
NORTH AYRSHIRE COUNCIL

21 March 2023

Cabinet

Title:	Cost of Living: Financial Inclusion Strategy 2023-28
Purpose:	To provide an update to Cabinet on progress with the Financial Inclusion Project and the development of a Strategy for North Ayrshire
Recommendation:	It is recommended that Cabinet notes the positive progress through the review of Financial Inclusion Advice Services and approves the Financial Inclusion Strategy for 2023-28.

1. Executive Summary

- 1.1 This report provides an update to Cabinet following the report presented in November 2022, providing an overview of the current position with the review of Financial Inclusion services and presents the North Ayrshire Financial Inclusion Strategy for 2023-28.
- 1.2 As part of the Council's Transformation Programme and in response to the incidence of poverty in North Ayrshire and the Cost-of-Living crisis, a review of Financial Inclusion services across the Council is being progressed at pace. The previous update to Cabinet outlined the intention to join up Money Matters and the Welfare Reform and Advice Team, and further to incorporate the key principles of the holistic approach of Better Off.
- 1.3 The review has now moved into the implementation phase. The new Senior Manager (Financial Inclusion) commenced in January and is now working with the Council's Transformation Team to develop and implement new systems and processes for the integrated team, which ultimately will support advisers to achieve better outcomes for beneficiaries of the service.
- 1.4 The Senior Manager has also collaborated with wider stakeholders, including through the Project Board, to develop a Financial Inclusion Strategy for North Ayrshire 2023-28. The Strategy is included as Appendix 1. The Strategy provides in some detail the intentions for 2023-24 and will be refreshed for 2024-28 following full consultation with key stakeholders, the public and with staff teams.

2. Background

- 2.1 As part of the Council's Transformation Programme and in response to the Cost-of-Living crisis, a review of Financial Inclusion services across the Council was progressed during 2022. The high-level outcomes were reported to Cabinet on 29 November 2022.
- 2.2 A new Senior Manager post was created, and the successful candidate took up post on 9 January 2023. The Senior Manager will lead the joined-up financial inclusion services across North Ayrshire, with responsibility for integrating the teams and developing the Council's financial inclusion strategy. The Financial Inclusion Project has Chief Officer Sponsorship within the HSCP, recognising the importance to ensure the delivery phase of integrating and developing financial inclusion services, is progressed at pace.
- 2.3 Project Board and Project Team membership has now been reviewed to support the delivery plan. The Project Board is chaired by the HSCP Director and the Project Team by the Senior Manager (Financial Inclusion). Membership of the Project Board will continue to be senior managers of advice services and key referring agencies, as well as of the Transformation Team. Advice service and Transformation Team managers will form the membership of the Project Team. Partnership Engagement (HSCP) and Communication Officers have been added to support consultations during 2023-24 and to develop and implement a communications plan.
- 2.4 In addition to the £258k funding approved by Cabinet in August 2022, the following additional funds have been aligned to to progress the Financial Inclusion Strategy, including the commissioning of debt advice services:

Funding agreed	Source
£258,000	Cost of Living budget
£380,000	Employability earmarked reserves (originally the Better Off demonstrator budget)
£15,000	NAC 'Islands Budget'
£100,000	Funding allocated as part of NAC budget 2023-24 (up to £100k)
£753,000	TOTAL

The above funds will be used to cover costs including:

- Commissioning of an independent debt advice service for North Ayrshire for 2 years
- Extension of the Better Off pilot as required to ensure smooth transition and continuity of service – currently agreed until end June 2023
- Development of case management system and IT infrastructure
- Salary plus costs for the Senior Manager post for 24 months
- Marketing materials associated with a Communications Plan

- 2.5 A Financial Inclusion Strategy has been developed detailing intentions for 2023-

24. They include an intention to undertake a strategy refresh for 2024-28, which will follow a series of consultations with key stakeholders and the public. Staff teams will be active participants in that process.

The Financial Inclusion Strategy and intentions for 2023-24

- 2.6 The current cost-of-living crisis has necessitated an emergency response and the Financial Inclusion Strategy reflects on the impact of the current economic situation on our services and details our immediate response to meeting the needs of people in our communities in 2023-24. It also incorporates and builds on the work of the Transformation team in relation to the whole systems approach and streamlining customer journeys.
- 2.7 The cost-of-living crisis is having the greatest impact on low-income households, particularly people with disabilities or long-term health conditions, lone parent families and people in rural and island communities, who have higher costs for some goods and services including off-gas grid fuel costs and transport.
- 2.8 However, there is also increasing demand for debt advice from people who sit just above the benefits entitlement threshold and from people who were traditionally less likely to access advice services e.g. homeowners and professional people. Debt repayments are not deducted from income for the purposes of determining whether a household is living in poverty, but they do reduce the amount of disposable income available for essential goods and services and there is an increased risk of material deprivation.
- 2.9 Financial exclusion is closely linked with poverty and social exclusion and is a significant contributor to child poverty. Financial inclusion services enable and empower people to access the information, advice and support they need to maximise and effectively manage their disposable income, to be less likely to fall behind with bills, more able to deal with unexpected expenses, have improved mental and physical health and to become more active in their communities. Ultimately, they enable people to have the knowledge, skills and confidence to feel more secure and in control of their personal finances.
- 2.10 In North Ayrshire, the number of people reporting that they are managing well financially saw a significant drop between 2018 and 2019, having gone down from 62% to 49%, whilst across Scotland numbers remained relatively static. In addition, since 2017 there has been an increasing number of adults with no savings, against a slight reduction nationally. (Local Child Poverty Dashboard). In North Ayrshire, demand for both welfare rights and debt advice is continuing to increase.
- 2.11 Financial Inclusion services encompass a range of providers across the sectors. The primary focus in the Strategy for 2023-24 is on the main public sector funded welfare rights and debt advice services available to people in North Ayrshire. Over the next year, a full consultation process will be undertaken with the public and key stakeholders along with a detailed mapping and analysis of local financial inclusion services provision. Through this process the strategy will be reviewed and refreshed for 2024-28 and a longer-term cross-sector delivery plan

put in place encompassing wider financial inclusion services.

- 2.12 A key outcome will be the creation of a Financial Inclusion Partnership in North Ayrshire. The Partnership will be inclusive with representation from a range of key stakeholders including for example advice services, 1st Alliance Community Bank, fuel poverty advice services, employability, education and housing services, housing associations, community link workers, the Food Bank and Alcohol and Drugs Partnership. The creation of a Partnership will foster collaboration and enable a joint approach, making the best use of all available resources, to mitigating the impact of the cost-of-living crisis on individuals, families and communities in relation to entitlements, managing money, debt, financial literacy, digital inclusion, affordable lending, fuel poverty, health and more.

2.14 Timeline for key deliverables in 2023-24

Key Strategic Milestones	Completion
Money Matters and Welfare Reform and Advice Team managers aligned to Senior Manager (Financial Inclusion)	Q1
Advice service organisational restructure as required for merged in-house service	Q1
Communications Plan developed and implemented	Q1
Financial Inclusion cross-sector Partnership established	Q1
Online Referral pathway live (Accessing our Council whole system approach)	Q1
Welfare Rights advice services embedded within Employability services	Q2
Universal Debt Advice service for North Ayrshire commissioned and taking referrals	Q2
Performance Management Framework developed for case management system	Q2
Development of interactive online map for location of advice and related services eg public wi-fi	Q2
Review and development of holistic approach including 'referrals out' pathways, access points	Q3
Implementation of integrated case management system which incorporates the quality assurance and performance management frameworks.	Q4
Strategy refreshed and agreed	Q4

3. Proposals

- 3.1 It is proposed that Cabinet notes the progress of the Financial Inclusion Project Board to date. It is further proposed that Cabinet approve the Financial Inclusion strategy which has now been developed to take forward the delivery phase of the transformation of Financial Inclusion services, together with the commissioning of debt advice services and more detailed analysis and consultations to refresh

the strategy for 2024-28.

4. Implications/Socio-economic Duty

Financial

- 4.1 The report outlines the plans to utilise the £753k available through the project to improve financial inclusion services in North Ayrshire. These services provide significant levels of additional income for local people, through supporting them to access benefits to which they are entitled. They also support people to reduce outgoings thus increasing their disposable income, to better manage their money and to put manageable debt strategies in place where this is required. Therefore the financial gain to our local area and communities will be in excess of the investment.

Human Resources

- 4.2 Creation of a joined-up financial inclusion team will result in the closer alignment of teams which are currently in separate structures in the HSCP and Housing. Appropriate engagement will be undertaken with teams and trade unions as part of the change process.

Legal

- 4.3 None.

Equality/Socio-economic

- 4.4 Financial inclusion services provide local people with a range of support services and access to financial benefits.

Climate Change and Carbon

- 4.5 None.

Key Priorities

- 4.6 Financial inclusion services support the Council priority - "Aspiring Communities".

Community Wealth Building

- 4.7 Maximising disposable income combined with improved financial literacy and budgeting skills for local people will support spend in the local economy.

5. Consultation

- 5.1 Consultation has taken place with the leads for financial inclusion services throughout the service review and in the gathering of information for this report.

Caroline Cameron
Director, Health and Social Care Partnership

For further information please contact **Sheena Campbell, Senior Manager (Financial Inclusion), North Ayrshire HSCP**, on sheenacampbell@north-ayrshire.gov.uk.

Background Papers

Financial Inclusion Strategy for North Ayrshire 2023-28



North Ayrshire Financial Inclusion Strategy 2023-28



North Ayrshire
Community Planning Partnership

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North Ayrshire Financial Inclusion Strategy: Introduction

'Financial inclusion' refers to the ability of individuals to access appropriate financial services or products to manage their money effectively.

