
NORTH AYRSHIRE COUNCIL

6 October 2020

Cabinet

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| Title: | Proposal for a “Better Off Hub” – demonstrator project |
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| Purpose: | To seek approval for the development of a demonstrator Better Off Hub, which would seek to test the effectiveness of a more holistic approach to the delivery of financial inclusion services. |
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| Recommendation: | That Cabinet: |
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- a) Approve the proposals for a 2-year financial inclusion demonstrator project – Better Off Hub
- b) Approve the use of new income recovered for the BONA project to fund the demonstrator, subject to receipt of the final payment from the National Lottery Fund Scotland related to BONA
- c) Approve the creation of a Public Social Partnership, in order to develop a new model through co-production with the 3rd sector.

1. Executive Summary

- 1.1 This report sets out proposals for a demonstrator project, which would set out to deliver vital financial advice services in a new holistic way. Through a ‘design experiment’ approach, the model would be tested for a period up to 2 years of delivery, through a Public Social Partnership model of co-production. This proposal aligns with our Community Wealth Building ambitions, supports our economic recovery and our desire for social and organisational renewal by challenging traditional approaches.
- 1.2 The need for financial advice services has perhaps never been greater and therefore the need for services which are focused on the whole person and set out with an objective to build capacity and reduce future demand on services is also clear. The report sets out an outline vision for how this might be achieved but sets out the demonstrator project as the framework from which this vision can be tested, evaluated and refined.
- 1.3 The report seeks approval for the resources required for up to 2 years of delivery, with an objective that at the end of the delivery period, there will be a consensus among the council and its partners about the best model for delivery of financial advice services in the future.

2. Background

- 2.1 Financial Inclusion Advice Services are currently delivered by North Ayrshire Council and the Health and Social Care Partnership through the Welfare and Reform Advice Team (based in NAC Housing) for Council tenants and Money Matters (part of Health and Social Care Partnership, HSCP) provide a universal welfare rights service.
- 2.2 Historically, the above provision has been supplemented by 3rd sector and Housing Association provision, with the scale and scope varying depending on funding secured by local providers.
- 2.3 From 2017-2020, the Lottery funded “Better Off North Ayrshire” programme, added capacity to the system and delivered in a more partnership based and holistic manner. Better Off North Ayrshire stopped taking new clients on 30 September, and all delivery ceased, as planned, on 19 February 2020, leaving a gap in advice services provision and in particular, debt advice.
- 2.4 The above arrangements have led to a service landscape that is complex. In such a situation, there is a danger of duplication and service gaps. These issues have been highlighted in two pieces of work –
 - A financial inclusion strategy commissioned in 2016, which formed the basis for the Better Off North Ayrshire approach.
 - An internal review of advice services, which looked only at council and HSCP services and made recommendations around improvements.
- 2.5 There is a desire to now build a consensus, through a ‘design experiment’ approach, on the best way forward with the focus on the most effective service delivery model – consensus around this must then drive the structures and agencies that deliver it.
- 2.6 The need for more financial inclusion services at this time are clear –
 - Significant poverty levels and particularly Child Poverty levels, which have been high for several years and are likely to be further impacted as a result of Covid-19 recession.
 - Welfare reforms have reduced income from benefits.
 - Wage levels have lagged inflation and in-work poverty has become a major issue.
 - Unemployment has been higher in North Ayrshire than in other areas for some years and is projected to grow significantly post Covid-19.
 - Welfare rights and debt advice services which are already under significant pressures, will become more so as a result of Covid-19 and the associated recession impacts.
- 2.7 There is a need for services to evolve to meet increasing demands and more complex issues. The need for a new approach has been driven by –
 - The financial inclusion strategy developed in 2016, which noted the need to take a more holistic approach, including financial literacy in schools and adult learning.

- Our learning from Better Off North Ayrshire, which demonstrated the complex barriers which often underlie, or which arise from financial difficulties.
- The internal review which again noted the complexity and dangers of confusion for customers.
- National work around service user-led design.
- The positive experiences of working with communities over time together with the success of our locality-based Community Hubs during the height of the pandemic have provided a platform to further build on. The hubs were a test of change which proved the value of place-based relational and person-centred approaches, including financial signposting and literacy, and will be an important component in achieving a holistic demonstrator project.
- Input from the Fair for All commission where people with lived experience of poverty, highlighted the complex nature of poverty and the frustrations of navigating a complex system.

