

Financial Capability

Local public sector funding

(England only)

December 2008

Financial Skills for Life

Building confidence to make informed choices

Key partner:



Introduction

The number of bureaux doing financial capability education work has risen from 86 to 185 in the last year. Although bureaux are getting funding from local sources through a variety of imaginative means, sustaining this work will require committed support from local public sector funders. On average, local authorities provide nearly half of total bureau funding; but we estimate that they fund less than 10% of all bureaux' financial education work.

The 2008 Citizens Advice financial capability survey found that three quarters of bureaux not currently doing financial capability work saw funding as the main barrier. We believe a key to increasing the number of bureaux involved in financial capability education, and those reached by our work, is by getting more local funding, in particular from local authorities. This guidance aims to help bureaux and their local delivery partners get such support. It covers:

- The increasing amount of financial capability education work that Citizens Advice and bureaux are doing - often with partners
- How financial capability can help local authority objectives
- Ideas on who to target in making the case for support
- Other potential local public sector funders, like Regional Development Agencies
- A template letter to send to LAs setting out key selling points.

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The growing importance of financial capability

For Citizens Advice, financial capability means financial education to help people improve their basic budgeting, borrowing, banking and saving skills. Our aim is to help clients – particularly those on low incomes – to develop their own skills and confidence to avoid financial crisis. This is particularly important in today's economic climate.

Financial capability is steadily becoming a standard part of bureau work. Although it is not a Citizens Advice membership requirement, 185 bureaux now do it. This is more than double last year's total.

The [Citizens Advice Service Strategy 2008-11](#) aims to “develop our preventative work, including financial capability”. This will be achieved by:

- “all bureaux being involved in financial capability work by 2011”
- “increasing the number of individuals reached by financial capability training”.

Citizens Advice has promoted bureau activity through its [Financial Skills for Life](#) (FSfL) programme and linked initiatives providing training and financial assistance. The work is often most successful when bureaux build on their experience of working with local partners. Many other organisations in the public, private and third sectors are also playing an important role in increasing the financial capability of the UK population.

In 2007, Citizens Advice set up 14 regional financial capability [forums](#) covering all of England and Wales. Typically led by an experienced local bureau, they have already involved some 500 local organisations and 125 bureaux, providing a focus for maximising and financing delivery of financial education in their communities.

A large number of financial capability initiatives are funded centrally at a national level by government departments, financial institutions and charitable trusts. This is often channelled through financial capability forums to individual bureaux and partner organisations. In 2007/8 some £1m of grant assistance was paid out to members by forums.

If you are not already doing financial capability work, attending your regional financial capability forum should be a first step.

Financial capability is increasingly being seen as an important activity at a national policy level. The Government, with the [Financial Services Authority](#) (FSA), has recently launched [Helping you make the most of your money: a joint action plan for financial capability](#). We would like local authorities, Regional Development Agencies and other local bodies to recognise the importance of financial capability and embed it in their statutory work.

How financial capability fits with local authority priorities

Your local authority (LA) is almost certainly a substantial funder of your bureau through 'core funding'. But the odds are that your bureau is not getting any significant LA funding for financial education work. We want to help LAs see this as something that is in their community's interests to fund.

Many local authorities are, of course, under financial strain. Your bureau may well be campaigning hard just to retain current levels of funding, let alone get an increase. For many bureaux we realise that there is also the urgency and pressure of dealing with a queue of clients' debt problems ahead of preventive education. This underlines the need to demonstrate the benefits of financial capability to the LA, your bureau, and – most importantly – your community. Central to this is showing how this work fits with the local authority's Local Area Agreement, the local Sustainable Community Strategy, and the underpinning National Indicators.

National Indicators (NIs) are a key hook for local authorities.