Financial inclusion services are intended to provide access to the best financial advice and products to support people to build their financial resilience and confidence to manage their money and deal with financial difficulties. Poor financial wellbeing impacts on all aspects of life and can leave lasting damage on future life chances. Advice and support services are delivered by a range of service providers across the sectors.

North Ayrshire Council and the Health and Social Care Partnership take pride in a co-production approach to strategic planning, through having meaningful engagement with our communities. However, the current cost of living crisis has necessitated an emergency response, and this Financial Inclusion Strategy reflects on the impact of the current economic situation on our services and details our immediate response to meeting the needs of people in our communities during 2023-24. Our most vulnerable citizens need a service that is accessible and meets their immediate needs, as well as improving their long-term economic outcomes.

Whilst financial inclusion services are delivered by a range of service providers across the sectors, this interim plan for 2023-24 will focus on the main local authority and HSCP-funded welfare rights and debt advice services

available to people in North Ayrshire.

Over the next year, a full consultation process will be undertaken with the public and key stakeholders, along with a detailed mapping and analysis of local financial inclusion services provision.

Through this process, the strategy will be reviewed and refreshed for 2024-28, and a longer-term, cross-sector delivery plan put in place encompassing wider financial inclusion services. Our staff teams will be active participants in this process.

The Financial Inclusion Strategy is closely aligned with North Ayrshire Council's strategic priority of 'Aspiring Communities', within which North Ayrshire has:

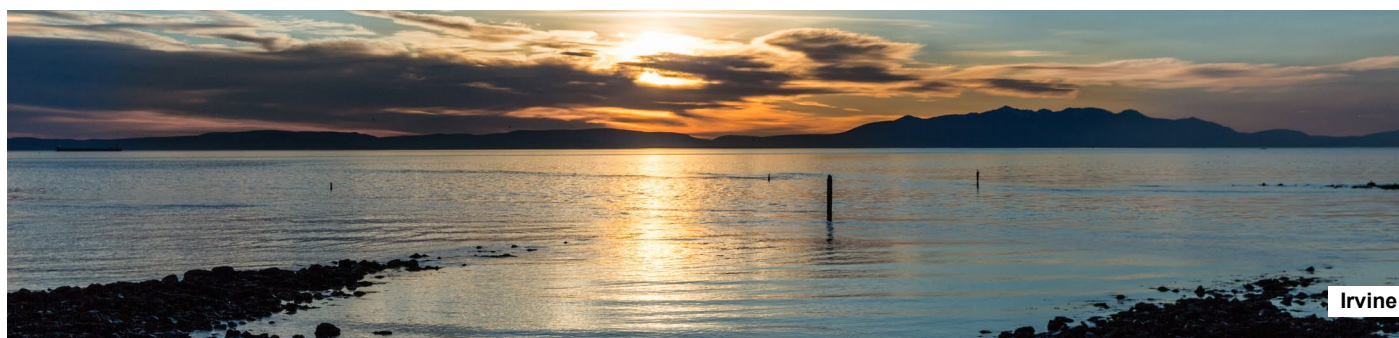
Active and strong communities

Children and young people experience the best start in life

Inclusive, growing and enterprising local economy

People enjoy good life-long health and wellbeing

People and communities are safe



The vision of North Ayrshire Council is for a North Ayrshire that is 'Fair for All', with a mission of "working together to improve wellbeing, prosperity and equity in North Ayrshire." North Ayrshire Health and Social Care Partnership's vision is that "people who live in North Ayrshire are able to have a safe, healthy and active life."

Financial inclusion alignment with strategic ambitions to 2030

Tackle inequalities

The cost of living crisis has further highlighted the negative impact of deprivation and poverty on our communities, and we will continue to work collaboratively with other service providers to deliver shared solutions.

We recognise those most vulnerable to the cost of living crisis are people living on low incomes, in particular lone-parent households and people with disabilities and long-term health conditions.

We will build on our holistic approach to providing advice where income advisors and frontline services are co-located to proactively support those hardest to reach in our communities.

Improve health and wellbeing

We will continue to work with local communities to improve both physical health and mental wellbeing.

We recognise that in this cost of living crisis, many people are experiencing anxiety, depression, or worrying about their finances.

The free advice sector has an important role to play in ensuring people have access to services that will enable the maximising of disposable income, offer options for managing debt and support with managing money, whilst having established referral pathways to health and wellbeing services.

Provide early and effective support

Financial inclusion services will continue to work with the most vulnerable in our communities, working to reduce the need for financial crisis interventions.

This requires a review of how financial inclusion services are delivered across North Ayrshire to ensure everyone has ease - and equity - of access to advice and related services so they can receive the right support at the right time within their community.

Enable communities

Financial literacy support, which includes

understanding terminology, banking and broader money-related life skills, is an important element of financial inclusion services, forming the foundations for sustainable outcomes that will reduce the likelihood of clients facing financial crises in the future.

Develop and support the workforce

North Ayrshire advice services have faced significant challenges over the last few years, not least in responding to the Covid-19 pandemic and ensuring continuity of service provision.

They rose to that challenge and found new, innovative ways to deliver services remotely when that was the only option. Going forward, we face new challenges with the cost of living crisis and the changing and expanding demographic of people who are accessing advice services. We recognise that many of our citizens are also our own workforce or from our delivery partners.

We must ensure that advice services have the capacity and capability to meet demand and to effectively respond to the multiple needs of many clients. We must therefore ensure that we can effectively plan and build a cross-sector, collaborative advice service that meets the needs of North Ayrshire residents.

Our shared vision:

"A financially healthy North Ayrshire where people have the knowledge, skills, resources and confidence to manage their money effectively and live fulfilling and healthy lives."

Our shared mission:

"The provision of easy to access, joined up, quality advice services that work together and in partnership with related services, to ensure that all the needs of our customers are met."

Our guiding principles 2023-24

We know we are already reaching many people across North Ayrshire, and that most - if not all - have benefitted from our services to some extent, indeed many have expressed their gratitude, but there remains scope to do even better.

To achieve our intentions for 2023-24, we will:

- Deliver a professional, in-house advice service and work towards accreditation to the Scottish National Standards for Information and Advice Providers, which will demonstrate high quality to both the public and funders.
- Commission independent debt advice services, in recognition of the rights of people in our communities to be able to choose to access independent and impartial debt advice.
- Reach out to people who are not using our services, particularly the most socially isolated, people living on the islands of Arran and Cumbrae, vulnerable families and those experiencing in-work poverty.
- Work collaboratively across third and public sector advice agencies.
- Adopt a 'named/key worker' approach across advice agencies.
- Be adaptable to meet clients' priority issues and be flexible in delivery of person-centred advice.
- Pro-actively identify root causes and wider needs of clients, take action to support engagement with other agencies as appropriate, and evidence outcomes from those actions.
- Improve referral pathways to advice services and build on our holistic approach to support for those who need to access multiple services.
- Develop systems and processes to standardise data recording and reporting and enable services to fully evidence outcomes for clients and achievements of services.



What success will look like...

- Increase in local access points to advice services in our communities through building on our outreach model, ensuring any identified gaps are prioritised and aligned to need.
- Increased levels of engagement with advice services, in particular from:
 - Lone parents and other child poverty priority groups
 - People with disabilities and long-term health conditions
 - Residents in remote and rural locations, including the islands of Arran and Cumbrae
 - People experiencing in-work poverty
 - People from minority communities including gypsy/travellers
- Reduced levels of repeat presentations to advice services, indicating that we are succeeding in breaking cycles of debt and dependency.
- Establish new and streamlined referral pathways to support the holistic approach together with partner organisations and agencies.
- Performance management framework established, which will enable effective measurement of the difference our services are making for the people in North Ayrshire, including a single, person-centred record for supports and an integrated dataset to support robust performance reporting.
- Increased number of people, particularly those considered 'higher lending risk', accessing affordable loans and becoming regular savers through partnership with 1st Alliance Community Bank.
- Establishment of a North Ayrshire cross-sector Financial Inclusion Partnership, with a refreshed Financial Inclusion Strategy for 2024-28 agreed and published.
- Reduced levels of poverty, and in particular child poverty, for the most vulnerable people and families in our communities, to which financial inclusion services will have made a valued contribution.



1. What is financial inclusion

Financial inclusion can be described as the ability of individuals to access appropriate financial services or products to manage their money effectively.

This includes the ability to:

- Access welfare rights and money/debt advice from free and professional services
- Manage their money effectively
- Build savings for unplanned expenditures
- Access affordable credit when required
- Sustain their home
- Buy insurances to safeguard their home and family
- Open a bank account
- Make informed life choices
- Be financially resilient



Financial exclusion is closely linked with poverty and social exclusion and is a significant contributor to child poverty.

Low-income households are most at risk from the cost of living crisis, and people with disabilities or long-term health conditions and lone-parent households are the most financially vulnerable. They are less likely to have savings that would cover their outgoings for more than a month should they lose their job and are most likely to have unmanageable debt.

Other particularly vulnerable groups include minority ethnic people (more likely to live in larger households), gypsy/travellers (more likely to be in seasonal work) and refugees who face particular hardships.

There is also a gendered dimension to the cost of living crisis. Women are more likely to live in lone-parent households (92%), households with an unpaid carer and larger households, and can be more exposed to cost of living pressures.

Financial inclusion services enable and empower people to access the information, advice and support they need to maximise and effectively manage their disposable income, to be less likely to fall behind with bills, more able to deal with unexpected expenses, have improved mental and physical health and to become more active in their communities. Ultimately, they enable people to have the knowledge, skills and confidence to feel more secure and in control of their personal finances.

