

**Inverclyde Financial Inclusion Partnership
Financial Inclusion Strategy and Action Plan
2022 – 2024**



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Joint Foreward

Councillor Stephen McCabe, Leader, Inverclyde Council & Financial Inclusion Champion

Councillor Elizabeth Robertson, Chair, Inverclyde Alliance Board

1st October 2022

We are pleased to present the new Inverclyde Financial Inclusion Strategy 2022 – 2024 which has been developed by the Financial Inclusion Partnership following a consultation and review process.

Led by Inverclyde HSCP the Financial Inclusion Partnership has worked for many years to improve the lives of the people of Inverclyde through direct support for financial literacy & planning, debt and benefit advice, support to access practical and financial resources & representation at benefit appeals.

The world has changed significantly since and as we recover from the impact of the Covid 19 pandemic we are also experiencing a cost of living crisis where low income families and young people are being impacted by rapidly rising energy and food prices. At the time of writing a third of all Scots are cutting back on essentials and more than half are spending less on non-essentials. Services are also seeing an increase in those in-work and those with mortgages as rising interest rates impact mortgages and rent.

This strategy sets out our immediate response to the rising cost of living and our longer term approaches to delivering proactive advice and education. All of these will support the people of Inverclyde to develop the skills and access the resources needed for improved financial awareness and to make informed choices. The strategy makes a Child Poverty Action Plan, Inverclyde Community Learning and Development Strategy and the Local Outcomes Improvement Plan.

We welcome the ongoing commitment with this plan to achieve the best possible outcomes for the people of Inverclyde.

(Insert Official Image)

1.0. Strategic Objectives at a Glance

1. Mitigate the impact of the cost of living crisis on:
 - a. children living in poverty
 - b. our most vulnerable families and households including those living with disabilities and unpaid carers
2. Engage, equip and empower a range of “trusted intermediaries” (for example, Health Visitors, Teachers, Practice Nurses) to ensure that those who are isolated or have restricted access to information and services, are provided with the support and connection to partner resources as required
3. Provide and promote the range of partner services available to Inverclyde Residents as support and responses to the impact of the cost of living crisis on their financial wellbeing
4. Provide the range of partner services via an outreach approach within local community facilities and within community focal points on a regular programmed basis
5. Promote the diverse range of partner delivered financial inclusion services and support the financial wellbeing of staff working across our services
6. Provide a programme of financial literacy and capacity building specifically targeted at young people in the 16-18 age range alongside support for schools
7. Involve those who use partner services in the design, deployment and delivery of services
8. Put in place quality assurance measures to ensure that our service provision is of the best possible quality
9. Establish a sequence and cycle of performance reporting, monitoring and evaluation to ensure that the key objectives are being met

2 Introduction

***“Anyone who has ever struggled with poverty knows
how extremely expensive it is to be poor”
(James Baldwin)***

The Inverclyde Financial Inclusion Partnership exists to combat poverty, maximise and stabilize household income, promote financial literacy, and build financial capacity and resilience among individuals, families and communities in the district. The Financial Inclusion Strategy and Action Plan are enabling and contributing responses supporting the overarching objectives articulated in two high level, area wide statements of purpose: The Child Poverty Action Plan and the Local Outcomes Improvement Plan. These foundation documents set out the key policy and programme aspirations for the social and economic wellbeing of Inverclyde.

The work of the Financial Inclusion Partnership seeks to support the achievement of the goals and objectives contained within these key statements of purpose. The numerous and diverse group of local and national partners comprising the Financial Inclusion Partnership aim to act in a coherent, structured and strategic way in the identification of common objectives, collaborative deployment of their services and the implementation of key projects and programmes.

Inverclyde HSCP is the lead partner and chair of the Financial Inclusion Partnership. A full list of partners is included as an appendix to this document.

The Financial Inclusion Strategy is intended to inform how best we can combine and commit our collective resources in the most effective and efficient way and so achieve our intended outputs, outcomes and impacts and protect, improve and enhance the wellbeing of Inverclyde residents.

This Strategy and Action Plan is informed by:

Identifying what most impairs the financial wellbeing of Inverclyde residents

Defining those individuals and households most at risk and setting these as priorities for our responses.

