



Glasgow City Council
City Administration Committee

Item 2

8th May 2025

Report by Councillor Richard Bell, Depute Leader of the Council, City Treasurer and City Convener for Financial Inclusion

Contact: John Sherry Ext: 78294

FINANCIAL INCLUSION UPDATE

Purpose of Report:

To provide Elected Members with an update on the redesign of Financial Inclusion Services and seek approval for an extension to the current FI funding model of up to 9 months.

Recommendations:

Elected Members are asked to:

- a) note the update of the ongoing FI redesign;
- b) approve an extension to the current FI funding model of up to 9 months; and
- c) Agree in terms of Standing Order No. 30 (7), that these decisions will not be subject to the call-in process for the reasons set out in paragraph 1.2 of the report.

Ward No(s):

Local member(s) advised: Yes ☐ No ☐

Citywide: ✓

consulted: Yes ☐ No ☐

1 Purpose of the report

- 1.1 To provide Elected Members with an update on the redesign of Financial Inclusion Services and seek approval for an extension to the current FI funding model of up to 9 months.
- 1.2 Committee approval is sought to suspend the call-in procedure under Council Standing Order 30 (7). Suspension of the call-in procedure will enable grant awards to be issued to organisations and for payments to be released as a matter of urgency to meet 2025/26 first quarter costs.

2 Background

- 2.1 The current model for providing financial inclusion support in Glasgow focuses on the provision of crisis intervention. Over the last five decades it has delivered significant benefits for citizens in need of assistance, securing substantial financial gains, managing debt and mitigating the impact of a lack of money.
- 2.2 However, due partly to the pandemic and cost of living crisis, demand continues to grow and often outstrips capacity. It is widely recognised that this traditional approach cannot deliver the transformational impact required to tackle the levels of poverty that persists in our city.
- 2.3 The Financial Inclusion and Transformation Team (FITT) confirmed to Elected Members its commitment to work with representatives of the GCC funded FI sector to review the FI provision across the city. Furthermore, it was agreed that this review would inform the future mechanism for the allocation of funding currently made to the city's FI sector by the Glasgow Communities Fund.
- 2.4 Members of the financial inclusion sector have participated in an intensive process of service co-design. Representatives from the advice sector have led this collaboration on secondment to the Child Poverty Programme. The process involved shared learning that examined alternative delivery and funding models and reframing performance and impact measures. Underpinning all of this is a shared ambition to truly transform the focus into early intervention and prevention, inspiring us all to work towards a common goal.
- 2.6 The co-created redesign process proposes an alternative model for both the delivery and funding of financial services in the city. It sets out that:
 - core services will continue across the city alongside flexible capacity to meet identified needs through targeted activity. Initially, this will focus on the identified booster wards.
 - service provision will pivot from standard crisis support to a more proactive approach of building financial capability and wellbeing. This

transformative approach involves more intensive support to each client over an extended period, examining current practices and behaviours around money, working together to develop goals and coping strategies for money and developing better understanding of income, outgoings and reasons for spending. This will be an integral element of a broader package of whole person support delivered as part of the city's No Wrong Door infrastructure.

- It is proposed that the city's financial inclusion services will be coordinated and funded through a single partnership. This will address the current complex and fragmented array of services, support the streamlining of access and ensure that the city's investment in financial inclusion achieves maximum impact.
- The coordinating body crucially will also continue to seek out innovations and investigate ways to modernise the sector going forward.
- This planned model will ultimately facilitate greater investment in much earlier intervention and create meaningful outcomes in the long term. This will be demonstrated through reframed performance measures in line with the new funding arrangements and focus.

3 Update on progress

- 3.1 While progress on the FI redesign has been significant, with stakeholders working in partnership to identify the issues and opportunities for delivery of a new FI service, there are some key elements of the redesign that are still in the development stage and may take another few months to resolve. As part of the ongoing development we will also seek the direction from GCC Legal Services to ensure the new model meets GCC governance requirements.
- 3.2 All stakeholders are confident, due to the level of commitment from the sector along with a shared determination, that families in the city will be provided with an improved FI service under this new model.
- 3.3 At the City Administration Committee of 25/1/2024 we advised Elected Members that GCF awards to GAIN organisations continued for one year from 1 April 2024 to 31 March 2025 with the option to extend if required. Due to the continuing development of the FI sector, we ask Elected Members to approve an extension of up to 9 months to allow for completion of the redesign process. Breakdown of funding is included in Appendix 1.

A full description of the FI redesign will be presented to the City Administration Committee in June 2025.

4 Policy and resource implications

Resource Implications:

Financial: The financial resources are covered by agreed budgets.

Legal: None

Personnel: None

Procurement: None

Equality and Socio-

Economic Impacts:

Does the proposal support the Council's Equality Outcomes 2021-25? Please specify. Yes, Outcome 3.

What are the potential equality impacts as a result of this report? This project will have a positive impact on addressing socio-economic disadvantage across a range of population groups.

Please highlight if the policy/proposal will help address socio-economic disadvantage. Yes

Climate Impacts:

Does the proposal support any Climate Plan actions? Please specify: Yes. Climate Theme 1
Communication and Community Engagement and Climate Theme 2 Just and Inclusive Place

What are the potential climate impacts as a result of this proposal?

No significant impact

Will the proposal contribute to Glasgow's net zero carbon target,

Yes

Privacy and Data

Protection Impacts:

Are there any potential data protection impacts as a result of this report

No

If Yes, please confirm that a Data Protection Impact Assessment (DPIA) has been carried out

5 Recommendations

5.1 Elected Members are asked to:

- (a) note the update of the ongoing FI redesign and
- (b) approve an extension of up to 9-months to the current FI funding model.
- (c) agree in terms of Standing Order No. 30 (7), that these decisions will not be subject to the call-in process for the reasons set out in paragraph 1.2 of the report.