A financially healthy North Ayrshire is not only beneficial for individuals, but also for their families, communities, businesses and the economy.

“Poverty means not being able to heat your home, pay your rent, or buy the essentials for your children. It means waking up every day facing insecurity, uncertainty, and impossible decisions about money. It means facing marginalisation – and even discrimination – because of your financial circumstances. The constant stress it causes can lead to problems that deprive people of the chance to play a full part in society.”

(Joseph Rowntree Foundation)

2. Economic context - national

The need for financial inclusion services has never been greater than in the current cost of living crisis.

The Joseph Rowntree Foundation report 'UK Poverty 2023' found that: *"We are in the midst of a profound cost of living crisis with huge implications for society. Many of us are having to make difficult choices on what spending we prioritise, but some of us face increasingly bleak choices."*

They found that in October/November 2022:

- Around six in ten low-income families are not able to afford an unexpected expense
- Over half are in arrears
- Around a quarter use credit to pay essential bills
- Over seven in ten families are going without essentials
- Around four in ten families with children are spending less on food for their children

The Joseph Rowntree Foundation also forecast that whilst inflation is expected to fall during 2023, prices are expected to continue to rise along with rents and mortgage payments, and wages are not expected to keep up.

Scottish Government figures from 2019-20 showed that more than one in four of Scotland's children are living in poverty. The Resolution Foundation forecasts that the rate of child poverty in Scotland will be 29% by 2023-24 and Scottish Government projections indicate that, without significant change in national policy, the figure could reach 38% by 2030-31.

The Scottish Government's 2022 publication 'The Cost of Living Crisis in Scotland: An Analytical Report' found that low income households with little or no savings are most impacted and also made reference to the higher costs of living for people in rural and island households for some goods and services, including off-gas-grid fuel and transport.

While the most vulnerable members of our communities are continuing to access advice services in the largest numbers, there is evidence nationally, echoed by local advice services, that there are more people seeking help now who were traditionally less likely to access advice services, eg homeowners and professional people. These groups represented higher proportions during the Covid-19 pandemic and have remained higher than pre-pandemic levels.

Many people who sit just above the benefits entitlement threshold are facing financial difficulties. Increasing numbers of people who are in a debt solution (payment plan/debt arrangement scheme etc) are finding that they can no longer afford their contributions and more clients are presenting with complex debt.

The 2021-22 Common Advice Performance Management



Reporting Framework (CAPMRF) report for welfare rights and debt advice services funded by local authorities across Scotland showed that there was a 24% increase in the number of debt clients supported by services between 2020-21 and 2021-22.

3. Economic context – local

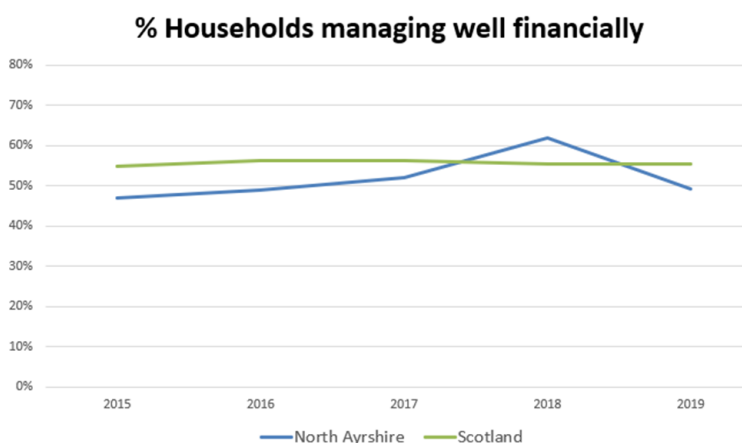


North Ayrshire is one of the most deprived areas in Scotland, with deprivation levels significantly higher than the national average, and has the second highest level of child poverty - after housing costs - of any area in Scotland.

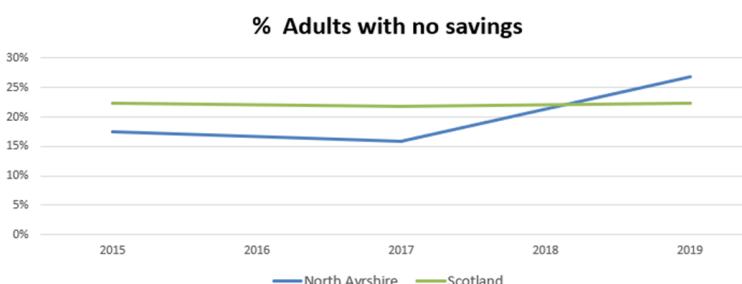
Child poverty statistics for 2019-20, released by Loughborough University, based on DWP and HMRC data, shows that an estimated 6200 children aged 0-16 years were living in poverty in North Ayrshire.

North Ayrshire has the lowest employment rate in Scotland (64.9%), the second highest unemployment rate, and the economic inactivity rate (29.7%) is the highest in Scotland and the 13th highest in Great Britain.

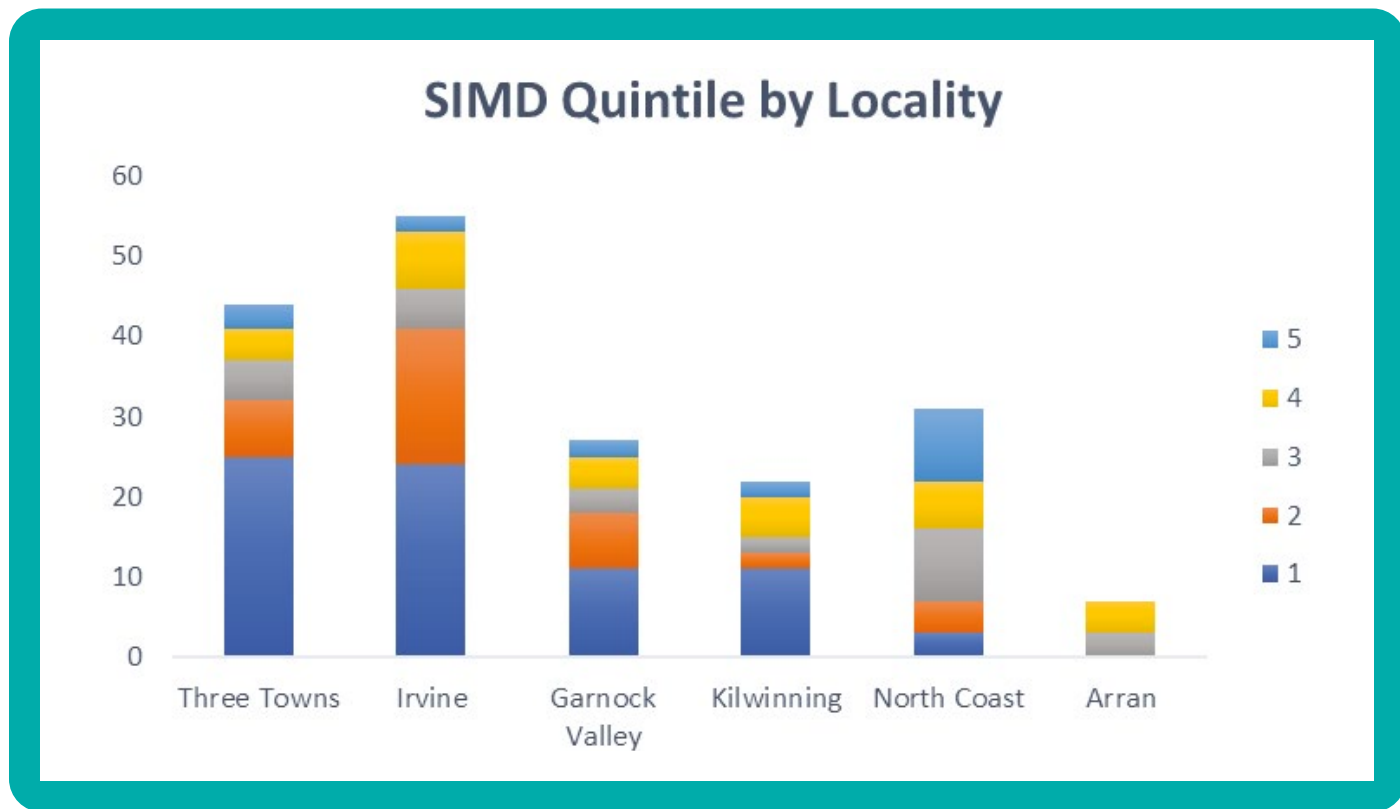
The Scottish Government Local Child Poverty Dashboard showed, between 2018 and 2019, a significant drop in the number of people in North Ayrshire who felt they were managing well financially, having gone down from 62% to 49%, whilst across Scotland numbers remained fairly static.



In addition, since 2017, the statistics show an increasing number of adults with no savings, against a slight reduction across Scotland.



The 2020 Scottish Index of Multiple Deprivation (SIMD) shows that of the 186 SIMD data-zones in North Ayrshire, 74 fall within the most deprived areas in Scotland (quintile 1). This represents 39.8% of all datazones in North Ayrshire, with 41.2% of the population living in those areas. The Three Towns has the highest proportion of datazones in quintile 1 (56.8%), as illustrated in the chart below.



