

## Appendix 1

### Financial Inclusion Draft Actions

The draft actions contained within this paper have been developed from research and consultation undertaken by the Fairer Scotland Fund team .

This includes information on current practice and feedback from services, individuals and providers who have indicated the need to develop a more co-ordinated approach, evidence gathered from a number of locally held consultations and events which have also largely shaped the identification of the key areas.

Also taken into consideration is current government policy related to financial inclusion in rural area and research identifying the related issues faced within rural areas linked to financial inclusion has influenced a number of the suggested actions

**There are 4 main areas which this strategy will address.** Each area is identified within tables 1 - 5 along with the rationale/evidence of need and suggestions how this strategy will address these areas through a number of identified actions.

There is likely to be an element of duplication in actions across the tables.

**Integral to the achievement of all the suggested actions is the need to develop an integrated and co-ordinated approach to delivery and this requires the development of an appropriate infrastructure.**

**Actions related to this are suggested in Table 1.**

The 4 main areas include:

- **Increase availability and access to financial information and advice. (Table 2)**
- **Establish a coherent and integrated approach to financial education aimed at all client groups. (Table 3)**
- **Increase access and raising the profile of Credit Unions. (Table 4)**
- **Establish ways of identifying and engaging with individual who are at risk of or facing financial exclusion but are not accessing support. (Table 5)**

#### **Next Steps:**

A consultation day to discuss and agree the suggested actions and finalise the draft Strategy is being held on **Friday 9<sup>th</sup> October**. Participants at this event will be those who attended the FI event in June plus others who have since been identified as key to this agenda.

It is recommended that once the Strategy is finalised it is subject to an Equalities Impact Assessment to ensure that it does not adversely discriminate against any equality group.

**Table 1**

**ESTABLISH A STRUCTURE TO ACHIEVE A CO-ORINDATED AND INTEGRATED APPROACH TO FINANCIAL INCLUSION.**

**In order to achieve an integrated approach in the ongoing development of financial inclusion services requires an appropriate infrastructure to support these developments. The Financial Inclusion Network should be responsible for many of the key actions suggested in this section and identify what can be realistically achieved.**

<b>AIM</b>	<b>RATIONALE</b>	<b>ACTION</b>	<b>OUTCOME</b>
Establish a Financial Inclusion Network	<p>It has been identified that there is a need for better communication and understanding between services and what they do.</p> <p>New initiatives can be developed through the network adopting an integrated approach from the first stage.</p> <p>It is essential that other partners are involved in this network in order that the interventions meet the needs of the client group. Support services are also able to bring knowledge of clients to the table and can identify early stages of financial distress.</p>	Bring together providers of financial services and other partners working with vulnerable clients to develop the network and agree on its key outcomes.	Financial Inclusion Network established.
Establish a common referral system for partners to refer – consider the	A common referral system or single point of referral can support greater	Financial Inclusion Network investigate the	Single point of referral

<p>establishment of a single point of referral for tracking and monitoring.</p>	<p>integrated provision, increased awareness among the services of provision, a more efficient service for the individual and for the services and ultimately reduction in appropriate referrals and duplication of effort.</p>	<p>feasibility of developing a single point of referral and how this can be implemented.</p>	
<p>Consider the development of an integrated money advice and welfare benefits service.</p>	<p>Shared service provision can increase efficiencies both within delivery and also for support services working with vulnerable groups.</p> <p>Individuals benefit from a more integrated service.</p> <p>Other issues associated with financial exclusion can be more easily identified.</p> <p>Individuals living in rural areas often will not come forward for support especially in relation to debts.</p> <p>Awareness of many related causes of financial exclusion is often not recognised. An integrated approach can support raising awareness for example – fuel poverty.</p>	<p>Consult with partners and other key stakeholders including service users on the advantages of an integrated provision.</p> <p>The Financial inclusion Network lead on developing an integrated service specification and consult with other key stakeholders.</p> <p>Community planning partnership considers implementation.</p>	<p>Efficiencies can be realised.</p> <p>Individuals can access a holistic financial advice and information service which can support the identification of other issues.</p> <p>Support service will be able to access support for their clients more efficiently thus saving time and resource.</p> <p>Clients have the opportunity to progress and achieve goals and milestones more rapidly in turn contributing to the outcomes of many other services.</p>