Consulting with a diverse range of individuals, voluntary organisations and statutory bodies.

Cohering around these priorities and combining and collaborating to derive and deploy responses that meet these needs.

Engaging in regular consultation with service users and monitoring and evaluating our programmes and projects to ensure that our stated objectives are being met.

This latest iteration of the Financial Inclusion Strategy and Action Plan has evolved from consultation within the partnership and engagement with the Child Poverty Group and other key stakeholders.

These discussions took on increasing significance as 2022 moved on and the full magnitude and potential highly detrimental impacts of the emerging cost of living crisis become more apparent as each week went by. It is therefore in the context of the cost of living crisis that the review and realignment of our priorities and our anticipated deployment of resources has taken place.

Our consultations and discussions were also informed by many external sources of information, intelligence and insight. These have included papers from, among others, the UK and Scottish Governments, “Think Tanks” and research institutions, industry bodies and news reports. Across all of these sources and resources we could identify two common features:

The first was that the partnership agreed there were so many “unknowns” that nobody could predict with any degree of confidence what the rate of inflation, the level of energy prices or what the actual “cost of living” would be as little as three months away.

The second thing is that everything appears to be changing literally day-by-day, and as such, it has become more challenging to agree on the way of best mitigating the ever changing needs of an ever greater proportion of the population.

This combination of “unknowns”; volatile externalities both domestically and around the world and little clear policy as regards practical mitigation for a huge proportion of UK households (for example, recent projections suggest that between 2/3 and ¾ of households could be experiencing fuel poverty by early 2023) has informed the thinking of the partners in respect of strategic objectives and the consequential Action Plan

The cost of living crisis has therefore dominated our thinking in this round of consultation, strategy formation and action planning.

Informed and reliable commentators suggest that the current situation may well last for the coming two years. As that is the timeframe across which this revision is set, it is important to set this context out in more detail before we further set out and detail key objectives and actions.

3. Financial Inclusion

What Do We Mean by Financial Inclusion?

“Financial Inclusion is the means by which people can make their money work well for them, enabling them to maximise opportunities, move into employment, become more self-reliant and enhance physical and mental wellbeing”

(Financial Inclusion Commission, 2020)

“It is a perfect storm.....The squeeze on household finances could push more people into vulnerability and the risks of financial exclusion are set to intensify.”

(Sheldon Mills, Executive Director of Consumers and Markets, Financial Conduct Authority, 31/05/22)

Promoting and achieving financial inclusion in Inverclyde will be attained through the diverse and various actions taken by all of the partners who carry out activity within this strategic framework and contribute towards the goals set out in the Action Plan.

In practice we see financial inclusion as a combination of steps and actions that enable people to make informed choices about how best they use their money and that enables them to develop their personal capacity and build financial resilience.

Financial Inclusion matters because the absence of income and the lack of financial literacy and capacity can result in enduring disadvantage and contribute to food, fuel poverty and other contributors to deprivation, exclusion and long-term health impacts.

Financial Exclusion is the flip side of Inclusion.

Historically too many residents of Inverclyde have experienced the very negative consequences of exclusion from mainstream financial networks, products and channels. Until relatively recently a significant proportion of households did not have access to a bank account.

Similarly people did not have ready access to savings accounts and products nor did they find it easy to obtain loans from mainstream providers at affordable rates. Insurance for both personal and property assurance was often hard to obtain or absent. This lack of mainstream financial connection, the absence of savings and insurance for example, reduce the financial capacity and resilience of individuals and households.

Without savings, people find the cost of “smoothing-out” major purchases difficult and may resort to high cost, off-street, lenders as their only immediate alternative. Savings also facilitate the acquisition of personal assets such as house purchase, training and education, entrepreneurship and business start-up. Lack of both savings and affordable and ethical credit also drives people into the hands of illegal and predatory money lenders (“Loan Sharks”) as a source of financial support leaving themselves open to further exploitation and, sometimes, abuse and we know that the activity of illegal money lenders has recently increased within the area.

