

DCSDC Financial Inclusion Proposals

Introduction and Executive Summary

The purpose of this paper is to respond to the Department for Communities request for proposals to develop a local community partnership which can seek to address some of the negative impact on the financial well-being of people, particularly those most adversely affected by the COVID-19 pandemic. The paper sets out the proposals of Derry City and Strabane District Council, working with the three generalist voluntary advice providers, Advice North West, Dove House and the Resource Centre. It considers both what can be done in the period up to 31 March 2021 but also what might develop thereafter and proposes to work closely with a range of community and voluntary sector organisations to best meet the needs of those who are in greatest financial hardship. In the longer term it will seek to develop mechanisms and support structures which can help the broader community to be more financially resilient and better equipped to meet their own financial needs in the longer term.

Policy Context

In August 2020 the Department for Communities put forward a paper to Councils highlighting the UK government's response to COVID-19 and indicating that £700,000 has been set aside to support preventative financial well-being measures through the establishment of a Covid-19 Financial Inclusion Partnership Fund, to be delivered through community sector organisations, led by Councils. It noted that £383,000 has been set aside for direct debt advice provision and that it had been seeking to work with advice sector partners to determine need and the best course of action.

The paper set out a rationale for intervention noting that many households in Northern Ireland were in a precarious financial position before COVID-19 with many over-indebted, with little in the way of savings and relying heavily on credit to pay for essential supplies and bills. It was expected that these debt issues would grow substantially because of unemployment and reduced working hours. It was anticipated that women, minority ethnic people, young people, those experiencing poor mental health, those renting their home or people who are self-employed would particularly be affected.

Purpose of Proposal

The Covid-19 Financial Inclusion Partnership Fund would seek to target those most adversely affected by the economic effects of the pandemic and help to build financial resilience and improve overall financial well-being. It will do so through

effective targeting of support, referrals to debt advice, access to responsible lenders, increased awareness and a change in financial culture.

It is intended that the proposal will both address immediate financial and debt needs but will also seek to look forward to developing a partnership which can facilitate greater financial resilience in people living in the Council area.

Workers Rights

Having a job is an essential part of most people's lives. As a result of the current Covid-19 pandemic many people have experienced redundancy, furlough, job insecurity and a reduction in working hours. Many people do not know their basic employment rights and know less about enforcing them.

The project will provide advice and guidance to employees and individuals to ensure that they do not suffer from a lack of knowledge of their rights and entitlements.

What can be done by 31 March 2021?

Work by the partners in the next five months must realistically address immediate need but also establish plans for longer term more strategic activity. It is anticipated that the following will be done immediately:

- Partnership of three Advice Providers will be established along with appropriate protocols and agreements for sharing information and resources
- Plan to meet immediate and most severe need will be developed. This will include the above elements but may be evolved as knowledge of priority needs grows.
- People at significant financial risk will be identified through the three advice agencies and in conjunction with a range of community and not for profit sources, including the existing growth partnerships in the DCSDC area. A database will be prepared and shared with partners for targeting purposes, subject to appropriate protocols and safeguards
- Protocol for referrals between partners and to and from other support organisations will be prepared to ensure excellent communication with all of those who can provide immediate support to those in greatest financial need. Support organisations may include:
 - Local Community Growth Partnerships
 - Aid organisations, such as De Paul Ireland, Barnardos, etc.
 - Specialist support charities
 - Other local support sources

- Script for telephone contacts - suitable sources of support will be identified and agreed. This will form the basis for initial contact with those most at risk and will also explain how clients will be referred and the typical process for support and advice at each stage.
- The existing advice partners will harness current adviser expertise to resource an “out of hours” service which will provide support and coaching in the areas of employment rights/redundancy advice, benefit maximisation, debt, financial awareness, capability and management, financial health checks, promotion of savings and information on affordable credit. The additional service will operate from 5pm to 9pm Monday to Thursday and from 9am to 1pm on Saturdays.
- Those at greatest risk will be targeted directly through telephone contact to raise awareness and offer support.
- Careful monitoring and review of any additional advice support work will be provided by the three advice organisations and supported through their management and governance structures
- Additional phone support after initial contact - ad hoc depending on clients’ specific needs and structured and delivered in agreement with the three advice organisations.
- Promotional activity to make people aware of the support available, how to contact it and how to remain anonymous if preferred.
- Longer term plan to improve financial awareness and resilience will be started and will set out what happens during 2021/22

Targets for the period from November to 31 March 2021 will include:

- Database of those most in risk in place and being shared with suitable partner organisations
- Initial telephone contact with 3000 people on the database
- Initial support and advice offered to 1500 people

Costs

The funding for the period up to 31 March 2021 would be utilized as follows:

Advice North West – Additional Hours – 15 staff x 2 nights per week x 16 weeks

15 staff x Saturday morning x 9 weeks

Dove House – Additional Hours -

4 staff x 2 nights per week x 16 weeks

4 staff x Saturday morning x 9 weeks

Resource Centre Derry -

1 staff x 2 nights per week x 16 weeks

1 staff x Saturday morning x 9 weeks

Marketing/Awareness – Council Marketing Department in partnership with Advice Agencies and Local Growth Partnerships

Organisation	Salaries	Marketing Campaign	Distribution Costs	Data Sharing Agreement		Total per organisation
Advice North West	57796					57796.00
Dove House	11935					11935.00
Carnhill	2330					2330.00
Council - Marketing		4622	3402			8024.00
TOTALS	72061	4622	3402	0.00		80085.00

Developing the Proposal - April 2021 and beyond

The partners recognise that a more strategic approach to debt and financial literacy needs to be taken in the longer term but that for many addressing urgent needs is a current priority. The period from November to 31 March 2021 will address short term and emergency needs but will also establish a foundation for later more strategic work. Subject to resources, this is likely to include:

- More formal structures for additional financial and debt advice, including web access, web based self-help, web and telephone based self-referral mechanisms based on specific need, etc.
- Greater engagement of a range of not for profit support organisations in specific roles to meet specialised needs.
- Established financial literacy and financial management training and mentoring services
- Clear paths for access to low risk debt provision/low interest borrowing and advice to deal with existing problem debt
- Established and working referral mechanisms to organisations that can address specialised needs that impact on debt and financial wellbeing or affect access to standard debt advice

Monitoring and Review

The partners recognise the importance of monitoring and evaluating this project so that learning experiences can be captured and the best outcomes

The anticipated outcomes up to 31 March 2021 are expected to be:

- Database of 3000 citizens created all of whom have benefited from employment rights/redundancy advice, financial capability, and money management advice
- 3000 hours dedicated to the Financial Inclusion Project
- 2500 benefit maximisation calculations conducted with support given to access any identified unclaimed entitlements
- 750 Referrals made for in depth debt advice including restructuring of debt.
- 54,000 households leafleted highlighting the Financial Inclusion Project and existing benefit and money/debt advice services in the DCSDC area
- Cohesive Partnership working between Advice North West, Dove House, and The Resource Centre Derry
- Referral mechanisms and data sharing agreements established between the 3 advice agencies and local growth partnerships.

Longer term outcomes are expected to include:

- Increased awareness of the sources of support and advice available
- Higher profile for affordable credit sources
- Reduced problem debt levels
- Greater capacity to manage finances, including budgeting and better decisions around borrowing
- Improved health and wellbeing
- Number of people trained in good financial management
- Number of people in the priority target groups, i.e. women and people experiencing poor mental health, benefiting from provision
- More people in the area with some savings
- Learning and evaluation of the project will give benefits not only to future financial capability endeavours but also may help to inform any future anti-poverty, disability, or mental health strategies