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| <b>Report To:</b>       | <b>Policy &amp; Resources Committee</b>   | <b>Date:</b>       | <b>22 March 2016</b> |
| <b>Report By:</b>       | <b>Brian Moore<br/>Corporate Director (Chief Officer)<br/>Inverclyde Health and Social Care<br/>Partnership</b> | <b>Report No:</b>  | <b>SW/21/2016/AH</b> |
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| <b>Subject:</b>         | <b>Financial Inclusion Partnership Strategy: 2016 Refresh</b>   |                    |                      |

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## 1.0 PURPOSE

- 1.1 The purpose of this report is to present the refreshed Inverclyde Financial Inclusion Strategy 2012-17 and to seek Committee approval for its continued implementation.

## 2.0 SUMMARY

- 2.1 The Financial Inclusion Partnership (FIP) Strategy was written in 2012 to cover the period 2012-17. The strategy covered background statistics to the Inverclyde area and the 6 key strategic aims as agreed at the beginning of the strategy period.
- 2.2 The Financial Inclusion Partnership completed a refresh of the strategy to cover the remaining period from 2015-17. This outlines the progress so far, updates the national and local focus points, updates the statistics on the area and incorporates the new agreed 4 strategic aims.
- 2.3 With the ongoing impact of Welfare Reform, it was important to reflect the new challenges faced by Inverclyde residents. New announcements have been made regarding further cuts to the welfare system and potential for new powers for Scotland in relation to welfare. This will change how clients will operate within and navigate the system and will continually change over the coming years.
- 2.4 This updated strategy contains an action plan which will allow the FIP to ensure it meets its strategic aims by 2017. This plan includes an explanation of the current situation, where the partnership wants to be, and the actions required and who will be responsible for each action.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee approve the attached refreshed strategy and action plan.

## 4.0 BACKGROUND

- 4.1 The Financial Inclusion Partnership was formed in 2010 with the purpose of promoting financial inclusion and capability in the Inverclyde area. The partnership comprises a range of third and public sector organisations with the membership continually growing since the partnership was formed, and is chaired by the Health and Social Care Partnership. The partnership currently meets quarterly to discuss achievements and important issues which will affect financial inclusion and has a specific focus on welfare reform.
- 4.2 A Financial Inclusion Strategy was developed in 2012 with the aim of improving outcomes for financially excluded people living in Inverclyde. This included the formation of 6 strategic aims set for the strategy period of 2012-17.
- 4.3 Through continual review and development it was agreed that the Financial Inclusion Partnership would benefit from a dedicated resource who could conduct tasks related to the aims. River Clyde Homes agreed to fund a part time member of staff for an initial period of 1 year. This post has now continued with funding allocated from the Council to the Partnership and continues to be hosted by River Clyde Homes.
- 4.4 The strategy has recently been refreshed to incorporate a refocusing of the previous 6 strategic aims to 4. The refresh also aimed to update the partnership's achievements to date and mirror the current situation nationally and within Inverclyde. An action plan has been created to ensure the partnership focuses on the required activities for the final 2 years of the strategy to ensure that the 4 strategic aims would be achieved.

## 5.0 IMPLICATIONS

### Finance

#### 5.1 One off Costs

| Cost Centre | Budget Heading | Budget Years | Proposed Spend this Report £000 | Virement From | Other Comments |
|-------------|----------------|--------------|---------------------------------|---------------|----------------|
| N/A         |                |              |                                 |               |                |

#### Annually Recurring Costs/ (Savings)

| Cost Centre | Budget Heading | With Effect from | Annual Net Impact £000 | Virement From (if Applicable) | Other Comments |
|-------------|----------------|------------------|------------------------|-------------------------------|----------------|
| N/A         |                |                  |                        |                               |                |

### Legal

- 5.2 There are no specific legal issues arising from this report.

### Human Resources

- 5.3 There are no specific HR issues arising from this report.

### Equalities

- 5.4 Many people with protected characteristics are affected by low income and suffer financial exclusion. With the support of the strategy aims and outcomes it is hoped these are minimised.

## **Repopulation**

5.5 No impacts arising from this report.

## **6.0 CONSULTATIONS**

6.1 The contents of the FIP strategy refresh have been discussed with the partner organisations.

## **7.0 LIST OF BACKGROUND PAPERS**

7.1 Financial Inclusion Strategy.

7.2 Action Plan.

# Financial Inclusion Strategy

2012-2017



## Contents

|   |    |
|---|----|
| 1. Foreword by Chair of the Alliance Board .....  | 3  |
| 2. Executive Summary .....  | 4  |
| 3. Context .....  | 5  |
| 3.1 Defining Financial Inclusion .....  | 6  |
| 3.2 Who is most likely to be Financially Excluded? .....  | 6  |
| 3.3 National Policy .....   | 6  |
| 3.4 Local Policy .....  | 9  |
| 4.0 Key Challenges .....  | 10 |
| 4.1 Welfare Reform .....  | 10 |
| 4.2 Employability .....   | 11 |
| 4.3 Illness and Disability .....  | 11 |
| 4.4 Income and Debt Management .....  | 12 |
| 4.5 Fuel Poverty .....  | 12 |
| 4.6 Child Poverty .....   | 12 |
| 4.7 Housing and Homelessness .....  | 13 |
| 4.8 Older People .....  | 14 |
| 5. Vision and Outcomes .....  | 15 |
| 5.1 Vision .....  | 15 |
| 5.2 National Outcomes .....   | 15 |
| 5.3 Local SOA Outcomes .....  | 15 |
| 5.4 Financial Inclusion Outcomes .....  | 16 |
| 5.4.1 Outcome 1: Local people have access to relevant, local services that support incomes maximisation and debt prevention ..... | 17 |
| 5.4.2 Outcome 2: Local residents have access to resources and organisations to alleviate household poverty .....                  | 18 |
| 5.4.3 Outcome 3: The financial capability and capacity of local people is increased   | 19 |
| 5.4.4 Outcome 4: The Financial Inclusion Partnership is committed to respond to the impact of welfare reform .....                | 20 |
| 5. Action Plan .....  | 21 |

## 1. Foreword by Chair of the Alliance Board

*Poverty corrodes the civic virtue of an area as does rust to steel. Poverty erodes the community vitality and saps the morale of the population. Poverty impacts upon not just "the poor" but on every resident of the area. Poverty should therefore be everyone's business.*

Inverclyde continues to rank in the top 5 of local authorities in Scotland with the highest levels of income deprivation with 40% of Inverclyde's data zones in the 15% most deprived data zones in Scotland (SIMD, 2012). Further challenges are on the horizon for Inverclyde with the continuation of Welfare Reforms which have already had an impact on the area. Universal Credit has already been introduced to Inverclyde since October 2015 although small numbers are affected at present, it will bring about more changes to the way benefits are processed and issued and will most certainly have a further, significant impact on our residents. The announcement of further budget cuts to welfare will continue to be a major focus in the coming years. The Financial Inclusion Partnership will eagerly await the conclusion of the Smith Commission and Scotland Bill, which will bring new powers to Scotland, to determine the future of welfare provision in Scotland.

Financial exclusion is both a symptom and a cause of poverty and we are required to address the exclusion experienced by the community of Inverclyde who are exposed to low income, unmanageable debt, lack of access to mainstream financial services, difficulty managing money and reliance on expensive credit such as payday loans and illegal money lenders amongst other features of financial exclusion. It is well understood that the income of the poorest people in our communities is spent locally therefore any income effectively removed from the area will make a significant loss of spending power across Inverclyde and a consequential deterioration in retail areas. Thus the effects of financial exclusion not only impact on individuals and households, but also on the character and appearance of local towns which may influence inward migration, business investment and enterprise.

Since the introduction of this strategy in 2012, Inverclyde's Financial Inclusion Partnership have had many successes including securing new funding streams for the area, introducing new services for local people and expansion of the membership of the partnership. This document has refreshed the data from the original strategy in order to represent Inverclyde's current climate and challenges. An action plan has been implemented with the purpose of setting out the agenda for the coming 2 years, ensuring the Financial Inclusion Partnership meet their aims for 2017

**Stephen McCabe**  
**Leader of Inverclyde Council**  
**Chair of Inverclyde Alliance CPP**

## 2. Executive Summary

The vision for the Financial Inclusion Partnership is as follows:

We will work in partnership to ensure that all residents of Inverclyde are:

- Able to maximise their money
- Able to access appropriate financial services and products, enabling them to manage their money on a day to day basis
- Able to plan for the future and deal effectively with unexpected financial pressures
- Better enabled to achieve their potential and make a positive contribution to the social and economic life of the area.

The outcomes agreed to help the partnership to achieve the vision are:

- Local people have access to relevant, local services that support income maximisation and debt prevention
- Local residents have access to resources and organisations to alleviate household poverty
- The financial capability of local people is increased
- The Financial Inclusion Partnership is committed to respond to the impact of welfare reform

### **3. List of Partners**

- Inverclyde HSCP
- Inverclyde Council (various departments)
- Financial Fitness
- Inverclyde Council on Disability (ICOD)
- River Clyde Homes
- Oak Tree Housing Association
- Cloch Housing Association
- Larkfield Housing Association
- Department of Work & Pensions
- Legal Services Agency
- Scottish Prison Service
- Community Learning & Development
- Inverclyde Advice & Employment Rights Centre
- IHEAT
- Starterpacks Inverclyde
- Your Voice
- Tail O the Bank Credit Union
- Inverclyde Foodbank
- MacMillan
- NHS Greater Glasgow & Clyde
- Stepwell



## 4. Context

### 4.1 Defining Financial Inclusion

Inverclyde Financial Inclusion Partnership (FIP) have adapted the Scottish Government's definition and define financial inclusion as:

*Ensuring that everyone's incoming money is maximised; that they have access to appropriate financial services and products which enable them to manage their money on a day to day basis; and that they can plan for the future and deal effectively with unexpected financial pressures.*

### 4.2 Who is most likely to be Financially Excluded?

Households most likely to be affected by financial exclusion include:

- People out of work or who have been on the margins of work long term
- Working poor
- Single parent families
- Older people on low incomes
- People with a long term illness, disability or mental ill health
- Young people who have yet to access financial products
- People who live in energy inefficient homes
- Any other vulnerable group

### 4.3 National Policy

The Scottish Government have published many strategies and frameworks which set out to tackle poverty and build capabilities. Many of the objectives are cross cutting with those of the FIP. Set out below are some of these strategies whose aims are cross-cutting with those of the FIP.

