which is 9.2% of households (compared to an inner London average of 9.9%). This is an increase from 9,300 households in 2011.

- Food bank use has increased in the borough and the main reasons for people visiting are benefit delays and low incomes. Figures from the Trussell Trust show that, in London, numbers receiving three days' food from their food banks rose from 11,866 in 2011 / 12 to 64,756 in 2014 / 15.
- There is increasing demand for debt advice in the borough and Experian survey data suggests that 11% of households of Lambeth are over-indebted and most of these are in "stretched families". These are families aged 35-44, with household income under £30,000, who are likely to be renting and in full-time work. Lambeth has some of the highest numbers of these sorts of families in the country.
- 17,210 or 27.3% of children were living in low-income families in Lambeth in 2013, compared to 18% across England. This is the 6th highest in London.

"It feels like we live in a theme park but can't afford to go on any of the rides."

"I feel like I'm surviving not living. With family stuff, childcare and debts I don't have the time and space to focus on my career."

Employment and skills

- Almost 80% of Lambeth's working age population are employed, the third highest in London.
- This means that Lambeth can be considered as almost having full employment, but in-work poverty is increasing and nationally there has been an increase in the numbers on zero hour contracts and work for some is becoming increasingly precarious.
- In Lambeth there are increasing numbers of people in part-time work and self-employment. Nationally, poverty rates tend to be higher for self-employed families and low paid work is increasingly made up of part-time employees.
- With increasing polarisation in the labour market there are now more people in low pay. 20% of Lambeth residents in work are paid below the London Living Wage (equating to around 31,200 residents). This rate of low-pay among residents is below the London average (21%), but above the inner London average (19%).
- London is becoming increasingly higher skilled and demand for qualifications is set to increase. As a result there will be increasing competition for lower skilled work – only 0.5% of job openings in the future will be open those without any formal qualifications. Intense competition for low skilled jobs will hold down wages in these positions making them increasingly precarious.

Unemployment and out of work benefits

- Unemployment has fallen dramatically in Lambeth since 2010, and for the first time is now lower than the London and national rate.
- Social housing tenants, black and minority ethnic residents and residents aged over 50 are more likely to be unemployed than other residents.
- Lambeth has the highest rate of long-term Job Seekers Allowance claimants in London, although the numbers are reducing month by month. The largest numbers of residents on out-of-work benefits are claiming health related and incapacity benefits. There are 13,500 people claiming Employment Support Allowance and almost 50% of these have a mental health condition.

Other benefits

- Claims for other benefits such as Council Tax Support and Housing Benefit are also decreasing – Lambeth has 38,401 residents who claim Housing Benefit and 29,296 residents who claim Council Tax Support.
- Claims for Working Tax Credits and Child Tax Credits are also reducing. However, there are still 41,000 children in Lambeth whose family claim tax credits.

Mental health and disability

- 38,670 people in Lambeth have their day to day activities limited by a long term illness or disability equal to 12.8% of all residents. Overall, on this measure, Lambeth has a relatively low rate of residents with limiting long-term health problems or disabilities across the population (14.2% for London and 17.6% for England across all age

groups). However, among the 50-64 year olds group and 65 and over group, the rate is high in Lambeth. The majority (60%) of residents with a limiting long-term health problem or disability are aged 50 and over.

- Lambeth has one of the highest rates of mental health conditions in London, with 36,000 residents experiencing a common mental health disorder. There are a range of issues associated with mental health conditions including, local income, unemployment, poor physical health, social isolation and difficulty with managing finances.
- 12,490 residents claim Disability Living Allowance, which is in line with the London average. Of those residents 67.4% are working age.

“It’s easier to go to pay day lender or use a pawn shop, when you need money quickly. I know the interest rates are high but sometimes I’ve got no choice.”

“Having a health condition makes everything so much harder.”

“I took a zero hours contract because it was all that was on offer, but it didn’t work out because I couldn’t plan childcare around it or get enough hours. So now I’m back on benefits, doing some cash in hand work where I can get it.”

