



REPORT TO: COMMUNITY PLANNING BOARD ON 19 NOVEMBER 2009

SUBJECT: FINANCIAL INCLUSION STRATEGY

BY: COMMUNITY PLANNING AND DEVELOPMENT MANAGER

1. REASON FOR REPORT

1.1 The Community Planning Board is asked to approve the Moray Financial Inclusion Strategy and the agreed key actions as outlined in Appendix 1 and the indicative amount of funding allocated by the Social Inclusion Implementation Group towards implementing the agreed actions.

2. RECOMMENDATION

2.1 **That the Community Planning Board approve the Financial Inclusion Strategy and key actions as outlined in Appendix 1 and the indicative amount of funding agreed by the Social Inclusion Implementation group towards implementing the agreed actions.**

3. BACKGROUND

3.1 The Scottish Government announced as part of the Concordat between it and Local Government that a new fund would be created aimed at tackling poverty and deprivation across Scotland. Nationally the fund will total £435 million in total over three years and is part of the local government settlement. An allocation has been made to Moray over the next three years to enable the Community Planning Partnership to work to tackle poverty and disadvantage.

3.2 At the Community Planning Board meeting on 29 May 2008, a proposal outlining the key objectives for the use of this fund for Moray to tackle poverty was presented for approval and thereafter submitted and approved by the Scottish Government. The three key areas identified for Moray on which the focus of the fund will be targeted are:

- Regenerating the most disadvantaged areas
- Improving life chances for Individuals and groups experiencing poverty and disadvantage
- Improving employability

3.3 Research undertaken by the Fairer Scotland Fund team on the key causes of poverty has identified financial inclusion as one of the key areas of activity. A financial inclusion event was held on the 5th June with providers of financial services, services working with vulnerable groups 'at risk' or facing financial exclusion and elected members to identify:

- The current situation related to financial exclusion
- Financial service availability an current demand
- Establish opinion on the improvements and developments required in order to more effectively tackle financial exclusion.

The outcome of this event was the development of a financial inclusion strategy for Moray and the development of a financial inclusion network.

3.4 Feedback from the event and other related consultations was used to inform the development of a draft financial inclusion strategy and action plan. This draft strategy was reported to the Community Planning Board on the 27 August. (*para 12 of the minute refers*)

3.5 The draft strategy and actions were circulated to all key stakeholders for comment and a consultation day for delegates who attended the event in June and other providers was held on Thursday 15th October.

3.6 Following the feedback from the consultation day and other comments received five key strategic priorities have been agreed each with a number of associated actions. The five strategic priorities include:

- **Establish a structure to achieve a co-ordinated and integrated approach to financial inclusion including the development of a financial inclusion network.**
- **Increase the availability of and access to financial information and advice.**
- **Support in the delivery of financial education provision:**
- **Increase awareness of and access to financial services:**
- **Identify those not accessing service and seek to reduce the numbers at risk of Financial Exclusion:**

3.7 The overall aim of the Strategy and the ultimate actions will be to increase resource to meet current demand with a focus on developing a more integrated approach in order to improve delivery and increase efficiencies. There will also be a focus on early intervention approaches to increase awareness and reduce demand in the long term.

The finalised strategy and actions will be published once approved by the Board and the actions will be implemented through a number of approaches including the Financial Inclusion Network. (*For a copy of the full strategy and actions see Appendix 1*)

- 3.8 Where appropriate performance indicators will be agreed and progress on the actions will be monitored through the Financial Inclusion network. Quarterly reports will be submitted to the Social Inclusion Implementation Group and the Community Planning Board.
- 3.9 An indicative amount of funding has been allocated from the Fairer Scotland Fund to implement the actions and match funding opportunities through LEADER funding to support actions are currently being investigated. (*section 4 refers*)

4. **SUMMARY OF IMPLICATIONS**

(a) **Single Outcome Agreement/Service Improvement Plan**

The Fairer Scotland Fund is closely aligned to the Single outcome Agreement and any investment in the fund will contribute towards the actions and outcomes contained in the SOA.

