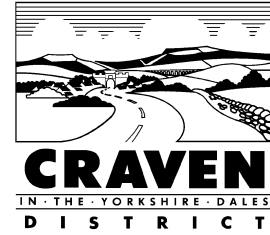


Policy Committee – 6th June 2017



LEEDS CREDIT UNION PARTNERSHIP ARRANGEMENT PROJECT UPDATE

Report of the Director of Services

Lead Member: Richard Foster

Ward(s) affected: ALL

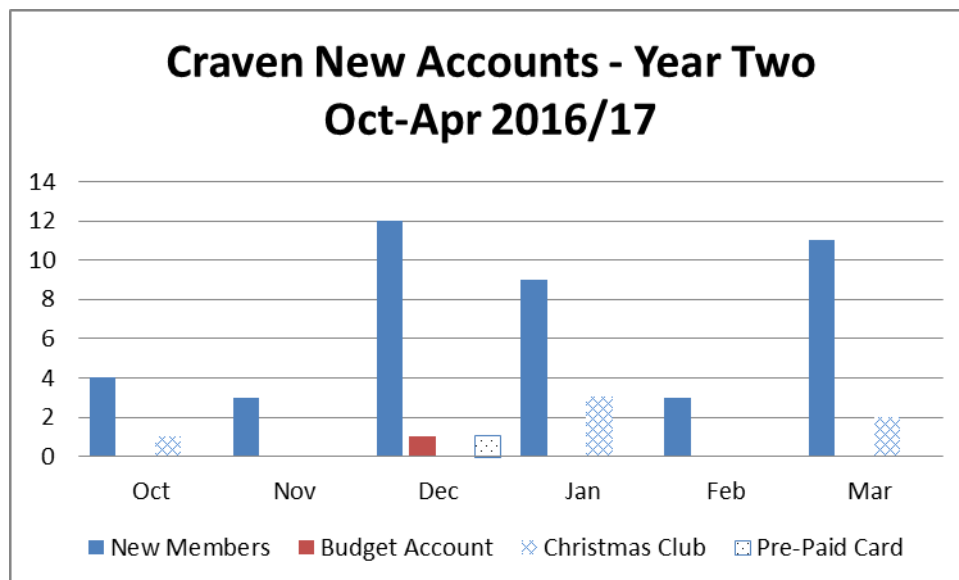
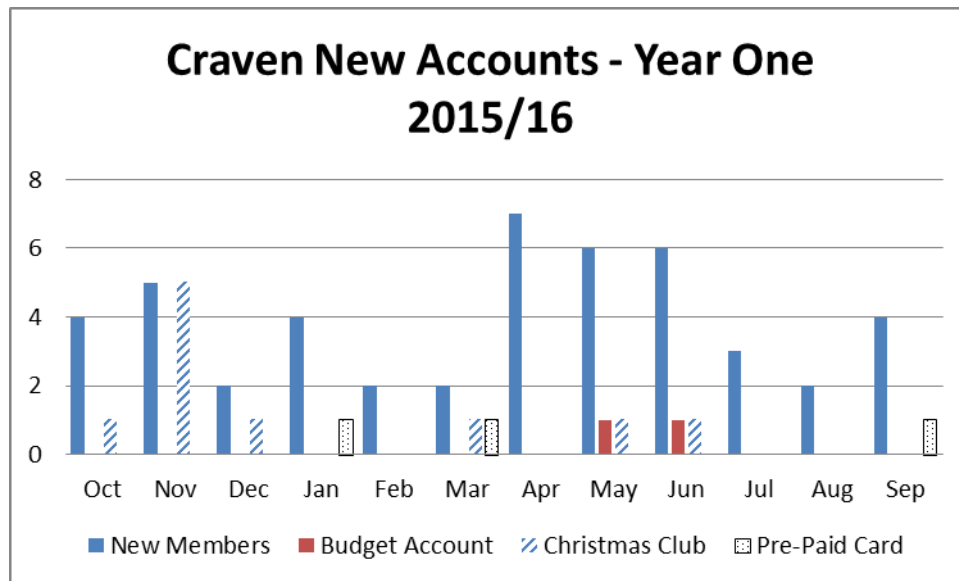
1. **Purpose of Report** – To update members on the progress of the Craven District Council (CDC) and Leeds Credit Union (LCU) Partnership arrangement.
2. **Recommendations** – to note the content of the report.
3. **Background**
 - 3.1 On 21st July 2015 Policy Committee (POL.677) recommended that:
 - a) The proposal to work in partnership with Leeds Credit Union to offer and promote their services to Craven residents and people who work in Craven be approved
 - b) A supplementary estimate of £10,000 per annum for three years from 2015/16 to 2017/18 to cover the financial costs for promotion and delivery to be funded from the Enabling Efficiencies Reserve be approved.
 - 3.2 Following procurement in September 2015, Horton Housing was successful in securing the contract to deliver the 3-year project which commenced on 1st October 2015 and will run from October to August 2015/18. This report includes outturns for the period Year 1 2015/16 and Year 2 (6 months only) 2016/17.