3. Our priorities and outcomes

Priority 1: Increasing people's incomes

Increasing household income by supporting residents to get into employment, progress in work and get the benefits and credits they are entitled to, is the best way to tackle many of the financial difficulties residents face and ensure they are resilient in the long-term. Low income caused by low pay, unemployment and benefit delays is often the cause of food and fuel poverty, and we know this is a concern for residents. We expect our work to increase residents' incomes will also help to reduce levels of food and fuel poverty in the borough and help residents manage the cost of living. The outcomes under this priority are:

- People can access personalised employment support
- People are able to progress in work and earn at least the London Living Wage
- People get the benefits and credits they are entitled to

Taking action: Case studies

Supporting people into employment

People with complex needs are often in contact with a wide range of public agencies and have a range of barriers to getting back into employment – such as debt. For these residents a more integrated approach between public agencies and community providers is vital to help them secure work. The council is involved in two major pilot projects to help people with complex needs into employment. The first, Pathways to Employment is a programme with Southwark and Lewisham Councils which seeks to help people who have been claiming Job Seekers Allowance for 13 weeks. Working Capital is the other programme, it is for Employment Support Allowance Work Programme leavers, designed to support people with their health and employment needs. Through both programmes individuals are supported by a key worker, who helps them deal with a range of issues to challenge barriers to employment.

Ensuring people earn at least the London Living Wage

The council is a London Living Wage accredited employer, and works with employers from within and outside its supply chain to promote the benefits of paying the London Living Wage. All council staff are paid at or above London Living Wage and 85% of all council contracts above £100,000 are London Living Wage compliant. The council has recently implemented the London Living Wage within its home care contract. As result 479 care and support workers are being paid the London Living Wage, which makes Lambeth Council a leading London Living Wage employer.

Getting our residents the benefits and credits they are entitled to

Every Pound Counts is the council's benefits take-up service, which works with people with disabilities and long-term health needs (and their carers). Advice is offered by phone, in the home and in surgeries in community locations. In 2014/15, Every Pound Counts helped 1,100 vulnerable residents to increase their benefit income by an average of £4,000 per year, which amounts to a total benefit gain of £4.2million. The service reduces health inequalities, food and fuel poverty and promotes an improved quality of life by increasing incomes. It helps to promote independent living, reducing social care costs.

Outcome: People can access personalised employment support

Our aim is to improve residents' financial resilience and wellbeing and employment can be a significant part of that. In discussions, stakeholders highlighted that there is increasing demand for help getting into work from the residents they support. Almost 80% of Lambeth's working age residents are in employment but many of those who are unemployed have a complex range of needs – such as debt, childcare, poor IT skills, health conditions and a lack of qualifications – that they need support with before they can move into work.

Our priorities, who do we want to support and why:

- Given the prevalence of mental health conditions in the borough and the high numbers claiming Employment Support Allowance (ESA) we want to provide personalised employment support for **residents with a mental health / physical health condition**. There are 13,510 ESA claimants in the borough and almost 50% have a mental health condition. These residents will have more complex barriers to employment and will require more intensive and personalised help. For many of these individuals, employment will not be possible in the near future. Only 2,110 ESA claimants have been assessed as suitable for Work Related Activity Group (where work is feasible in the short to medium term) with another 3,380 people still in the assessment phase.
- We want to continue to **support tenants (in both social and private housing) affected by the benefit cap and size criteria changes** to access employment support so they are able to increase their incomes. There are 220 households affected by the benefit cap and more households will be affected by the lowering of the cap in Autumn 2016. Over 2,500 households are affected by the social sector size criteria.
- More generally we want to support **social housing tenants who are unemployed** into work; particularly large families and lone parents as they will be affected by welfare reforms. 4,798 unemployed residents live in social housing.
- A significant proportion of **older working age residents are long-term unemployed**. 1,680 Lambeth residents aged 50-64 claim Jobseekers Allowance (JSA). Lambeth has the highest rate of JSA claimants among older people in London.
- Lambeth has above average numbers of **young people** on JSA and large number of young people who we do not know whether they are in training, employment or education (NEETs). There are 820 18-24 year olds in Lambeth claiming JSA. Officially there are 180 16-18 years olds that are classified as NEET with a further 1,548 whose activity is not known.

