

ITEM No ...3.....

REPORT TO: POLICY AND RESOURCES COMMITTEE – 9 DECEMBER 2019
REPORT ON: DELIVERY OF DUNDEE MONEY ACTION PROJECT (DMA)
REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES
REPORT NO: 408-2019

1.0 PURPOSE OF REPORT

1.1 On 13 February 2017, the Policy and Resources Committee approved the Big Lottery Fund Scotland report, following which Dundee City Council, as lead partner, entered into a 3 year contract to provide support services to increase levels of financial capability and money advice within Dundee (Committee Report 68-2017). This report now outlines the progress made to date on the delivery of the Dundee Money Action Project (DMA) and seeks approval on the priority actions for the next two years.

2.0 RECOMMENDATIONS

2.1 It is recommended that committee members:

- note and approve the contents of the report
- note the achievements of Dundee Money Action and agree to the priority actions for inclusion in DMA's Project Action Plan to be taken forward by DMA's Project Management Board.
- agree the Council continue negotiations with the National Lottery Community Fund (NLCF) to extend the current Dundee Money Action contract subject to the Council's legal team reviewing the contract.

3.0 FINANCIAL IMPLICATIONS

Funding for the project is £3m over the three year period met by National Lottery Community Fund (NLCF) and European Social Fund (ESF). Costs are recouped based on outcomes achieved through the Programme. The drawdown of funding is aligned to expenditure at this time.

4.0 MAIN TEXT

4.1 Background

This report is to present Policy and Resources Committee with an update on Dundee City Council's financial capability and money advice project entitled Dundee Money Action (DMA), funded from the standalone National Lottery Community Fund Scotland ESF Programme ref: BIG001-0592.

The programme's aim is to provide a strategic intervention that delivers on the ESF thematic objective "Promoting social inclusion, combating poverty and discrimination" and the investment priority "active inclusion, including with a view to promoting equal opportunities and active participation and improving employability".

NLCF sought to procure five contracts in five Scottish Local Authority areas to provide support services to increase the financial capacity and therefore improve the social inclusion of the most disadvantaged individuals and households.

The contracts all focus on two contract outcomes;

- An increase in disadvantaged participants with improved money management skills; and
- A decrease in disadvantaged participants affected by debt as a barrier to social inclusion

Financial inclusion services are recognised as an effective tool to tackle poverty by supporting people to increase their income and reduce their outgoings. The Scottish Government defines it as "access for individuals to appropriate financial products and services. This includes people having the skills, knowledge and understanding to make the best use of those products and services." This correlates with the preventative approach advocated by many services in the public and third sectors in Scotland.

There is evidence that financial capability and inclusion plays an important part in tackling poverty by increasing people's financial skills and empowering them to make informed decisions. Financial exclusion affects a wide range of people at different times in their lives. In particular, it impacts people with low or unstable incomes, or who have experienced a significant life shock. This includes, amongst others, lone parents, the unemployed and those with low incomes. Financial exclusion often leads to people becoming trapped in a poverty cycle which can have a lasting, destructive impact not only on their finances but on their social and mental wellbeing also as they are unable to fully participate in society. The Dundee Money Action project aims to give a lift to people in these circumstances by taking a holistic approach to their financial issues and linking them to the multiple agencies within the Project in order to improve their financial and social circumstances.

DMA commencement

In 2017 following a successful bid to NCLF, Dundee City Council became the delivery agent for the Dundee lot of the Programme. Adopting a strong partnership approach Dundee City Council then entered into agreements with the group of Dundee subcontractor advice agencies who had been part of the joint partnership tender. This included Brooksbank Centre and Services, Dundee Citizens Advice Bureau, The Wise Group, SCARF, Discovery Credit Union and Shelter. In total 26 fixed term posts were created for the Programme, spread across these agencies as well as Dundee City Council Advice Services and Adult Learning teams. Various different front line disciplines were established within the project in order to allow participants to access a variety of different advice and information, including income maximisation, debt advice, affordable credit, energy advice and adult learning. Provision aims to empower individuals to make informed decisions whilst improving financial skills, knowledge and household resilience to future financial shock.

DMA will work with 810 people supporting 564 people to complete a bespoke financial inclusion Action Plan. Accordingly operations are long term in nature, seeking to work with participants for up to six months or longer in an attempt to make significant changes to individuals' financial resilience and household incomes.

