

REPORT TO: POLICY AND RESOURCES COMMITTEE - 11 SEPTEMBER 2006

REPORT ON: PROGRESS ON FINANCIAL INCLUSION ACTION PLAN FOR DUNDEE

REPORT BY: ASSISTANT CHIEF EXECUTIVE (COMMUNITY PLANNING)

REPORT NO: 520-2006

1. PURPOSE OF REPORT

This report described the progress made in implementing the Dundee Financial Inclusion Action Plan and details emerging projects and funding priorities.

2. RECOMMENDATIONS

It is recommended that the Committee notes the progress set out in Appendix 1 and endorses the revised funding recommendations of Dundee Partnership.

3. FINANCIAL IMPLICATIONS

This report recommends the allocation of an additional £75,945 to be met from an allocation of £450k in 2006/7 and £450k in 2007/8 from the Scottish Executive.

4. LOCAL AGENDA 21 IMPLICATIONS

None

5. EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1 The proposals contained in this report will tackle the causes and effects of financial exclusion and challenge levels of poverty experienced by significant numbers of families and individuals in Dundee.

6. BACKGROUND

- 6.1 In October 2005 Policy and Resources approved a report re allocation to Dundee Partnership of £25,774 from the Financial Inclusion Fund.
- 6.2 Dundee Partnership submitted the Dundee Financial Inclusion Action Plan in February 2006 and was approved the same month by the Scottish Executive.
- 6.3 Implementation co-ordinated by Financial Inclusion Strategy Group including partner agencies. Co-ordinator appointed in June 2006.
- 6.4 The programme as a whole, and individual projects, are evolving and taking clearer shape. Appendix 1 outlines the original projects set out in the Financial Inclusion Action Plan submitted to the Scottish Executive. It reports on progress towards delivering each project and identifies new outputs or funding allocation where these have been revised. New projects which have been added to the plan are highlighted together with agreed outputs and funding allocations.
- 6.5 The Scottish Executive has advised that where funding is used to support a post, the funding can be used up until the end of September 2008. Where this is applicable the funding allocation is shown until September 2008, and therefore over three financial years.

7. **CONSULTATION**

Consultation has taken place with the Chief Executive, Depute Chief Executive (Finance) and Depute Chief Executive (Support Services)

8. **BACKGROUND REPORTS**

Report No 588-2005, Financial Inclusion Action Plan for Dundee.

Chris Ward

Assistant Chief Executive (Community Planning)..... 05/09/2006

Appendix 1 - Financial Inclusion Action Plan - Progress 28 8 06

Please note that the Scottish Executive has advised that where funding is used to support a post, the funding can be used up until the end of September 2008. Where this is applicable the funding allocation is shown until September 2008, and therefore over three financial years. Revised outputs and funding are shown in bold and new projects in italics.

Prevention

Key Service	Description	Target Outputs	Target Groups	Previously Allocated Funding	Progress	Revised Output / Funding
Save By The Bell (SBTB)	Roll out SBTB to an additional 10 primary schools and 2 secondary schools	Increase membership by 900 Financial education for 90 secondary pupils	Primary and secondary school children in Community Regeneration Areas	<ul style="list-style-type: none"> £50k Y 1 £80k Y 2 Also circa £50k other sources	Transition period while SBTB sets up as an independent organisation from Discovery Credit Union	To be agreed by 29/9/06
BME Community Research into financial inclusion needs (BME - Black and Minority Ethnic)	<p>External research activity to survey BME community needs in this area of activity</p> <p>Internal research activity to measure extent and nature of existing contract with agencies</p>	Research report with identified project proposals based on needs. Includes cost of key partner seminar to explore proposals	All BME Communities in Dundee	<ul style="list-style-type: none"> £20k in Y1 Unspecified allocation to support recommendations in years 1 & 2 	<p>Project group established. Tenders issued with closing date of 15/9/06</p> <p>Final report with project recommendations to be received by 24/11/06</p>	To be agreed by 15/12/06
<i>Financial Services Authority (FSA) /NEET Training</i>	<i>Dundee is to be an early adopter of the FSA's Financial Capability training programme, to be delivered between Sept 06 and Dec 06</i>	<i>70 frontline workers trained in Financial Capability for young people aged 16 to 25 years, who are part of the NEET group. (NEET - Not in Education, Employment or Training).</i>	<i>All key agencies and organisations who work with NEET group in Dundee</i>		<i>Presentation to main Partners arranged for 6/9/06</i>	<p><i>Programme of training to be completed by December 2006</i></p> <ul style="list-style-type: none"> <i>£1000</i>