#### 4.3.1 Equally Well (Reviewed 2010)<sup>1</sup>

This strategy, along with Early Years Framework and Achieving Our Potential, sets out the Scottish Government and COSLA's shared approach to tackling the major and intractable social problems that have affected Scotland for generations. Set out below are the key principles of the framework which will relate to the aims of the FIP:

- Recognising the particular importance of children's very early life experiences in shaping future health, social, learning and lifestyle outcomes.
- Prioritising early intervention to break into recurring cycles, including poverty, unemployment, low skills and poor health, and to prevent crises and problems requiring extensive responses from public services.
- Building the capacity of individuals, families and communities to manage better in the longer term, moving from welfare to well-being and from dependency to self-determination.

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<sup>1</sup> <http://www.gov.scot/Resource/Doc/315880/0100454.pdf>

- Providing effective routes for individuals out of poverty and other life circumstances and lifestyles likely to get in the way of positive wellbeing, health and other good outcomes.

#### 4.3.2 Early Years Framework (2009)<sup>2</sup>

The purpose of this framework is to give all children the best start in life and details the steps the Scottish Government, local partners and practitioners in early years services need to take to start on that journey. This framework details 10 elements of transformational change. The following fit with the principles of the FIP:

- Breaking cycles of poverty, inequality and poor outcomes in and through early years
- More effective collaborations
- Using the strength of universal services to deliver prevention and early intervention

#### 4.3.3 Achieving Our Potential (2008)<sup>3</sup>

This framework sets out the ways in which the Scottish Government will tackle poverty and income inequality using the following 4 key outcomes:

- Reduce income inequalities
- Introduce longer-term measures to tackle poverty and the drivers of low income
- Supporting those experiencing poverty or at risk of falling into poverty
- Making tax credits and the benefits system work better for Scotland

#### 4.3.4 Child Poverty Strategy (2014-17)<sup>4</sup>

This strategy sets out what the Scottish Government will do to reduce the levels of child poverty in Scotland and to ensure that as few children as possible experience any type of socio-economic disadvantage. There are two distinctive aims set out within this strategy:

- Reduce the levels of child poverty by reducing income poverty and material deprivation
- Improve children's wellbeing and life chances – with the ultimate aim being to break inter-generational cycles of poverty, inequality and deprivation.

#### 4.3.5 Economic Strategy (2015)<sup>5</sup>

This strategy sets out how the Scottish Government will deliver their vision for Scotland. It looks to bring focus on boosting competitiveness and tackling inequality. The following key principles will overlap with the FIP outcomes:

- Investing in our people and our infrastructure in a sustainable way
- Promoting inclusive growth and creating opportunity through a fair and inclusive jobs market and regional cohesion

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<sup>2</sup> <http://www.gov.scot/Resource/Doc/257007/0076309.pdf>

<sup>3</sup> <http://www.gov.scot/Resource/Doc/246055/0069426.pdf>

<sup>4</sup> <http://www.gov.scot/Resource/0044/00445863.pdf>

<sup>5</sup> <http://www.gov.scot/Resource/0047/00472389.pdf>

### **4.3.6 Fairer Scotland**

The Scottish Government have released a national conversation to discuss how the nation can be a fairer and more equal place to live. People will be invited to set out their vision of a fairer Scotland and suggest practical solutions, based on local and personal experience. From this, an action plan will be published in the new year with milestones to the next Parliament and beyond.

The Scottish Government's vision is for a Scotland where people are healthier, happier and treated with respect and where opportunities, wealth and power are spread more equally.

### **4.3.7 Smith Commission**

On 27<sup>th</sup> November 2014, the Scottish Government published its report detailing Heads of Agreement on further devolution powers to the Scottish Parliament. Some of the key points set out in the report include:

- The Scottish Parliament will have complete power to set income tax rates and bands
- Holyrood will have power to extend the vote to 16 and 17 year olds, allowing them to vote in the 2016 Scottish Parliamentary election.
- It will have control over a number of benefits including Disability Living Allowance, Personal Independence Payments and the housing element of Universal Credit including the Social Sector Size Criteria.
- New powers to make discretionary payments in any area of welfare without the need to obtain prior permission from the Department of Work & Pensions.

The Scotland Bill 2015 will deliver the Smith Commission Agreement having gained all-party agreement in Scotland. The Bill is currently being debated in the House of Commons.

### **4.3.8 Attainment Challenge**

The Attainment Challenge was launched in Scotland in February 2015 by the First Minister. The aim of the Challenge is to drive forward improvements on educational outcomes in Scotland's most disadvantaged communities. There is a focus on improvement in literacy, numeracy and health and wellbeing. The Challenge is also backed by funding of over £100million over 4 years.

Inverclyde was selected as one of the areas where the Attainment Challenge would be focussed. A total of 6 schools were selected to benefit from the funding in its first year with other schools benefitting in coming years.

## 4.4 Local Policy

Inverclyde's Community Plan<sup>6</sup> and Single Outcome Agreement<sup>7</sup> (SOA) have tackling poverty and sustaining growth at their heart. The Local Outcomes outlined in the SOA, delivered together, aim to improve the quality of life and wellbeing of everyone living in Inverclyde, but particularly those who suffer most from poverty and deprivation. See section 5.3 for more information.

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<sup>6</sup> <http://www.inverclyde.gov.uk/community-life-and-leisure/community-planning/inverclyde-alliance-community-plan/>

<sup>7</sup> <http://www.inverclyde.gov.uk/community-life-and-leisure/community-planning/inverclyde-alliance-single-outcome-agreement-2009-2011/>

## 5.0 Key Challenges

Inverclyde residents will face many challenges which may affect their ability to become financially included. As the UK recovers from the recession and international banking crisis, there still exists ongoing issues with employment, debt and sustainability of housing. This coupled with the reforms to the welfare system have resulted in profound effects for the Inverclyde population. All of these challenges have brought about a higher demand on financial inclusion services.

### 5.1 Welfare Reform

The Welfare Reform Act 2012 was introduced with the overarching aim of simplifying the benefits system and making work pay. These reforms have already exacerbated poverty for our most vulnerable individuals and families. It has been estimated that from 2010-2015, a total of £37.6million will have been taken from Inverclyde's most vulnerable citizens who are reliant on welfare benefits. Many of the changes have already been introduced with, arguably the most controversial, Universal Credit to be introduced to Inverclyde in October 2015. Below outlines some of the key benefits and their estimated losses as a direct result of welfare reform.

| Benefit   | Claimants @ 2012 | Claimants @ 2015 | Losses 2010-15 | Annual losses from April 2013 | Annual losses from April 2014 | Annual losses from April 2015 | Total losses 2010-15 |
|-----------|------------------|------------------|----------------|-------------------------------|-------------------------------|-------------------------------|----------------------|
| ESA       | 2290             | 5410             | £38,963        | £122,967                      | £249,869                      | £380,805                      | £792,604             |
| JSA       | 3030             | 1540             | £38,816        | £122,505                      | £248,930                      | £379,373                      | £789,624             |
| IS        | 3260             | 1450             | £55,630        | £176,235                      | £358,109                      | £545,765                      | £1,135,739           |
| DLA       | 6910             | 6550             | £105,956       | £3,583,321                    | £3,556,128                    | £6,100,361                    | £13,345,766          |
| AA        | 3120             | 2550             | £41,800        | £86,859                       | £134,058                      | £183,473                      | £446,190             |
| CB (2014) | 10095            | 9185             | £1,941,599     | £1,652,579                    | £1,848,092                    | £2,049,498                    | £7,491,768           |
| TC (2014) | 8500             | 8100             | £708,500       | £708,500                      | £708,500                      | £708,500                      | £2,834,000           |

A Scottish Government study has been tracking the impact of welfare reform. The third sweep study was published in June 2015 and listed the following as concerns:

- Official errors and long delays in awaiting decisions or progress with cases caused substantial financial and emotional upset for affected respondents. Poor communication about benefit decisions and changes also caused stress and uncertainty.
- Respondents (in particular lone parents and ESA Work Related Activity claimants) reported increased pressure to seek work as a result of changes to benefit conditionality.
- Whether in or out of work, participants found it difficult to meet basic household needs with the income provided by benefits.
- More 'official' sources such as Job Centre Plus or government telephone helplines were not always trusted by respondents.
- Respondents were not always aware of advice services or of benefit entitlements and ongoing changes to these.

Latest reports also suggest that welfare reform has had a disproportionately damaging impact on women. A report by Scottish Parliament's Welfare Reform Committee found that certain groups such as disabled women, lone parents, carers, refugee women and those experiencing domestic abuse were most at risk. The reasons for this were that Universal Credit is most likely to be paid to a single earner

who is more often than not a man. Research by the House of Commons states that since 2010 £26billion worth of cuts have been made to benefits and tax credits, pay and pensions, 85% of this has been taken from women's incomes.