- 2.8 The proposed demonstrator project will be based on the principle that support is focused on the whole person, does not just address the presenting issue and that services should be user-led. To test the hypothesis, there is a requirement to address underlying and related issues in conjunction with traditional financial advice, then through building service capacity we will achieve better, more sustainable outcomes for individuals and ultimately reduce varying service demands in the future.
- 2.9 The thinking behind the hypothesis has come from local experience and some emerging national policy discussions. Locally, frontline workers will often describe our most disadvantaged residents as having barriers that are multiple and complex – yet services provided often deal with the one specific ‘presenting’ issue and, at best, will then refer the service user to another service for their other needs as appropriate. This is a key theme of the Council’s current transformation work, based on the further development of the locality-based Community Hubs and support for children and young people.
- 2.10 The Council have been testing the efficacy of embedding debt advice provision within employability services with support from the Improvement Service. This “test of change” began in March 2020 and although disrupted by Covid-19, should be viewed as a pre-cursor to the demonstrator project which will see a more ambitious attempt to integrate service provision.
- 2.11 Current research has begun to explore such issues through design thinking approaches. The theory is that most often an individual need is identified and we (the service provider) assume what the response required is. For example, someone presenting with debt issues – we respond with debt advice. This potentially misses the how and the why of how the person got into a financial crisis situation. Research has shown that in some instances, due to the pressures on frontline workers and professional boundaries, it is often the case that support can be based on presumed solutions without exploring and understanding what the underlying issue is.
- 2.12 The proposal for an integrated demonstrator project has also considered the findings of recent research which sets out a vision for local approaches where services are provided with a focus on relationships with residents to uncover what they actually need to transform their lives from a holistic person centred perspective.

2.13 And finally the emergency response to Covid-19 has further demonstrated the value of local, multi-disciplinary approaches to support residents. Further learning from this will emerge in the coming months, which can inform and shape the proposed demonstrator approach on an ongoing basis.

2.14 Demonstrator project proposals

The Better Off Demonstrator Hub offer would be –

- Debt Advice, Welfare Rights, Energy Advice and Employability services will all be available in the hub. (The core offer)
- A client-centred, whole person, relationship-based approach to supporting residents; where presenting issues (money/debt/benefits/employment) would be underpinned by services which are integrated around the customer's needs and choices.
- Financial Inclusion workers will build close working relationships with specialist workers from other services including mental health, addictions services, adult literacies, housing, credit union, family support and third sector support agencies such as Women's Aid, in order to facilitate seamless 'warm' handovers to support engagement and most effectively meet the needs and choices of the client. Successful outcomes for residents being delivered by the Community Hubs provides useful learning and we will work across the system to ensure that customers' needs are met as a result of how we work together.
- Crucially, customers will be active participants in the development and ongoing review and evaluation of the service in order to ensure that future service delivery model meet the needs of people in our communities as closely as possible.
- Covid-19 is obviously having an impact on plans. A relationship-based approach to service delivery is problematic under current Covid restrictions. Implementation of our plans will be more gradual than anticipated and will require to incorporate the latest Scottish Government guidance on the delivery of face-face advice services. It is envisaged that learning from the demonstrator project will directly input into the Council's plans for transformation and will relate to the ongoing work of the Community Hubs developed as an emergency response to Covid-19.
- The location of the proposed Better Off Demonstrator Hub will be informed by our experiences and learning arising from Covid-19 and the Community Hub model which was quickly and effectively mobilised. The 3 Towns is known to suffer from high levels of deprivation. In deciding upon a location for the proposed Demonstrator Better Off Hub, a suitable location within the 3 Towns, which will align to our developing wider Community Hub model as part of the wider Recovery and Renewal Strategy will be identified.

2.15 Measuring impact and learning

A full monitoring and evaluation framework will be developed but it is expected that if successful, the demonstrator project would –

- Increase the number of referrals from advice services to employability and vice versa.
- Increase integration with 3rd sector delivering money advice
- Increase the number of customers who present with financial difficulties, then going on to access non-financial supports
- Referrals to and from Community Hubs, resulting in access to a wide range of opportunities, including volunteering
- Less repeat crisis interventions
- Increased take up of benefits
- Increased membership of Credit Unions

2.16 It is proposed that a Public Social Partnership be established, led by North Ayrshire Council but made up of national and local experts in financial inclusion and addressing poverty. This would support the co-production of the demonstrator project, receive regular feedback on progress and input into further developments. The PSP would be tasked with developing a tender specification for an effective service design by the end of the delivery period.

2.17 The long-term sustainability of financial inclusion and advice services is dependent on a more effective pooling of resources. The Council currently receives very little external funding to support these services. A small number of 3rd sector organisations receive external funding, which will then most often be utilised independently from Council provision. By developing a new model of service delivery by consensus, which incorporates new ways of thinking – the long-term objective would be to develop a financially sustainable model across the whole of North Ayrshire by -

(a) Attracting more external funding

(b) Bringing 3rd sector funding into the model

(c) Repurposing existing spend on financial inclusion to facilitate the above

2.18 It should be noted that this pooling of resources is common in employability pipelines throughout Scotland and in North Ayrshire and is therefore an already tested mechanism.