Local Area Agreements (LAAs)

Each local authority must choose up to 35 of a nationally determined set of 198 National Indicators (NIs) which identify targets on which to focus particular local attention. These feature in the Local Area Agreement which sets out the priorities agreed between central government and a local area (the local authority through the Local Strategic Partnership and other key partners at the local level). LAs will be judged by government on their success or failure in achieving the indicator targets. A number of these NIs can be related to financial capability (see pages 6-9). Please do remember that LAs must collect and report on ALL 198 NIs despite their performance only being judged on those chosen for their LAA.

The current Local Area Agreements (LAAs) are set to run for the duration of the current Comprehensive Spending Review period (2008-11). Your bureau will already be familiar with your area's existing LAA. It is not too late to show your local authority how financial capability work can help achieve its targets in the next two years. Nor is it too early to think about how you might want to try to influence the next LAA for your area which will become operational after 2010/11. The National Indicator set will be reviewed and potentially revised in 2010-11. Given the increasing importance that government attaches to financial capability, it is quite possible that there will be clearer recognition of this activity in the next set of NIs. If this is the case you will be able to work with your LA to ensure they see the value of choosing this indicator.

You will obviously want to think about the way in which your local authority operates; the targets it has to meet; and how these can connect to the benefits that could come from people in your community having greater financial management skills.

Be clear on how financial capability helps to achieve Local Area Agreement targets and local priorities set out in your local Sustainable Community Strategy (SCS).

Sustainable Community Strategy (SCS)

Look at your local Sustainable Community Strategy, which sets out the National Indicators (NIs) your local authority/Local Strategic Partnership has chosen to focus on. There are also likely to be additional specific local priorities within the SCS. The SCS is the action plan which addresses the priorities in the LAA as well as the other local priorities identified. Think particularly about how your bureau and local organisations can help to achieve the targets and priorities by promoting greater financial capability.

A full list of NIs is on the [Department for Communities and Local Government \(DCLG\) website](http://www.localpriorities.communities.gov.uk). Find out which NIs your local area has selected at <http://www.localpriorities.communities.gov.uk>.

Looking at your Sustainable Community Strategy, and in particular the NIs chosen, is a critical starting point as it is against these criteria that the LA's performance will be judged by government and - to an extent at least - the local electorate.

It could be a good idea for your bureau and local partners to produce a summary which maps financial capability against the local SCS.

Showing the benefits

Local Authorities understandably want to know what positive impact new policies or areas of activity can be expected to have. There is useful information about the evaluation of past Citizens Advice projects on the [Financial Skills for Life](http://www.financialskillsforlife.org) website. We are also keen to collect other local examples like this one from Leeds.

The Leeds Financial Inclusion Partnership (includes local bureaux) and the Leeds Economic Policy Team have estimated that their efforts (including providing financial literacy to children and offenders, as well as embedding financial inclusion into all the main Council and strategic partnership strategies and policies, including the LAA) have resulted in the following outcomes:

- Leeds residents have saved between £3m and £9.5m in interest payments.
- Income maximisation = £2.3m
- Reduced housing rent arrears = £280,000.

Leeds City Council (www.leeds.gov.uk)

National Indicators

Below are some of the main areas where – linking with NIs identified by the numbering used by DCLG – local authorities can be expected to see the benefits of improving financial capability. This list is not exhaustive. You may well identify other areas and examples where you have success in engaging with LAs. If so, please do tell the Citizens Advice Financial Skills for Life team so that we can encourage other bureaux and forums to try to exploit similar opportunities in their areas.

Housing/Maintaining Tenancies

Improving tenants' financial capability has the potential to reduce:

- rent arrears and council tax arrears
- lost income due to writing off former tenant arrears; all costs associated with evictions/court actions and abandonment
- the staff time involved (NI 14)
- tenancy instability
- staff retention due to frustration
- a range of broader social costs.

It is estimated that evicting a tenant costs up to £6,000 (Housing Corporation 2006), and court action can cost up to £2,000 (Housing Corporation 2006).

This is also linked with changes in the method of benefits being paid (Housing Benefit etc) as individuals need more help with budgeting than ever before.