What we will do in the future to support them:

- Support for residents needs to be joined up and coordinated with improved referral routes into employment support services from other advice and support. Different advice services and support are often based in various places across the borough. Where possible these should be located together so support is holistic and timely.
- Support should be offered, in places our target and priority groups visit or use – like GP surgeries, children's centres, Jobcentres, the council's customer centre, day centres and other community settings.
- Where appropriate we will attach conditions to the support that residents receive, to help them improve their financial resilience for the long term.
- Some residents with complex needs would benefit from a key worker approach, where one person helps them deal with the multiple issues they are facing, so they have consistent support.

Indicators for success, how we will we know if we have made a difference:

- Employment Support Allowance claimants reducing, specifically Work Related Activity Group numbers.
- Job Seekers Allowance claimants reducing – particularly those claiming over 12 months, those claiming who are under 25 and those over 50.
- Higher levels of employment amongst social housing tenants.

Outcome: People are able to progress in work and earn at least the London Living Wage

In-work poverty is an increasing issue, a decade ago, the majority of children and adults in poverty in London were in workless families; now the majority live in a family where someone is in work. There are a number of issues that affect Lambeth residents' ability to get jobs that pay the London Living Wage (LLW) and progress in work. These include the jobs available and their location, insufficient pressure on employers to pay LLW, the skills match between Lambeth residents and higher paid jobs and the lack of progression opportunities. London is becoming increasingly higher skilled and demand for qualifications is set to increase. As a result there will be increasing competition for lower skilled work – holding down wages in these positions and making them increasingly precarious. Our discussions with residents have shown that this is already an issue, with some taking zero hours contracts and poorly paid part-time work as they feel they have little choice.

Our priorities, who do we want to support and why:

- The estimated 31,200 (20%) of **employed Lambeth residents earning less than the LLW**, as they are more likely to be struggling financially and be vulnerable in terms of falling into debt.
- **Families claiming working tax credit** as they are likely to be on low incomes and more vulnerable financially and in-work poverty is an increasing issue. 13,800 families in Lambeth are in work and claiming working tax credit.
- **Low-income families in private rented accommodation**, our research has shown that residents in the private rented sector are struggling with the cost of living and housing costs. There are 2,188 households with children who claim housing benefit and live in the private rented sector (based on proxy indicators of declared earnings or working tax credit).

What we will do in the future to support these groups:

- Continue to seek to pay the LLW wage through council supply chains and our procurement processes, and encourage other partners to do the same.
- Promote and celebrate employers who do pay the LLW.
- Use our jobs brokerage service – Lambeth Working – to support people into better paid work, including those who are already in work.
- Ensure future employment support programmes also work with people in low-paid employment.
- Learn from the pilot programmes (run by Timewise Foundation and the Walcot Foundation) we have underway in the borough which are about supporting people in low pay to progress.

Indicators for success, how we will we know if we have made a difference:

- Proportion / numbers of people paid the LLW is increasing.
- Number of LLW employers.
- Income increases for lowest quartile of residents in work from a median of £460 per week (gross) for full-time workers.

Outcome: People get the benefits and credits they are entitled to

The benefit system is complex. As a result many people do not get the benefits and credits they are entitled to. Further changes to the welfare system such as the move from Disability Living Allowance to Personal Independence Payments, the introduction of Universal Credit and the freeze on working age benefit will impact residents. The difficulty for some will be to understand the changes and what they need to do. Advice agencies and providers are seeing increasingly complex cases, where residents need support with a range of issues as well as accessing the benefits they need. The process for applying for benefits, benefit delays and issues with claim assessments by the DWP are an increasing concern for our residents. Providing social welfare advice that is both easy to access within community settings – like GP surgeries, children’s centres, day centres – and alongside other support is important.

