

Safer and Stronger Communities Scrutiny Board

Improving communications aimed at tackling illegal money lending

Summary Note of the Working Group Meeting held on Thursday 16th January 2014

Introduction

1. At its July meeting, the Safer and Stronger Communities Scrutiny Board raised concern about illegal money lending activity within Leeds and expressed an interest in undertaking further Scrutiny of the activities being undertaken by the Council and its partners to address this issue. The Board therefore received a report in September from the Assistant Chief Executive (Citizens and Communities) which summarised the work already undertaken by the Council and its partners, including the national Illegal Money Lending Team. It also provided details of a Leeds action plan that had been developed by the Illegal Money Lending Team in conjunction with the Council and other partners.
2. The Scrutiny Board welcomed the level of activity being undertaken in addressing illegal money lending in Leeds. However, it was felt that communications surrounding this area of work needed to be improved. A suggestion was therefore made to develop a separate communications workstream/plan linked to the Leeds Action Plan.
3. The Scrutiny Board agreed to undertake a separate piece of work to explore how the Council can assist the Illegal Money Lending Team in raising the profile of existing advice and support services and encourage more residents to report illegal money lending activity.
4. An initial discussion was held with the following individuals during a working group meeting on Thursday 16th January 2014:
5. Councillor Barry Anderson, Chair of the SSC Scrutiny Board
Councillor Jonathan Bentley, Member of the SSC Scrutiny Board
Councillor Ron Grahame, Member of the SSC Scrutiny Board
Councillor Peter Gruen, Executive Member for Neighbourhoods, Planning and Support Services
Angela Brogden, Principal Scrutiny Adviser
Mike McAughtrie, LIAISE Officer, (Lead in Awareness, Intelligence, Support and Education), Illegal Money Lending Team, Yorkshire and Humberside Trading Standards
Dave Roberts, Financial Inclusion Strategy Manager
Hilary Farmery, Communications Manager, Marketing
John Statham, Head of Housing Partnerships
Sharon Hughes, Area Improvement Manager
Jane Maxwell, Area Leader, West North West
6. This summary note sets out the key issues arising from the discussion and also presents proposed recommendations from the working group for consideration by the Safer and Stronger Communities Scrutiny Board.

Summary of key issues raised by the working group

Partnership working with the Illegal Money Lending Team

7. The England Illegal Money Lending Team (IMLT) is funded by the Department of Business Innovation and Skills, and works in partnership with local Trading Standards Authorities across the country.
8. The IMLT operate on a parachute in model from a centralised base in Birmingham, with up to 30 specialist investigators moving to the area once a suspected illegal lender is identified. A local presence is maintained with LIAISE officers, (Leads In Awareness, Intelligence, Support and Education) in every region. These officers work in communities supporting victims, raising awareness, organising community events and initiatives and working with various partnership agencies including housing associations, credit unions, the Citizens Advice Bureau, Police and debt advice services to ensure front line staff know how to spot an illegal lender in order to help their clients.
9. The IMLT also run a 24/7 hour confidential hotline for people to report illegal lending to trained investigators on [0300 555 2222](tel:03005552222). People can also text 'loan shark + a message' to 60003, email reportaloanshark@stoploansharks.gov.uk or find details on facebook www.facebook.com/stoploansharksproject
10. The working group welcomed the attendance of the Illegal Money Lending Team LIAISE Officer for the Yorkshire and Humberside region whom reflected on some of the awareness raising activities already being undertaken by the IMLT within Leeds and across the region.
11. It was highlighted that whilst most of the awareness raising activities undertaken by the IMLT is funded using proceeds of crime money taken from convicted loan sharks, this is not a substantial level of resource. It is also an unpredictable funding stream. As such, more emphasis is placed upon adopting a local integrated partnership approach so that resources and opportunities for joint working can be maximised. The LIAISE Officer therefore shared with the working group a list of potential communication channels to explore with the Council based on ideas and experience of the Illegal Money Lending Team.

Associated links with the Council's existing High Cost Lending Marketing Campaign

12. In consideration of the communication channels proposed by the Illegal Money Lending Team, reference was made to the Council's existing comprehensive long term marketing campaign aimed at changing attitudes across the city towards high cost and pay day lending.
13. It was noted that victims of loan sharks will have already accumulated debts and exhausted all other legal money lending options before resorting to illegal money lending. The working group therefore recognised that problems associated with legal and illegal lending should not be addressed in isolation as there is added value to adopting a more comprehensive approach aimed at tackling broader financial management/debt issues within communities.

14. The working group received a briefing paper on the existing High Cost Lending Marketing Campaign and discussed the work already being undertaken in this regard. Following the successful launch of the 'Take a Stand' campaign in October 2013, it was noted that the second phase of the campaign is due to be launched in the spring. In view of current difficulties in accessing debt advice, reference was made to the development of a new dedicated website aimed at making it easier for residents to navigate through all the options open to them when seeking financial management and debt advice.
15. The working group was informed that, from a communications perspective, it would not be too resource intensive to put together a marketing communications plan based around the suggestions put forward by the IMLT which could sit alongside the IMLT Leeds Action Plan. However, in doing so, particular importance was placed upon ensuring that this complements the existing High Cost Lending marketing campaign.