- **NI 14** – Reducing avoidable contact: minimising the proportion of customer contact that is of low or no value to the customer
- **NI 156** – Number of households living in temporary accommodation
- **NI 160** – local authority tenants' satisfaction with landlord services

Employment

Financially capable individuals are more likely to gain, sustain and progress in employment. They will be more able to control their wages, remain out of bad debt, avoid illness (for example stress) and therefore remain in employment. Advantages could include:

- Movement into employment, even if low paid, would improve local employment rates
- Fewer people on benefits
- Reduced number of young 'NEET's (people Not in Education, Employment or Training).

- **NI 151** – Overall employment rate (working age)
- **NI 152/3** – Working age people on out of work benefits/in the worst performing neighbourhoods
- **NI 117** – 16 to 18 year olds who are not in education, training or employment (NEET)

NEET

Improving the financial capability of NEET (not in education, employment or training) young people, or those at risk of becoming NEET will improve their confidence along with their money management skills and will allow them to move into education, employment or training. This could either be direct to young people or through their youth workers. E.g. housing officers, young offenders teams etc

The FSA has funded [Young People and Money](#), a national programme of training events which are available free of charge to youth workers who work with NEET young people or those at risk of becoming NEET.

- **NI 117** – 16 to 18 year olds who are not in education, training or employment (NEET)

Skills

Financial capability can be delivered as part of an accredited course. It is also a means of increasing the confidence/life skills of, for instance, young adults to return to education and cope financially as a student.

Local authorities have a key responsibility to ensure young people are equipped with the skills and attitudes needed to be successful in the modern economy. This role will widen when some Learning and Skills Council responsibilities for 14-19 year olds transfer to LAs in 2010.

- **NI 163/164/165** – Proportion of population aged 19-64 for males and 19-59 for females that are qualified to at least level 2/3/4 or higher.

Extended Schools

This programme is about providing a core offering of services that all children can access through schools by 2010. Funding for the Extended Schools programme could be used to help students and the wider community with financial capability.

- **NI 88** – Percentage of schools providing access to extended services

The Money Advice Unit at Barnet CAB has secured funding through Extended Schools at its LA to work with sixth-form students in 8 schools in South Barnet on how to manage money. The Chief Executive of the bureau attended various committees including the Learning Network Board (responsible for allocating Extended Schools funding in the south of Barnet) to highlight the importance of financial capability, particularly as financial services and products are becoming more complex. He also highlighted the trusted bureau brand and that schools had become wary of financial literacy training via banks because of their vested interest. The programme has been successful and Barnet CAB is seeking to expand this further across the rest of the Borough.

Learning Disabilities

Many people with learning disabilities have little control over their own resources. Providing financial education can give them more independence and therefore confidence in finding and sustaining accommodation and employment.

- **NI 145/146** – Adults with learning disabilities in settled accommodation/in employment

Mental Health

People with mental health conditions are three times more likely to be in debt. Sufferers often need extra support around their finances. Working with them on financial capability can help them to increase confidence and life skills and therefore help them settle into accommodation and employment.

- **NI 149/150** – Adults in contact with secondary mental health services in settled accommodation/employment

Offenders/Young Offenders

Re-offending costs society at least £11 billion every year (National Offender Management Service, 2006). There are many factors that contribute to re-offending, including debt, disrupted benefits advice and insufficient funds. Good budgeting and money management skills are key in overcoming and addressing these problems. In recognition of this, one of the government's key pathways in its National Reducing Re-offending Delivery Plan in England and Wales is 'Finance, Benefit and Debt'.

Financial capability can help offenders settle back into the community. It helps them acquire and sustain accommodation and employment, as well as increasing general confidence which could then help in other areas of their everyday lives. This training may be particularly important if the offender has been in prison for a lengthy time or since the introduction of changes to the system e.g. chip and pin.