## 5.2 Employability

Inverclyde continues to have significant challenges in terms of tackling the levels of unemployment and inactivity within the area. Unemployment rates and working age key benefit claimant figures both sit above the Scottish average. A contributory factor to the area's unemployment and inactivity statistics is the significant proportion of its population living in areas designated as deprived. The indicators used are income, employment, education, health, access, crime and housing. To move our residents into employment we must improve the skills and confidence of a large proportion of our population. Low paid, short-term, cyclical work features heavily within Inverclyde's labour market which results in short periods of employment followed by spells on benefits. In-work poverty remains an issue for Inverclyde with Inverclyde's average earnings below the national average. In 2003 5% of those in low paid employment were educated to degree level or equivalent, by 2013 this had risen to 13%.

- Inverclyde's unemployment rate is 7.6% compared to a Scottish average of 6.0% (Nomis, 2015)
- JSA claimant rate in Inverclyde is 2.3%, compared to a national average of 1.7% (Nomis, 2015)
- Working age key benefit claimant figures for Inverclyde is 16.3%, the third highest in Scotland. The Scottish average stands at 9.4% (Nomis, 2015)
- 12.6% of the working age population have no/low qualifications (Nomis, 2015)

## 5.3 Illness and Disability

The needs of the ill and disabled differ from the majority. Increasing levels of disability and illness requires the need for specialist advice to be available including employment, income maximisation, housing and debt advice. Changes to the welfare system could see disabled claimants disadvantaged as per figures below. The introduction of Universal Credit will see disabled claimants lose money with the removal of some disability premiums. One of the most important being the Severe Disability Premium, payable to disabled claimants who live alone with no-one receiving carers allowance for them. This premium is currently worth £61.85 per week for a single person in 2015/16. Proposed changes to disabled child premiums will half the amount paid from £57 per week to £28 per week.

- 6550 Inverclyde residents are currently claiming DLA (DWP, 2015)
- The reassessment of DLA claimants to migrate them to PIP will begin in Inverclyde from May 2015.
- Inverclyde is set to lose a total of £13.3million in DLA from 2010-15, reducing the caseload by 1400.
- Over 230,000 people in the UK currently receive the Severe Disability Premium.

## 5.4 Income and Debt Management

In the course of the past decade the demographics of the Inverclyde population experiencing problems with debt has changed markedly and significantly. Since the UK went into recession and faced the international banking crisis, the profile of those facing serious debt problems has changed. Although the country is now in recovery, there still exists issues with low pay, zero hours contracts, redundancies and the availability of credit. The number of sub-prime lenders operating in Inverclyde has continued to rise. This coupled with the increase in availability of sub-prime lenders online has seen an increase in the use of high cost, short term credit. As many as 400 payday lending organisations currently operate within the UK with rates as high as 5000% APR. Changes to the payday loan regulations could eradicate almost 99% of the industry with all but 3 or 4 being forced out of business (source: Financial Times).

- The average hourly rate for Inverclyde employees is £13.66 compared to a Scottish average of £13.37 and UK average of £13.33 (Nomis, 2015)
- The average household income in Inverclyde is £22,000 per annum compared to a Scottish average of £24,700 (Nomis, 2014)
- HSCP Money Advisors have supported clients with a total of £2.1million of debt in 2014/15.

## 5.5 Fuel Poverty

Fuel poverty is a real issue for thousands of Inverclyde households who are struggling to pay their fuel bills and keep their home warm. A household is described as living in fuel poverty if they are required to spend more than 10% of the household income on fuel, more than 20% equates to extreme fuel poverty. In the face of continuing high fuel prices, increasing numbers of households are falling into fuel poverty. Living in fuel poverty can have a profound effect on a person's quality of life. Illnesses such as influenza, heart disease and strokes are all exacerbated by cold. Cold homes can also promote the growth of health damaging fungi and mould. Less directly, households that have to spend a high proportion of their income on fuel have to compensate in other parts of their household budget. This can lead to poor diet or reduced participation in social, leisure and community activities, both of which can also impact on health and quality of life.

- 38% of Inverclyde residents are living in fuel poverty (Scottish Government, 2013)
- 4% of Inverclyde residents are living in extreme fuel poverty (Scottish Government, 2013)
- 6% of Inverclyde households are affected by damp

## 5.6 Child Poverty

Growing up in poverty can have a profound and lasting impact on children's health outcomes, educational attainment and later life chances. Inverclyde reflects the national picture of financial exclusion becoming more apparent within the early years target group. This has been as a result of a range of benefits due to parents having been withdrawn such as Health in Pregnancy Grant, restrictions to Sure Start, baby



entitlement of Child Tax Credit and Child Trust Fund, all of which impact low income families. Therefore there must be a focus on early intervention to break cycles of poor outcomes and ensure children and families are at the centre of service design and delivery, as set out in the Scottish Government’s Early Years Framework. By maximising household resources and income we can ensure that fewer children grow up financially excluded. Parent or carer employment and increased skills development remain the best ways for families to escape poverty. Figures from the Child Poverty Action Group (CPAG) suggest that children who are living in poverty are now twice as likely to come from homes with employment as those without. This proves that in-work poverty is prevalent in today’s society and is an issue that must be addressed when discussing child poverty.

| Ward                    | Child Poverty Rate |
|-------------------------|--------------------|
| Inverclyde East         | 26%                |
| Inverclyde East Central | 31%                |
| Inverclyde North        | 23%                |
| Inverclyde South        | 26%                |
| Inverclyde West         | 10%                |
| Inverclyde South West   | 21%                |

Source: End Child Poverty

- One fifth of children in Scotland are growing up in poverty (Child Poverty Action Group, 2014)
- Over a quarter of children in Inverclyde are growing up in poverty (Child Poverty Action Group, 2014)
- 2400 families in Inverclyde are receiving both Working Tax Credits and Child Tax Credits to top-up their income

## 5.7 Housing and Homelessness

Readily available access to good quality, affordable, safe and secure housing has a major impact on the wellbeing of individuals and communities. Inverclyde has historically faced significant housing challenges and continues to do so as the demographics of the area change. The issues currently being addressed within the housing strategy for Inverclyde are accessibility of housing, availability of housing, quality of housing and affordability of housing.

Homelessness is also a key challenge in the Inverclyde area. Inverclyde has continued to see a fall in homeless presentations as per the statistics below however the Inverclyde Homeless Service have raised concerns over how Universal Credit will adversely affect these figures.

- The Housing Needs & Demand Assessment indicates that there is an overall shortfall of social and affordable housing across the Inverclyde area
- Scottish Housing Conditions Survey (2011-13) has stated that around 1000 houses in Inverclyde are below the Tolerable Homes Standard
- Homeless presentations over past 3 years:
  - 2012/13: 320
  - 2013/14: 296
  - 2014/15: 264



## 5.8 Older People

Pride and independence often result in a reluctance from older people to discuss their financial situation. This may mean that many vulnerable older people are falling under the radar of organisations that could help them. Bereavement and illness can make it difficult for someone to manage and local statistics show that the number of emergency hospital admissions in Inverclyde for people aged 65 or over is higher than that of the Scottish average. Many older people are facing a retirement of financial uncertainty. The recent recession has seen pension and investment pay-outs reduced. In Scotland the number of pensioners living in poverty has decreased from 2002/03 to 2012/13 from just under 200,000 to 100,000. The Triple Lock introduced by the coalition government in 2010 has guaranteed that the state pension will increase every year by the higher rate of inflation, average earnings or a minimum of 2.5%.

- There are currently 16,490 State Pension customers in Inverclyde (DWP, 2015)
- 2550 older people are in receipt of Attendance Allowance (DWP, 2015)
- There were 4898 emergency hospital admissions for over 65s in 2014/15 – a year on year increase since 2004/05.
- Between 2010-2031 the national number of people aged 60 and over is projected to rise by 51% from 1.1million to 1.66million

## **6. Vision and Outcomes**

### **6.1 Vision**

The Financial Inclusion Partnership's Vision is:

We will work in partnership to ensure that all residents of Inverclyde are:

- Able to maximise their money;
- Able to access appropriate financial services and products, enabling them to manage their money on a day to day basis;
- Able to plan for the future and deal effectively with unexpected financial pressures;
- Encouraged and supported to achieve their full potential and make a positive contribution to the social and economic life of the area.

In order to realise this vision there are a number of outcomes which the partnership aims to achieve. These are closely linked to the national outcomes and the local Single Outcomes Agreement Outcomes agreed by the Community Planning Partnership, Inverclyde Alliance.

### **6.2 National Outcomes**

The Scottish Government's National Performance Framework sets out 15 National Outcomes. The Financial Inclusion strategy contributes to the achievement of the specific outcomes:

- We realise our full economic potential with more and better employment opportunities for our people
- Our young people are successful learners, confident individuals, effective contributors and responsible citizens
- Our children have the best start in life and are ready to succeed
- We have improved the life chances for children young people and families at risk
- We have tackled the significant inequalities in Scottish society
- We have strong, resilient and supportive communities, where people take responsibility for their own actions and how they affect others.

### **6.3 Local SOA Outcomes**

Financial Inclusion is a cross cutting theme across all 8 outcomes of Inverclyde's SOA, however it has specific reference to the following:

- Communities are stronger, responsible and more able to identify, articulate and take action on their needs and aspirations to bring about an improvement in the quality of community life
- The area's economic regeneration is secured, economic activity in Inverclyde is increased, and skills development enables both those in work and those furthest from the labour market to realise their full potential
- The health of local people is improved combating health inequality and promoting healthy lifestyles
- All our young people have the best start in life.