The lack of connection to mainstream financial circuits and networks has a negative impact on the wellbeing of residents. Making these links and building institutional connections are key parts of the remit of the Financial Inclusion Partnership.

Financial exclusion diminishes and impairs the quality of life and the wellbeing of too many Inverclyde residents. The problem is multi-faceted and requires diverse, complementary and focused responses. The Financial Inclusion Strategy and Action Plan are contributory to and supportive of the wider Anti-Poverty approach within Inverclyde.

4. The Cost of Living Crisis

In the late summer of 2022 it became clear that the UK is facing a huge crisis in respect of the cost of living for an unprecedented number of households.

It has been suggested that the un-paralleled rise in energy prices for domestic consumers will result in between two-thirds and three-quarters of UK households experiencing fuel poverty. The rate of inflation, above 10% at the time of this Action Plan, is projected to rise even further in the coming months

This is likely to have two further detrimental effects on Inverclyde residents:

Firstly, the price of the most basic food stuffs is perceptibly increasing month-by-month at a rate well beyond the headline rate of CPI*. This hits the poorest and most vulnerable, those with children and people with disabilities hardest. Secondly, rising rate of inflation decreases the purchasing power of those on the lowest incomes. This inflationary context makes the poorest poorer, those on low paid work, those on fixed benefits income and those on a basic state pension and pension credit.

In terms of energy, despite the reduction and standing charge price cap freeze announced in September 2022, households will still continue to pay over and above this for actual fuel supply used and it is becoming increasingly obvious to services that people are indeed choosing 'food or fuel'.

The consequences for virtually all households in Inverclyde will be significant in respect of our people being materially poorer in real terms, the most vulnerable being further disadvantaged and many more households and people being drawn into poverty. One recent study** suggested that on current forecasts the proportion of UK households experiencing fuel poverty could be as high as two-thirds of all residences. In Inverclyde this could be even higher.

As the Financial Conduct Authority recently observed the consequences of this crisis will not be experienced equally. The most immediate and the most negative impacts will be felt by those who have the least in the way of financial resources or resilience, those in low paid employment and those on fixed incomes and welfare benefits.

In Inverclyde we anticipate that those hardest hit will include:

- The 2,324 thousand children already living in relative poverty
- The 2,664 children who receive free school meals.
- The 65.0% of children in households who are working in low paid employment.
- The 24.1% of our residents who are in low paid employment.

- The 20% of residents in employment paying less than the living wage.
- The 44.0% of households' already experiencing fuel poverty.
- The 22.1% of workless households
- Those on the current range of disability benefits

The strategic objectives that we have identified, and the action plan that supports those goals, are derived from our best inferences of the forecast increases in the cost of living as they will hit those who are least able to withstand and respond to their impact. The supporting action measures, whilst not exhaustive, are designed to be deployed to mitigate as far as possible the anticipated impact on the wellbeing and financial resilience of the most vulnerable children, adults and households within Inverclyde.

5. Strategic Objectives & the Financial Inclusion Action Plan

The Financial Inclusion Partnership will utilise the range of resources already available to it and others which may become available through the lifetime of this plan to support the following strategic objectives:

Objective One: Mitigate the impact of the cost of living crisis on: children living in poverty and our most vulnerable families and households including those living with disabilities and unpaid carers

Action:

- We will use existing information to identify all children living in poverty
- We will establish contact with all households where children are living in poverty through partner pro-active contact and through trusted intermediaries within places such as schools, children's centres and health services.
- All households where children are living in poverty will be offered income maximisation services, money and debt advice and other support as appropriate and needed.
- We will use existing data and information to identify the most vulnerable families and households already known to partners
- We will communicate via social and printed media, widely distributed and also specifically targeted to ensure those who do not currently access financial inclusion services are aware of the support available, for example in income maximisation or money advice.
- We will offer all vulnerable families and households income maximisation and money advice services
- We will act in close collaboration with local community organisations and facilities to engage at a local level with vulnerable households

- We will act through trusted intermediaries and local community facilities and agencies to engage with people who may have difficulty in accessing partner services
- We will ensure our services are accessible to the New Scots community
- We will provide a “fast track” to credit union services and sources of ethical credit