- **NI 18** – Adult re-offending rates for those under probation services
- **NI 19** – Rate of proven re-offending by young offenders
- **NI 30** – Re-offending rate of prolific and priority offenders
- **NI 38** – Drug-related (class A) offending
- **NI 46** – Young offenders' access to suitable accommodation
- **NI 143/144** – Offenders under probation supervision living in settled and suitable accommodation/ in employment at the end of their order or licence

Mansfield CAB is involved in a project with Nottinghamshire Probation which takes prisoners from sentence to at least three months after being placed into accommodation. Financial capability will be delivered both while the offender is in prison and when monitoring offender behaviour at probation offices.

Domestic Violence

Providing financial capability to victims of domestic violence can give them the confidence to leave their partners and live independently. Additionally, domestic violence often includes financial abuse, i.e. restricted income from partners, so improving confidence around finance might also offer the impetus to move away from a violent partner.

- **NI 32** - Repeat incidents of domestic violence

Child Poverty

This is linked to the work bureaux carry out in helping people claim benefits and deal with debt. Targeting financial capability towards low income families and in particular lone parents can help them to budget, borrow and save more effectively and also to become more aware of benefits available to them.

See further information on the [End Child Poverty](#) campaign on the Citizens Advice website.

- **NI 116** - Proportion of children in poverty

Fuel Poverty

Financial capability training (including Energy Best Deal) being carried out by bureaux will help clients to switch towards alternative suppliers and understand how to make energy savings. This can help alleviate the problem of fuel poverty as well as providing the general financial capability elements of budgeting, borrowing, saving etc.

- **NI 187** – Tackling fuel poverty - % of people receiving income-based benefits who are living in homes with a low energy efficiency rating

Southwark Council holds an annual energy efficiency event. In 2008 the event was broadened to cover different elements of the support that can be provided around fuel poverty. The voluntary advice sector helped to organise it. As part of the Energy Best Deal campaign Southwark CAB provided presentations throughout the day to frontline workers from agencies like Contact a Family, Community Wardens, Housing Officers and Age Concern, as well as members of the public. The presentations showed how savings can be made on fuel costs and the range of help with benefits and debt advice that may be available. Southwark Council is now planning further roadshows.

National initiatives

In addition to the National Indicators, below are a number of national initiatives linked to financial capability to which local authorities must also contribute. These can provide good opportunities for building partnerships and getting local funding.

Early Years/Parents of Young Children

LAs have an interest in helping the parents of young children with financial capability. This is also an area the FSA is interested in with its [Parents Guide to Money](#) which it is distributing through midwives.

Some bureaux are already involved in the Horizons project which is funded by Barclaycard and brings together a coalition of charities to provide financial capability training and support to lone parents. An initial phase between October 2005 and December 2007 benefited some 100,000 lone parents, their children and frontline workers.

Following this success, Barclaycard has committed to funding the project for a further three years until 2011. Over these three years the project aims to reach over 450,000 lone parents, children and frontline workers through direct face to face advice and financial education training. Delivery of this second phase is concentrated in five areas: North West England; North East England; the Midlands; Essex/Thames Gateway and Cardiff.

For more information about the Horizons programme please contact Kirstin Playell (kirstin.playell@citizensadvice.org.uk).

North Kirklees CAB received funding from a local Sure Start to deliver advice and financial capability training to parents with children under five years old. This pilot lasted 18 months. The bureau then contacted the Early Years part of the LA who funded the project throughout Kirklees, with an independent evaluation showing the income gains and debt managed and the great feedback from Children's Centre workers. It found that the work saved the Children's Centre workers time as they can now recognise and handle clients more efficiently and refer them to the bureaux more intelligently.

Every Child Matters

See the [Every Child Matters](#) (ECM) website. The Government's aim is for every child, whatever their background or circumstances, to have the support they need to:

- be healthy
- stay safe
- enjoy and achieve
- make a positive contribution
- achieve economic well-being.

One of the five outcomes for ECM is for all young people to “achieve economic wellbeing”. Each LA has an obligation to develop and implement a Children and Young People’s Plan, outlining how it will meet the ECM agenda.

Financial capability can play a part in achieving economic well-being, with the possibility of also linking to other ECM objectives like being healthy.

