

Financial Inclusion Taskforce Summary and role of the Taskforce

“The Debt Crunch in Derbyshire”

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11 July 2008

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The story so far...

- Financial Inclusion Taskforce established February 2005;
- Taskforce established to monitor progress of Government initiatives and make recommendations on further work;
- Taskforce currently has 14 members (expecting a 15th);
- Members are drawn from- the banking and insurance industry, third sector providers of affordable credit and money advice, consumer groups, the charitable funding sector and academia;
- Taskforce is chaired by Brian Pomeroy, former senior partner at Deloitte.

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Taskforce activity

- *Financial inclusion: the way forward* extended the Taskforce's work to March 2011
- Taskforce has a research budget. Published research includes:
 - A major quantitative survey on access to financial services by more marginalised people;
 - Workshops to examine excluded people's attitudes to financial services; and
 - A mapping project to match the supply of financial services against areas showing indicators of financial exclusion.
- Taskforce has a number of working groups to take forward particular aspects of the inclusion agenda.

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Affordable credit

- Taskforce Working Group set targets to achieve a step change in supply by 2011:
 - Current Growth Fund capacity for lending to the financially excluded be doubled to 150,000 loans p.a.; and
 - Coverage be extended to 25 of the highest priority under-served areas of the country, as identified by the Taskforce's mapping research.
- £38 million available from the FIF to increase service provision through the Growth Fund;
- Bank commitment to support 3rd sector, including action to develop new provision in 25 high priority areas; and
- DWP Growth Fund team to include dedicated staff resource to identify opportunities for bank support.

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Insurance

- Insurance Working Group has recommended that:
 - on the **supply-side**, the Govt, the insurance industry and social landlords work together to establish and target insurance-with-rent schemes;
 - the insurance industry take steps to develop simple products that meet the needs of private tenants;
 - on the **demand-side** insurance be incorporated into the “now let’s talk money” campaign, working closely with the ABI’s campaign promoting insurance to low-income consumers
- Govt will include home contents insurance within NLTM, to be delivered through the new Champions initiative.

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Financial inclusion Champions

- Demand-side initiative to build on NLTM and provide a more strategic link with the local govt sector;
- Champions to be established nationally and in key LA areas, e.g. those in need of new affordable credit provision and/or affected by flooding;
- Champions to facilitate join-up at local level with other policy areas:
 - A point of contact working with Growth Fund and banks to establish new third sector lending provision in priority areas;
 - Working with Beacon LAs on dissemination of best practice in LA sector; and
 - Establishment of a Taskforce Working Group to advise on the design and implementation of the Champions initiative.

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Money advice

- £76 m total funding for face-to-face advice projects, allowing all 16 BERR projects to continue;
- All projects to introduce an outreach component;
- Projects will trial a number of approaches in order to further increase targeting and the no. of people helped, including:
 - triage of clients to identify those who most need face-to-face help;
 - volunteer training and co-ordination to increase capacity;
 - an element of financial capability provision to provide appropriate preventative advice.
- LSC and NOMS to jointly administer £5 m prisons outreach projects

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Integrating saving into the inclusion strategy

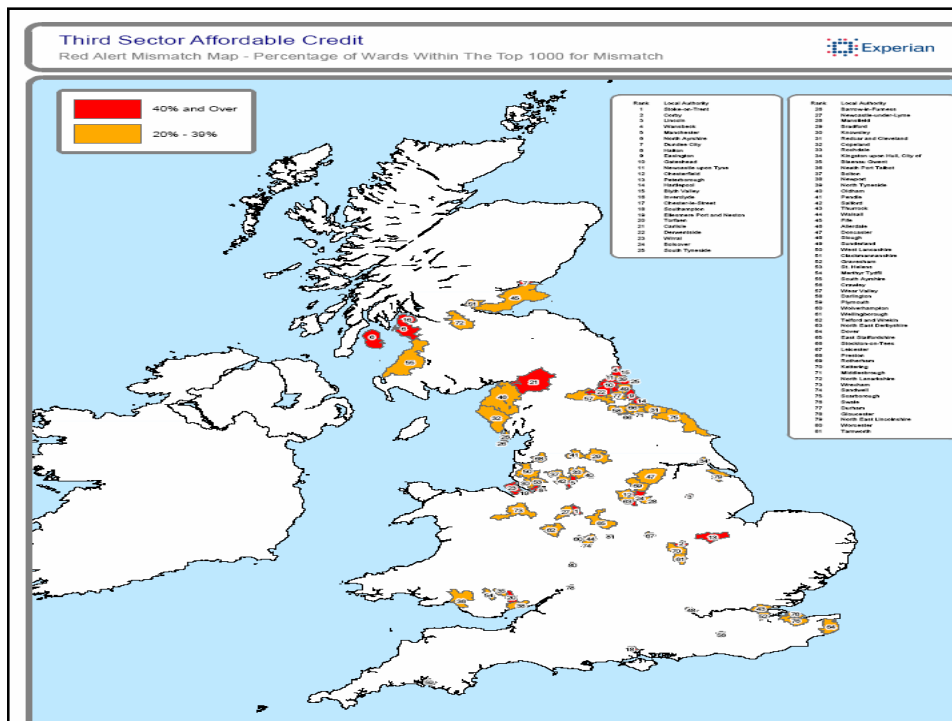
- Govt will continue to promote access to and take-up of saving opportunities, particularly with credit unions, through demand-side initiatives;
- £2 m FIF funding to allow the OFT “Save Christmas” campaign to continue;
- Budget 2008 announced that the Saving Gateway will be rolled out nationally from 2010;
- Taskforce remit for 2008-11 to include issues relating to saving and financial inclusion.

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INCLUSION TASKFORCE *Practice*

- Behind the national picture of overall development – a patchwork of provision still exists
- Different funding sources, structures, approaches
- Working with a range of stakeholders is key
- Working with vulnerable people is vital.

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Local risk areas: affordable credit



- 12 – Chesterfield
- 63 – North East Derbyshire
- 24 – Bolsover
- 28 – Mansfield
- 69 – Rotherham
- 3 - Lincoln