## 6.4 Financial Inclusion Outcomes

The following 4 outcomes for this Financial Inclusion Strategy have been agreed as follows:

- Local people have access to relevant, local services that support income maximisation and debt prevention
- Local residents have access to resources and organisations to alleviate household poverty
- The financial capability and capacity of local people is increased
- The financial inclusion partnership is committed to respond to the impact on welfare reform

## 6.4.1 Outcome 1: Local people have access to relevant, local services that support income maximisation and debt prevention

In the course of the past decade the section of the Inverclyde demographic experiencing problems with debt has changed markedly and significantly. Since the onset of the current recession and international banking crisis the profile of those in problem debt has changed. More people in work than ever before are requesting advice with problem debt. Changes to the administration of formal debt solutions will take place in April 2015 in the form of the Bankruptcy and Debt Advice (Scotland) Bill. Individuals will no longer be able to make themselves bankrupt without having first taken advice from an approved money advisor. More strict definitions on who can be seen as an approved Money Advisor will also form part of the Bill.

The number of high street subprime lenders has continued to rise in Inverclyde. Many organisations offering short term loans are appearing on our high street. Payday loans can typically cost anywhere between 448% and 3752% APR. There are currently 400 payday loan companies operating within the UK. Credit Unions have been hailed as a more suitable alternative to payday lending. Inverclyde is currently host to 2 credit unions whose common bonds cover all residents of Inverclyde.

Income maximisation and protection are of utmost importance as a result of changes to the welfare benefits system. Inverclyde is set to lose a total of £37.6million as a direct result of the Welfare Reform Act 2012. Therefore we must ensure these services are readily available to customers with new and improved services being introduced.

### Successes so far:

- SLAB Making Advice Work funding
  - Advice First: triage advice line offering over the phone advice to customers with access to a range of organisations for referring and appointment booking.
  - LHA Trainee Solicitor
  - RCH Extra Care Plus: new tenancy sustainment support
- Support & Connect Funding:
  - Supporting Inverclyde Future Skills: financial and digital inclusion support to all Inverclyde residents
  - Inverclyde Connections: to provide mentoring support and welfare benefit advice
- Welfare Reform Resilience Funding
  - My Advice Service: a multi agency referral tool for use across the partnership to make and track referrals
  - Smarterbuys franchise: offering Inverclyde residents low interest credit on household goods
- Credit Union development: Tail O the Bank have become FIP member and development is under way to expand services offered

## 6.4.2 Outcome 2: Local residents have access to resources and organisations to alleviate household poverty

Inverclyde is currently 4<sup>th</sup> in the rankings for child poverty in Scotland with 26% of children living in poverty. Figures from the Scottish Index of Multiple Deprivation (SIMD) in 2012 state that 18.7% of Inverclyde residents suffer from income deprivation compared to a national average of 13.4%. A total of 58% of social housing stock in Inverclyde is located in the 15% most deprived data zones.

Fuel poverty is a real issue for thousands of Inverclyde households who are struggling to pay their fuel bills and keep their homes warm. In the face of continuing high fuel prices, more and more households are falling into fuel poverty. The effects of this on quality of life can be profound. As of 2013 a total of 38% of Inverclyde residents are living in fuel poverty, with 4% living in extreme poverty. A household is considered to be living in fuel poverty if, in order to maintain a satisfactory heating regime, it is required to spend more than 10% of its income on all household fuel use. Households spending more than 20% of their income on fuel use are regarded as being in extreme fuel poverty.

Fuel poverty is caused by a combination of four main factors:

- Low income, which is often linked to absolute poverty
- High energy costs, including high tariffs
- Poor energy efficiency of a home, e.g. through low levels of insulation and/or inefficient heating systems
- Under-occupancy.

Food poverty has been described as the inability of individuals and households to obtain an adequate and nutritious diet, often because they cannot afford health food. Food poverty is linked to the growing number of UK residents relying on foodbanks to provide food for themselves and their families. Inverclyde is host to a branch of the Trussell Trust network, Inverclyde Foodbank.

Obtaining basic essentials for households will also have an impact on the level of household poverty. For those residents who are at their most vulnerable when moving into a property, obtaining these items may not be feasible and result in further poverty. These residents may then be unable to sustain their tenancies which may result in homelessness

### Successes so far:

- IHEAT: introduction of Inverclyde Home Energy Advice Team to provide face-to-face energy advice to all Inverclyde residents with savings over £1million for customers to date.
- Inverclyde Foodbank: The Trussell Trusts' local Foodbank being a member of the FIP.
- Starterpacks Inverclyde: continued partnership funding involving Starterpacks has ensured its continuation.
- Successful implementation of the Scottish Welfare Fund by Inverclyde Council.

### 6.4.3 Outcome 3: The financial capability and capacity of local people is increased

Financial Capability and capacity has proven to have strong links to poverty. Improving financial capacity at the early stages will tackle the deep cause of poverty as opposed to only treating the symptoms. Alongside income maximisation, debt advice and measures to ensure access to affordable credit, improving financial capability should help people participate more fully in society and reduce levels of poverty.

At a basic level, a financially capable person will be able to:

- Understand bank statements, bills, payslips and other basic financial records
- Understand the implications of borrowing money and that it must be paid back, usually with interest
- Use cash and non cash methods of payment
- Manage a day to day budget and prioritise essential and non-essential spending
- Understand why we pay tax and national insurance and how this affects salary
- Understand percentages and how interest rates have an impact on the amount of money borrowed or saved
- Seek advice when needed, know where to go to get it and having the confidence to ask
- Plan ahead for retirement, other life transition and unexpected events for example by saving.

Developing financial capability helps to reduce the need for and cost of responding to crises, which divert resources from more productive alternatives. Conversely, financial capability makes a positive contribution to the economy by improving the skills, health and wellbeing of individuals who are more employable and in a better position to contribute.

#### Successes so far:

- Supporting Inverclyde Future Skills: one-to-one and group support for budgeting and digital skills.
- CLD: ongoing commitment of CLD to promote learning through group classes, incorporating digital and financial inclusion wherever possible.
- Pension Wise: introduction of the Pension Wise service to Inverclyde providing pension advice for those over 55.

#### **6.4.4 Outcome 4: The Financial Inclusion Partnership is committed to respond to the impact of welfare reform**

The Welfare Reform Act 2012 was introduced with the aim of 'simplifying the benefits system' and 'making work pay'. This has encompassed a wealth of changes to the welfare system, many of which have already been introduced. The act has proven to have a fundamental impact on the lives of many vulnerable groups living in Inverclyde from disabled children through to adults with long-term conditions, their families and carers. Arguably the most controversial of the changes is still to be introduced in the form of Universal Credit (UC).

##### Changes introduced so far:

- Personal Independence Payment (PIP): the introduction of PIP to replace Disability Living Allowance (DLA) was introduced on 8<sup>th</sup> April 2013. All new claims for disability benefit for adults over 16 are made to PIP. All existing DLA claims will be re-assessed and migrated to PIP.
- Social Sector Size Criteria (SSSC): The SSSC, more commonly known as 'bedroom tax', was introduced as the removal of the spare room subsidy for social housing tenants. This resulted in a reduction of Housing Benefit for tenants who were deemed to be living in a house too large for their needs.
- The Benefit Cap: The Benefit Cap was introduced in April 2013 to limit the amount of benefits people of working age could receive. A claimant who is past this limit will have their Housing Benefit award reduced accordingly.
- Council Tax Reduction (CTR): The CTR Scheme was introduced to replace the existing Council Tax Benefit. Responsibility for administration of this scheme has been devolved to local authorities.
- Scottish Welfare Fund (SWF): The SWF replaced the abolished Social Fund and was devolved to local authorities to administer. This encompasses the use of Crisis Grants and Community Care Grants for those claiming benefits or in receipt of a low income.
- Universal Credit: the introduction of a single benefit to replace 6 existing income-based benefits paid monthly to claimant including housing costs. The benefit was introduced to Inverclyde from 12<sup>th</sup> October 2015 and is currently open to new claims from single job seekers.

##### **Successes so far:**

- Successful introduction of the Scottish Welfare Fund by Inverclyde Council.
- Effective communication with DWP via FIP.
- Representation of the FIP on the DWP Universal Support Delivered Locally (USLD) liaison group to prepare for the introduction of Universal Credit.
- Recruitment of a Welfare Reform Awareness Officer by Inverclyde HSCP
- More than 98% of the cost of the SSSC in 2014/15 was mitigate by Discretionary Housing Payment and processes are in place to maximise take up going forward.



## 7.0 Action Plan

The following action plans have been devised for each of the 4 strategic outcomes, detailing actions to be taken, indicators to measure outcomes, timescales and which partners will be involved.