Our priorities, who do we want to support and why:

- We want to ensure that **people with disabilities and long-term health conditions** get support, help and advice with benefits. This **includes people with mental and physical health conditions and carers** of people with those conditions. Providing support for residents with these conditions has also been shown to reduce social isolation and increase the capacity of individuals to engage with treatment services. Helping residents get the benefits they are entitled to has been shown to help reduce fuel and food poverty.

What we will do in the future to support these groups:

- Better information sharing and liaison between advice providers and the Jobcentre Plus and the DWP.
- Benefit advice is offered, as much as possible, in places where our target and priority groups visit or use.
- Different advice services and support are based in various places across the borough. Where possible these should be located together so support is more holistic and timely. Debt and welfare advice and employment support should be offered alongside each other.

Indicators for success, how we will we know if we have made a difference:

- Percentage of people receiving benefits advice who have health conditions or have children (as recorded by the services).
- Reduction in council rent arrears.
- Reduction in council tax arrears.

Priority 2: Increasing people's financial capability

Building financial capability is about providing people with the skills, information and advice to make financial decisions with confidence and preventing people getting into financial difficulty. Welfare reform, the cost of living and increasing housing costs in the borough mean that equipping people with the skills to plan and manage their finances remains important. This is more than just educating people about money management; it is about supporting residents to change behaviour and attitudes towards money and to help them deal with unexpected outlays, so they are able to be financially resilient for the long-term.

The outcomes under this priority are:

- Tenants are able to pay their rent
- People can plan and manage their finances
- People have access to the financial products they need
- Levels of problematic debt are reducing

Case studies: Taking Action

Supporting people to pay their rent

Households in Lambeth affected by the benefit cap lose an average of £90 per week in income. This leaves them short of money to pay their rent and both increases debt and their chances of falling into debt. To help this group we funded a specific employment service. To provide holistic support, debt advisors were also based alongside the project in the council's housing needs service, where housing advice was also on hand. Helping households into employment meant they increased their incomes, could pay their rent and avoid homelessness or the need to move out of the borough.

Over 2,500 council tenants in Lambeth were affected by the social sector size criteria, resulting in an average reduction in Housing Benefit of £20 per week and the risk of falling into arrears and debt. Lambeth established a Welfare Solutions Team for council tenants. Affected residents were offered a range of support such as: help with downsizing, help to find work and money management and debt advice. All of these services are housed in one location, providing tenants with a one-stop shop approach to dealing with the impact of the size criteria on their finances.

Helping people access financial products

The council funds a local charity to work with banks and the local credit union on a project to encourage and support those using Post Office Card Accounts to open bank accounts ahead of the introduction of Universal Credit. Residents have been supported to get new bank accounts, including vulnerable residents using day centres, hostels, children's centres and food banks.

Helping people to plan and manage their finances

Digi buddies is a peer-to-peer support network of volunteers offering help with internet and IT skills, online forms and applying for jobs and managing money online. Support is provided in the council's customer centre, libraries and other community settings.

A local charity is also being paid to train and recruit local money champions, who live or work in Lambeth. As they are part of the community they are able to talk to people about money and direct them to local services. Over 65% of those who spoke to a Money Champion went on to seek professional advice and 40% went on to see a reduction in their rent arrears and 30% started paying off debts.

Supporting those in debt

The council funds Citizens Advice Merton and Lambeth to run the One Lambeth Advice service which provides a Freephone advice line and independent volunteer guides at a range of community locations across the borough. They help people with a range of issues including debt. They facilitate access to a debt caseworker from one of our advice agencies – Centre 70, Brixton Advice Centre and Lambeth Law Centre who make up the Lambeth Advice Network.

The Council Tax Summons project helps residents who have received a reminder or final notice for their council tax debt before a summons has been issued. The service aims to ensure residents receive advice before their debt increases with court costs and repayment plans are in place. The service proactively targets those in receipt of council tax support or who are in a council tax 'protected group'.

