

Date: 23 April 2015

Agenda item number: 5

Title: Credit and Debt . Action Plan progress

Summary: The Panel agreed that at each meeting it would look at one priority theme in more detail. This meeting's priority is credit and debt

The paper relevant for this discussion:

- overview of progress.

This report is for: Discussion.

Recommendation: The Panel:

- (i) notes the progress on the Credit and Debt priority.

Credit and Debt

April 2015

PROGRESS AND ACHIEVEMENTS	CHALLENGES	PARTICIPATION
<p>Reduce the poverty premium involved in accessing financial services</p> <ul style="list-style-type: none"> • <u>Strategic Review of Community Finance in Glasgow</u> - 47 people interviewed representing 33 organisations. Draft report includes recommendations for future models for affordable credit. • <u>Fuel Poverty Summit</u> - Scottish Power committed £107k to GHEAT in 14/15 and 15/16. • <u>Scotcash</u> . Introduced fast track for loan appointments & screening, resulting in 50% reduction in waiting times for loan decision. Eight new access points opened. • <u>Credit Unions</u>. (i) Co-operative Glasgow funding to 12 CUs for product & service development (ii) Citywide CU/RSL group exploring developing standard CU budgeting product similar to Pollok CU product. (iii) Promotion of Scotwest product providing micro-finance to new members. <p>Personal debt not a reason for people not to start or to leave paid work</p> <ul style="list-style-type: none"> • Financial Inclusion Partnership (FIP) exploring development of automated referral process between agencies, including financial advice and employment advice providers. <p>Young people have information to make decisions about their finances</p> <ul style="list-style-type: none"> • <u>Future Savers</u>. 1329 1st year pupils from 43 schools opened up CU account with £10 donation (2013. 14). Over 1,000 signed up from Aug 2014 to date. • <u>Peer Support for Young People</u> - due to success of current scheme a further 4 modern apprentices providing financial capability peer support will be recruited from summer 2015 school leavers. • <u>Under 25s</u>. FIP considering best ways to develop financial skills for this group and looking at how financial advice sector could be more accessible. <p>Domestic abuse victims have timely and appropriate financial advice</p> <ul style="list-style-type: none"> • <u>Awareness training for frontline staff on domestic abuse victims</u>. 2 sessions held in 2014. Further session planned for April 2015. • <u>Financial advice services for domestic abuse victims</u>- FIP will progress. 	<p>There has been no movement on freezing energy tariffs, lowering tariffs or waiving costs for people with existing prepayment meters, amnesty for customers with debts or sharing data.</p> <p>The challenge is to reach agreement on a standard budgeting service/product which is affordable for both credit unions and RSLs.</p>	<p>From April 2015 Financial Inclusion Partnership will implement FI Strategy 2015-18. Changes to services will be informed by service users and non-users and people in poverty. Developing a service user engagement framework with GHN.</p> <p>Wee Panel member based in Financial Inclusion team for university placement and contributing to community finance review.</p>
		<p>EQUALITIES AND HUMAN RIGHTS</p>
		<p>Heath and Equalities impact assessment recommendations being addressed through FI Strategy.</p>
		<p>MONITORING INFORMATION</p>
		<p>2013/14 - 35,757 clients received a service. 117,943 issues dealt with. Total financial gains for clients £67.6m: £27.8m increased income, £17.5m of non-housing debt managed, £18.9m of housing debt managed and £3.4m council tax arrears under negotiation.</p>

PRIORITIES NEXT QUARTER

Consult on community finance review recommendations. Bring to PLP in August.

Launch the Glasgow BIG Partnership for Welfare Project (£857k over 3 years) to deliver financial capability education to RSL and private rented sector tenants.

Meeting in April with SSE to explore support to help fund fuel poverty advisor dedicated to people affected by cancer & other long term conditions.

Exploring ESF/Big Lottery options to expand financial advice services for, e.g., under 25s, victims of domestic abuse.

MONITORING INFORMATION

2013/14 - 35,757 clients received a service. 117,943 issues dealt with. Total financial gains for clients £67.6m: £27.8m increased income, £17.5m of non-housing debt managed, £18.9m of housing debt managed and £3.4m council tax arrears under negotiation.

2014/15 (April – Dec) - 24,805 clients received a service. 78,924 issues dealt with. Total financial gains for clients £40.5m: £17.7m increased income, £11.5m of non-housing debt managed, £9m of housing debt managed and £2.3m council tax arrears under negotiation.