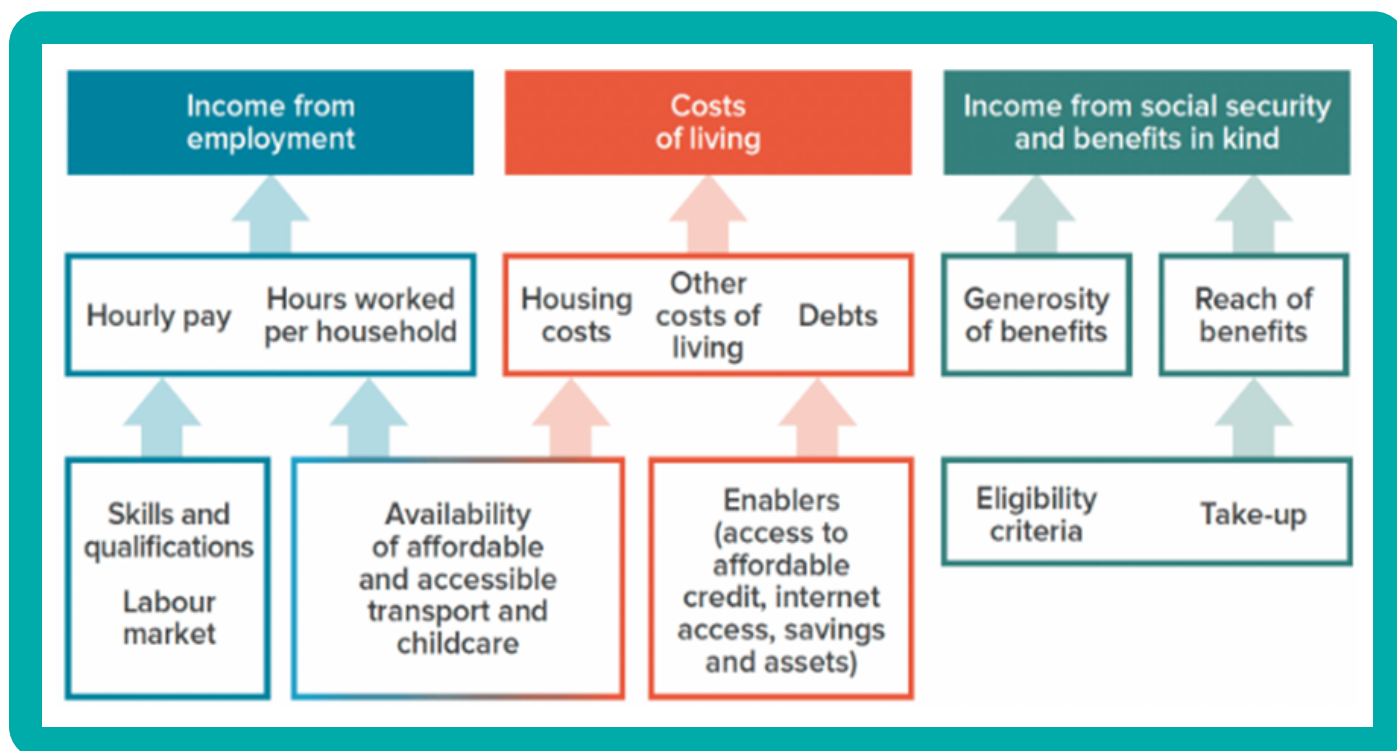
North Ayrshire Council’s ambition is for a North Ayrshire ‘where everyone has the same life chances to grow, prosper and have fulfilling and healthy lives’.

Financial inclusion services have an important role in ensuring that North Ayrshire Council achieves that ambition.



4. The role of financial inclusion services in tackling poverty

Direct drivers of poverty



The direct drivers of poverty fall into three main categories – income from employment, costs of living and income from social security.

Therefore, advice services and the wider financial inclusion sector have a key role in tackling poverty.

- **Income from employment**

North Ayrshire has the lowest employment rate in Scotland (64.9%) and the second highest unemployment rate (5%). Economic inactivity is the highest in Scotland.

Embedding advice services within employability services enables their service users and clients to have direct access to advice services, which will address financial barriers to employment and enable progression in employment through increasing hours of work/hourly pay and thereby increase household income.



- **The 'take-up' of social security entitlements**

Unclaimed benefits across Britain were estimated to be around £20 billion in 2016-17. Only one in five were estimated to have claimed means-tested benefits and less than one third claims Working Tax Credit for households with no children.

Welfare rights advice enables people to better understand and claim their entitlements to maximise their income. Increasing benefits take-up and ensuring citizens are in receipt of income that they are due has a positive impact for North Ayrshire residents and the local economy.

- **Costs of living**

It is estimated that around 62% of Scottish households are now living in fuel poverty (paying more than 10% of their income on energy). This figure rises to 80% for low-income households. Another significant change is that almost half of all 'non-income' poor are now also likely to be fuel poor, up from 9.5% in 2019-20.

Referral pathways are in place from advice services to specialist fuel poverty/energy advice services to ensure that people get help with, for example, debts to utility providers. Interventions include support to access discretionary grants to write off energy debts, or to set up repayment plans. They also provide advice and support in resolving disputes with suppliers and with the replacement of prepayment meters with credit meters.

Local providers will be represented on the Financial Inclusion Partnership to be established in 2023.

- **Unmanageable debt**

Debt repayments are not deducted from income for the purposes of determining whether a household is in income poverty.

They do, however, reduce the amount of disposable income that households have to spend on goods and services, and therefore increase their risk of material deprivation, ie unable to afford goods and activities that are the norm in today's society.

Debt advice services offer options for managing debt more effectively, and part of the strategy for 2023-24 is to provide a universal debt advice service that will provide independent, impartial and accessible advice to all citizens in North Ayrshire.

- **Access to affordable credit and savings**

As a result of low incomes, and/or lack of credit history, many people are unable to borrow money from the same sources as other members of the population.

Many, as a result, turn to high-cost alternatives such as doorstep or payday lenders. Credit can therefore be the most expensive for those who can least afford it.

Access to affordable credit and savings can protect against problem debt and material deprivation as they safeguard against unplanned costs and changes in income.

Credit Unions/Community Banks are key providers of financial inclusion services and will also be represented on the Financial Inclusion Partnership to be established in 2023.



The Common Advice Performance Management Reporting Framework (CAPMRF) 2021-22 report (produced by the Improvement Service on behalf of Scottish Government) shows a national trend of declining welfare rights activity over the last two years, with fewer claims, mandatory reconsiderations and appeals supported in comparison with previous years.

However, they also report that one contributory factor may be the increasing number of complex welfare rights cases, which will impact on capacity. The complex nature of cases is reflected in the average time spent with a client/resolving their issue, which went up from 3.25 hours in 2020-21 to 5.35 hours in 2021-22.

Conversely, national trends relating to debt advice show that the number of people supported increased by 24% between 2020-21 and 2021-22, which may be due in part to the removal of Covid-19 support measures. *“Those who were struggling during the pandemic may have reached crisis point once creditors resumed collections.”*

The Common Advice Performance Management Reporting Framework also found that the most common type of debts presented, both nationally and locally, are *“Council Tax arrears, rent arrears and utility arrears, suggesting clients are more frequently struggling with essentials. It is possible this trend will continue as the effects of the cost of living crisis unfold”*.

The report concluded that:

“The findings of this report demonstrate the significant impact that local authority [funded] money and welfare rights advice services continue to make. These services have played a vital role through the instability experienced in the early 2020s and have supported increasing numbers of vulnerable households in the past year. Services are likely to experience continued pressure in the following years. Demand from debt advice clients has already increased in the most recent year and rising costs mean there is likely to be increased demand from those struggling to make ends meet.”

In North Ayrshire, overall, demand for debt advice services is increasing, but unlike the national picture, demand for welfare rights advice is also increasing.