Outcome: Tenants are able to pay their rent

Sixty-four percent of households in the borough live in rented accommodation, 35% live in social rented accommodation and 29% live in private rented accommodation. The number of people privately renting has increased by 8% between 2001 and 2011 in the borough. Rising rents, the impact of welfare reform – such as the benefit cap and the freeze on benefit levels – and the cost of living mean that some are finding it difficult to keep up with paying their rent. Universal Credit will also see tenants receive housing benefit directly and they will be required to pay their rent themselves. The knock-on effect of these issues to the individuals and families concerned of not being able to pay their rent and to the council is concerning. Not only does struggling to pay their rent impact on the health and well-being of individuals it also has an impact on the council and its partners in terms of rent arrears and the cost of supporting someone who is homeless.

Our priorities, who do we want to support and why:

- Some **low income families in the private rented sector** are struggling with rent increases and have been affected by benefit freezes. There are 2,188 households with children who claim housing benefit and live in the private rented sector (based on proxy indicators of declared earnings or working tax credits).
- **Tenants affected by the benefit cap and other benefit changes** such as Universal Credit, as they are more likely to be at risk of struggling to pay their rent and be in arrears. There are 220 households affected by the benefit cap and more households will be affected by the lowering of the cap in Autumn 2016

What we will do in the future to support these groups:

- Support more social housing tenants affected by welfare reform to move into employment so they can more easily pay rent.
- Ensure that people access advice before they reach a crisis point with their tenancy. Different advice services and support are often based in various places across the borough. Where possible these should be located together so support is holistic and timely. Housing, debt and welfare advice and employment support should be offered alongside each other.

Indicators for success, how we will we know if we have made a difference:

- Council rent arrears reducing
- Homelessness prevention and relief figures.
- Rent arrears for Universal Credit claimants.

Outcome: People can plan and manage their finances

For people to be able to manage their finances well, including during a crisis, they need to have a healthy relationship with money, this includes budgeting and saving. People who depend on benefits or low wage work are likely to find saving difficult but even saving a small amount each week helps build resilience. Our discussions with residents have shown that some struggle to manage their finances, have low financial confidence and do not always manage their money in a way that makes the best use of limited resources. An important part of managing and planning finances is being able to access and use the internet. Online access is important as people can keep track of finances more easily and it helps people access, compare and contrast bank and savings accounts and energy deals. It is also important in order to access and maintain a Universal Credit claim. Our discussions with stakeholders and research shows that those who are unable to get online often end up paying a premium for essentials like fuel.

Our priorities, who do we want to support and why:

- **Universal Credit claimants**, because they will receive a monthly rather than a fortnightly payment and will be required to pay their rent directly to their landlords.
- **Residents who do not have access to the internet** in the borough, around 31,800 residents. The groups most likely to not have access are those aged 65 or over, people with disabilities, those on low incomes or not in work or training and people living in social housing.
- **Younger people**, equipping them with the skills and confidence to manage their finances is important in preventing financial difficulties later in life.
- **Those identified under the unemployment and low pay outcomes.**

What we will do in the future to support these groups:

- Ensuring our residents are supported in a crisis.
- Ensuring our delivery partnership agreement for Universal Credit between the DWP is used to support people to budget effectively.
- Deliver budgeting support and advice alongside other support, in community settings and Jobcentres, where possible.
- Ensure we make the best use of support offered by banks, the credit union and other organisations.
- Financial education for young people.
- Increase levels of digital inclusion by supporting residents to get online, so they are able to manage their finances and increase their employability.

Indicators for success, how we will know if we have made a difference:

- Number of people accessing council services online.
- Number of people paying council tax and council rent through direct debit increasing.
- Percentage of residents who feel their financial circumstances have improved (as recorded in Lambeth's residents' survey).
- Council rent arrears reducing.
- Council tax arrears reducing.
- Change in annual personal wellbeing ratings.
- Percentage of residents who do not access the internet reducing (as recorded in Lambeth's residents' survey).