Wellbeing

Under the Local Government Act 2000 LAs have the power to promote wellbeing (economic, social and environmental) and a duty to say how they will do so. It is worth checking your Sustainable Community Strategy for this.

[The FSA has launched some research](#) which demonstrates the correlation between financial capability and psychological wellbeing, specially in relation to mental health, but is also relevant in other areas.

Information for families

Since April 2008 LAs must run a [Family Information Service](#) (FIS) to provide information for parents and families about services, publications and facilities that may be of benefit to children, young people and families.

Linked to this is the Directory of Children’s Services. Each local authority has to produce a directory which provides up-to-date information to help children, young

people, parents, carers, and local practitioners to be aware of, and to have access to, services (schools, youth services, voluntary services) in their area.

Making sure that the FIS and Directory include what your bureau can offer gives the opportunity to promote the potential for financial capability activity to help families.

There is also a Family Learning Impact Fund. Family learning is parents and children learning together, with the aim of getting parents to achieve basic skills qualifications. Financial capability is being used as a context for the courses. Local authorities will be involved with this so it may be worth finding out if there is any way you could support it.

Information, Advice and Guidance (IAG)

IAG helps 14-19 year olds to make the right learning and career choices and enables them to find answers to the questions and issues that can arise in their personal lives. Local authorities have the responsibility for commissioning IAG service for their young people. Financial capability education, as well as debt advice, can be an important part of this.

New Quality Standards for LAs have been developed by central government. One of these expects that young people receive IAG “on personal wellbeing and financial capability issues that they need”.

There’s IAG guidance at the [Every Child Matters](#) site.

Trading Standards

You should also check to see if your local Trading Standards does any financial education work that you could link up with.

Cambridgeshire Trading Standards has an information site at <http://www.askcedric.org.uk>. It also delivers ad hoc financial education training to local organisations and has been involved in creating three small credit unions.

East Sussex County Council (Trading Standards) and Eastbourne Citizens Advice Bureaux developed a website at <http://www.moneymakesense.co.uk> with funding from EDF Energy.

West Yorkshire Trading Standards is piloting a financial education game called Money Box Plus in the North of England (funded by Barclays). There may be opportunities to attend ‘train the trainer’ courses to be able to deliver these sessions.

Public Sector Agreements (PSAs)

Public Service Agreements (PSAs) are one of the Government's highest priority outcomes from the 2007 Comprehensive Spending Review period, 2008/09 to 2010/11. PSAs can be owned by individual government departments, or jointly by a number of departments. Each PSA is underpinned by a single Delivery Agreement, shared across all contributing government departments, and developed in consultation with delivery partners and frontline workers. It is worth understanding both National Indicators and PSAs - for example if you are talking to your local MP about how financial capability fits with both national and local policies.

The [Cabinet Office website](#) provides detail of all 30 PSAs, but the following are the most directly relevant to financial capability work:

- Raise the productivity of the UK economy (PSA 1)
- Improve the skills of the population, on the way to ensuring a world-class skills base by 2020 (PSA 2)
- Maximise employment opportunities for all (PSA 8)
- Increase the number of children and young people on the path to success (PSA 14)
- Address the disadvantage that individuals experience because of their gender, race, disability, age, sexual orientation, religion or belief (PSA 15)
- Increase the proportion of socially excluded adults in settled accommodation and employment, education or training (PSA 16)
- Tackle poverty and promote greater independence and wellbeing in later life (PSA 17)
- Make communities safer (PSA 23).

Who to target in the local authority

Most bureaux will already have effective relationships with their local authority. This section sets out some ideas on how to make the most of this relationship for promoting financial capability. Please also see the [Local government pages on CABlink](#) and BMIS.

Cultivate local authority financial capability champions.

Who to target will vary between different local authorities.