5. North Ayrshire financial inclusion services - current position

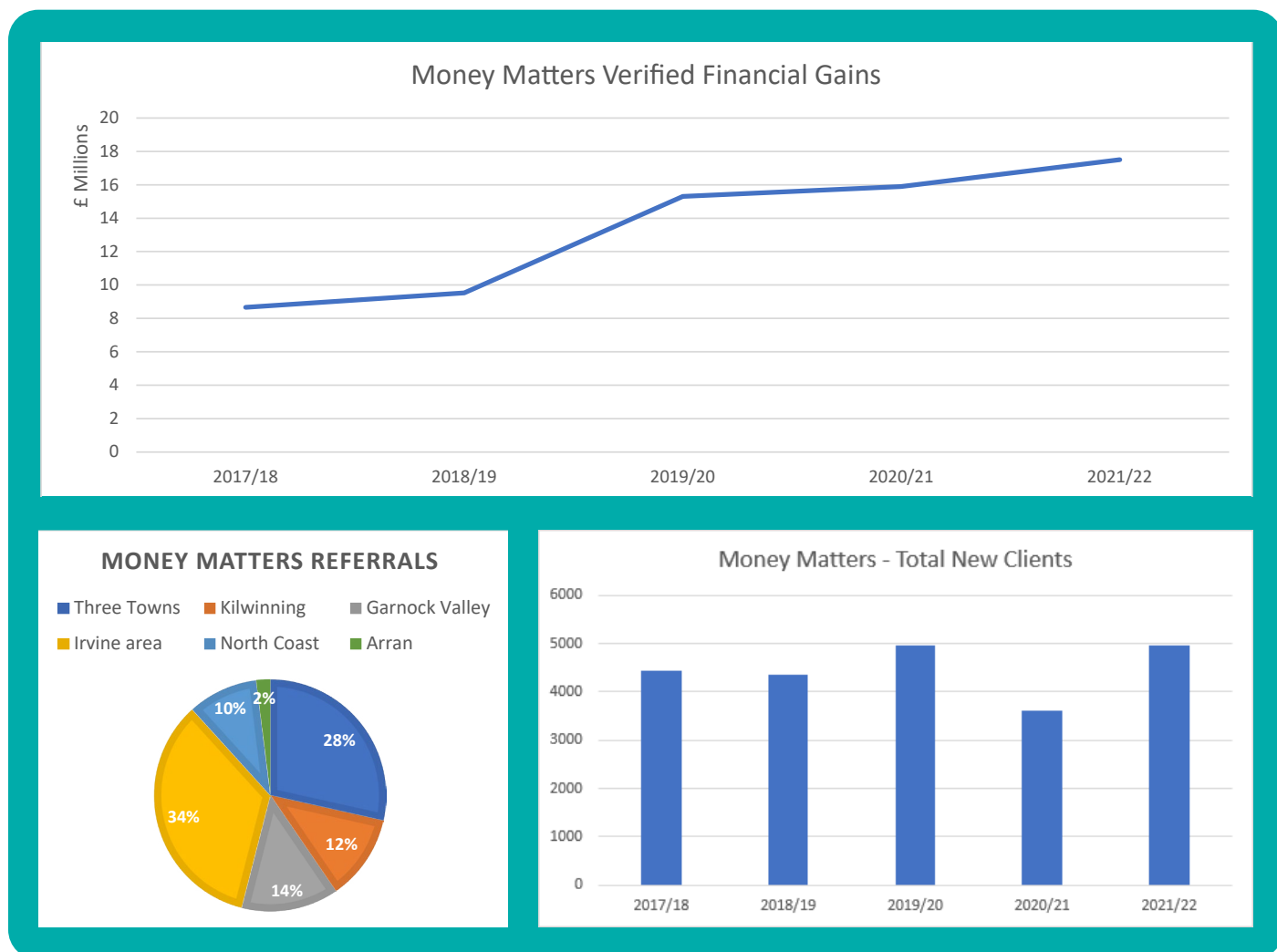
In comparison with many other local authorities, North Ayrshire has relatively few local providers of advice and wider financial inclusion services, but they are well-established in local communities. See Appendix 1 for locality maps illustrating access points across North Ayrshire. The main advice agencies/services are:

Money Matters

With a North Ayrshire Health and Social Care Partnership investment of £1.4m, Money Matters provides a universal welfare rights advice service across North Ayrshire, supporting residents to ensure they receive their legal entitlement to benefits.

The team also undertakes financial assessments for non-residential social care services where charges apply and support social care service users to maximise benefits, for example supporting Kinship Carers to claim all benefits they are entitled to. It also provides free training to colleagues across public and voluntary sectors working in front-facing roles.

In 2021-22, the service received 4,958 initial contacts (including 526 financial assessments for non-residential charging). Of those, 1,672, or 34% of initial contacts, were from vulnerable families and 55% had a disability or long-term health condition. The Money Matters team secured over £17.5m in verified financial gains for their clients, more than double the financial gains achieved in 2017-18.



Money Matters can be accessed across North Ayrshire through its dedicated advice line, face to face in social services local offices and is co-located with frontline services including criminal justice, addictions, mental health, children's throughcare services and the learning disabilities team. The team also has an adviser based within the foodbanks, and since June 2022 has provided welfare rights advice in nine GP practices - with plans to expand this to Arran and Millport during 2023 - and in seven schools since Autumn 2021.

Client feedback:

"Thank you for helping us both claim Attendance Allowance... now we can pay for many tasks to be done for us which we no longer can do. Well done!"

Housing Services Welfare Reform and Advice Team

Funded by the Housing Revenue Account (£0.6m investment), the Housing Services Welfare Reform and Advice Team provides welfare rights and debt advice services for Council tenants.

In 2021-22, 1,528 individuals were referred, or self-referred, with 68% of referrals from housing

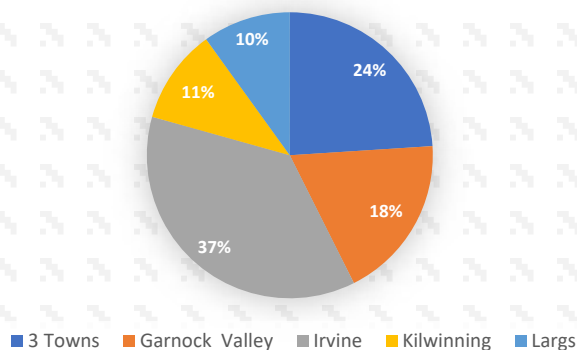
services and 25% self-referrals. Over the last three years, the team has received a significant increase in referrals for debt advice and this trend has continued into 2022-23. In 2020-21 the team achieved £2.2m in financial gains for Council tenants.

Advisers from the Welfare Reform and Advice team are based in housing offices across North Ayrshire. A breakdown of referrals received from the housing offices (below) shows that the service is reaching tenants across North Ayrshire.

Client feedback:

"Thank you so much for helping me today and every other time in connection with this. For the first time in a long time, I might be able to sleep properly without nightmares and fear keeping me awake. Once again, thank you."

Local Housing Office referrals

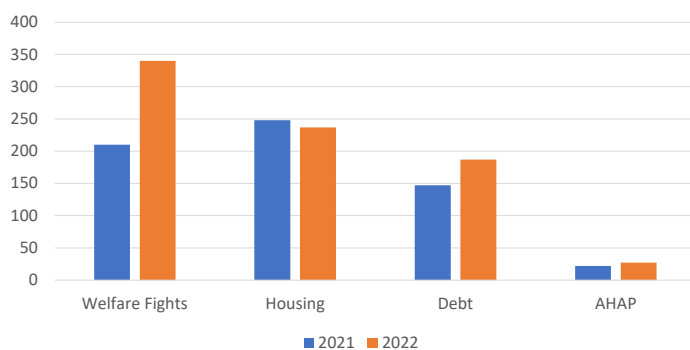


CHAP

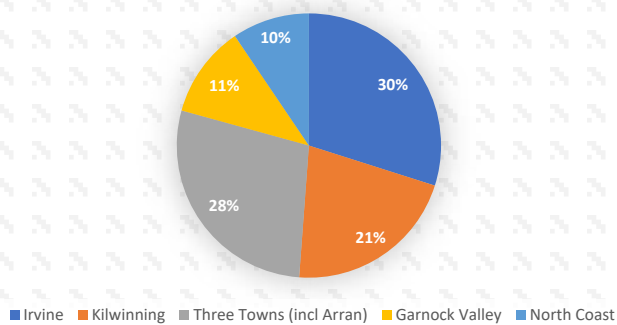
Based in Ardrossan, CHAP is a well-established charitable organisation that provides welfare rights, money/debt and independent housing advice for people across North Ayrshire. In 2023, it will also be delivering a new financial literacy programme, funded through the Council's Shared Prosperity Fund 'Multiply' programme.

Over the last five years, CHAP has been the key delivery partner for the Better Off North Ayrshire advice service projects, and as with public sector advice services the organisation is seeing increasing referrals for both debt and welfare rights advice. In addition, between 2021 and 2022, 33% more clients were identified as having debts to energy companies (referred on for specialist advice).

CHAP Referrals (excluding Better Off)



CHAP Referrals by locality



Note: AHAP (Ayrshire Homelessness & Prevention) is a partnership between CHAP and the Govan Law Centre through which homeowners can access advice and support when facing threat of repossession.

Client feedback:

"Staff always phone to check up. Members of staff really nice. Can't complain about anything, service was outstanding. I know I can call whenever I need any assistance in the future."

1st Alliance Community Bank

1st Alliance Community Bank covers the West of Scotland and is based in Kilwinning. It is a not-for-profit cooperative that offers tailored financial solutions for its members.

In August 2021, North Ayrshire Council put in place a Service Level Agreement through which it invested £150k for the express purpose of enabling 1st Alliance to lend to those who are 'higher risk' due to past history, but who can afford repayments. This fund is being 'recycled' as each loan is cleared off, thereby providing a legacy funding which will enable 1st Alliance to continue providing low-cost loans to 'high risk' customers over a number of years.

In December 2022, it was agreed that the Service Level Agreement would be amended to enable the fund to also be utilised to encourage individuals/families to become more financial resilient by providing an incentive to start saving in the form of a one-off £25 payment, which is allocated to a new savings account. To date, 'higher risk' loans have been awarded to 165 people, 45% of whom were unemployed.

Client feedback:

"1st Alliance have been amazing. I really didn't know where to turn to after I had a flood in my house. I had no insurance and my credit isn't the best. A friend told me about 1st Alliance and the whole loan process was so straightforward."