4.2 DMA Partnership approach

In setting up the Programme, all partners agreed to co-ordinate effort. Client provision was offered under the DMA banner rather than individual organisational banners. Programme outcomes and targets were aggregated between the various organisations (including DCC) in order to encourage a one team approach to performance, reduce competition between partners and encourage ongoing joint working and collective responsibility for targets. To further strengthen this approach, when the project was established in community hub locations, there was the deliberate intent to create multi-agency teams within each hub rather than individual agency hubs. For example within Brooksbank Centre the staff complement consists of a Brooksbank Money Adviser, a Wise Group Financial Support Officer, a Shelter Financial Support Officer and a DCC energy adviser. Data sharing agreements between agencies and a single client recording system have meant that agencies have largely worked together seamlessly from the date DMA's operational programme started.

4.3 Programme Governance and ESF monitoring and compliance

Governance and joint working at a strategic level has also been accomplished by having a strong Project Management Board, chaired by the Senior Manager (Council Advice Services) and comprising senior managers from each of the main partner organisations.

Although Dundee's Programme was last to start out of the five local authority areas (namely Argyll and Bute, Dundee, Glasgow, Inverclyde and North Ayrshire), the Programme has benefitted from a strong understanding of ESF monitoring and compliance principles and clear processes relating to gathering of evidence of participant eligibility and client action planning techniques.. Dundee Money Action is currently successfully covering the full costs of its Programme whilst ensuring that ESF case compliance rates are high (Claim 11 August 2019: 85% , claim 12: September 2019: 94%). All non-compliant cases are then rectified within 5 days.

Client satisfaction levels from the 188 clients who have come through the programme have been high with 100% of all participants rating the service 4 or 5 out of a possible score of 5.

4.4 Testing future advice strategies

DMA operates under a complex and reasonably restrictive ESF regulated framework, however the following elements have been able to be fed into wider Dundee advice strategy:

- partnership working (as previously mentioned)
- learning from partnership work within localities and the avoidance of duplication
- a shared approach to operational work and performance outcomes
- identifiably differing roles working alongside each other with a single client, allowing for appropriate sharing of work and joined up holistic service delivery, a single team approach between partners.

All of these facets have informed, and will continue to inform, some of the wider collaborative work within the advice sector being planned for future activity. This in line with the recommendations from the 2nd Fairness Commission. At present three of the main DMA agencies (Brooksbank Centre and Services, Dundee Citizens Advice Bureau and Council Advice Services) are working on a draft advice strategy incorporating learning from the DMA project. The intention is that other agencies including other DMA partners will eventually sign up to the advice strategy for better co-ordination of effort in the advice sector.

4.5 Renegotiating of the original NLCF contract

In July 2018 it became obvious that all 5 Scottish Local Authority area lots would have a significant shortfall in client numbers from those agreed in the original bids and contracts across ESF Programme ref: BIG001-0592

As the 5 projects within the Programme were rolled out, the methodology and depth of engagement with clients on the Programme demanded by NLCF meant that operations and work generated were more intensive and onerous than imagined or originally set out in the 5 Local Authority area successful bids.

Accordingly there followed a joint representation by all 5 areas to NLCF, and as a result the targets for the number of clients engaged with was re-negotiated downwards to the numbers quoted at 4.2 (above). Accordingly a higher unit cost associated with each client was arrived at, making the project sustainable.

At that time there were also concessions made by NLCF around the difficulty in getting finance flowing under the Programme. Accordingly a one off payment was made to all Councils which would be offset against future recouped costs as participants progressed through the programme. In the following months from that agreement in October 2018, our levels of ESF compliance success meant that substantial finance started flowing more regularly for completed cases.

4.6 Project Developments, Outcomes and Findings

Dundee Money Action Statistics to date

Performance indicator	Number	Notes
Number of customers engaged with through the project	1536	Advice and assistance was given to all these customers. This exceeds the programme target of working with 810 customers
Number of clients fully registered on the project	574	Given the long term nature of the project and the high level of eligibility criteria many customers chose to access existing advice services instead of working long term with DMA. 574 have gone on to work with DMA on a long term, intensive basis.
Number of customers with fully signed up action plans.	505	A high proportion of those registered have so far gone on to formulate their own personal action plans with their Financial Support Officer (87%)
Number who have reached 50% actions in their action plans so far	291	