If the LA has a financial capability or inclusion strategy, the co-ordinator should obviously be your first point of contact. Check to see if your local authority already runs, or is involved with, a financial capability/inclusion forum. If not, encourage it to do so. Such forums bring interested local delivery partners together in a way that can help LAs. At the very least it should provide good networking opportunities for, and with, LA officers.

Contact related to a specific service and underpinning National Indicator is usually best done direct with the officer responsible for driving strategic implementation in the relevant department - e.g. approaching the housing department if your proposed target group is social housing tenants. Engage with senior LA officers if possible as they are more likely to be able to make swift decisions and have a broader vision of an area.

Examples of areas you will wish to focus on depending on your local priorities (not exhaustive):

Economic Policy	Corporate Debt policy
Offender teams	Youth teams
Housing teams	Childrens' Services
Library Services	Mental Health teams
And, of course, the Finance and Chief Executive's offices (which typically include a strategic leadership function)	

It is a good idea if you can get at least one councillor to engage closely with the financial capability agenda and act as a 'financial capability champion'. This will also benefit the councillor: particularly in the current economic climate, being seen to lead an initiative which benefits the community and individuals can increase their visibility in the community.

Suggest a meeting of some of your key local partners (e.g. bureaux, housing associations) and the LA officers and councillors to discuss how financial capability can help them as well as any proposed projects.

We have included a template letter as an annexe to this document which sets out how you might make initial contact with your LA on this subject.

Publicise financial capability to your Local Strategic Partnership

There are likely to be limited community and voluntary sector places on your Local Strategic Partnership, but your bureau is likely to be engaged with the members already (in particular the CVS representative). Financial capability, and its potential for partnership working by local delivery groups, can be a positive issue for members to find and develop common cause.

Bournemouth CAB has played an integral part in the operation of 'Vision 2026', the Bournemouth Local Strategic Partnership, from its outset. The Chief Executive of the bureau attends the Core Strategy Group of the Sustainable Community Strategy, the Safer and Stronger Communities Forum, the Neighbourhood Working Strategic Delivery Partnership, the Investing in Communities Delivery Board, the Health and Wellbeing Board and the Third Sector Strategic Development Group. This is clearly time-consuming, but all offer the opportunity to review the potential for financial capability activity, as well as other issues of importance to the bureau. The CAB has been able to secure some funding to train 30 LA housing officers and staff from local utility companies in financial capability. This is an excellent example of bureau and LA engagement.

"I would strongly encourage any CEO to engage with the whole process and start by knocking on the door of the officer within the LA whose function is to develop the LSP."

Martin Broad, Chief Executive, Citizens Advice Bournemouth

For more information on projects with particular client groups please see our [Directory of bureau activities in the Citizens Advice service](#) on CABlink.

Other local public sector funders

While this guidance particularly focuses on opportunities for working with local authorities, it is certainly worth thinking about other local statutory bodies and how financial capability work could contribute to their objectives.

Think about other local statutory bodies and how you could contribute to achieving their aims and objectives.

Primary Care Trusts

Primary Care Trusts (PCTs) have an interest in financial capability's potential for improving individuals' health, reducing stress, assisting the disabled etc.

Hammersmith and Fulham CAB has secured funding from its local PCT for financial capability with people who have HIV/AIDS. As a result of working with the PCT around offering basic advice to this client group, the bureau has now secured additional funding specifically for financial capability work.

Learning and Skills Council

The [Learning and Skills Council](#) also has a role to play in financial capability in achieving its objective of making the labour force better skilled and more competitive. Its goal is "to improve the skill of England's young people and adults to ensure we have a workforce of world-class standard."

The LSC works with:

- young people
- adults
- colleges and providers.

Learning and Skills Council responsibilities for 14-19 year olds transfer to LAs in 2010, so it is important to keep up to date with this organisation.

Regional Development Agencies

Regional Development Agencies (RDAs) are the strategic leaders of economic development and regeneration in their regions. Each of the nine RDAs in England produces a Regional Economic Strategy (RES) setting out the region's economic,

environmental and social objectives, with an associated action plan. They are also very keen to see and promote partnership working.

