

SCRUTINY COMMISSION – 8 DECEMBER 2011

REPORT OF DIRECTOR OF FINANCE

RE: PROGRESS REPORT - LOCAL CREDIT UNION PROVISION

1. PURPOSE OF REPORT

- To inform members of progress and impact, in relation to the establishment of a local credit union provision

- To secure members commitment to act as champions in both promoting this provision, and in engaging further volunteers

2. RECOMMENDATION

- (i) To note the progress report
- (ii) To agree to adopt the role of champion in both promoting the local credit union provision, and in engaging further volunteers

3. BACKGROUND TO THE REPORT

- 3.1. Following an initial presentation from Clockwise in 2009, and subsequently members approval, a local Credit Union provision was launched in March 2010 at the Earl Shilton Community House. To recap, the benefits of a credit union in tackling financial exclusion, is by providing:
- Access to banking
 - Access to safe and ethical affordable credit/loans
 - Access to free face to face money advice
- 3.2 At this time, Orbit Heart of England also expressed an interest in establishing a local credit union provision at its Hinckley offices, and subsequently in January 2010, a Hinckley Credit Union Manager (Clare Shilton) was appointed, a jointly funded post by Orbit and HBBC.
- 3.3. Alongside this a recruitment campaign was launched to secure volunteers, to support Clare in the promotion and administration of the local credit union provision. Volunteers have comprehensive training, and access to ongoing training and support as required.
- 3.4. Members of the community as well as HBBC employees, can access this facility at Earl Shilton Community House on Tuesdays 10.00am – 12.30pm, and most recently at Wykin Community House, Wednesdays 3.00pm – 6.00pm. In addition the provision is promoted at Barwell Community House, with volunteers or staff being able to work from that base as and when required. Alongside this, the

Unitarian Church in Hinckley, now also offer a session on Mondays 11.00am – 1.00pm. In addition to these scheduled sessions, there is a local contact number enabling access to information and advice at anytime.

3.5. A monitoring and review process has been set up, to ensure that there is a regular progress report in relation to access and take up, and an evaluation report presented at the quarterly officer review meetings. The approach to performance management has improved over time, to enable year on year comparisons to be made, now that the scheme is in its second year of operation.

3.6. For example, monitoring information provides details of where people are accessing the provision, which shows an increase in those accessing the service via the internet, but the preference is to seek face to face advice, via the local access points.

3.7. **Monitoring Information**

Year 1 – April 2010 – March 2011

No. of enquiries (all access points)	Value of Loans	Total Savings
107 (of which 64 via the Hinckley access points)	£36,855	£17,653

Year 2 – April 2011 – September 2011 (Quarters 1 & 2)

No. of enquiries (all access points)	Value of Loans	Total Savings
116 (of which 51 via Hinckley access points)	£12,300	£686

3.8. There is an ongoing promotion campaign, planned and coordinated via the quarterly review meetings. Posters and leaflets are widely circulated, as well as ongoing press coverage, and articles in key newsletters i.e. community house newsletters, Borough Bulletin, and circulation to all relevant networks. In addition door to door leaflet drops are organised at key times throughout the year, for example, a leaflet drop is being organised in Earl Shilton for the first week in December, ahead of Christmas.

3.9. This year we have joined forces with the Community Safety Partnerships annual Christmas campaign, to promote the benefits of the Credit Union, and to discourage people from borrowing from door step lenders. The joint publicity, provides the following example:

3.10. **Loan Example**

A £300 loan repayable over 31 weeks from Clockwise will cost £10.41 per week (final payment £10.36), making a repayable total of £322.66 (26.8% representative APR). From one of the main doorstep lenders, the same loan will cost £15 per week to repay, making a repayable total of £465.00 (365.1%)

representative APR).

- 3.11. The December 2011 promotion campaign is also aimed at getting further take up and membership from HBBC employees. Up to date promotion material will be hand delivered to each Department, stating specific times and dates when the Credit Union Manager will be onsite prior to Christmas. Ongoing promotion campaigns and briefing sessions are delivered at the Depot, where employee take up has been significantly higher.
- 3.12. HBBC has recently undertaken a piece of analysis work, aimed at informing a broader, but more targeted promotion campaign, to increase take up rates. Based on the national Indices of Multi Deprivation we are able to identify household types within our priority neighbourhood areas. Utilising this analysis and looking at trends in relation to take up, we are able to locate similar household types across the Borough, that may benefit from accessing the credit union provision.
- 3.13. However, moving forward, this local provision will only be sustainable with the support of volunteers, and given the relatively low numbers and often high turnover, it is important that further volunteers are engaged as soon as possible, and therefore elected members support is essential in securing this position. It is proposed that a specific member briefing session/refresher session, is arranged to enable members to find out more about the provision on offer and support them in taking on a championing role.

4. **FINANCIAL IMPLICATIONS (DB)**

The local authority contributes £10,000 per annum to fund the Credit Union Manager post.

5. **LEGAL IMPLICATIONS (LH)**

None arising directly from this report

6. **CORPORATE PLAN IMPLICATIONS**

The contents of the report relate to and support the following strategic aims:

- Thriving Economy
- Safer and Healthier Borough
- Strong and distinctive communities

7. **CONSULTATION**

The established work within our priority neighbourhoods, through our Neighbourhood Action Teams and supporting plans, (informed through ongoing engagement and consultation) provided the evidence base for the establishment of this provision.

8. **RISK IMPLICATIONS**

It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
No net red risks		

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

The specific purpose of this facility is to provide additional resources to focus on a priority need within Hinckley and Bosworth i.e. within a priority neighbourhood.

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety - None
- Environmental - None
- ICT - None
- Asset management - None
- Human Resources - If recommended, the rolling out of this provision to other priority neighbourhoods may require a commitment from the local authority for additional resources

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