Objective Two: Engage, equip and empower a range of “trusted intermediaries” (for example, Health Visitors, Teachers, Practice Nurses) to ensure that those who are isolated or have restricted access to information and services, are provided with the support and connection to partner resources as required

Action:

- We will provide a range of trusted intermediaries with sufficient information to enable the people and households with whom they engage to access income maximisation and money advice services. This will be via a range of formats
- We will work in close collaboration with local facilities and organisations to ensure that there is a high awareness of financial inclusion services available from partners and that good channels of regular communication and engagement are established and maintained

Objective Three: Provide and promote the range of partner services available to Inverclyde Residents as support and responses to the impact of the cost of living crisis on their financial wellbeing

Action:

- We will create and regularly renew a partnership leaflet indicating how to access partner services and ensure the widest possible distribution of this information.
- We will create new and accessible channels of communication on a range of social media platforms with the aim of informing and engaging Inverclyde residents on cost of living crisis financial issues.
- We will target partner activity at spatial communities and communities of interest, for example, carers, the changing nature of national and local policy responses emerge

Objective Four: Provide the range of partner services via an outreach approach within local community facilities and within community focal points on a regular programmed basis.

Action:

- We will collaborate with local community facilities and organisations to provide our services at a local level and within easy reach of neighbourhood residents on a regular and programmed basis.
- We will work with existing partners including the credit unions, income maximisers and money advice providers to ensure that we reach those at the edges of our communities and areas and so prevent unnecessary travel and costs being incurred.
- We will work with a diverse range of local provider as well as non-traditional locations, - for example charity shops and retailers, - to advertise partner services and raise awareness among those who may not have previously required to access support or advice.

Objective Five: Promote the diverse range of partner delivered financial inclusion services and support the financial wellbeing of staff working across our services.

Action:

- We will utilise a range of workplace communication methods which provide staff information on accessing financial inclusion services, for example in income maximisation or money advice.
- Partners will work with their own HR/ OD departments to embed regular messaging around services and support available
- Where workplace wellbeing plans exist these will include actions in support of staff financial wellbeing

Objective Six: Develop and deploy a programme of financial literacy and capacity building targeted at young people in the 16-19 age range alongside a range of activity within schools

Action:

- We will seek to work with partners and specialist external organisations to develop and deploy a programme promoting financial literacy targeted at young people 16-19 years of age.
- We will seek to use the maturing Child Trust Funds as a vehicle around which to build and deliver financial inclusion and capacity building work
- We will work with young people to derive, develop and deploy new and fit-for-purpose financial literacy and capacity building approaches
- We will work with education to review and develop approaches to financial literacy which are age appropriate and build long term skills for the future

Objective Seven: Engage and involve those who use partner services in the design, deployment and delivery of those services

Action:

- We will ensure that the “voice” of service users is captured, recorded and responded to through the feedback channels within each partner organisation.
- We will seek to involve both service users, and potential service users, in helping us understand how they wish to access support, the nature and effectiveness of our provision, and how we can best improve what we do. This will include questions for the Citizen’s Panel.
- We will task specialist partners, for example “Your Voice” with convening specific consultation and involvement events, virtual and otherwise, at regular periods in the coming two years.

Objective Seven: Put in place quality assurance measures to ensure that our service provision is of the highest standard.

Action:

- We will ask each partner to contribute regular reports on the quality and effectiveness of their services to the QA reporting function at quarterly meetings.
- We will provide a central resource to support relevant partners to achieve full level 2 & 3 of the Scottish National Standards for Advice Provision
- We will put in place a “Quick, Easy & Simple” service user “instant” feedback process as a trial in early 2023.
- Ensure that the QA responses and results are published in the Financial Inclusion Partnership Annual Report 2022-2023 in late 2023.

Objective Nine: Establish a range of performance metrics and a sequence and cycle of performance reporting, monitoring and evaluation to ensure that the key and stated objectives are being met.