Strategic Outcome 1: Local People have access to relevant, local services that support income maximisation and debt prevention.

|   | Where are we now?  | Where do we want to be?   | How will we get there?   | How will we know we are getting there?   | Who is responsible?                                    |
|---|--|---|--|--|--|
| 1 | <b>Access is restricted to mainstream banking for those with limited identification and/or poor credit, accounts currently available offer limited bill payment facilities. This is especially important with the introduction of Universal Credit to Inverclyde in September-November 2015.</b> | All Inverclyde residents have access to a banking account (basic or mainstream) that offers bill payment facilities. All residents are then able to access direct debits, securing their tenancies and eliminating the poverty premium. | <ul style="list-style-type: none"> <li>Expansion of Tail O the Bank to offer budgeting facility/jam jar account.</li> <li>Introduction of a credit union budgeting account for tenants of Registered Social Landlords (RSL) for short term support for the introduction of Universal Credit.</li> <li>Liaison with local mainstream banking providers to support residents to open mainstream accounts following the introduction of the Basic Bank Account Agreement</li> </ul> | <ul style="list-style-type: none"> <li>Tail O the Bank offer basic banking accounts</li> <li>Introduction of a credit union for RSL tenants</li> <li>Liaison with mainstream banking providers takes place</li> <li>Number of basic banking credit union accounts in Inverclyde</li> <li>Decrease in RSL rent arrears</li> </ul> | TOTB, HSCP, RCH, OTH, CH, LH, FIPSO                    |
| 2 | <b>Inverclyde residents are using high cost lending to purchase and replace household items. There is no alternative for those with poor credit who are not eligible for a Scottish Welfare Fund payment or a Budgeting Loan via DWP.</b>  | All Inverclyde residents have access to affordable, ethical lending streams to furnish their properties. There is a clear referral pathway to this service from all partners.   | <ul style="list-style-type: none"> <li>Introduction of the Smarterbuys franchise to offer affordable credit for household items to 2 RSL's in the area.</li> <li>Roll out of the service to all Inverclyde residents.</li> </ul>   | <ul style="list-style-type: none"> <li>Number of clients accessing Smarterbuys</li> <li>Decrease in the number of clients accessing Money Advice with high cost debt</li> </ul>  | RCH, OTH for first phase<br>All partners after rollout |
| 3 | <b>We believe that Inverclyde residents are using high cost lending</b>  | Inverclyde FIP has statistics on the number of people accessing   | <ul style="list-style-type: none"> <li>Conduct research into the use of high cost lenders</li> <li>Increase awareness of the</li> </ul>  | <ul style="list-style-type: none"> <li>Research is completed into the use of high cost lenders</li> </ul>  | FIPSO  |



|   |   |   |  |  |              |
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|   | <b>for short term living expenses but no definitive proof exists to confirm this. There are limited alternatives to sub-prime lenders for customers who have poor credit ratings.</b>   | high cost loans and implement a cost-effective alternative to sub-prime lenders offering short-term loans for living expenses. There is a clear referral pathway to this service from all partners.   | dangers of using high cost lending. <ul style="list-style-type: none"> <li>• Scope alternatives to sub-prime lenders.</li> <li>• Introduce an alternative to payday lenders.</li> </ul>  | <ul style="list-style-type: none"> <li>• Scoping of alternatives takes place</li> <li>• Awareness raising campaign</li> <li>• Alternative to pay day lenders is introduced</li> </ul>  |              |
| 4 | <b>The Scottish Illegal Money Lending Unit has evidence to suggest that there are illegal money lenders/loan sharks operating within Inverclyde. However organisations are receiving limited information from clients and these clients are reluctant to pass on any information they have on these lenders for fear of repercussion.</b>   | No illegal money lenders are operating within Inverclyde.   | <ul style="list-style-type: none"> <li>• Raise awareness of issues with staff.</li> <li>• Raise awareness of dangers of using illegal money lenders to clients.</li> <li>• Pass on all available intelligence to the Scottish Illegal Money Lending Unit.</li> <li>• Advise all clients about the anonymity of passing intelligence to this unit.</li> </ul>   | <ul style="list-style-type: none"> <li>• Awareness campaign introduced for Inverclyde</li> <li>• Level of intelligence passed to Scottish Illegal Money Lending Unit</li> <li>• Number of illegal money lenders operating in Inverclyde according to Scottish Illegal Money Lending Unit</li> </ul>  | All Partners |
| 5 | <b>Some services feel that they are receiving limited referrals from partners or inappropriate referrals from partners. This may be as a result of a lack of knowledge around remit and referral pathways. There is no universal method for referrals amongst organisations. Limited feedback is provided from recipient organisations on outcome of referrals. Inverclyde is</b> | All practitioners have an in-depth knowledge of all partner organisations and their remit and can comfortably make referrals for their clients. There is one universal referral pathway for all partner organisations. Feedback is provided on all referrals. The FIP can gather Inverclyde wide statistics on people accessing support | <ul style="list-style-type: none"> <li>• Roll out of FIP Refer-It, online referral system, to all partners.</li> <li>• Advice services practitioners event held to promote inter-organisational referrals and signposting.</li> <li>• Advice First triage line as first point of contact for all clients being referred to FIP organisations.</li> <li>• Promotion of the FIP website to provide further information to both clients and practitioners.</li> </ul> | <ul style="list-style-type: none"> <li>• Successful rollout of FIP ReferIT to all participating organisations</li> <li>• Measured use of FIP ReferIT by number of referrals made</li> <li>• Advice services practitioners event held</li> <li>• Feedback from event</li> <li>• Number of 'hits' on FIP website</li> <li>• Inverclyde wide statistics are being reported</li> </ul> | HSCP, FIPSO  |

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|   | unable to provide area wide statistics.   | services.  |   |  |              |
| 6 | <b>Funding bids from individual organisations are potentially duplicating existing services. This may then reduce the likelihood of the bid being successful. If the funded service is then introduced organisations may find it difficult to meet outcomes if services are duplicated.</b>                 | Partnership approach is taken to all major funding streams to ensure that all bids have the best chance of being successful and all organisations are able to meet the outcomes set. | <ul style="list-style-type: none"> <li>• Create a central file detailing funding streams and their end dates.</li> <li>• Regular updates at FIP meetings detailing what funding streams are available.</li> <li>• All partners note their interest to apply for a stream at the FIP meetings.</li> <li>• Utilising Community Links to support with funding applications.</li> </ul> | <ul style="list-style-type: none"> <li>• Number of consortium funding bids submitted</li> <li>• Success rate of funding applications</li> </ul>  | All partners |
| 7 | <b>Limited to no outreach or out of hours support available for clients of FIP organisations. Many organisations only offer support during traditional office hours and at their office base or home visits. Some clients may not feel comfortable with advice appointments taking place in their home.</b> | Inverclyde residents can access support at a time and location that suits them.  | <ul style="list-style-type: none"> <li>• Scope community venues for potential to hold advice surgeries.</li> <li>• Scope availability of providing advice out of traditional office hours.</li> </ul>   | <ul style="list-style-type: none"> <li>• Number of outreach services being provided by FIP partners</li> <li>• Attendance at outreach/out of hours support</li> <li>• Client financial gain recorded from outreach/out of hours</li> </ul> | All partners |
| 8 | <b>There is a lack of information on the customer journey through Inverclyde support services therefore no information to base improvements on.</b>   | There is a clear pathway of referrals from customers starting point to final outcome to make improvements on the customers journey.  | <ul style="list-style-type: none"> <li>• FIP Support Officer (FIPSO) to shadow at local support organisations.</li> <li>• FIPSO to monitor an agreed number of clients and track their journey.</li> <li>• FIPSO to provide a report on findings.</li> </ul>  | <ul style="list-style-type: none"> <li>• Feedback from FIPSO on organisational shadowing</li> <li>• Feedback from customers</li> </ul>   | FIPSO        |
| 9 | <b>The implementation of the Bankruptcy and Debt Advice Scotland Act will change the way formal</b>   | Inverclyde is fully compliant with the changes made to formal debt advice and can  | <ul style="list-style-type: none"> <li>• Consultations with those organisations affected to ensure compliance.</li> <li>• Monitoring of outputs</li> </ul>  | <ul style="list-style-type: none"> <li>• Inverclyde continue to offer debt advice</li> <li>• Results of monitoring to make improvements to</li> </ul>  | HSCP         |

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|  | <b>debt advice is provided and who can legally offer this type of advice.</b> | continue to provide crisis intervention support. |  | service delivery <ul style="list-style-type: none"><li>• Reports identifying how Inverclyde FIP meets the new legislation</li></ul> |  |
|--|---|--|--|---|--|

Strategic Outcome 2: Local people have access to resources and organisations to alleviate household poverty.

|   | Where are we now?   | Where do we want to be?   | How will we get there?   | How will we know we are getting there?  | Who is responsible? |
|---|---|---|--|---|---------------------|
| 1 | <b>Inverclyde residents are suffering from fuel poverty and an increased number of residents are requesting support with energy tariffs. There is a lack of understanding regarding the importance of energy tariffs.</b>   | No Inverclyde residents are suffering extreme fuel poverty and a decreased number are facing fuel poverty. Residents have an awareness of energy tariffs and how to make the most of the money they pay for their fuel.   | <ul style="list-style-type: none"> <li>Increasing awareness of fuel energy tariffs.</li> <li>Energy awareness/financial capability training for vulnerable customers</li> <li>Continuation funding sourced for IHEAT.</li> </ul> | <ul style="list-style-type: none"> <li>Number of customers engaged through project</li> <li>Number of vulnerable customers participating in training</li> <li>Reporting to FIP through IHEAT Steering Group quarterly meetings</li> </ul>                                       | IHEAT               |
| 2 | <b>Inverclyde residents are relying on foodbanks to provide food for themselves and their families. Inverclyde's foodbanks rely on donations to allow them to continue to operate their services in this area.</b>  | Fewer Inverclyde residents are regularly relying on foodbanks to feed their families. However foodbanks are still available to support those during crisis point for the short term.  | <ul style="list-style-type: none"> <li>Continued inclusion of Inverclyde foodbanks in the FIP</li> <li>Implementation of this strategy and action plan to reduce poverty and increase income</li> </ul>                          | <ul style="list-style-type: none"> <li>Number of Inverclyde residents accessing foodbanks</li> </ul>  | All partners        |
| 3 | <b>Inverclyde residents have limited access to digital equipment, therefore are facing a 'poverty premium'. Residents in receipt of benefits may face sanctions if they cannot access online services such as Universal Job Match. The price of broadband is outwith many residents' budgets.</b> | All Inverclyde residents can access digital equipment. They can access the internet to source better deals. They will not be at risk of sanctions due to not having online access. Residents who have digital equipment will have a connection to the internet at a low cost. | <ul style="list-style-type: none"> <li>Provision of digital equipment loans</li> <li>Communal broadband installed in estates</li> <li>Training residents how to search for best deals on internet</li> </ul>                     | <ul style="list-style-type: none"> <li>Introduction of digital equipment loans</li> <li>Availability of communal broadband</li> <li>Reduction in Inverclyde poverty level</li> <li>Number of reported sanctions</li> <li>Number of residents accessing Future Skills</li> </ul> | RCH, SIFS           |
| 4 | <b>It has been suggested that travel costs in the local area are</b>  | Inverclyde residents have a cost-effective method of travel for   | <ul style="list-style-type: none"> <li>Research into the correlation between poverty and travel</li> <li>Research into how the new</li> </ul>  | <ul style="list-style-type: none"> <li>Findings of research and associated action plan</li> </ul>   | FIPSO               |

