

## COUNCIL – 23RD FEBRUARY 2015

### ITEM 7 POSITION STATEMENT

#### A Progress in developing our partnership with Clockwise Credit Union – requested by the Labour Group

The Labour Group has requested a position statement on the following subject.

It is almost 3 years to the day that this Council debated a Labour motion seeking closer ties with Clockwise Credit Union to help significantly grow its customer base, expand its opening times and to provide a strong alternative to loan sharks and payday lenders. The debate that followed was perhaps the finest of this term and a united Council supported the motion as a means of spreading financial awareness, putting a stop to loan sharks and providing practical assistance and support to our residents in dealing with the oncoming welfare reforms.

Could the Leader update the Council on progress over those 3 years and state how many residents are being supported in 2015 as compared with 2012.

*The Leader, or his nominee, has produced the following position statement:*

*The Cabinet, at its meeting on 12th February 2015 received a report from the Scrutiny Management Board which included an update on the progress of work with Clockwise Credit Union in Charnwood. The position statement below is taken from this report along with additional information detailing other initiatives being developed to deter loan sharks and to provide budgeting and debt advice to residents.*

#### *Clockwise Credit Union Provision in Charnwood*

*Clockwise Credit Union has the Common Bond for Leicestershire and Rutland and are therefore the only available credit union services provider that are able develop and expand credit union services in Charnwood.*

*Since Cabinet approval in February 2013, numerous meetings and discussions have been held with Clockwise with regard to expanding credit union services within the Borough. Due to capacity issues and the impact of the National Credit Union Expansion tender that Clockwise are involved in with the Association of British Credit Unions Limited (ABCUL), Clockwise took longer than anticipated to submit a Business Plan proposal.*

*At a meeting in April 2014 it was agreed that Clockwise should submit a Business Plan proposal focusing on activities for an initial one year agreement, with a view to presenting a more detailed two year business proposition, early in 2015.*

*It should be noted that the reason for the delay and initial one year agreement was that Clockwise had been working through the implications of the ABCUL Credit Union Expansion Project (CUEP) Tender. In addition, they had also been revisiting their own delivery model as an organisation. Due to the complexities of both of these issues there was a significant impact on Clockwise's ability and capacity to respond.*

*An initial one year Business Plan was finally agreed to start on 1st June 2014. The aim of the Business Plan was to improve access to a credible and affordable alternative to savings and loans for all Charnwood residents. The Business Goals set were:*

- Improve access to services in the Loughborough area by adding an extra access point, increasing visibility, increasing advertising and raising awareness of products and services with key stakeholders*
- Challenge usury lenders in Loughborough and support changes brought about by welfare reform by actively marketing credit union products in direct competition to the usury lenders*
- To provide Loughborough with a co-operative alternative to high street banks*
- To provide a robust business proposal which will steer the second phase of the Project (year 2/3) and expand further credit union services.*

#### *Progress to Date*

- Clockwise relocated their weekly access point to Loughborough Library in January 2015*
- Clockwise have agreed to support the Community Shop once it has opened. Directors of Clockwise are talking to Community Shop along with other partners to agree sessions to support the Community Shop members*
- Clockwise are now holding a monthly session at the newly launched Hub in Syston*
- A communications plan has been developed with adverts (including Charnwood News) and a mailing campaign that is currently taking place*
- Clockwise have presented to partners at several partner events and have run a series of workshops for officers from the Council and external partner organisations*
- Clockwise ran an awareness roadshow at the Council to encourage Council employees to open their own Clockwise accounts*
- Clockwise have met with managers from Council services to improve the partnership working and ensure increased knowledge by officers this has resulted in attendance at Housing and Customer Service Team Meetings*

#### *Products and Services*

*Clockwise offer fair finance to customers through its banking, savings and loan services.*

*Clockwise are currently reviewing their products and services. This includes the decision to stop the current cash service offered at the Baptist Church. Demand for this service has fallen with more people using payment cards. In recent months only around 20% of all new accounts were set up from people visiting the session the rest were done via online services and it is these services that Clockwise continue to promote and develop.*

*During the last 12 months Clockwise have spent time ensuring that they offer a competitive service to their clients. Considerable development in their loan application service means that they can now offer clients an immediate response to loan applications, making them more in line and in a position to compete directly with lenders such as WONGA.*

*They have specific banking services including Budget banking which works by taking a client's money and dividing into agreed pots that cannot accidentally be spent before the bill is due. Considerable time and investment has had to be made in back office systems and platforms to enable them to offer competitive products and services.*

#### *Housing Financial Inclusion Strategy*

*Clockwise have continued to work directly with the Council's housing teams. In November 2014, the Council's Landlord Service, presented their Financial Inclusion Strategy to Policy Scrutiny Group.*

*The Council's Landlord Service is developing its offer around financial inclusion. This includes extending the range of information available to tenants around affordable credit and the promotion of Clockwise Credit Union.*

*In October 2014 Income Officers in the Landlord Service attended training on products and services offered by Clockwise. Leaflets and information are available via the dedicated Financial Inclusion Officer, and the tenant newsletter, Your Homes Matter, has carried information around Clockwise in its summer and autumn 2014 editions.*

*Work will continue through the Council's Welfare Reform Action Group to identify opportunities for further joint working with Clockwise to ensure that residents are equipped in preparation for Universal Credit.*

#### *Additional Partner Services*

*In addition to the services provided by Clockwise the Council is involved in a number of other initiatives to help assist and support residents. Officers are currently working with Trading Standards on a targeted Loan Shark campaign, which will be launched in March 2015 and will include training sessions for all relevant Council staff.*

*The Council's Strategic Partners including CAB provide budgeting and financial advice and the Council's Specialist Debt and Money Advice Grant*

*has provided increased services to a wide range of customers through organisations such as CAB, HREC and PACE.*

*Support has also been given to the Charnwood Connect Project of which the Council is a partner.*

*Clockwise Outputs to date*

- *Membership has increased by 48% from 295 members in December 2012 to 615 in January 2015*
- *Overall Loan Balance has increased by 31% from November 2013 to January 2015*
- *Overall Savings Balance has increased by 32% from November 2013 to January 2015*

*Way Forward*

*Officers continue to work with Clockwise to expand credit union services further in the Borough. Clockwise are scheduled to produce a Business Plan to cover 2015/16 and 2016/17 by the end of June 2015 that builds on the work already delivered and sets out Clockwise's model for service delivery going forward.*

## **POSITION STATEMENTS – PROCEDURE**

- Up to two position statements may be considered at each Council meeting: one requested by the Administration and the other by the other political groups. Position statements must be about a significant, topical matter affecting the Council or the Borough.
- Requests for position statements must be received in writing by 12noon on the sixth working day prior to Council; the title of the statement is published on the Council Agenda.
- The text of position statements will be published at the end of the working day before the meeting (usually the Friday prior to a Council meeting on a Monday) and will be available at the Council meeting for Councillors, the press and the public.
- The Leader or the Cabinet Lead Member will introduce the position statement and can speak for up to 2 minutes in doing so.
- The discussion of each position statement will last for up to 20 minutes although the Mayor may allow a longer discussion. During the discussion those councillors who wish to speak may do so for up to 2 minutes. The Leader or the Cabinet Lead Member may also sum up at the end of the discussion.
- A motion may be moved to refer the subject of the position statement to the Cabinet, the next ordinary meeting of the Council or a committee as appropriate. If seconded, such a motion would be put immediately to the vote.