Action:

- We will develop a performance template in support of the strategic outcomes which all FIP members will sign up to
- Reporting will be a key agenda item at quarterly Financial Inclusion Partnership meetings with each partner addressing their performance in the previous period
- The financial Inclusion Partnership will produce an Annual Report that will present, illuminate and discuss the work of the group in respect of the strategic goals and actions set out in this document in the previous operational year

6.0 ACTION PLAN – MEASURING SUCCESS

	OBJECTIVE	LINKS TO:	MEASUREMENTS	FOCUS YEAR
1.	Mitigate the impact of the cost of living crisis on:			
	Children living in poverty	Inverclyde Child Poverty Plan Children's plan LOIP Inequalities Action Plan Local Housing Strategy	Child Poverty Outcomes	Lifetime of plan
	Our most vulnerable families and households including those living with disabilities and carers	HSCP Strategic Plan LOIP Inequalities Action Plan Financial Fitness outcomes Local Housing Strategy	Financial gain for Inverclyde Uptake of financial inclusion/ anti-poverty services Qualitative feedback	Lifetime of plan
2.	Engage, equip and empower a range of trusted intermediaries to ensure that those who are isolated or have restricted access to information and services are provided with the support they require	Inverclyde Child Poverty Plan LOIP Inequalities Action Plan HSCP Strategic Plan	Uptake of training/ education Increase in referrals and regular feedback from these sources Qualitative feedback	Year 1
3.	Provide and promote the diverse range of partner delivered financial inclusion services to the wider Inverclyde	LOIP Inequalities Action Plan	Uptake of financial inclusion/ anti-poverty services Qualitative feedback	Year 1

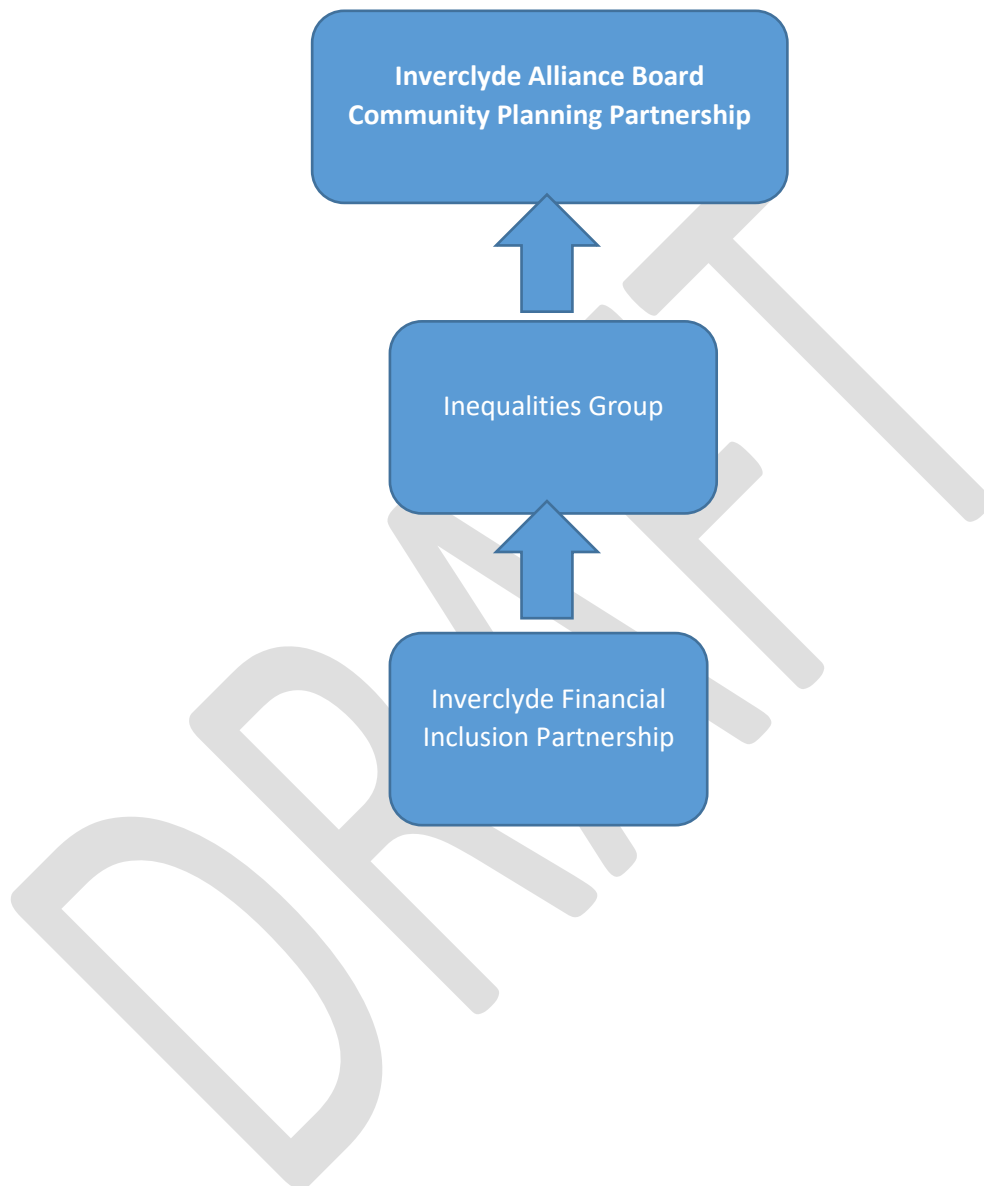
	community via a range of specifically created social and printed media		Financial gain for Inverclyde No of supported debt cases	
4.	Provide the range of partner services via an outreach approach within local community facilities and within community focal points on a regular programmed basis	LOIP Inequalities Action Plan HSCP Strategic Plan Local Housing Strategy	Increased range of delivery settings Uptake of financial inclusion/ anti-poverty services	Year 1
5.	Promote the diverse range of partner delivered financial inclusion services and support the financial wellbeing of staff working across our services	HSCP Wellbeing Plan Wellbeing work within partner organisations	Uptake of financial inclusion/ anti-poverty services Qualitative feedback	Lifetime of plan
6.	Develop and deploy a programme of financial literacy and capacity building targeted at young people in the 16-19 age range alongside a range of activity within schools	Community Learning & Development Strategy Education Services	Approaches/ programmes developed Feedback/ evaluation	16-19 Year 1 Schools Year 2
7.	Engage and involve those who use partner services in the design, deployment and delivery of those services	Consultation on Strategy Citizens panel approach Your Voice Mission, Values & Purpose		October 2022-October 2024
8.	Put in place quality assurance measures to ensure that our service provision is of the highest standard.	HSCP Strategic Plan The Scottish National Standards for Information and	Local QA approach agreed	SNSIAP timescales subject to confirmation by SLAB – expect 2024