Performance indicator	Number	Notes
Number achieving 100% of the actions in their action plan.	188	Generally clients would exit the project at this point and then be re-evaluated in six months time.
Number of customers improving their money management skills.	188	100% of those completing their action plans have reported improved money management skills
Number of customers reducing their debt as a barrier to social inclusion	166	88% of customers dealt with their debt with the project's help. 69% required the in depth support of a money adviser
Number of customers where fuel poverty has been alleviated	135	
Number rating the service 4 or 5 out of a possible 5 so far.	188	100% of customers exiting the project rated the service as excellent or very good.
Benefits gained for participants within the project so far	£1,411,394.85	
Debt rescheduled as a result of the project's work so far	£2,392,723.20	

Client outcomes achieved

The project continues to track outcomes for customers of the Project through the use of exit forms. These have so far identified multiple outcomes for each participant such as:

- Increases in household income through benefit checks and subsequent claims for benefit.
- Reduction in household debt levels with the help of the Project's money advisers
- Energy advice and fuel poverty solutions through working with the Project's energy advisers. In many cases this has led to customers being lifted out of fuel poverty and improving their knowledge and confidence in handling energy issues in the future.
- Improvements in levels of financial knowledge using through the use of online financial capability frameworks with their financial support officer
- Customers having the confidence to change energy and utility suppliers as a result of one to one work with the Project
- Increasing digital and/or literacy skills through one to one work with the Project's Adult Learning staff
- Job outcomes for clients who have gained the confidence to re-enter the job market after having worked long term with the project.
- Clients being able to tackle issues such as high private rental costs and being able to access services such as Housing Options with a view to moving to more suitable accommodation.
- Customers freeing up income through being able to make better choices around expenditure, affordable credit, healthy eating, smoking cessation. As a result issues of social isolation have been tackled leading many to enjoy fuller and more connected social lives.
- Customers being able to set up savings accounts, often for the first time in their lives, as a result of the financial capability work done in conjunction with Financial Support Officers.

Increased Demand for Money Advice within Dundee Money Action

Given the fact that DMA is primarily a financial capability project, a level of money advice work (debt counselling, creditor negotiation and remedial strategies for indebtedness) was to be expected within the programme. However the levels of cases requiring money advice outstripped all partners' original expectations, and additional money advice provision was required halfway through the project in order to meet increasing demand. Of those the percentage of participants who access the support of a money adviser within the Project stands at 69% .

Need for longer term support options for many of those seeking financial capability advice

The Project is one that concentrates on long term sustained interventions rather than short term reactive "fixes" that can often be a feature of traditional advice work. Accordingly the Financial Support Officers within the project are able to offer longer term supports in the area of financial education, adult learning

and behavioural change. This should in turn see better medium to long term results in terms of financial capability and a reduction in participants coming back to services in the future because they are more financially capable. See above for examples of the types of outcomes achieved to date.

Higher than expected numbers of clients with significant mental health conditions

A 2010 study by the Royal College of Psychiatrists found that half of UK adults experiencing problem debt are also living with mental ill health. The link between mental health conditions and struggling with financial problems has been exemplified strongly within this project, with a significant number of clients reporting mental health conditions. Accordingly the intensive long term support approach of the Project has helped to engender better trust and longer term engagement with participants. We hope that NLCF will proceed on commissioning research into the benefits of this longer term, more intensive level of advice provision.

Opportunities to link in with particular client groups especially susceptible to financial exclusion

Monitoring of main referral agencies has shown that those currently linking in with professionals such as Social Prescribers and other health related professionals are more likely to continue to engage with the Project in the long term. In turn this insight has also led to a sub project within DMA which aims to link in with the New Beginnings Team at Linlathen Resource Centre.

4.8 PROSPECT OF A PROJECT FUNDING EXTENSION

The National Lottery Community Fund have intimated that they are keen to consider a project extension given the good work that has been undertaken within the programme to date and the ability for Dundee Money Action to manage monitoring and compliance of the project work. Discussions are ongoing and a 6-12 month extension has been discussed subject to National Lottery Community Fund's agreement and the Council's legal team reviewing the contract.

5.0 POLICY IMPLICATIONS

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6.0 CONSULTATIONS

The Council Management Team were consulted in the preparation of this report

7.0 BACKGROUND PAPERS

None.

GREGORY COLGAN
EXECUTIVE DIRECTOR CORPORATE SERVICES

DATE: 20 NOVEMBER 2019