Look at your Regional Economic Strategy to identify financial capability themes and links. These are likely to be similar to those on pages 6-10 of this guidance, and can simply be adapted to achieving RDA rather than LA targets.

RDAs are generally more interested in broad outcomes than individual projects, with the kind of spending of interest to bureaux tending to fall more to LAs. A few RDAs have begun to develop financial inclusion strategies, including EEDA (East of England) and SEEDA (South East of England). If your RDA has one it is important that you get involved. There may be a focus on 'inclusion', i.e. access to financial products/services, but by getting involved you will be able to highlight the importance of more fundamental financial capability activity.

There are a number of key reasons why RDAs should be interested in financial capability. For example, they:

- have a key focus on supporting economic opportunities for all - this is often referred to as 'Economic Inclusion' or as part of 'Sustainable economic growth'.
- have a central role supporting business in a region to increase economic prosperity and production.
- are interested in increasing the proportion of the working age population with a qualification (in particular Level 2 qualifications) and reducing the number of NEET young adults (not in education, employment or training).
- provide a lead role in the regeneration within a region.

Clearly, if your RDA has a financial inclusion strategy you should approach the financial inclusion co-ordinator in the first instance. If not, all RDAs are required to have an Equality/Diversity Officer who should be able to help signpost you to people in the RDA who might be interested.

Department of Work and Pensions (DWP) and Now Let's Talk Money (NLTM)

DWP initiatives can also provide funding opportunities for financial capability work.

North Liverpool CAB has been contracted by DWP to deliver benefits, debt and personal finance education in five areas of Liverpool through the deprived area fund. It has also been subcontracted to deliver financial skills, benefit and debt education through an employment contract awarded to a private sector firm (Working Links).

An important current DWP initiative is to promote financial inclusion through its ['Now Let's Talk Money'](#) programme to help people on low incomes to access bank accounts, low cost loans and advice on how to manage their money better.

NLTM Financial Inclusion Champions

This initiative supports the Government's financial inclusion objectives through local level action plans which will support and inform all other areas of the Government's financial inclusion policy. The champions will work on a sub-regional and national basis, to build and coordinate local, regional, and sector-wide partnerships to create demand for - and in some cases increase supply of - basic financial services for financially excluded people in appointed 'areas'. The role also has a financial capability remit. Recruitment is taking place in late 2008.

A specific aim of the Financial Inclusion Champions is to "build the role of LAs and Local Strategic Partnerships in financial inclusion to meet the Government's policy objectives across the region." It is a good idea to keep up to date with this initiative.

How to get involved

- Register on the [Now Lets Talk Money](#) website. This will give you updates and more detail on the scope of the Financial Inclusion Champions as well as their contact details when appointed.
- Contact your local Financial Inclusion Champion. They should provide good networking opportunities.

Summary

- If you are interested in doing financial capability work, attending your regional financial capability forum should be a first step.
- National Indicators (NIs) are a key hook for local authorities.
- Be clear on how financial capability helps to achieve Local Area Agreement targets and local priorities set out in your local Sustainable Community Strategy (SCS).
- It could be a good idea for your bureau and local partners to produce a summary which maps financial capability against the local SCS.
- Cultivate local authority financial capability champions.
- Think about other local statutory bodies and how you could contribute to achieving their aims and objectives.

Useful links and glossary

Useful links

Cabinet Office – <http://www.cabinetoffice.gov.uk>

CABlink

- Local government pages - http://www.cablink.org.uk/ndt-government_local
- Directory of bureau activities in the Citizens Advice service - <http://www.cablink.org.uk/fl-cab-activities.htm>

Department of Communities and Local Government – <http://www.communities.gov.uk>

- Guidance on NIs - <http://www.communities.gov.uk/publications/localgovernment/indicatorsdefinitions>

Department for Work and Pensions – Now Lets Talk Money – <http://www.nowletstalkmoney.com>

End Child Poverty campaign - http://www.citizensadvice.org.uk/index/campaigns/current_campaigns/endchildpoverty.htm