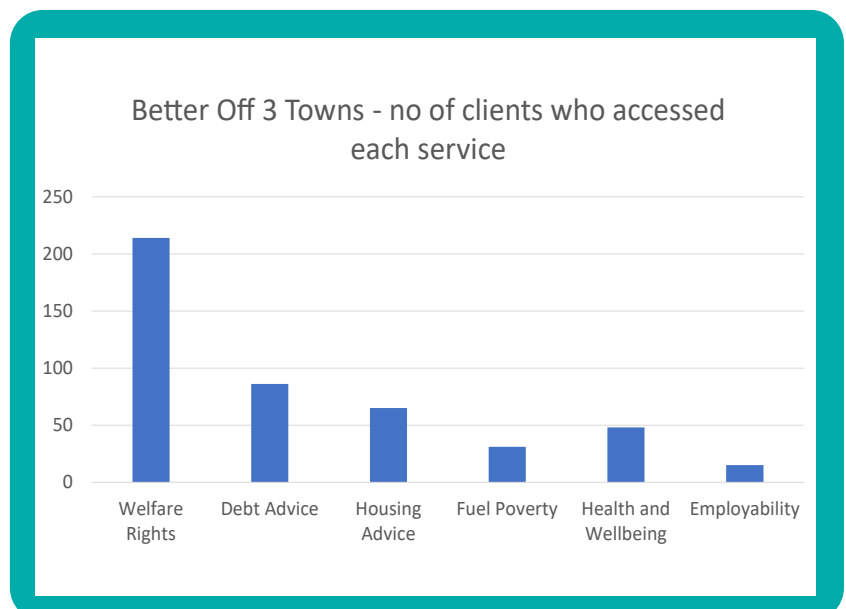
Better Off North Ayrshire

Over the last five years, North Ayrshire Council has contracted out universal debt advice services to the third sector, initially through external funding. In October 2020, through learning from earlier programmes, North Ayrshire Council funded a pilot advice service (incorporating welfare rights, debt and housing advice) to be delivered through a Public Social Partnership, with annual funding of £0.2m.

The pilot was delivered within the Three Towns locality of Ardrossan, Saltcoats and Stevenston. It commenced in March 2021 and will come to an end in June 2023. A key worker/whole person approach was incorporated into a collaborative delivery model with online referral pathways established to/from third and public sector advice agencies, as well as Community Link Workers (attached to GP surgeries) and employability services.

In 2022, 306 Three Towns residents were referred, or self-referred, to the Better Off pilot advice service. There were a further 67 'drop-ins' who accessed immediate welfare rights help and support. 75% of those referred had a disability or long-term health condition, and 23% were from child poverty priority groups.

A total of 449 services were accessed by those referred, including 48 individuals who were referred on for health and wellbeing needs and 15 to employability services.



The project has worked closely with Money Matters and the Welfare Reform and Advice Team, as well as external partners. The pilot was designed to focus on those with complex and significant challenges.

The outcomes-focused approach of evaluating Better Off was evidenced in a Year One Social Impact Report produced by the Social Value Lab. Of those interviewed through the consultation, it was found that 74% had an improved financial situation and 82% had reduced stress and anxiety. In addition, of the clients interviewed:



These outcomes are an indication that the improved financial circumstances experienced are more likely to be sustained and that the beneficiaries of the services are less likely to have a financial crisis situation in the future.

The external evaluation of year one of the Better Off pilot highlights the financial and social benefits that services provided in a joined-up way can bring to people's lives. The single point of contact to access multiple services, benefits, budgeting, debt, employability, energy, digital, health and wellbeing and housing, supported by a keyworker, provides a holistic approach, and the principles of the Better Off pilot will be encompassed in the new approach moving forward.

Client feedback:

"This has made a huge difference to my life. If [Better Off] hadn't helped me I would have just went under."

Conclusion

It is clear that North Ayrshire has a number of financial inclusion services that are well-established in local communities and are accessed by residents across North Ayrshire, delivering significant financial gains and supporting the cost of living and poverty crisis in North Ayrshire. However, many of these teams and services are not delivered in a joined-up way considering the needs of our citizens first. Many of the teams deliver the same services and it is considered that by bringing them closer together, there is scope to streamline referral pathways into the services, to make services more accessible for our citizens and to reduce the number of cross-referrals between teams.

This should create a more integrated system and support people in a more holistic way. Caseloads for all teams and services are increasing and North Ayrshire Council and the HSCP need to maximise all resource and capacity available to support our communities.

6. North Ayrshire financial inclusion services - moving forward

Our immediate intentions for 2023-24

To support North Ayrshire Council and the HSCP's strategic priorities, our immediate plans for 2023-24 are to:

Review, develop and improve North Ayrshire advice services to ensure they are person-centred, responsive and meet the needs of all North Ayrshire residents, and particularly the more vulnerable groups of people. To achieve this we will:

- Create a single advice service team by merging Housing Services Welfare Reform and Advice Team and Money Matters.
- Start to work towards achieving the Scottish National Standards for Information and Advice Providers (SNSIAP) for welfare rights advice to Type 111.
- Develop a new, integrated framework for measuring customer satisfaction and to obtain feedback and suggestions from customers.
- Review and develop the in-house delivery model to build on the holistic approach to pro-actively identifying underlying and associated issues and support engagement with other service providers as appropriate to individual needs.
- Ensure accessibility of support, building on the outreach and co-location model of delivering supports.
- Review and develop the Performance Management framework to support a standardised approach to data capture and reporting of outcomes, a systematic approach to service development, and to encourage a culture of continuous improvement.
- Identify and implement a new case management system that incorporates the quality assurance and performance management frameworks.



Establish effective partnership working practices that will enable a more joined-up approach to service delivery and development, which also maximise resources and available funding. To support this, we will:

- Establish seamless referral pathways to and between advice and key referral agencies, including community banking, financial literacy, housing, health, employability and social services.
- Develop and establish a closer working partnership with 1st Alliance Community Bank.

Provide an independent debt advice service to all residents in North Ayrshire. To support this, we will:

- Provide a service that will be available to owner occupiers, private rental sector tenants, Housing Association and North Ayrshire Council tenants.
- Develop a service specification that incorporates the key elements of the Better Off model, including the holistic approach, with a performance management framework to measure the impact of support.
- Commission through the Third Sector a universal debt advice service to provide independent, impartial and accessible debt advice services for a two-year period initially.

Improve access to, and awareness of, advice services across North Ayrshire. To achieve this we will:

- Develop and implement a communications plan targeting the more vulnerable groups of people, to promote advice and wider financial inclusion services and maximise awareness of access points.
- Develop an interactive online mapping tool that will enable ease of access to information about what advice services are available where, and when, in local communities.
- Investigate options to develop an App or a platform that provides information about local advice services, access to appropriate self-help tools and the option to submit a request for a follow-up call from advice services.
- Embed welfare rights provision within employability services.

Develop and establish a cross-sector North Ayrshire Financial Inclusion Partnership, with representation from financial inclusion service providers and key stakeholders, which will:

- Include representation from, for example, advice services, 1st Alliance Community Bank, fuel poverty advice services, employability, education and housing services, housing associations, community link workers, the food bank and the Alcohol and Drugs Partnership.
- Support the development, monitoring and evaluation of service developments, including referral pathways, and allow our citizens to more easily access information on the wide array of supports available.
- Enable a joint approach, making the best use of all available resources, to mitigating the impact of the cost of living crisis on individuals, families and communities in relation to entitlements, managing money, debt, financial literacy, digital inclusion, affordable lending, fuel poverty, health and more.
- Foster collaborations and the development of shared proposals to address identified gaps, as well as the development of funding proposals and opportunities.
- Enable the sharing of information, knowledge and expertise to support activities including:
 - Understanding and awareness, across the partnership, of the services offered by all providers and of the key needs of, and challenges faced by, their client groups.
 - Future developments, including the mapping of advice and wider financial inclusion services across North Ayrshire and identification of gaps in service provision.
- Provide access to a wider group of frontline workers and service users, which will help inform and support developments including the communications plan and consultations that will inform the strategy refresh.
- Support the monitoring and evaluation of service developments.
- Support the development of key themes and strategic objectives for the refresh of the strategy for 2024-28.

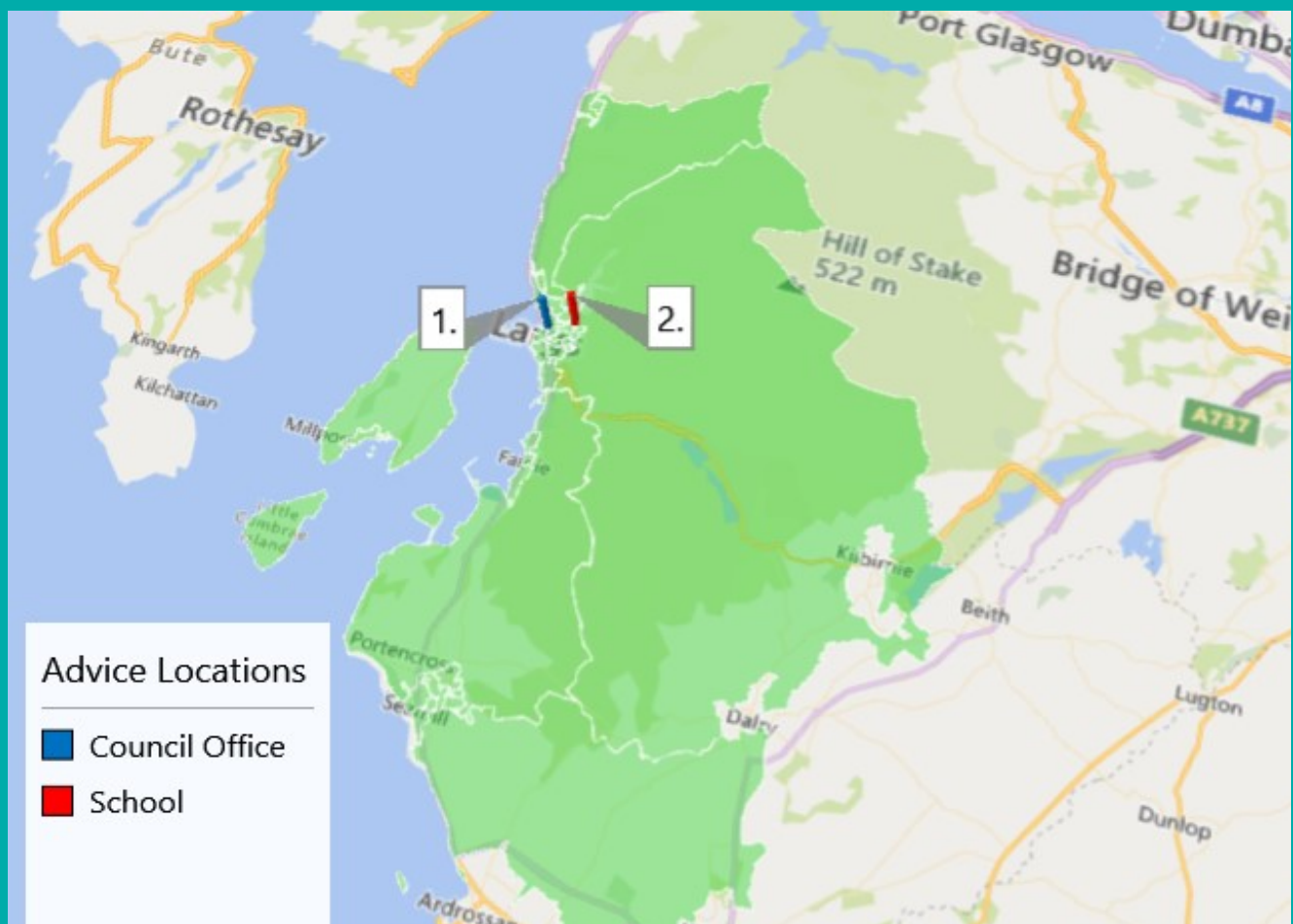
Review and refresh the Financial Inclusion Strategy for 2024-28