			Awareness and acceptance of causes of the financial exclusion is more readily understood and support is more readily accepted.
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**Table 2**  
**INCREASE ACCESS TO INFORMATION AND ADVICE SERVICES**

**This table will outline the key areas to address, in order to increase the capacity of financial information and advice services including - development of an integrated welfare and money advice service, increasing awareness among services of service provision to facilitate appropriate use of resources, promote awareness of alternative financial resources, and training of front line staff to recognise early signs of financial distress and early referral, seeking to establish opportunities for locally based community provision through utilising exiting community bases.**

AIM	RATIONALE	ACTION	OUTCOME
<p>Consider the development of an integrated money advice and welfare benefits service.</p>	<p>Shared service provision can increase efficiencies both within delivery and also for support services working with vulnerable groups.</p> <p>Individuals benefit from a more integrated service.</p> <p>Other issues associated with financial exclusion can be more easily identified.</p> <p>Individuals living in rural areas often will not come forward for support especially in relation to debts - a more integrated approach can help to alleviate this.</p>	<p>Consult with partners and other key stakeholders including service users on the advantages of the development of an integrated provision.</p> <p>The Financial inclusion Network lead on developing an integrated service specification and consult with other key stakeholders.</p> <p>Community planning partnership considers implementation.</p>	<p>Efficiencies can be realised.</p> <p>Individuals can access a holistic financial advice and information which supports the identification of other issues.</p> <p>Support services will be able to access support for their clients more efficiently thus saving time and resource.</p> <p>Clients have the opportunity to progress</p>

	<p>Awareness of many related causes of financial exclusion is often not recognised. An integrated approach can support raising awareness for example – fuel poverty.</p>		<p>and achieve goals and milestones more rapidly in turn contributing to the outcomes of many other services.</p> <p>Awareness and acceptance of causes of financial exclusion is more readily understood and support is more readily accepted.</p>
<p>Increase capacity of debt advice and money management services and promote income maximisation through increasing the capacity of Welfare benefits service.</p> <p>Consider developing within any increased resource a greater holistic approach. For example individuals should be able to access financial education advice and access to credit unions when accessing debt advice.</p>	<p>Demand on current services has increased and services are reporting that their clients are finding it difficult to access a service when they need it.</p> <p>The recession has increased the number of individuals claiming benefits and facing multiple debts.</p> <p>Ensuring that individuals are claiming their full benefit entitlement increases spending in the local economy and supports local business.</p>	<p>Consider increasing resource within welfare benefits and money advice services to meet immediate current demand. In doing so there should be a focus on financial education provision and early intervention, common referral process, adopting a more holistic delivery and identifying unmet need in order to achieve a longer term sustainable approach.</p> <p>Consider utilising the</p>	<p>Capacity of existing services is increased</p> <p>Better partnership working leading to reduced demand and increased efficiencies.</p> <p>A more integrated approach is developed.</p> <p>Efficiencies are realised by financial services and support services.</p> <p>Individuals receive a more efficient service and their needs are better</p>

		<p>Fairer Scotland Fund – short term approach which will reduce immediate demand and through the development of a more integrated approach the expectation is that this level of demand should reduce in the long term and services can work more efficiently.</p> <p>Promotion of alternative financial services - on line and phone services</p> <p>Training of front line staff to indentify signs of financial distress and promote early intervention.</p>	<p>met.</p> <p>Early intervention approach leads to reduction in numbers facing multiple debt issues. (long term)</p>
<p>Increase awareness of local service provision and alternative on line and phone resources</p>	<p>A recent survey carried out by the Fairer Scotland Fund team among services has identified that there is a need for increase awareness most particularly related to on line and phone resources.</p> <p>Increased awareness of provision will</p>	<p>Through the Financial Inclusion Network and Community Planning Structure promote awareness of services.</p> <p>Undertake series of road shows into communities</p>	<p>Individuals and services are more aware of provision and how to access it.</p> <p>Individuals receive a more effective service.</p>

