



**WARDS AFFECTED: ALL WARDS**

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**1. PURPOSE OF REPORT**

-To present to scrutiny members proposals for the further marketing and promotion of the local credit union provision, in securing greater take up within the Borough, and increased profile of the Clockwise Credit Union.

**2. RECOMMENDATION**

-To support the options presented detailed at Appendix 1, both in relation to established mechanisms, and proposed new options.  
- To continue to support the provision of the local access points, and supporting arrangements (as detailed at paragraph 3.4.)

**3. BACKGROUND TO THE REPORT**

- 3.1. Since the establishment of the local credit union provision in 2010, an annual progress report has been presented to Scrutiny members, with the latest progress report presented at the Scrutiny meeting on 23<sup>rd</sup> March 2014.
- 3.2. Whilst membership, loans and savings balances continue to grow, members expressed concern that levels of take up, particularly in relation to loans, did not reflect the potential numbers in terms of those who could benefit from this provision. Members were particularly concerned about the prolific level of promotion of pay day lenders, and the likelihood of vulnerable members of the community entering into these arrangements.
- 3.3. Therefore Scrutiny members requested that a communication options paper be developed and presented at a future Scrutiny meeting, to explore and agree actions to enhance our marketing and promotions activities, in securing greater take up of this local offer. However, it is important to reinforce that current take up is commensurate with similar locality Credit Union arrangements across the County. Current Hinckley and Bosworth membership stands at 391, Charnwood and Melton Borough Council have had a local Clockwise provision for double the length of time, their current active membership stands at 478 and 433 respectively.
- 3.4. HBBC makes an annual contribution of £10,000 which secures a part time credit union manager and local arrangements for Hinckley & Bosworth. These activities include the management of two local access points each week (plus scheduled appointments by request), and overtime the introduction of a range of regular interventions to market and promote our local offer. However, it should be noted that the £10,000 contribution does not include provision for an operational budget, for bespoke marketing materials/activities.
- 3.5. Therefore, the request from Scrutiny members has initiated both a review of current arrangements, and the development of further options to raise the profile and increase take up. Please see detailed at Appendix 1 an outline of both established (but refreshed), and proposed new options, and associated costs.

3.6. In developing these options advice has been sought from relevant sources within HBBC, including the PR/Communications Team, and the Clockwise Credit Union Marketing Team. Please note the proposed options, and associated costs, have been presented to HBBC Strategic Leadership Board, who subsequently gave their support for the recommended options.

#### 4.0. **Promotion options**

4.1. The following sets out the rationale, for the introduction of the proposed new options detailed at Appendix 1.

#### 4.2. **Targeted door to door leafleting**

Based on experience to date within Hinckley & Bosworth and the broader Credit Union experience, one of the most effective methods in securing a return on investment, is in relation to door to door leafleting.

4.3. This activity has been undertaken in the past in relation to the Earl Shilton priority neighbourhood area, when the first local access point was established at Earl Shilton Community House. Whilst this is resource intensive, at the time it resulted in good levels of interest and subsequent sign up. A similar approach has been undertaken in both Barwell and Hinckley West priority neighbourhood areas, however, owing to this being resource intensive, ongoing promotion has been through the community house neighbourhood newsletter which targets the same audience.

4.4. The recent work undertaken in refreshing the authority's anti poverty strategy, utilising up to date data sets, identified the ten most affected/deprived areas within the Borough at a Lower Super Output Area (LSOA) level i.e. 1,000 households. As anticipated the data reinforces the multiple deprivation issues within our priority neighbourhoods, but also flags up areas where a particular LSOA features within the 10 most deprived, across a number of themes including Newbold Verdon North, Ratby North, Burbage North and Burbage North West, totaling 2554 households.

4.5. It is therefore proposed that the LSOAs detailed in paragraph 4.4. are targeted through a door to door leafleting campaign. Costs are detailed at appendix 1.

#### 4.6. **Engagement of the Town Centre Partnership/BID**

With the introduction of the most recent credit union access point at the Next Generation Building on Castle Street, it is proposed to undertake a joint campaign with the TCP/BID. The aim will be to secure the commitment of town centre businesses in promoting the credit union offer, recognising the offer is also about encouraging regular savings (no matter how small), ultimately enabling spending capacity in the town centre.

#### 4.7. **Engagement of key/larger employers**

In addition to the engagement of town centre/BID businesses, it is proposed that we target a number of the larger employers across the Borough, such as National Grid, Caterpillar, MIRA, etc. This will be initiated by working in the first instance, through the Business Forum and the Hinckley Chamber of Trade. The aim will be to secure business sign up to a promotional campaign, to include the Payroll deduction offer. The bus site development and associated retail offer presents future opportunities.

#### 4.8. **Support of Clockwise Credit Union Marketing Team**

Clockwise, as part of the Credit Union Expansion Project, will be asked to pilot marketing material over the next few months. While not directly bespoke to HBBC, this will increase the level of exposure of the credit union movement; specifically Clockwise in the area, to complement any increased marketing activity agreed arising from this report.

- 4.9. In addition to the above, we also explored the potential of utilising local radio and press. Appendix 2 details the offer and associated costs. Please note given the substantive costs, and unknown value for money impact, these options are not recommended, or supported by HBBC Strategic Leadership Board.

## 5. **FINANCIAL IMPLICATIONS [SJE]**

- 5.1 The Council currently contributes £10,000 per annum to fund the Credit Union Manager post.
- 6.2 Appendix 1 lists a variety of options that could be used to further market and promote the local credit union provision, with associated costs.
- 5.3 These options were presented to the Strategic Leadership Board, who subsequently agreed to approve a supplementary budget of £440.00, to support the 'door to door' leafleting campaign. The Chief Executive in consultation with Deputy Chief Executive (Corporate Direction) can approve a supplementary to limit of £10,000 as per the Financial Regulations. Any supplementary budgets will be funded from general fund balances.

## 6.0. **LEGAL IMPLICATIONS [MR]**

- 6.1 Section 2 of the Local Government Act 2000 empowers the Council to promote the social and economic well-being of its area and that includes incurring expenditure and giving financial assistance. Having set up the Credit Union, which would clearly fall within the ambit of section 2, it must also be the case that the promotion of the Union and its benefits would also fall within that ambit.

## 7. **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

## 8. **CONSULTATION**

The established work within our priority neighbourhoods, informed through ongoing engagement and consultation, along with the recent research and analysis in support of our anti poverty strategy, provides the evidence base to inform the proposals outlined within this report. The monitoring information provides the evidence for the current delivery model.

## 9. **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:

| <b>Management of significant (Net Red) Risks</b>   |  |              |
|--|--|--------------|
| <b>Risk Description</b>  | <b>Mitigating actions</b>  | <b>Owner</b> |
| Net red risks<br>Members of the community falling further into debt by taking up Pay Day and Door Step Lenders options | Promoting of credit union provision throughout the Borough, and take up of safe affordable loans | E Grant      |

10. **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. to work towards eliminating financial exclusion, specifically within the most deprived areas of the Borough.

11. **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 - None

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