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<i>Financial Awareness Education (FAE) Dundee</i>	<p><i>Will provide Financial Awareness Education to agencies and frontline workers, and to groups of service users.</i></p> <p><i>To be managed by Dundee Citizens Advice Bureau</i></p>	<p><i>136 sessions with agencies = 1020 workers trained</i></p> <p><i>68 sessions with service users = 272 service users informed</i></p>	<i>Focus is on vulnerable groups - older people, lone parents, unemployed and homeless people within Dundee</i>		<i>Post to be advertised on 15th Sept with worker in place by December</i>	<p><i>Year 1</i> <i>12/06 to 3/07</i> <i>£17,540</i></p> <p><i>Year 2</i> <i>4/07 to 3/08</i> <i>£38,420</i></p> <p><i>Year 3</i> <i>4/04 to 9/08</i> <i>£18,985</i></p> <p><i>Total = £74,945</i></p>

Co-ordination

Key Service	Description	Target Outputs	Target Groups	Previously Allocated Funding	Progress	Revised Output / Funding
Delivery Structures	Membership of the Financial Inclusion sub group will be broadened and its remit refocused around the delivery of the Action Plan	Subgroup will oversee the delivery of the Action Plan Subgroup remit amended accordingly	City-wide	Funding requirements met by partners	Membership has been extended to include Money Advice Support Team & Working For Families. Princess Royal Carers Trust and Jobcentre Plus also to join group. Group is looking at developing and implementing a quality standards framework for advice agencies in the City.	
Financial Inclusion Co-ordinator	Appointment of a co-ordinator managed through DDC with a remit to develop and implement the Action Plan	Two annual progress reports	City-wide but targeted in Regeneration Areas	<ul style="list-style-type: none"> £37K per annum 	Co-ordinator appointed June 2006	
Evaluation Costs	Update of baseline survey showing early impact arising from Action Plan Evaluation of Action plan at end of year 2 and dissemination conference	Sample of 500 in Regeneration Areas 260 in other parts of the city	City-wide but boosted in Regeneration areas	<ul style="list-style-type: none"> £10k update of baseline survey £20k evaluation 		
CATS - Co-ordinated Advice Tracking System	Development of a web based referral and client monitoring system to improve client referral processes and provide client tracking information	Pilot programme leading to - 10 organisations developing shared referral processes & subsequent roll-out - 30 staff and 80 volunteers trained - 50% increase in number of referrals by end of pilot	City-wide	<ul style="list-style-type: none"> £58k in Y1 £28K in Y2 <p>Includes co-ordinator or seconded costs and technical consultancy</p>	<p>Software has been commissioned</p> <p>The 10 identified pilot organisations have been contacted.</p> <p>A user group has been established.</p>	<p>Year 1 - £40k Year 2 - £15k</p> <p>The cost for marketing the programme is to be confirmed.</p>

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Shared Independent Financial Adviser (IFA)	Testing the provision of access for clients and frontline staff to services of an IFA, thus addressing an identified service gap.	In order to test demand and the value of support a figure of 112 client referrals a year has been estimated	City-wide	<p>An average of two hours support per client would require a fund of</p> <ul style="list-style-type: none"> • £25k in Y1 • £25k in Y2 	Brief to potential providers being written and to be sent out by 1st September	