Up-skilling frontline staff to aid early detection and referrals to services

16. Whilst acknowledging that a marketing communications plan would assist in raising the profile of the dangers of illegal money lending, the working group acknowledged that one of the main problems faced by the Illegal Money Lending Team is the reluctance of residents to report illegal money lending activity.
17. As such, particular importance was placed around up-skilling frontline staff to enable them to have the knowledge and capacity to detect those individuals in financial crisis and signpost them to appropriate support and advice services. There was particular emphasis around the need to raise the profile of this area work amongst those frontline staff that will have close contact with vulnerable clients, such as Social Workers.
18. Reflecting on the positive feedback from those frontline staff that had received previous training linked to Welfare Reforms, it was highlighted that such staff would again welcome the opportunity to be better informed about existing support services and referral pathways and therefore have the confidence to respond to situations where an individual that has built up the confidence and trust to open up about their financial difficulties.
19. The provision of publicity material and the delivery of training to frontline staff has been an ongoing initiative of the IMLT and the Financial Inclusion Team linked to their overall awareness work. However, there was consensus that this needed to be strengthened so that a clear and consistent message is being promoted across the whole of the Council and other partner organisations in tackling problems around both legal and illegal money lending. The working group also discussed the benefits in developing a training toolkit for frontline staff to ensure that this consistent message is being adopted.
20. Linked to this, reference was also made to the Multi Agency Referral Scheme (MARS) that is currently underway in Armley, with plans to roll out to Middleton and Bramley. This initiative is being led by Customer Access and Adult Social Care - Health and Wellbeing and is designed to enable front line officers to refer residents to a wide range of preventative services. The scheme involves a referral checklist that can be provided to agencies both in paper form, or electronically through the Council's SIEBEL system, allowing Council officers and officers from other partner

agencies to refer households to ancillary services via a central point. The working group therefore recognised the potential benefits of also exploring this existing mechanism to aid early detection and referral of individuals in financial crisis.

Maximising the role of Elected Members

21. The working group also emphasised the valuable role of Elected Members in contributing to awareness raising work within their own localities and also maximising opportunities when in contact with residents, either within their own homes or during ward surgeries, to be able to detect and support those in financial difficulties. As such, Elected Members would also benefit from specific development training to enable them to have the knowledge and capacity to detect those individuals in financial crisis and signpost them to appropriate support and advice services. It was therefore suggested that this is explored further with the Council's Member Development Working Group.

Adopting a preventative approach

22. Whilst acknowledging the need to ensure that appropriate mechanisms are put in place to deal with crisis intervention, it was recognised that a preventative approach also needs to be adopted in order to achieve a cultural change toward the use of high cost and illegal lending to reduce debt issues in communities.
23. Linked to this, the working group recognised the value of targeting the education sector with an emphasis around promoting key life skills to young people around good financial management. In acknowledging that the Illegal Money Lending Team has already developed an education package tailored for schools, emphasis was placed upon providing extra support to them in promoting this pack to local schools.

Proposed recommendations

24. The working group emphasised the importance of having a lead directorate take ownership in developing and promoting a clear and consistent approach across the Council and other partner organisations towards tackling illegal money lending. In view of the clear links with the Council's overall Financial Inclusion Strategy and the relationship already built up between the Illegal Money Lending Team and the Council's Financial Inclusion Team, the working group considered it appropriate for the Citizens and Communities directorate to take a lead in terms of implementing the recommendations arising from this piece of Scrutiny work.
25. Reflecting on the above key issues, the following recommendations have been proposed by the working group for the consideration of the Safer and Stronger Communities Scrutiny Board.

Recommendation 1

That the Assistant Chief Executive (Citizens and Communities) works closely with the Head of Communications and Engagement and the local Illegal Money Lending Team LIASE Officer to develop a marketing communications plan to complement the existing High Cost Lending marketing campaign. This plan should sit alongside the Illegal Money Lending Team Leeds Action Plan and be revised on an annual basis.

Recommendation 2

That the Assistant Chief Executive (Citizens and Communities) works closely with the Financial Inclusion Team, Advice Leeds and appropriate Directorates, to develop a comprehensive training toolkit aimed at up-skilling frontline staff to enable them to have the knowledge and capacity to detect those individuals in financial crisis and signpost them to appropriate support and advice services.

Recommendation 3

That the Assistant Chief Executive (Citizens and Communities) works closely with the Director of Public Health and Director of Adult Social Care to explore how best to raise the profile of tackling legal and illegal lending amongst frontline staff within the health and social care sector and equip them with the knowledge and capacity to detect vulnerable individuals in financial crisis and signpost them to appropriate support and advice services.

Recommendation 4

That the Assistant Chief Executive (Citizens and Communities) works closely with the Director of Children's Services to determine an appropriate route for promoting the education package developed by the Illegal Money Lending Team into Leeds Schools.

Recommendation 5

That the Assistant Chief Executive (Citizens and Communities) works closely with the Chair of the Member Development Working Group to explore how best to deliver training to Elected Members to enable them to have the knowledge and capacity to detect those individuals in financial crisis and signpost them to appropriate support and advice services