Every Child Matters - <http://www.everychildmatters.gov.uk>

Family Information Service – <http://www.childcarelink.gov.uk>

Financial capability forum coordinators - http://www.financialskillsforlife.org.uk/index/partnerships/financialskillsforlife/fsfl_our_work/fsfl_fin_cap_forums/fsfl_forum_coord.htm

Financial Services Authority – <http://www.financialcapability.fsa.gov.uk>

- Parent's Guide to Money - http://www.fsa.gov.uk/financial_capability/our-work/new_parents
- Research on psychological wellbeing - <http://www.fsa.gov.uk/pubs/occpapers/op30.pdf>

Financial Skills for Life - <http://www.financialskillsforlife.org.uk>

Learning and Skills Council - <http://www.lsc.gov.uk/>

Regional Development Agencies - <http://www.englandsrdas.com/>

Young People and Money – <http://www.yepam.org>

Glossary

DWP	Department for Work and Pensions
ECM	Every Child Matters
IAG	Information, Advice and Guidance
LA	Local Authority
LAA	Local Area Agreement
LSC	Learning and Skills Council
LSP	Local Strategic Partnership
NI	National Indicator
NLTM	Now Lets Talk Money – DWP financial inclusion programme
PCT	Primary Care Trust
PSA	Public Sector Agreement
RDA	Regional Development Agency
SCS	Sustainable Community Strategy

Annexe – sample letter

This sample letter offers suggested wording to promote your financial capability work to the local authority. Replace the sections in red to customise it for your local circumstances.

Dear **local authority contact**

We at **xx** CAB are extremely grateful for the key role you play in helping us to provide our valuable service to the local community. We would like to talk to you about how we can help ensure local clients are better equipped to manage their finances. This is something we have been looking at for some time. The ‘credit crunch’ now makes it particularly important for us and other partners to take local action.

Citizens Advice’s financial capability work is financial education to help improve the basic budgeting, borrowing, banking and saving skills of our clients. It is important for local authorities to get involved as it helps various sections of our community including:

- **Young adults not in education, employment or training**
- **Lone parents**
- **Social housing tenants**
- **The elderly**

Our bureau has dealt with **X** debt problems in the last **X** months; **X**% more than the same period last year, and this looks set to increase further as the economic recession gathers pace. We want to work with clients to address the root causes of these personal debt problems.

Nationally, those with the greatest debt problems tend to be:

- suffering long-term illness
- divorced
- unemployed
- in social housing
- lone parents.

These are our typical clients. We are in a good position to work with these people, along with our trusted partners, to help them avoid debt crises.

We believe that by working together with other local voluntary organisations we can make a significant contribution to achieving the targets set out in your Sustainable Community Strategy in the following areas:

- **Decreasing the number of NEET young adults in the local authority area**
- **Helping reduce Council Tax arrears from Social Housing tenants**
- **etc**

So far, we have worked successfully with xx doing xx. As a result xx has happened/client's quality of life has increased. At a national level, independent evaluations of bureaux' work showed clients improving their budgeting and borrowing skills, and changing their savings habits. We are keen to work with local partners to achieve similar results in our area.

Financial capability works best in partnership with other local organisations. To date we have worked with xx on this. Partnership is key to our success.

The council can expect to see monetary benefits of this type of work. For example, Leeds City Council has estimated that as a result of its financial inclusion work (including financial capability):

- Leeds residents have saved between £3m and £9.5m in interest payments
- Income maximisation has increased by £2.3m
- Reduced housing rent arrears have saved £280,000.

We would like to expand our work in the following areas and believe that along with xx partners your support would allow us to improve the lives of many of our residents and for the community as a whole.

It would be useful to meet up to discuss...(please adapt this for how you would like to take this forward, e.g. outline specific project proposal)

Yours sincerely,

xx Citizens Advice Bureau

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The Citizens Advice service helps people resolve their legal, money and other problems by providing information and advice, and by influencing policymakers.

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