3. Proposals

3.1 That Cabinet:

- Approves the proposals for a 2-year financial inclusion demonstrator project – Better Off Hub
- Approves the use of recovered BONA income following successful negotiations with the Big Lottery to resource the service.
- Approve the creation of a Public Social Partnership, in order to develop a new model through co-production with the 3rd sector.

4. Implications/Socio-economic Duty

Financial

- 4.1 Costs anticipated to deliver the demonstrator project were originally developed in February 2020 (i.e. pre Covid-19) and have since been reviewed. Required funding of £380k will be necessary to adequately resource and establish the proposed demonstrator project for 24 months. An in-kind contribution from Health and Social Care partnership will provide one Welfare Rights officer seconded from the Money Matters Service. It is proposed that resources are provided from the income recovered from National Lottery Fund Scotland. Final payment is expected to be secured by end of October at the latest. Until then, early stage development work will get underway so that the project can become operational from January 2021. A separate report to cabinet has detailed anticipated NLFS income of £706k. The effect in the 2020/21 accounts following receipt of the £706k and after adjusting for prior year reported General Fund deficits and available earmarked reserves relating to BONA is a balance of £405,000. The demonstrator is a suitable legacy project for the BONA income and will be referenced in the final project report to be submitted to NLFS.

Human Resources

- 4.2 A Welfare Rights Officer from the Money Matters service will be seconded into the project. A G12 Programme Manager currently employed to manage the Better Off North Ayrshire service, will have their contract extended to develop, manage and evaluate the demonstrator project. The host employer will be decided during the development of the Public Social Partnership.

Legal

- 4.3 A Public Social Partnership (PSP) will be established. A PSP involves public and third sector bodies co-designing services or interventions to deliver agreed social outcomes. This approach encourages effective partnership working across sectors, places the third sector at the heart of service design and delivery, and explicitly emphasises outcomes rather than activity. There is an expectation that an outcome of a PSP will be a technical specification for a future service which would be competitively tendered. 3rd sector organisations involved in the PSP would not be guaranteed any future work following the pilot.

Equality/Socio-economic

- 4.4 The entire premise of the demonstrator project is to test a new service delivery model, with the objective of addressing root causes of inequality.

Environmental and Sustainability

- 4.5 None.

Key Priorities

- 4.6 The proposal will contribute to the following priorities:

- North Ayrshire has an inclusive, growing and enterprising economy;
- North Ayrshire's residents and communities enjoy good life-long health and well-being; and
- North Ayrshire's children and young people experience the best start in life.

Community Wealth Building

4.7 This proposal responds to several pillars of our Community Wealth Building Strategy.

Procurement – A Public Social Partnership provides the opportunity to retain service spend locally.

Fair Work – by recognising that poverty and inequality require holistic approaches that build capacity, rather than focus on crisis – it is anticipated that efforts to encourage the provision of Fair Work will be matched by residents' ambitions and ability to compete for Fair Work.

Financial Power – by encouraging use of the local credit union, we will strive to make sure more money is retained and invested in our area.

Plural ownership of the economy – by utilising the Public Social Partnership model, we are creating the possibility of a different delivery model, through co-production with the 3rd sector.

5. Consultation

- 5.1 The Demonstrator Hub has been developed by Health and Social Care Partnership and Economic Development and Regeneration. Plans have been discussed with other local partners who are likely to play a role in the hub. A public social partnership will be formed to provide governance for the project and to develop the legacy specification for the future service provision.
- 5.2 Citizens Advice Scotland (CAS) have for some time expressed an interest in re-establishing a permanent service delivery location in North Ayrshire. Discussions continue around this, with a meeting held between NAC and CAS in August. CAS have expressed an interest in the approach being pursued with the demonstrator project and a further meeting is planned in October to explore whether CAS could have a role in the demonstrator project and/or whether the project could add insight to their ambitions to re-establish a permanent delivery location in North Ayrshire.

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Executive Director (Place)

For further information please contact **Greig Robson, Senior Manager – Employability and Skills**, on **07774002256**.

Background Papers

Appendix 1 – Project Plan with timelines

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| Timeline | Key activities/outcomes |
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| Phase One - Project Development - Oct - Dec 20 | <ul style="list-style-type: none">• Establishment of Public Social Partnership,• Agreement on outline model and evaluation framework,• Secure venue and recruit staff |
| Phase Two – Delivery Period - January 21 start date | <ul style="list-style-type: none">• Implementation of outline model• Building of operational partnerships• Promotion of service• Review of model progress |
| Phase 3 – Refined model delivery period July 2021 – Dec 2022/July 2023 | <ul style="list-style-type: none">• Implementation of refined model• Addition of staff in response to demand• Development of technical spec for holistic service offer that could be implemented across North Ayrshire. |