

Northern Ireland



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Context

The Northern Ireland Executive's Programme for Government 2011-2015 included a commitment to develop and implement a Financial Capability Strategy for Northern Ireland consumers.

The Executive's inclusion of a commitment to develop a Financial Capability Strategy had an immediate and significant impact. Many organisations across all sectors in Northern Ireland had already made substantial progress in the area of financial capability and improving individuals' money management skills but the Programme for Government gave the issue the political and public profile that it critically needed. The development of the Strategy and Action Plans brought the various sectors, public, private, and voluntary, together to focus collectively on this issue for the first time.

It quickly became apparent that many of the programmes and strategies being taken forward by Executive departments either already had valuable financial capability components to them, or had the potential to support or signpost individuals to the advice or assistance that they needed to manage their personal or household finances better.

The Strategy has also demonstrated the potential for effective and productive joined up working across all sectors in Northern Ireland, to deliver a Strategy and Action Plans, focused on delivery and outcomes, and delivered on target.

Strategy

A draft Financial Capability Strategy, covering the 5-year period 2013-18, and supported by a series of Action Plans, has been developed using a cross-sectoral partnership approach. The work on the development of the Strategy was led by the Executive's Department for Enterprise, Trade and Investment, who worked closely with the Money Advice Service to ensure that the key themes and priorities for action in the Northern Ireland Strategy were consistent with the generic issues emerging in the development of the UK Strategy, while ensuring that they were tailored to the specific needs and priorities of Northern Ireland's consumers.

The Strategy was subject to public consultation in summer 2013, and is currently with the Executive for final approval.

The essential message and theme of the Northern Ireland Strategy and its Action Plans is one of **empowerment** – equipping and enabling consumers to take control of their financial affairs, and to manage their money effectively. The Strategy espouses a vision of better-informed, more skilled and more confident consumers, better able to manage, plan and take responsibility for their financial affairs.

The Action Plans are dynamic documents, which will continue to develop and grow across the life of the Northern Ireland Strategy. The emphasis and focus of the Strategy has been on delivery, and the relatively short five-year lifespan recognises the changing economic, financial services, and technological context that financial capability measures must address and respond to.

Measurement is a key aspect of the Executive's Programme for Government monitoring process in terms of establishing a baseline to determine need, how the policy and delivery outcomes should be focused, and to facilitate the monitoring of progress in the achievement of targets.

A broad evidence base for the Executive's Financial Capability Strategy was created in 2012. This included:

- a brief social and economic contextual overview;
- secondary analysis of existing household survey sources reflecting thematic perspectives underpinning Financial Capability; and
- the analysis and reporting of bespoke qualitative focus group and quantitative household survey research based on results from the Northern Ireland Statistics and Research Agency's (NISRA) Omnibus Survey.²¹⁴

The evidence generated, in turn assisted the development of a monitoring and evaluation reporting framework in support of the Northern Ireland Strategy. In brief, that monitoring and evaluation framework comprises four distinct 'layers':

- Departmental Action Plans and associated outputs or impacts;
- Key Actions associated with the Strategy and their associated outputs or impacts;
- Financial Capability Omnibus Survey results reflecting the thematic areas of making ends meet, keeping track, planning ahead, choosing products, and staying informed; and
- High level composite measures of Financial Capability and Financial Inclusion.

These high level composite measures were developed using an analysis of the first 2012 Financial Capability Omnibus survey, reflecting the main dimensions of Financial Capability: keeping track; planning ahead; choosing products; and staying informed. In addition, a composite financial knowledge measure was created.²¹⁵

The intention in developing these composite measures was to derive relatively straightforward high-level measures which could be used for tracking changes in Financial Capability amongst the population as a whole.

The Financial Capability Omnibus Survey questions originally developed and first deployed in September 2012 were reviewed and subsequently re-run in September 2014. The results of the 2014 survey demonstrated a general stability of the survey indicators between 2014 and 2012, indicating that the framing and content of the draft Northern Ireland Financial Capability Strategy remains appropriate.

A further evaluation of the impact of the Strategy will be undertaken in 2018, again incorporating the Northern Ireland Statistics and Research Agency Omnibus survey to capture key data. Quarterly and annual monitoring of Action Plans will continue throughout this period.

Improving and strengthening an individual's money management skills empowers the individual to take control of their personal finances, and in so doing, their quality of life and life choices. Equally, the individual's level of financial capability also requires action and ownership on the part of that individual.

This Northern Ireland Strategy aims to help people to help themselves, and this will be underpinned by regularly raising awareness of the importance of good money management, and signposting to and supporting individuals in getting the help and advice that they need when they need it.

All sectors in Northern Ireland, public, private and voluntary, have made and continue to make a significant contribution to developing the Financial Capability of Northern Ireland's consumers. The continuation of the partnership approach that has characterised work in this field to date, and the development of the Northern Ireland Strategy and Action Plans, will continue. Work in this area is organic, and will grow and develop over time and in response to changing needs and demands.

²¹⁴ See: <http://www.detini.gov.uk/index/what-we-do/deti-stats-index/economic-research/financial-capability.htm>

²¹⁵ For full methodology see <http://www.detini.gov.uk/index/what-we-do/deti-stats-index/economic-research/financial-capability.htm>