To achieve this we will:

- Encourage and support participation of staff teams in reviewing the vision and mission statements, agreeing our core values and the development of our ambitions for the next four years.
- Consult with key stakeholders and North Ayrshire residents.
- Put in place a robust performance management framework across services to ensure we can quantify and measure the totality of difference our services are making to the people of North Ayrshire.
- Undertake a mapping of all financial inclusion services and access points across North Ayrshire.
- Officially launch our North Ayrshire Financial Inclusion Partnership.
- Agree and publish a refreshed Financial Inclusion Strategy for 2024-28.

Appendix 1: Advice service access points in North Ayrshire

North Coast

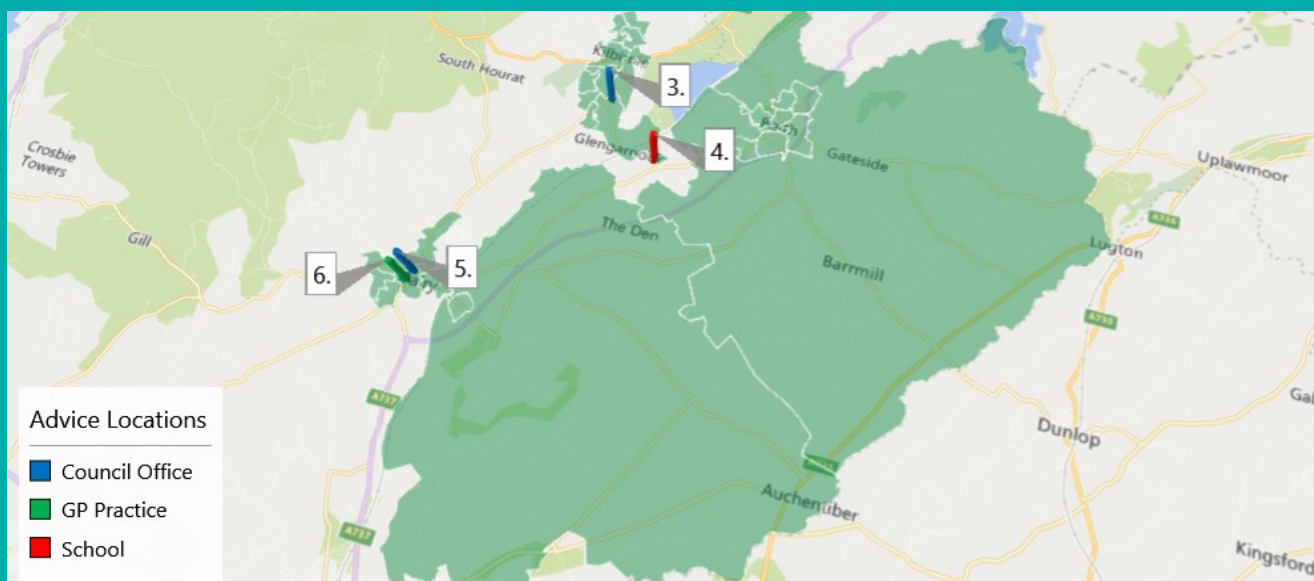


**1. Housing Services
Welfare Reform and
Advice Team:**
Largs Area Office
31 Brisbane Road
Largs
KA30 8LH

2. Money Matters:
Largs Academy
Alexander Avenue
Largs
KA30 9DR



Garnock Valley



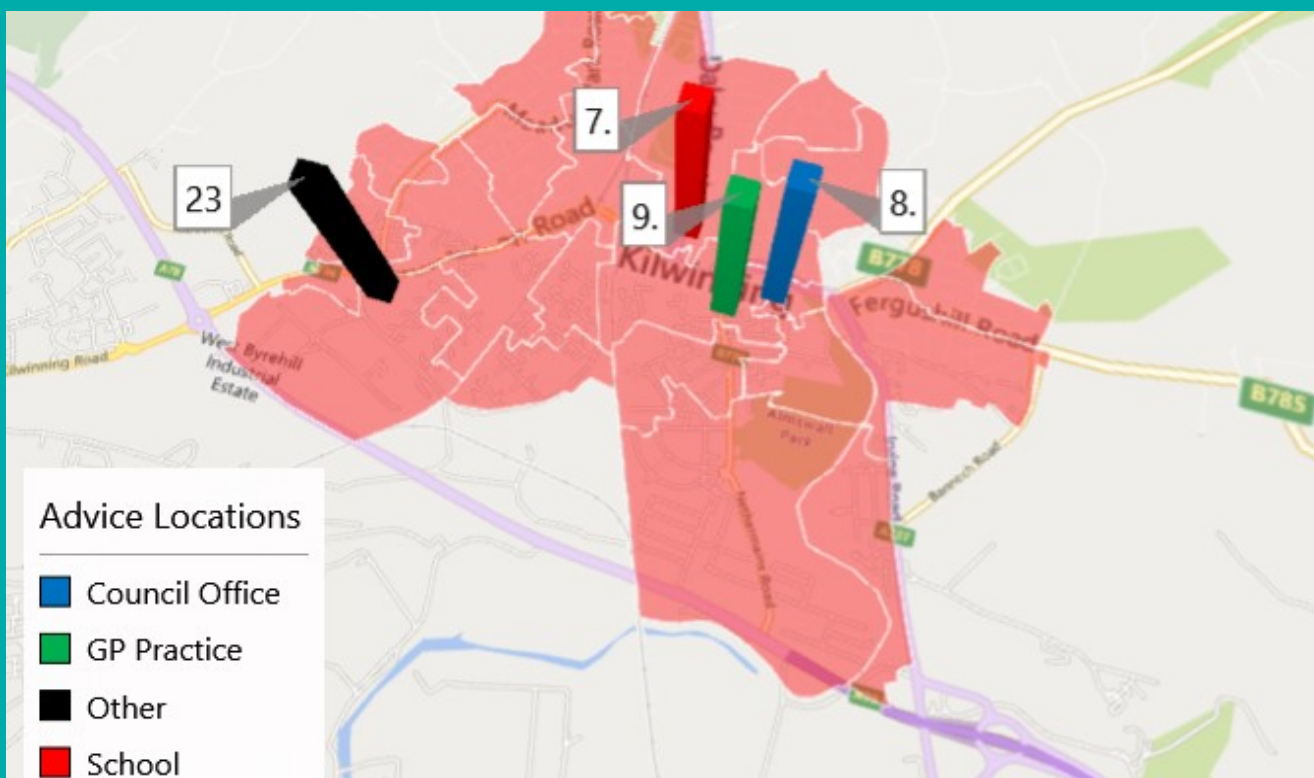
3. Housing Services Welfare Reform and Advice Team:
Kilbirnie Area Office
Craigton Road
Kilbirnie
KA25 6LJ