(b) **Policy and Legal**

The Moray Council has a statutory Duty under the Local Government in Scotland Bill 2003 part 2 section 16 (1) to initiate, maintain and facilitate the process of Community Planning. The introduction of a 'Duty of Community Planning' through the Local Government (Scotland) Act 2003 emphasises the importance of considering social inclusion in the Community Planning process. The Scottish Government announced as part of the Concordat between it and Local Government that the Fairer Scotland Fund would be established to assist in tackling poverty and deprivation across Scotland.

(c) **Resources (Financial, Risks, Staffing and Property)**

The allocation has been ring fenced in the first two years of the spending review period to ensure Community Planning Partnership engagement in driving "strategic investment of these resources".

The funding allocation for Moray from the Fairer Scotland Fund is:

2008/09	£343,000
2009/10	£422,000
2010/11	£500,000

The total amount spent from the Fairer Scotland Funding in 2008/9 was £197,216 (this includes staff and running costs). The unspent funds of £149,090 were approved by the Scottish Government to carry forward into 2009/10.

The total funding available for the two years 2009 to 2011 is £1,071,090, within which £230,000 relates to staffing and running costs, which leaves the balance of £841,090 available for allocation.

An indicative maximum amount of £200,000 funding from the fairer Scotland Fund has been allocated towards financial inclusion activity. The final amount of funding required will be agreed once implementation of the actions has been identified.

Projects	Funding Committed	Balance of funding available
Funding available to allocate 2009-2011		£841,090
Transition funding agreed existing CRF projects (April – June 2009)		
Mobile Information Bus	£3,750	
Moray New Futures	£5,793	
Aberlour Childcare Trust	£11,250	£20,793
		<u>£820,297</u>
Projects agreed at May meeting of Community Planning Board		
Girfec Co-ordinator	£36,000	
Moray Domestic Abuse Forum	£30,000	£66,000
		<u>£754,297</u>
Employability Provision tender		£102,503
		<u>£651,794</u>
Funding approved from second round from Community Planning Board 27 August 2009		
Milton Drive Community Project	£10,000	
Elgin High School	£20,000	
Youth Justice/Antisocial Behaviour	£40,000	
NHS Mobile Information Bus	£12,000	
NHS Speech and Language Therapy	£30,630	£112,630
		<u>£539,164</u>
Moray Assisted Recruitment Scheme* (<i>approved allocation from Board meeting 27 August 2009 para 11 of the minute refers</i>).		£267,000
		<u>£272,164</u>
Proposed funding recommended to the Board as indicated at 3.5.3 and detailed at Appendix 2		
Community Food Initiatives North East	£34,548	
Moray Council – Housing Fuel poverty	£30,000	£64,548
		<u>£207,616</u>
Proposed maximum amount of funding toward financial inclusion provision (agreed at the Social Inclusion Implementation Group meeting 30 October)		£200,000
		<u>£7,616</u>

**Assuming the proposed allocation of funding is approved as listed
the amount left to allocate from the fund till March 2011 would be
£7,616**

(d) Consultations

Key stakeholders and other Community Planning Partners were consulted on the draft Strategy and proposed actions.

The Social Inclusion Implementation group have been consulted on the strategy and actions and have agreed on the proposed level of funding.

The head of financial services has been consulted on the financial implications.

5.0 CONCLUSION

5.1 That the Community Planning Board approve the Financial Inclusion Strategy and key actions as outlined in Appendix 1 and the indicative amount of funding agreed by the Social Inclusion Implementation group towards implementing the agreed actions.

Author of Report:	Jacqui Taylor
Background Papers:	Fairer Scotland Fund Submission Fairer Scotland Fund Financial Inclusion Survey Fairer Scotland Fund event report Fairer Scotland Fund consultation day feedback SQW Consulting: Promoting Financial Inclusion in Rural Areas; November 2007