Outcome: People have access to the financial products they need

The range of financial products available – bank accounts, savings accounts, loans and credit cards – has grown over the last 10 years but some people find it complex. Access to the right sorts of bank accounts and credit helps residents make use of direct debit, manage their finances more easily, borrow sustainably and save. Under Universal Credit claimants will be required to pay their rent themselves and be paid their benefits on a monthly basis, so having a bank account is essential. Through working with residents and providers, we know that there are number of perceived barriers to accessing bank and savings accounts. We also know that we have high levels of payday loan lenders in the borough and that usage is high. We have already been working with the local credit union and high street banks to tackle these issues and will continue to do so.

Our priorities, who do we want to support and why:

- **Universal Credit claimants**, because they will receive a monthly rather than a fortnightly payment and will be required to pay their rent directly themselves.

What we will do in the future to support these groups:

- We will encourage banks and the credit union to promote their services in community settings and places where people seek employment support, welfare and other advice.
- We will continue to work with our high street banks and the credit union who have committed to helping us support our residents to get bank accounts and affordable credit.
- We will ensure that frontline staff in advice agencies, our customers centre and at Jobcentres are aware of the offer from banks and credit unions.
- We will continue to work with banks and others to take-up their free financial education and digital inclusion programmes.

Indicators for success, how we will we know if we have made a difference:

- Credit-union account take-up and bank account take up (as recorded by our services).
- Number of claimants having their benefits paid into bank accounts increasing.
- Number of Post Office Card Accounts reducing.
- Number of people paying council tax and council rent through direct debit increasing.

Outcome: Levels of problematic debt are reducing

Tackling problematic debt is a key part of the financial resilience picture and our discussions with residents have shown that it continues to be an issue. 17% of residents have reported that their financial situation has gotten worse over the last year, though this number has steadily improved since 2011. Research shows that many of those who are in debt in the borough are in 'struggling families' aged 35-44, with household incomes under £30,000 and are likely to be renting and in full-time work, demonstrating the impact that the rising cost of living and housing costs coupled with low paid work and benefit changes are having. Residents are continuing to face shortfalls in their weekly income as a result of the benefit cap and other welfare changes. These losses are compounded by many benefits being frozen at the current rate for four years. The introduction of Universal Credit may also bring about an increase in problematic debt. Under Universal Credit, tenants who receive housing benefit will receive this directly and will be required to pay their rent themselves, which could cause rent arrears. Increasing residents' access to and awareness of affordable credit, ability to budget and save are a key part of tackling debt.

Our priorities, who do we want to support and why:

- The groups outlined in our Income and Debt Strategy which includes 597 **multiple debtors to the council** who collectively owe the council nearly £3million pounds. We want to continue to support this group to manage their debts and improve their financial resilience.
- **Low income families with children (including lone parents)** as they have been especially affected by cost of living increases in the last few years. 13,800 families in Lambeth are in work and claiming working tax credit, a further 9,600 claim child tax credit only, i.e. they are not in work. 17,210 children are living in low-income families in Lambeth.
- **Families with children (including lone parents) affected by the benefit cap**, approximately 208 households out of 220 affected by the benefit cap have children.

What we will do in the future to support these groups:

- Increase people's incomes through the other measures outlined in this strategy.
- Encourage and promote pay day loans from the credit union and other forms of affordable credit.
- Provide access to specialist debt advice that is integrated with other support – such as benefit advice and employment support. In community settings where possible.
- Support the ambitions and priority groups outlined in the Income and Debt Strategy.

Indicators for success, how we will we know if we have made a difference:

- Number of people using pay day lending / loan sharks reducing.
- Number of credit union accounts opened and bank accounts opened (as recorded by our services).
- Rent arrears reducing.
- Council tax arrears reducing.
- Council tax summonses reducing.

4. A partnership approach

We will only achieve our outcomes by working with partners and stakeholders across the borough. This is a borough strategy that has been co-produced with residents, partners, councillors, community groups, providers and many others. We have a stakeholder group that oversees our financial resilience work and there will be many opportunities for people to be involved in helping to deliver the priorities in this strategy. If you would like to take part, please get in touch with us, Ameeta Rowland (arowland@lambeth.gov.uk).