	<p>not only reduce inappropriate referral but promote early intervention, increase partnership working and reduce demand on existing services. This can also reduce the stigma often associated with financial issues common in rural areas.</p> <p>Online provision can act as an effective first step intervention in many cases. This can support a reduction in demand on local services.</p>	<p>to promote services.</p> <p>Develop training for front line staff on availability of provision and also to recognise early warning signs of financial distress.</p> <p>Production of an on line Financial Services Directory.</p>	<p>Support at an earlier stage will reduce instances of severe financial distress and all the associated effects.</p> <p>Greater use of online and phone provision.</p>
<p>Investigate opportunities for increased community based provision utilising existing community buildings</p>	<p>Individuals living in rural areas often do not come forward for support. Locally based provision can encourage more individuals to seek support.</p> <p>Utilising partnership resource can support capacity building and efficient use of resources. Also adopt a more sensitive approach offering support for financial exclusion especially debt advice.</p> <p>Mobile facilities are recognised as being vital in delivery of services in rural areas.</p>	<p>Through the Financial Inclusion Network seek to identify potential partner facilities for outreach provision.</p> <p>Consider utilising mobile facility such as the Mobile Information Bus and the Community Learning and Development Youth Bus to promote financial inclusion services as a way to engage with individuals requiring but not accessing support.</p>	<p>Increased availability of outreach provision.</p> <p>Local provision and community buildings will benefit from increased usage promoting its value to the community.</p> <p>Information can be more easily shared among providers.</p>

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**Table 3**  
**SUPPORT THE DELIVERY OF FINANCIAL EDUCATION PROVISION.**

**Financial Education is central to reducing instances of financial exclusion. There is a responsibility for all partners to contribute to this and early intervention education at school is possibly one of the most vital ingredients in the success of this. There are a number of actions set out in this table which reflect the wider ranging approach this requires. .**

AIM	RATIONALE	ACTION	OUTCOME
<p>Establish availability of current financial education resource and delivery and identify gaps.</p> <p>Increase awareness of current provision.</p>	<p>Increased awareness of provision promotes greater accessibility and usage.</p>	<p>Map current provision and produce directory of financial education services.</p> <p>The Financial Inclusion Network with partners investigate ways to meet gaps.</p>	<p>Greater awareness and availability of financial education resources.</p> <p>Increase in early intervention approach.</p> <p>Gaps in provision are identified.</p>
<p>Increase capacity for delivery of financial education through money advice service and ultimately an integrated financial service</p>	<p>Financial Education can act as both an early intervention approach to avoid people falling into debt and to stop repeat debt problems. Young people most particularly can benefit from the education while at school.</p> <p>Early referral can support rapid turnaround and freeing up of resource to deal with more</p>	<p>Through increased capacity of money advice services develop financial education provision as an integral part of the service.</p> <p>Develop a structured programme of financial education aimed at</p>	<p>More individuals provided with financial education.</p> <p>More individuals supported to understand implications of debts and credit and ultimately are able to avoid falling into debt on repeat occasions.</p>

	individuals.	vulnerable groups as defined in the Strategy.	Reduced numbers of individuals facing multiple debts over the longer term.
Working with Education services establish position with financial education within schools and if appropriate seek to influence the rolling out of financial education programmes within schools as part of the Curriculum for Excellence.	Early intervention at an early age can avoid later instance of debt.	Integrated with the Financial Inclusion Network and the 16+ development officer and others seek to integrate financial education into School based and College based provision in a consistent and structured way.	All pupils in education receive financial education.
Seek to develop a more integrated approach to financial education across community based providers aimed at all client groups.	Community based financial education can promote greater identification and engagement of vulnerable individuals.  Financial education can act as both early intervention or to avoid subsequent multiple debt issues.	Through the Financial Inclusion network and the 16+ development officer integrate financial education into the development of community based 16+ provision.  Through Community Learning and Development and the Community Support Unit	All pupils who undertake community based 16+ provision can access financial education.  Individuals in communities have access to financial education provision and resources.

