

Money and Inequality – a fairer
future
Tower Hamlets Fairness
Commission

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For a future without poverty

Purpose

- Outline the role of Tower Hamlets Fairness Commission – debt & money
- Creating a fairer financial services sector
- Actions
- Changing context
- Future

Tower Hamlets Fairness Commission

The Mayor of Tower Hamlets established a Fairness Commission in November 2012 to address the following questions;

- What is fair and unfair about Tower Hamlets now?
- What does the current debate about fairness mean for Tower Hamlets – one of the most unequal places in the country?
- What should the role of the state be as its resources dramatically reduce?
- How can businesses contribute and become closer connected to the communities in which they are based?
- What more can we all do to make Tower Hamlets a fairer place?

Money and inequality

Income and money inequality major focus on the Fairness Commission's enquiry;

- Poverty premium
- Extortionate credit
- Welfare reform
- Digital inclusion

Current model of local financial services is disadvantaging and penalising low income households increasing poverty and debt

Money Recommendations

1. That the 'poverty premium' be eradicated in Tower Hamlets.
2. Tower Hamlets becomes an online borough
3. That Government gives local authorities greater power to limit unhealthy businesses, including fast food, payday loan and gambling outlets, particularly in terms of the Use Classification Order system.
4. That the government and the financial services sector should support the development of the credit union sector so it can provide a viable alternative to payday loans and competitive banking services for people on low incomes.
5. That there is a local and national campaign to raise awareness of the impact of high cost credit, promoting alternatives.
6. That the council works closely with local organisations who support people in financial crisis and other frontline services to develop a holistic response to residents affected by welfare reform

Action on Money

Financially Inclusive Tower Hamlets (FITH) –

- Financial Literacy and Capability
- Access to Debt and Money Advice Services
- Access to Financial Products and Services

Welfare Reform Task Force - multi-agency partnership

- Information
- Policy
- Research & evidence

Jobs

Digital Tower Hamlets

Context is changing - 2014

- Household income erosion
- Loans - income smoothing & destitution
- Is the debt triggers model changing fundamentally?
- Welfare reform and direct payment of HB – debt risk
- Local welfare systems – payments, loans or gap?
- Individualised welfare
- Growth of private rented sector & social isolation

Assumption – debt is growing, need for affordable credit for low income households increasing

Next steps

- Credit union development – new products, growth - is the sector a viable pay day alternative & community bank?
- Basic banking practice – role of High Street banks
- Talking about money – Money Mentors as a gateway to advice
- Debt, banking & credit & advice
- Strategic local and regional leadership

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Toynbee Hall
28 Commercial Street
London E1 6LS

T: +44 (0)20 747 6943
E: info@toynbeehall.org.uk

www.toynbeehall.org.uk

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