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|   | <b>contributing to the level of poverty. Only one provider exists for travel throughout Inverclyde. A monopoly on these routes may be driving up prices.</b>  | essential journeys such as Job Centre Plus meetings, shopping and appointments for advice services. | Quality Bus Partnership can assist with travel costs  |  |           |
| 5 | <b>Residents may lack an awareness of how to cook healthy on a low income. This may apply to people who are reliant on welfare benefits or who are working and in receipt of a low income. As a result many people are more susceptible to illness due to their diet.</b> | All Inverclyde residents can provide healthy, nutritious, home-cooked meals on a low budget.        | <ul style="list-style-type: none"> <li>• Promotion of Eat Better Feel Better</li> <li>• Increased literature to promote healthy eating on a budget</li> </ul> | <ul style="list-style-type: none"> <li>• Number of CLD referrals made via FIP ReferIT</li> </ul> | CLD, HSCP |

Strategic Outcome 3: The financial capability and capacity of local people is increased.

|   | Where are we now?  | Where do we want to be?  | How will we get there?  | How will we know we are getting there?  | Who is responsible? |
|---|--|--|---|---|---------------------|
| 1 | <b>Many Inverclyde residents have low financial capability and capacity. This includes a lack of knowledge of budgeting, banking, borrowing and savings. These skills are especially important with the introduction of Universal Credit where benefit payments including housing costs are made monthly directly to the claimant.</b> | All Inverclyde residents are able to budget their income, use a bank account for paying bills, know the dangers of high cost borrowing and have savings for emergency expenses. The introduction of Universal Credit will have a limited impact on Inverclyde residents. | <ul style="list-style-type: none"> <li>• Introduction of Financial Capability E-Learning Module via Money Advice Scotland.</li> <li>• Continuation of Supporting Inverclyde Future Skills (SIFS) project offering one to one and group financial and digital inclusion skills.</li> <li>• Increased awareness and referrals to CLD with promotion of financial and digital inclusion in all classes.</li> </ul> | <ul style="list-style-type: none"> <li>• Number of clients supported by SIFS project</li> <li>• Number of FIP clients using e-learning module</li> <li>• Increased number of referrals to CLD recorded via FIP ReferIT</li> </ul>           | SIFS                |
| 2 | <b>School children are not receiving in-depth financial inclusion support. Many school children then leave education lacking the skills to be able to manage finances such as a salary and being aware of the importance of saving.</b>  | Children receive in-depth financial capability training in order that when they leave education and enter the labour market they are able to budget and plan for the future. They also have an awareness of the dangers of sub-prime lenders.                            | <ul style="list-style-type: none"> <li>• Liaison with education establishments to promote financial inclusion in curriculum for excellence</li> <li>• Introduction of credit unions in schools</li> </ul>   | <ul style="list-style-type: none"> <li>• Level of liaison with Inverclyde schools</li> <li>• Number of schools offering credit union facilities</li> <li>• Evidence of teachers using Financial Inclusion information in schools</li> </ul> | IC, TOTB, FIPSO     |
| 3 | <b>Many expectant families are not uptaking the support of the Healthier Wealthier Children initiative. This includes support to uptake services available to young and expectant</b>  | All new and expectant families receive the support of the scheme, therefore accessing financial and benefit support. This will then allow them to manage the changes to their  | <ul style="list-style-type: none"> <li>• Promotion of the service to all expectant families</li> </ul>  | <ul style="list-style-type: none"> <li>• Number of HWC referrals received</li> <li>• Total financial gains recorded via HWC</li> </ul>  | HSCP                |

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|          | <b>families such as Healthy Start Vouchers.</b>   | finances as a result of having a baby.  |   |  |                 |
| <b>4</b> | <b>Digital inclusion is a barrier to financial capability and capacity. Not having the skills to access online services can inhibit the ability to find better deals online and bank digitally.</b> | All Inverclyde residents are able to use online services to increase their level of financial capability and therefore financial inclusion. | <ul style="list-style-type: none"> <li>Promotion of digital inclusion services such as SIFS, CLD and ICOD's ABC project.</li> </ul> | <ul style="list-style-type: none"> <li>Number of clients accessing digital inclusion services</li> </ul> | SIFS, CLD, ICOD |

Strategic Outcome 4: The Financial Inclusion Partnership is committed to respond to the impact on welfare reform

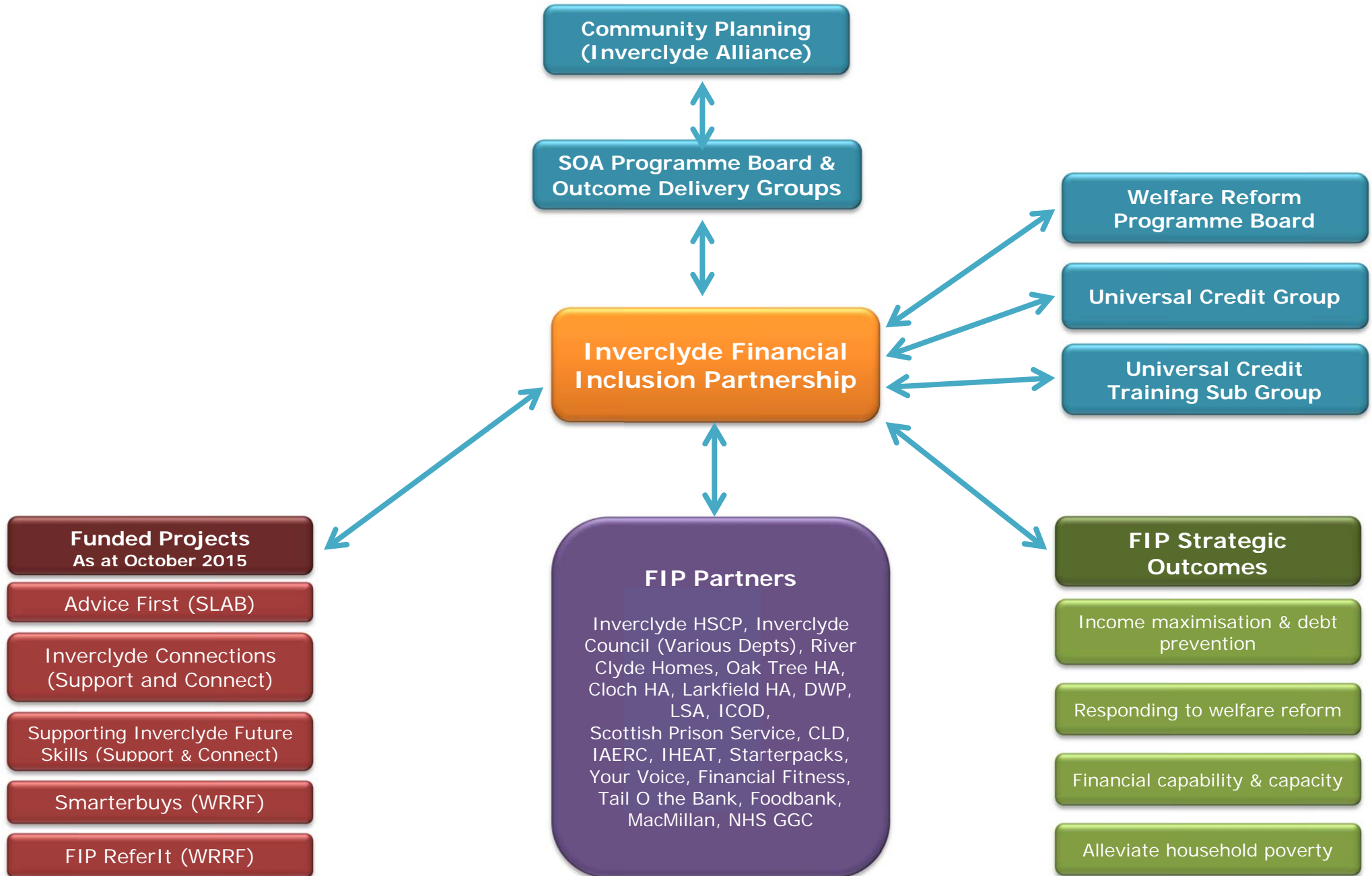
|   | Where are we now?  | Where do we want to be?   | How will we get there?  | How will we know we are getting there?   | Who is responsible?              |
|---|--|---|---|--|----------------------------------|
| 1 | <b>Major changes to the welfare benefits system have resulted in a change to how practitioners will support their clients. New benefits being introduced results in an increased need for further training.</b>  | All staff supporting residents will have the necessary knowledge and skills to fully support Inverclyde residents through all aspects of welfare reform.                            | <ul style="list-style-type: none"> <li>• A subgroup of FIP is set up to arrange all Universal Credit training</li> <li>• A partnership approach is taken to all future training to ensure a cohesive approach to advice is provided</li> </ul>  | <ul style="list-style-type: none"> <li>• Successful setup of training sub-group</li> <li>• Delivery of UC training</li> </ul>        | FIPSO                            |
| 2 | <b>Universal Credit will change the way the partners liaise with the DWP. Open communication and adherence to the data sharing rules are of the upmost importance for partners to support customers. The initial setup of Universal Credit will require agreements and liaison with DWP.</b> | The FIP are able to work effectively with the DWP to support with the introduction and expansion of Universal Credit. This then results in a smooth transition to this new benefit. | <ul style="list-style-type: none"> <li>• Continued presence and participation in the Universal Credit Operational Management Group</li> <li>• Liaison between DWP and Inverclyde Council to agree UC Delivery Partnership, to prepare for the national expansion when the full Universal Support offer is in place and so ensure Universal Support is in place from April 2016.</li> <li>• Monitor the impact of the change UC has on residents and adjust Universal Support provision</li> </ul> | <ul style="list-style-type: none"> <li>• Participation in UC group</li> <li>• Introduction and monitoring of project plan</li> </ul> | IC Universal Credit Project Lead |
| 3 | <b>The SIFS project supports residents with budgeting and digital skills – 2 key skills required for those claiming Universal Credit. However funding is not stable for this service.</b>  | SIFS obtains sustainable funding to allow the project to continue throughout the introduction of Universal Credit.  | <ul style="list-style-type: none"> <li>• Work with Community Links to ensure funding is obtained</li> </ul>   | <ul style="list-style-type: none"> <li>• Continuation of service</li> </ul>  | SIFS                             |
| 4 | <b>Feedback from practitioners suggests that there is a lack of</b>  | All Inverclyde residents in receipt of benefits are fully aware of the  | <ul style="list-style-type: none"> <li>• Deliver awareness sessions and campaigns</li> <li>• Use SIFS/FIP website to</li> </ul>   | <ul style="list-style-type: none"> <li>• Communication is released to residents</li> <li>• SIFS/FIP website is</li> </ul>            | FIPSO, SIFS                      |