		with partners investigate the rolling out of financial education provision across communities in a structured and coordinated way.	
<p>Integrate financial education provision as part of employability support and other appropriate provision.</p> <p>(there are 2 options for this)</p> <p>Employability providers access existing financial education provision for their clients.</p> <p>Front line workers provide basic financial education to their clients.</p>	<p>Financial Exclusion does not exist in isolation – many individuals face additional barriers and those requiring employability support will often be facing financial exclusion. Integrating the opportunity for financial education as a goal into individual's action plans can support positive progression.</p>	<p>From the Skills Survey undertaken by the Employability Action Group and the previous training undertaken for front line worker related to money management seek to identify any additional training requirements for front line workers in the use of basic financial education resources. Credit unions could be utilised to provide this supporting capacity building.</p> <p>Employability providers to access financial education provision for clients either locally through the integrated service or utilising on line resources.</p>	<p>All individuals requiring and receiving employability support access financial education as part of their holistic support package.</p> <p>Front line workers more able to provide basic financial education support.</p>

Through the Employability Action Group and the Fairer Scotland Fund Employability service investigate the opportunity with employers to provide financial education within the workplace.	Income deprivation, low income , seasonal and short term employment combined with rurality can put many individuals at risk. Promotion of the opportunity for financial education within the workplace can provide early support to stop people falling into debt.	Through the Employer Coalition, the Chamber of Commerce, Jobcentre plus and other partners including the employability services and training providers seek to establish the feasibility of providing financial education in the workplace (as a first step)	Partnership consulted. Employers identified and consulted.  Financial education provision available to employees

**Table 4**

**INCREASE AWARENESS OF AND ACCESS TO FINANCIAL SERVICES (CREDIT UNIONS)**

**There is a need to increase awareness of credit unions. The numbers of individuals accessing high cost loans needs to be reduced. This section will suggest actions which could be considered by the Credit Unions in partnership with the Financial Inclusion Network. Following the consultation day a short life working group may be established which will be a sub groups of the Network to consider these proposed actions and investigate what realistically can be achieved, if the current resource needs to be increased and if so how this can be done.**

<b>AIM</b>	<b>RATIONALE</b>	<b>ACTION</b>	<b>OUTCOME</b>
Working with existing credit unions through the Financial Inclusion Network identify ways to increase awareness of provision.	Evidence suggests that there is a lack of awareness of the credit unions in Moray.  Many employment deprived individuals living in rural areas will access high cost loan providers.	Develop a marketing Strategy to promote use of credit unions. This can be developed through the financial inclusion network.  Fairer Scotland Fund could be considered to resource this.	Increase awareness of provision, increased numbers accessing the credit union service.
Working with the credit unions investigate opportunities for expansion - most particularly within community based outreach provision.	Increased provision can reduce numbers accessing high cost loans thus reducing instance of multiple and unmanageable debts and all the issues which relate to this disadvantage.	This could be actioned through liaison with the Department of Work and Pensions Financial Inclusion Champions and seeking to establish if the	Greater availability of credit unions.  Reduction in individuals accessing high cost loan providers.