4. Money Matters:
Garnock Community Campus
Beith Road
Glengarnock
KA14 3BJ

5. Housing Services Welfare Reform and Advice Team:
Dalry/Beith Area Office
Sharon Street
Dalry
KA24 5DR

6. Money Matters:
Dalry Medical Practice
50 Vennel Street
Dalry
KA24 4AF

Kilwinning



7. Money Matters:
Kilwinning Academy
Dalry Road
Kilwinning
KA13 7HD

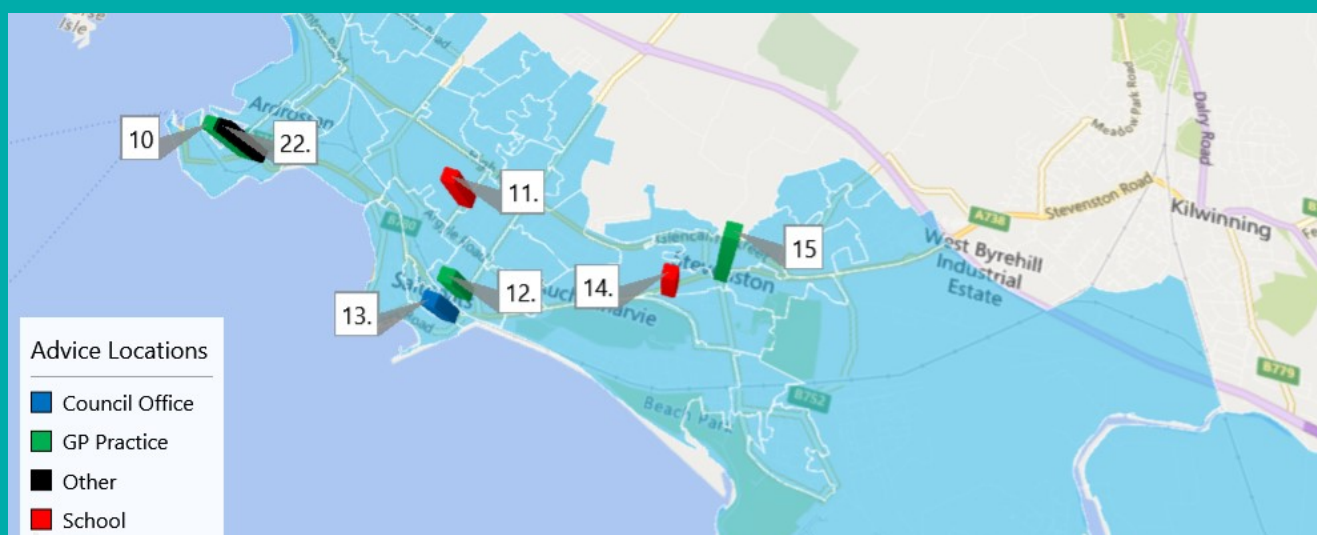
8. Housing Services Welfare Reform and Advice Team:
Kilwinning Area Office
35 Main Street
Kilwinning
KA13 6AN

9. Money Matters
Kilwinning Medical Practice
15 Almswall Road
Kilwinning
KA13 6BL

10. Other Advice Services
Kilwinning Sports Club
Pennyburn Road
Kilwinning
KA13 6LF

23. 1st Alliance Community Bank
147 Main Street
Kilwinning
KA13 6EQ

Three Towns



10. Money Matters:
South Beach Medical Practice
8 Harbour Street
Ardrossan
KA22 8BS

14. Money Matters:
Lockhart Campus
120 Boglemart Street
Stevenston
KA20 3JL

11. Money Matters:
St Matthew's Academy
Jack's Road
Saltcoats
KA21 5NT

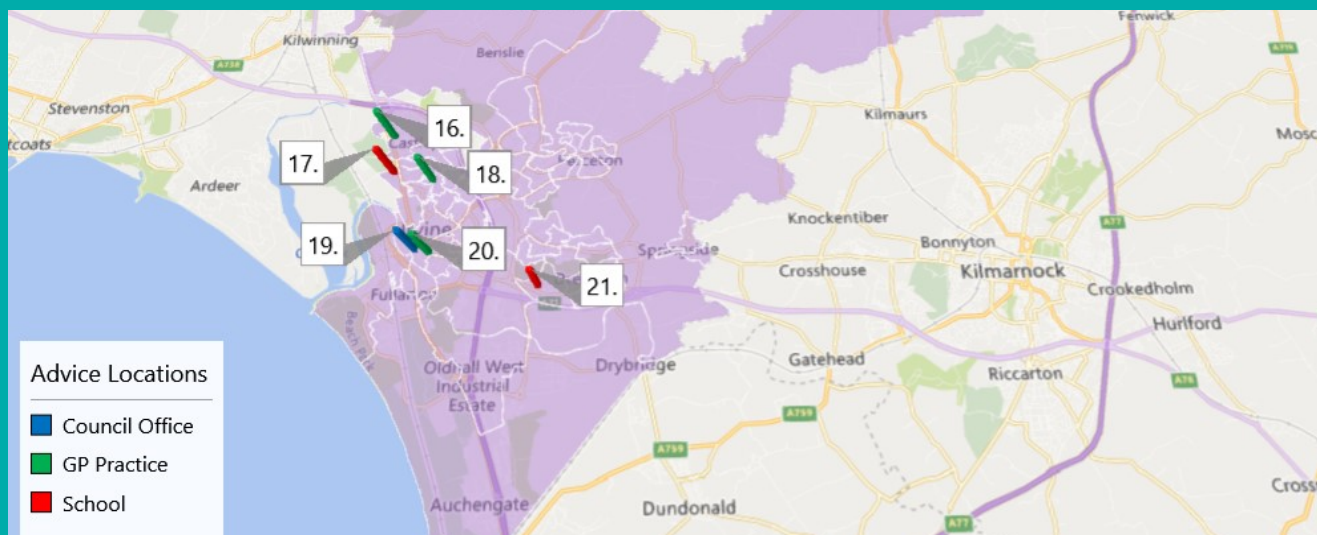
15. Money Matters:
Ayrshire Medical Group
20 Main Street
Stevenston
KA20 3AB

12. Money Matters:
Saltcoats Medical Practice
17-19 Raise Street
Saltcoats
KA21 5LX

22. CHAP
71 Princes Street
Ardrossan
KA22 8DG

**13. Housing Services
Welfare Reform and
Advice Team:**
Saltcoats Town Hall
Countess Street
KA21 5HP

Irvine



16. Money Matters:
Eglinton Medical Practice
Ayrshire Central Hospital
Kilwinning Road
KA12 8SS

20. Money Matters:
Townhead Medical Practice
6-8 High Street
Irvine
KA12 0AY

17. Money Matters:
Irvine Royal Academy
Kilwinning Road
Irvine
KA12 8SJ

21. Money Matters
KA Campus Greenwood Academy
Corsehill Mount Road
Dreghorn
KA11 4HL

18. Money Matters:
Frew Terrace Surgery
9 Frew Terrace
Irvine
KA12 9DY

**19. Housing Services
Welfare Reform and
Advice Team:**
Irvine Area Office
Bridgegate House
KA12 8BD

Appendix 2: Strategic links and references

Strategic links

[Caring Together: NAHSCP Strategic Commissioning Plan 2022-2030](#)

[Child Poverty Report 2021-22 and Action Plan 2022-23 \(north-ayrshire.gov.uk\)](#)

[North Ayrshire Council Plan 2019 \(north-ayrshire.gov.uk\)](#)

References

[How is the cost crisis affecting equality and fairness in Scotland? - Emergency Budget Review: equality and fairness - evidence summary - gov.scot \(www.gov.scot\)](#)

[What is poverty? | JRF](#)

[Wrong direction: can Scotland hit its child poverty targets? • Resolution Foundation Chapter 1. Introduction - Tackling child poverty delivery plan: forecasting child poverty in Scotland - gov.scot \(www.gov.scot\)](#)

[UK Poverty 2023: The essential guide to understanding poverty in the UK | JRF](#)

[The Cost of Living Crisis in Scotland: analytical report - gov.scot \(www.gov.scot\)](#)

[Cost of Living Report - December 2022 | Money Advice Scotland](#)

[Child Poverty Report 2021-22 and Action Plan 2022-23 \(north-ayrshire.gov.uk\)](#)

[Local child poverty dashboard - gov.scot \(www.gov.scot\)](#)

[Drivers of child poverty - Tackling child poverty - fourth year progress report 2021 to 2022: annex A - measurement framework - gov.scot \(www.gov.scot\)](#)

[SCoRSS benefits take-up final.pdf \(cpag.org.uk\)](#)

[Fuel poverty: estimates for the UK | CPAG](#)

[2021-22 Report | Improvement Service](#)



Appendix 3: North Ayrshire financial inclusion services



Money Matters

Bridgegate House
Irvine
KA12 8BD

To access advice and support:

Call: 01294 310456

Email: moneymatters@north-ayrshire.gov.uk

Or use the online contact form at: [Money Matters - North Ayrshire Health & Social Care Partnership \(nahscp.org\)](#)



CHAP

71 Princes Street
Ardrossan
KA22 8DG

To access advice and support:

Call: 0300 002 0002

Email: enquiries@chap.org.uk

Or use the online contact form at: [CHAP | Ayrshire Charity supporting housing, welfare and debt issues](#)



North Ayrshire Council
Comhairle Siorrachd Àir a Tuath

Housing Services Welfare Reform and Advice Team

To access advice and support:

Call: 0300 999 4606

Email: welfarereformteam@north-ayrshire.gov.uk

Web: [Welfare advice for council tenants \(north-ayrshire.gov.uk\)](#)



1st Alliance Community Bank

147 Main Street
Kilwinning
KA13 6EQ

Call: 01284 557123

Email: info@allianceayrshire.co.uk

Or use the online contact form at: [1st Alliance Community Bank \(allianceayrshire.co.uk\)](#)



Appendix 4: Drivers of poverty flowchart (alternative text)

The Scottish Government has identified three key drivers of poverty in Scotland and the key indicators relating to them. They are:

Driver – Income from employment

Indicators:

- Hourly pay
- Hours worked
- Skills and qualifications
- Labour market
- Availability of affordable and accessible transport and childcare

Driver – Costs of living

Indicators:

- Housing costs
- Other costs of living
- Debts
- Enablers including access to affordable credit, internet access, savings and assets

Driver – Income from social security and benefits in kind

Indicators:

- Generosity of benefits
- Reach of benefits
- Eligibility criteria
- Take-up



Any questions about this document,
including requests for supporting documentation
or information, should be directed to:

**North Ayrshire Health and Social Care Partnership
Cunninghame House
Friars Croft
Irvine
KA12 8EE**

If you have any comments that you would like to share
with us, please get in touch by emailing
whatmatterstoyou@north-ayrshire.gov.uk