|   |   |   |  |  |    |
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|   | <b>awareness from Inverclyde residents regarding the changes being brought about by welfare reform, particularly Universal Credit.</b>                      | changes due to take place and receive the necessary information and skills to prepare them for the changes.           | provide information <ul style="list-style-type: none"> <li>• Produce information packs to be sent to all households in Inverclyde</li> </ul> | updated with information regarding UC <ul style="list-style-type: none"> <li>• Information packs sent</li> </ul> |    |
| 5 | <b>Funding for supporting all Inverclyde residents with the charges related to the Social Sector Size Criteria (SSSC) has been ongoing for 2 years now.</b> | Support continues for DHP in line with Scottish Government policy to meet the cost of the Social Sector Size Criteria | <ul style="list-style-type: none"> <li>• Prioritisation of funding to meet the cost of SSSC</li> </ul>                                       | <ul style="list-style-type: none"> <li>• Percentage of clients affected being supported by DHP</li> </ul>        | IC |

## 7.0 The Role of the Financial Inclusion Partnership

The diagram below sets out the role of the FIP within Inverclyde. This includes where the FIP will report to and which other groups feed into the FIP.



Local people have access to relevant, local services that support income maximisation and debt prevention

| Action No | Action  | Task No | Tasks  | Lead                       | Baseline Q3 2015   | Q1 2016 Update | Q3 2016 Update | Q1 2017 Update | Final (Q2 2017) Update |
|-----------|---|---------|--|----------------------------|--|----------------|----------------|----------------|------------------------|
| 1         | All Inverclyde residents have access to a banking accounts (basic or mainstream) that offers bill payment facilities.   | 1       | Expansion of Tail O the Bank to offer budgeting facility/jam jar accounts                        | Tail O the Bank            | Tail O the Bank currently offer savings and loan products. There is no facility for receipt of income to accounts and no facility for bill payment. TOTB is led by volunteers and therefore there is limited capacity for development of services. A meeting has been held so far with another Credit Union to discuss development and it was made clear that a new system would be required   |                |                |                |                        |
| 2         |   | 2       | Introduction of a credit union budgeting account for tenants of RSL                              | River Clyde Homes          | RCH have scoped the availability of credit unions who could support their tenants. Due to restrictions in common bonds, the only credit union who could support Inverclyde residents, excluding the local established credit unions, was Polak. Conversations have been held and Polak will offer a Universal Credit account to customers whose rent payments will be sent directly to RCH. This will be offered from the hub at Clyde Square. This product should launch early next year. |                |                |                |                        |
| 3         |   | 3       | Liaison with local mainstream banking providers to support residents to open mainstream accounts | FIPSO                      | No liaison currently takes place between the FIP and local mainstream banking providers. This has issues for customers who wish to open bank accounts and who are refused due to ID issues. With the change in the legislation for banks, liaison would support more customers to open accounts.   |                |                |                |                        |
| 2         | Inverclyde residents have access to affordable, ethical lending streams to furnish their properties. There is a clear referral pathway to this service.   | 1       | Introduction of Smarterbuys franchise in 2 RSL in Inverclyde                                     | Oak Tree/River Clyde Homes | Smarterbuys launched in Q4 2015 for Oak Tree and RCH tenants.  |                |                |                |                        |
| 2         |   | 2       | Roll out of service to all Inverclyde residents  | FIP                        | Smarterbuys is currently only available to tenants of Oak Tree or RCH. It is intended that the roll-out to all Inverclyde residents will be a slow process over the term of this strategy.   |                |                |                |                        |
| 1         |   | 1       | Conduct research into the use of high cost lenders   | FIPSO                      | Some small scale research was completed prior to the launch of Smarterbuys between 2 RSLs and their tenants. Larger scale research will be completed which will determine which services are required in the area.   |                |                |                |                        |
| 2         | Inverclyde have statistics on the number of people accessing high cost loans and implement a cost-effective alternative to sub-prime lenders.   | 2       | Increase awareness of the dangers of using high cost lending                                     | FIP                        | No campaigns have been undertaken by the FIP to date. The FIP have recently established a communications sub-group who will work to raise awareness of financial inclusion related issues Inverclyde residents are currently facing. Raising awareness of high cost lending will feature within this group.  |                |                |                |                        |
| 3         |   | 3       | Scope alternative to sub-prime lenders   | FIPSO                      | No scoping exercise has taken place to date. This will feature in the planning work for ESF/Big Lottery funding which the FIP will apply for early in 2016.  |                |                |                |                        |
| 4         |   | 4       | Introduce an alternative to payday lenders   | FIP                        | This task will take place after 1.3.3 above and will also form part of the ESF/Big Lottery bid.  |                |                |                |                        |
| 1         |   | 1       | Raise awareness of issues with staff   | FIP                        | Some providers have previously received training from the Scottish Illegal Money Lending Unit regarding the use of illegal lenders. It is unknown how many partners received this training.  |                |                |                |                        |
| 2         | No illegal money lenders are operating in Inverclyde  | 2       | Raise awareness of dangers of using illegal money lenders to clients                             | FIP                        | Unknown if this info is given to clients   |                |                |                |                        |
| 3         |   | 3       | Pass on all available intelligence to the Scottish Illegal Money Lending Unit                    | FIP                        | Unknown if this info is passed on.   |                |                |                |                        |
| 4         |   | 4       | Advise all clients about the anonymity of passing intelligence to unit                           | FIP                        | Unknown if this is passed on   |                |                |                |                        |
| 1         |   | 1       | Roll out of FIP Referral   | HSCP                       | LAUREN   |                |                |                |                        |
| 2         | All practitioners have an in-depth knowledge of all partner organisations and their remit and can comfortably make referrals for their clients. Feedback is provided on all referrals. FIP can gather Inverclyde wide stats on people accessing support services. | 2       | Advice services practitioners event held   | FIPSO                      | No event has been organised or held  |                |                |                |                        |
| 3         |   | 3       | Advice First Traige line as first point of contact for all clients                               | HSCP                       | LAUREN   |                |                |                |                        |
| 4         |   | 4       | Promotion of FIP website to provide further information to both clients and practitioners        | FIP                        | The SIF/FIP website was launched in February 2015 and provides information about the FIP partners and their remit in the area. Contact details for the organisations are also provided with a link to their own individual websites. The website has received 6948 hits to date.   |                |                |                |                        |
| 1         |   | 1       | Create centralised file detailing funding streams & their end dates                              | FIPSO                      | Several updates have been provided by partners about their current funding streams and the end dates of these. However, an ongoing, working document does not exist at present.  |                |                |                |                        |
| 2         | Partnership approach is taken to all major funding streams to ensure that all bids have the best change of succeeding.  | 2       | Regular updates at FIP meetings detailing what funding streams are available                     | FIP                        | Ongoing task. Updates are provided at quarterly FIP meetings re funding streams.   |                |                |                |                        |
| 3         |   | 3       | All partners note their interest to apply for a stream at the FIP meetings                       | FIP                        | Inverclyde have had previous success with consortium applications for funding streams. The FIP will look to build on this success and continue to note interest.   |                |                |                |                        |
| 4         |   | 4       | Utilising Community Links to support with funding applications                                   | FIP                        | Community Links have been commissioned to complete funding applications on behalf of the FIP.  |                |                |                |                        |
| 1         |   | 1       | Scope community venues for potential to hold advice surgeries                                    | FIPSO                      | Multi-agency advice surgeries do not currently take place.   |                |                |                |                        |
| 2         | Inverclyde residents can access support at a time and location that suits them.   | 2       | Scope availability of providing advice outside of traditional office hours.                      | FIPSO                      | Out of hours advice support is limited.  |                |                |                |                        |
| 1         |   | 1       | FIPSO to shadow at local support organisations   | FIPSO                      | Shadowing at support agencies will allow the FIP to gain a better understanding of how the partners provide advice and the customer journey through other services. This will begin in 2016.   |                |                |                |                        |
| 2         | There is a clear pathway of referrals from customers starting point to final outcome to make improvements on customer journey   | 2       | FIPSO to monitor an agreed number of clients and track their journey                             | FIPSO                      | This task will begin in 2016.  |                |                |                |                        |
| 3         |   | 3       | FIPSO to provide a report on findings  | FIPSO                      | Will be completed when shadowing is complete.  |                |                |                |                        |
| 1         |   | 1       | Consultations with those organisations affected to ensure compliance                             | FIPSO                      | Not started  |                |                |                |                        |
| 2         | Inverclyde is fully compliant with the changes made to formal debt advice and can continue to provide crisis intervention support   | 2       | Monitoring of outputs  | HSCP                       | Not started  |                |                |                |                        |