		<p>Growth Fund could be an option to support this. Fairer Scotland Fund could also be a consideration.</p> <p>Existing support services and employability providers also require to take a lead in ensuring that their clients have an opportunity to engage with credit unions.</p>	Reduction in demand for multiple debt advice (long term)
Through the increased money advice resource and the ultimate development of an integrated service ensure individuals have the opportunity to access credit unions.	Integrated holistic approach can promote more effective service to individuals, reduction in numbers accessing high cost loans , unmanageable debts and all the issues which result from this disadvantage.	Ensure that any increased resource and integrated service includes the opportunity for information and access to credit unions.	Individuals can access a more holistic service and increased opportunity to access the credit unions
Investigate opportunities for credit unions to expand internal resource utilising IT resource.	IT resource can provide greater efficiencies in delivery	Working with the credit unions, the Financial Inclusion network and the Financial Inclusion Champions establish potential IT resources.	Increased use of IT resource to increase greater customer access.
Working with credit unions and Education department investigate the feasibility of developing a	Early awareness of credit unions can support early intervention and avoid later instance of multiple	Initial exploratory meeting to discuss this and how it can be taken forward.	Schools operating savings scheme for pupils.

school savings scheme for pupils in all schools.	debts. This can flow through families and communities.		
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**Table 5**

**IDENTIFY THOSE NOT ACCESSING SERVICES AND SEEK TO REDUCE THE NUMBERS AT RISK OF ON FINANCIALLY EXCLUDED**

Although it is difficult to gauge actual numbers it is understood that there are a large number of individuals who are facing financial exclusion, however are not engaging with services or accessing support. It is common in rural areas that individuals will not come forward for support either due to lack of awareness or the stigma associated. Elderly people are most particularly vulnerable to this. The development of a more integrated service, the financial inclusion network, increased outreach provision, training of front line staff to recognise early signs of financial distress and potential use of local people as volunteers collectively can contribute to this action.

<b>AIM</b>	<b>RATIONALE</b>	<b>ACTION</b>	<b>OUTCOME</b>
Through the integrated structure and service seek to identify and engage those at risk.	<p>It is a common view that in rural areas people often find it hard to seek out support especially for debt advice.</p> <p>Elderly especially will not often admit or recognise that they are in debt. Providers require to be receptive to this and provide a service where by individuals are able to access a one stop shop integrated service and</p>	Utilising the Financial Inclusion network and outreach provision identify ways to engage with individuals- for example through road shows, community based provision, marketing campaign etc	More individuals feel able to access support – numbers accessing support increase

	they are more likely to accept support.		
Consider the use of volunteers in local areas to support the engagement of individuals.	<p>Volunteers know their areas and will be aware of local needs. Some individuals feel more comfortable about seeking support from people they know and trust. This is not the case with all however.</p> <p>Providing volunteering opportunities for individuals can support their development and progression (if necessary) into future employment and contribution to their communities.</p>	<p>This action should be taken undertaken by the Financial Inclusion Network and advice and guidance should be sought from the key financial service providers and the volunteer centre (Moray)</p> <p>A short life working group will require to be established to coordinate this approach.</p>	A volunteer policy is developed. Volunteers are used in communities to provide initial support and guidance to individual seeking help.
Undertake training of front line staff working with vulnerable groups to recognise the early signs of financial distress	<p>Early intervention will avoid individuals facing unmanageable debts.</p> <p>Early referral to provision can support quick and rapid turnaround freeing up services to support more individuals.</p>	Build on the previous training undertaken through the Employability Action Group develop ongoing training for front line staff.	Training completed and more front line staff able to recognise early signs of financial distress.
Investigate opportunities for increased community based provision utilising existing community buildings	Individuals living in rural areas often do not come forward for support. Locally based provision can encourage more individuals to seek support.	Through the Financial Inclusion network seek to identify potential partner facilities for outreach provision.	<p>Increased availability of outreach provision.</p> <p>Local provision and community buildings will</p>

	<p>Utilising partnership resource can support capacity building and efficient use of resources. Also adopt a more sensitive approach offering support for financial exclusion especially debt advice.</p> <p>Mobile facilities are recognised as being vital in delivery of services in rural areas.</p>	<p>Consider utilising mobile facility such as the Mobile Information Bus and the Community Learning and Development Youth Bus to promote financial inclusion services and as away to engage with individuals requiring but not accessing support.</p>	<p>benefit from increased usage promoting its value to the community.</p> <p>Information can be more easily shared among providers.</p>
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