		Advice Providers' (SNSIAP) framework		
9.	Establish a range of performance metrics and a sequence and cycle of performance reporting, monitoring and evaluation to ensure that the key and stated objectives are being met.	HSCP monitoring for commissioned services All agencies agreed performance frameworks	Performance metrics agreed Performance monitored and evaluated regularly and used to inform changes/ improvements to service delivery Benefits for service users are evidenced in both quantitative & qualitative measures	Lifetime of plan

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7.0 Governance

The governance route for agreeing and monitoring the Financial Inclusion Strategy will be via the structure of the Inverclyde Alliance Community Planning Partnership.



APPENDIX

Financial Inclusion Partnership

<i>Inverclyde HSCP</i>	<i>Financial Fitness</i>	<i>Starter Packs</i>
<i>Wise Group</i>	<i>CVS Inverclyde</i>	<i>Your Voice</i>
<i>Department for Work & Pensions</i>	<i>Community Learning & Development</i>	<i>Inverclyde Council</i>
<i>The Trust</i>	<i>Stepwell</i>	<i>Tail 'o the Bank Credit Union</i>
<i>Port Glasgow Credit Union</i>	<i>Riverclyde Homes</i>	<i>Larkfield Housing Association</i>
<i>Citizen's Advice Scotland</i>	<i>Cloch Housing</i>	<i>Oak Tree Housing Association</i>
<i>Social Security Scotland</i>	<i>Legal Services Agency</i>	<i>Scottish Illegal Money Lending Unit</i>
<i>MPs Office</i>		

Appendix – Child poverty actions cross reference to be included

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