Local people have access to resources and organisations to alleviate household poverty

| Action No | Action  | Task No | Task  | Lead      | Baseline 2015  | Q1 2016 Update | Q3 2016 Update | Q1 2017 Update | Final (Q2 2017) Update |
|-----------|---|---------|---|-----------|--|----------------|----------------|----------------|------------------------|
| 1         | No Inverclyde residents are suffering extreme fuel poverty & a decreased number are facing fuel poverty. Residents have an awareness of energy tariffs and how to make the most of the money they pay for fuel.   | 1       | Increasing awareness of fuel energy tariffs   | IHEAT     | 2933 households have received an initial visits from Feb 14 to Dec 15  |                |                |                |                        |
|           |   | 2       | Energy awareness/financial capability training for vulnerable customers               | IHEAT     | A small amount of funding has been received to facilitate this service from Jan 16 to Mar 16.  |                |                |                |                        |
|           |   | 3       | Continuation of funding sourced for IHEAT   | IHEAT     | Continuation funding is currently being sourced however funding has yet to be secured  |                |                |                |                        |
| 2         | Less Inverclyde residents are regularly relying on foodbanks to feed their families. However foodbanks are still available to support those during crisis point for the short term.   | 1       | Continued inclusion of Inverclyde foodbanks in the FIP                                | FIP       | Communication and attendance from IF is minimal  |                |                |                |                        |
|           |   | 2       | Implementation of this strategy and action plan to reduce poverty and increase income | FIP       | Strategy and action plan agreed with FIP   |                |                |                |                        |
| 3         | All Inverclyde residents can access digital equipment. They can access the internet to source better deals. They will not be at risk of sanctions as a result of not having online access. Residents who have digital equipment will have a connection to the internet at a low cost. | 1       | Provision of digital equipment loans  | ICOD      | Limited digital equipment loans available throughout Inverclyde  |                |                |                |                        |
|           |   | 2       | Communal broadband installed in estates   | RCH       | Communal Wi-Fi currently being piloted in John Street area   |                |                |                |                        |
|           |   | 3       | Training residents how to search for best deals online                                | SIFS      | Free Wi-F- and computer access is available at all Libraries throughout Inverclyde for all residents. SIFS have assisted 903 residents to date with basic ICT & using internet |                |                |                |                        |
| 4         | Inverclyde residents have a cost effective method of travel for essential journeys such as Job Centre Plus meetings, shopping and appointments for advice services  | 1       | Research into the correlation between poverty and travel                              | FIPSO     | No current local research exists   |                |                |                |                        |
|           |   | 2       | Research into how the new Quality Bus Partnership can assist with travel costs        | FIPSO     | Not started  |                |                |                |                        |
| 5         | All Inverclyde residents can provide healthy, nutritious, home cooked meals on a low budget   | 1       | Promotion of Eat Better Feel Better   | CLD, HSCP |  |                |                |                |                        |
|           |   | 2       | Increased literature to promote healthy eating on a budget                            | CLD, HSCP |  |                |                |                |                        |

| The financial capability and capacity of local people is increased |  |         |   |                            |  |                |                |                        |
|--|--|---------|---|----------------------------|--|----------------|----------------|------------------------|
| Action No  | Action   | Task No | Task  | Lead                       | Q1 2016 Update   | Q3 2016 Update | Q1 2017 Update | Final (Q2 2017) Update |
| 1  | All Inverclyde residents are able to budget their income, use a bank account for paying bills, know the dangers of high cost borrowing and have savings for emergency expenses.  | 1       | Introduction of Financial Capability E-Learning Module  | Future Skills              | All SIFS staff have been trained to offer modules either 1:1 or in classes   |                |                |                        |
|  |  | 2       | Continuation of SIFS project  | Future Skills              | The SIFS project has been offered funding from Inverclyde Council and IHAF for a further 2 years, however, only for the one-one service. This offer has been agreed by IHAF members but has still to be agreed by Inverclyde Councils Policy and Resources Committee in February 2016. |                |                |                        |
|  |  | 3       | Increased awareness and referrals to CLD with promotion of financial and digital inclusion in all classes | CLD                        |  |                |                |                        |
| 2  | Children receive in-depth financial capability training in order that when they leave education and enter the labour market they are able to budget and plan for the future. They also have an awareness of the dangers of sub-prime lenders | 1       | Liaison with education establishments to promote financial inclusion in curriculum for excellence         | FIPSO                      | Not yet started  |                |                |                        |
|  |  | 2       | Introduction of credit unions in schools  | Tail O the Bank, IC, FIPSO | No credit union facilities offered in schools  |                |                |                        |
| 3  | All new and expectant families receive the support of the Healthier Wealthier Children Scheme.   | 1       | Promotion of the service to all expectant families  | HSCP                       |  |                |                |                        |
| 4  | All Inverclyde residents are able to use online services to increase their level of financial capability and therefore digital inclusion   | 1       | Promotion of digital inclusion services such as SIFS, CLD and ICOD's ABC Project                          | Future Skills, CLD, ICOD   |  |                |                |                        |

The Financial Inclusion Partnership is committed to respond to the impact of welfare reform

| Action No | Action  | Task No | Task  | Lead                             | Baseline 2015   |                |                |                        |  |
|-----------|---|---------|---|----------------------------------|---|----------------|----------------|------------------------|--|
|           |   |         |   |                                  | Q1 2016 Update  | Q3 2016 Update | Q1 2017 Update | Final (Q2 2017) Update |  |
| 1         | All staff supporting residents will have the necessary knowledge and skills to fully support Inverclyde residents through all aspects of welfare reform.                            | 1       | A subgroup of the FIP has been convened to arrange all Universal Credit Training                          | FIPSO                            | Training sub-group has been created and had early meetings  |                |                |                        |  |
|           |   | 2       | A partnership approach is taken to all future training  | FIPSO                            | Training sub-group will continue to organise training for future welfare reforms  |                |                |                        |  |
| 2         | The FIP are able to work effectively with the DWP to support with the introduction and expansion of Universal Credit. This then results in a smooth transition to this new benefit. | 1       | Continued presence and participation in the Universal Credit Operational Management group                 | IC Universal Credit Project Lead | Universal Credit Operational Management Group meetings are convened by the UC Project Lead and are held every 6 weeks. The time between meetings is subject to review as the new benefit is bedded in.  |                |                |                        |  |
|           |   | 2       | DWP and Inverclyde Council agree and deliver on the UC Delivery Partnership.                              | IC Universal Credit Project Lead | The Delivery Partnership is reviewed quarterly with any issues or disputes being resolved within the terms of the agreement   |                |                |                        |  |
|           |   | 3       | Monitor the impact of the change Universal Credit has on residents and adjust Universal Support Provision | IC Universal Credit Project Lead | Understand the impact of UC on residents from the findings of the UC Operational Management Group and the Financial Inclusion Partnership. Adjustments to the Universal Support provision are made within the terms of the Delivery Partnership.  |                |                |                        |  |
| 3         | SIFS obtain sustainable funding to allow the project to continue throughout the introduction of Universal Credit  | 1       | Work with Community Links to ensure funding is obtained.  | SIFS                             | Community Links have been commissioned to submit a new 3 year funding application via Big Lottery. Application process opened on 28th November 2015.  |                |                |                        |  |
| 4         | All Inverclyde residents in receipt of benefits are fully aware of the changes due to take place and receive the necessary information and skills to prepare them for the changes   | 1       | Deliver awareness sessions and campaigns  | FIP                              |   |                |                |                        |  |
|           |   | 2       | Use SIFS/FIP website to provide information   | SIFS/FIPSO                       |   |                |                |                        |  |
|           |   | 3       | Produce information packs to be sent to all households in Inverclyde                                      | FIP                              |   |                |                |                        |  |
| 5         | Support continues for DHP in line with Scottish Government policy to meet the cost of the Social Sector Size Criteria   | 1       | Prioritisation of funding and the promotion of DHP to mitigate the SSSC                                   | IC                               | The Council carries out regular reviews of the Housing Benefit caseload to identify those effected by SSSC who have not applied for DHP. Application forms are posted to customers and Housing Associations are notified. Housing Associations are able to take DHP applications from their tenants by phone. |                |                |                        |  |