

REPORT TO: POLICY AND RESOURCES COMMITTEE - 17 OCTOBER 2005

REPORT ON: FINANCIAL INCLUSION ACTION PLAN FOR DUNDEE

REPORT BY: ASSISTANT CHIEF EXECUTIVE (COMMUNITY PLANNING)

REPORT NO: 588-2005

1 PURPOSE OF REPORT

- 1.1 To advise Committee on an allocation to Dundee City Council from the Scottish Executive's Financial Inclusion Fund, and to report on tenders returned from research and strategy development companies for the production of a Financial Inclusion Action Plan for Dundee

2 RECOMMENDATIONS

- 2.1 It is recommended that Insight Collective Ltd be appointed to carry out the Financial Inclusion Action Plan development as required by the Scottish Executive.

3 FINANCIAL IMPLICATIONS

- 3.1 The cost of the contract will be £25,774 to be met from transitional funding which has been allocated to Dundee City Council in support of the Financial Inclusion Fund by 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 June 2005, the Scottish Executive launched the Financial Inclusion Action Plan and with it, £10m of extra resources targeted to local authorities with the greatest concentration of financial exclusion. Dundee with 12.9% of households without bank accounts or savings, and 19.7% of the population income deprived, has been allocated £450k in each of the years 2006/7 and 2007/8.

- 6.2 It is anticipated that the Fund will be used to provide services to communities which might include:

- building financial capability/prevention/education into all relevant services
- new types of services likely to involve more than one organisation or activity and promoting affordable lending, community banking approaches etc
- promoting further examples of partnership working that include the private and social economy sectors

- 6.3 Plans for using the allocation from the Financial Inclusion Fund are to be agreed with the Scottish Executive by Christmas 2005. To assist in preparing plans, the Scottish Executive awarded £50,000 of transitional funding. In consultation with Community

Planning partners within the Anti Poverty and Social Inclusion sub-group of the Dundee Partnership, it was agreed to appoint a consultancy to develop the plan for Dundee.

6.4 A detailed brief was issued to four research and strategic development companies. The brief outlined four essential elements

- a) a baseline analysis of financial exclusion in Dundee
- b) an audit of existing financial services
- c) development of a Financial Inclusion Action Plan
- d) the identification of performance indicators and targets for the purposes of monitoring and evaluation

6.5 The tenders received were as follows:

Company	Tender
Blake Stevenson	£15,898
Insight Collective	£25,774
TL Dempster	£26,607 *

* This figure has been amended using information provided which allows for comparison based on 'like for like' delivery of project activities.

6.5 Taking into account cost, professional expertise, proposed methodology and quality of activity in terms of stakeholder interviews and baseline survey sample sizes, it is recommended that the contract be awarded to Insight Collective Ltd. While Blake Stevenson submitted the lowest tender, its proposal did not include a baseline study of financial exclusion as required by the project brief.

7 BACKGROUND REPORTS

None

8. APPROVAL

8.1 In view of the urgency required in carrying out this 10 week project in sufficient time to be able to submit an action plan to the Scottish Executive by 25 December 2005, approval has been given by the Chief Executive in consultation with the Leader of the Administration and Spokespersons from the other groups.

Chief Executive	Alex Stephen	12/10/2005
Leader of Administration	Jill Shimi	16/09/2005
Spokesperson, SNP Group	Willie Sawers	12/10/2005
Spokesperson, Conservative Group	Rod Wallace	12/10/2005
Spokesperson, Liberal Democrat Group	Fraser Macpherson	12/10/2005