4. **Delivery of the Project:**

There are six key task areas included within the agreed Service Level Agreement:

4.1 **Take up of Accounts & New Members:**

LCU Budget Accounts have proved popular, assisting members to control and pay all of their regular bills automatically, working closely with and receiving support from the Project worker. Marketing information has been produced and distributed within the Council Tax letters and is displayed in public access areas. A Payroll Deductions scheme has been introduced for Council employees with details included within the Council's Payslips. A Christmas Club promotional event was held in Jan/Feb 2017. This has resulted in the following take up of accounts and new Members:



As at April 2017 the total number of new members is 88 (of which 6 are Craven District Council staff members). There have been as many new members in the first half of 2016/17 than the whole of Year One as awareness of LCU services becomes more established.

4.2 Partnership working:

The Project worker has formed working relationships with local agencies including Citizens Advice, support providers and the Job Centre. This targeted approach has proved successful in terms of reaching clients unable to access high street affordable banking facilities.

Close partnership working with the Job Centre has been particularly useful following the roll out of Universal Credit in Craven – whereby benefit payments are made into a bank account as a single monthly payment (i.e. inclusive of the housing element) and clients are required to manage their own payments and pay rent direct to their landlord.

4.3 Take up of Leeds Credit Union services – general

The LCU offers a range of products to suit individual financial circumstances. For example the Budget Account – helps members manage income received each month by ensuring that priority and agreed bills are paid and surplus cash can be withdrawn or loaded onto a Pre-paid card once agreed outgoings are met.

LCU have provided 46 Craven members with £54,373 worth of low cost loans since Oct 2015. The partnership project has given Craven members access to a responsible lender with low interest rates. If these members didn't have the option of a credit union, and had decided to use a High Interest lender instead, they would have paid, on average, an extra £102,924 in interest alone (Based on a 1200% APR).

4.4 School Accounts

The Project worker has concentrated primarily on adult accounts and will be taking forward the marketing of Credit Union facilities in school during 2017/18

4.5 Volunteer Community Champions

The Project worker has been building up relationships with local agencies and the next stage to be taken forward in 2017/18 is the development of Volunteer Community Champions.

4.6 Surgeries and support

The Project worker has provided support to customers on an individual basis – supporting them through the process of becoming a new member until they are comfortable in managing their own finances. The majority of clients supported have been new Universal Credit claimants and referrals have also been received from the Council's Revenue & Benefit and Housing Teams.

5. Summary

The partnership arrangement has worked very well with positive outcomes for individuals – making a difference to their lives by increasing access to financial services and affordable/responsible borrowing. Membership is increasing and partnership working is providing a firm basis for further growth as awareness of LCU services accelerates.

The Project worker will be looking at school banking services and establishing LCU Champions within partner agencies. Debt is often a contributory factor for homeless households or those at risk of homelessness. Having LCU services available in Craven gives the Council an important tool to offer to residents who are struggling to manage their finances, pay their bills and risk losing their homes.

6. Implications

4.1 Financial and Value for Money (vfm) Implications –

Value for money considerations were addressed by the procurement process undertaken in 2015.

As the project commenced mid financial year 2015/16 – the agreed funding of £30,000 from within the Enabling Efficiencies Reserve will span the following financial years as follows:

	2015/16	2016/17	2017/18	2018/19
Funding	£6,390	£ 3,145	£17,840	£2,625

4.2 **Legal Implications**

There are no legal implications arising from this report.

4.3 **Contribution to Council Priorities**

Resilient Communities

- a) By supporting local citizens to become more active through membership of a financial co-operative with the opportunity to become a LCU Champion promoting services throughout Craven.
- b) By offering the tools for residents to become more financially resilient and contribute towards their improved quality of life.

Financial Sustainability

- a) By contributing to the prevention of financial indebtedness – including debt to the Council for Council Tax for example.

4.4 **Risk Management**

There are no risk management implications arising from this report.

4.5 **Equality Analysis**

The Council's Equality Impact Assessment Procedure **has been** followed and an Equality Analysis Form has been completed. **Stage 1- Initial Screening** of the Procedure identified that the proposed partnership working arrangement **does not have** the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation.

5. **Consultations with Others**

Chief Executive, Financial Services, Legal Services and Leeds Credit Union

6. **Access to Information : Background Documents**

None

7. **Author of the Report**

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Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

8. **Appendices**

None