Product Development

Key Service	Description	Target Outputs	Target Groups	Previously Allocated Funding	Progress	Revised Output / Funding
Discovery Credit Union (DCU) Development Phase 2	<p>DCU is the single community based credit union in Dundee following amalgamation. Funding would expand and diversify activities.</p> <p>Marketing and product development proposals following on from above review with aim of moving DCU towards sustainability</p>	<p>Increase membership by 500</p> <p>Increase lending by 150%</p> <p>100 new insurance products</p> <p>Offer new products to 300 members</p>	DCU members and potential members city-wide	<ul style="list-style-type: none"> £94k in Y1 £90k in Y2 	<p>ABCUL (Association of British Credit Unions Ltd) has been commissioned to undertake a programme of development relating to</p> <ul style="list-style-type: none"> - financial inclusion product development - application for SGEI Status (Services of General Economic Interest - which will enable DCU to provide financial inclusion products) - training and support - the restructuring of Save By The Bell 	To be agreed by 29/9/06
Princess Royal Trust For Carers	Will provide a co-ordinated welfare rights service for vulnerable groups, particularly in light of the changes expected to Incapacity Benefit as part of the Welfare Reform Act	<p>1250 clients assisted per year</p> <p>8 awareness raising session per year</p> <p>150 applications assisted and supported</p> <p>1 tribunal per month</p>	City-wide carers and people with disability		<p>Fund will support part costs (75%) for a worker. Worker to be funded from 1st September</p>	<p>Year 1 9/06 to 3/07 £11,309</p> <p>Year 2 4/07 to 3/08 £19,922</p> <p>Year 3 4/08 to 8/08</p>

		£15k recorded client gain per month				£8,531 Total = £39,762
Key Service	Description	Target Outputs	Target Groups	Previous Allocated Funding	Progress	Revised Output / Funding
Savings, loans and other financial products	<p>Savings and Loans Scheme operated by Hillcrest Housing Association in partnership with Dunfermline Building society. Additional funding would scale up to involve other landlords.</p> <p>Feasibility study for a Debt Consolidation model offering clients access to financial assistance, arrangements and advice/guidance</p>	<p>1,700 financial health-checks</p> <p>400 new savers</p> <p>increase in low-cost lending</p>	<p>Tenants City-wide</p> <p>City-wide but targeted at clients requiring support and financial education</p>	<ul style="list-style-type: none"> £108K in Y1 (£50K loan guarantee) £57k in Y2 £8K in Y1 for feasibility study Unspecified loan guarantee 	<p>5 housing Associations from DWRA (Dundee Wider Role Alliance) have between them set aside £250K as a loan guarantee fund for an expanded Saving and Loans scheme. Worker to develop the scheme has been recruited and will start with the project on 4th September. As well as promoting savings accounts and giving access to low-costs loans, the scheme will also promote the uptake of home contents insurance.</p> <p>Tender to provide a feasibility study into a Budgeting/Bill paying scheme for Dundee currently with consultants. Bids to be returned by 25 August 2006</p>	<p>Year 1 9/06 to 3/07 £22,554</p> <p>Year 2 4/07 to 3/08 £36,815</p> <p>Year 3 4/08 to 8/08 £15,975</p> <p>Total = £75,344</p> <p>Revised Outputs -</p> <p>480 savings accounts opened</p> <p>55 low-costs loans awarded</p>
Extension of White Goods Appliance Package	To expand scheme into other areas/groups to help new members	100 packages taken up	Tenants and vulnerable social groups such as lone parents across the	<ul style="list-style-type: none"> £40k loan guarantee £8k from 	Early pilot highlighted flaws in the model being used. Scheme is being re-piloted.	To be agreed by 12/10/06

	purchase energy efficient appliances through credit union loans		City	Community Energy Fund		
Key Service	Description	Target Outputs	Target Groups	Previously Allocated Funding	Progress	Revised Output / Funding
CDFI Feasibility (Community Development Finance Institution)	A feasibility study as a first stage in the development of a possible CDFI - stage two would be the preparation of a more detailed Business Plan	Feasibility study with costed delivery models	City-wide with targeted delivery in Regeneration Areas	<ul style="list-style-type: none"> £9K phase 1 £4K phase 2 both Y1 	Brief to consultants for feasibility study being written and to be sent out by end September	To be agreed by 15/12/06