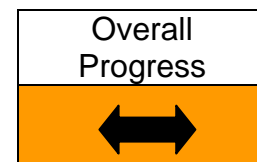


**Improvement Priority – TP-1e. Increase financial inclusion in deprived areas.**

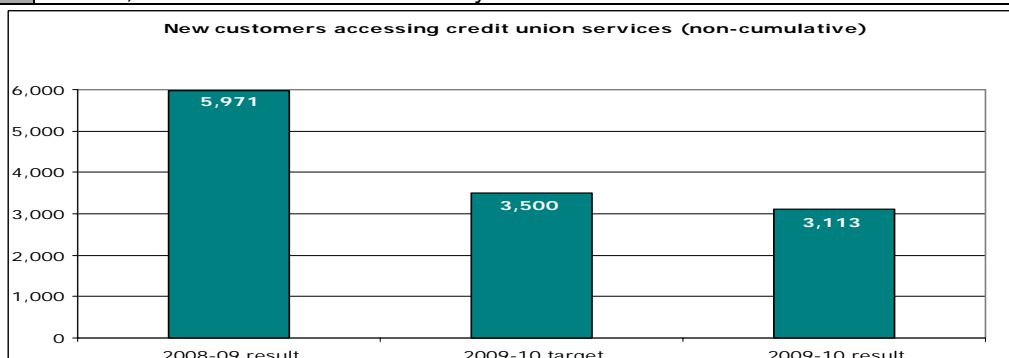
**Accountable Officer – Paul Stephens**

**Accountable Director - Neil Evans**



**Why is this a priority**

Helping people manage their finance and reduce debt levels is a key part of addressing Leeds Strategic Outcomes and in particular those relating to Thriving Places. The financial inclusion partnership has three main aims, to improve access to affordable credit, access to free debt advice, and levels of financial literacy.



**Overall Progress to date and outcomes achieved (October 2009- March 2010)**

**Overall Summary.** The financial inclusion partnership has three main aims, to improve access to affordable credit, access to free debt advice, and levels of financial literacy. Progress continues to be made towards achieving these aims. Over the last six months it is evident that the recession has increased the number of people with financial difficulties. However whilst those needing advice/support has increased, the recession has also had the effect of reducing the numbers accessing Credit Union services. The main challenges for partners are to meet the increased demands within existing resources.

**Achievements since the last report**

- Internally Leeds City Credit Union (LCCU), have made further strides in improving the management and governance of the organisation.
- Leeds Money Advice Partnership: 10 of 11 Financial Inclusion Fund (FIF) debt adviser posts currently filled. Waiting lists for appointments 2-3 weeks – down from 3 months.
- Leeds CAB: Number of clients has increased by 15% in 2009/10 compared to equivalent period in 2008/09 (i.e. April 09 to Dec 10) . Debt enquiries increased 7% compared to same period in 2008/09; benefits and employment enquiries appear to have plateaued at 2008/09 levels (having increased 61% and 37% respectively compared to 2007/08). Funding from central government has enabled the bureau to increase drop-in hours at City Centre from 9 to 18 per week and at Crossgates from 6 to 9 per week. This funding has been extended to November 2010.
- Count me in: 916 financial literacy bags have been issued in libraries over the last six months making a grand total for the year of 1720. 122 events and promotions have taken place with over 1,830 people attending

**Challenges/Risks**

- Sustainability of the Credit Union in the current economic climate. Actions are being taken to promote lending including greater scrutiny of high risk lending. The recovery of “new” loan arrears has improved considerably in the past 10 months and much is being done to recover older “legacy” debts.
- The FIF contracts end in March 2011 and if not continued will mean the loss of 11 debt adviser posts in Leeds. That means approx. 2,200 clients a year will not be able to access debt advice and a return to waiting lists of 3 months and more, as was the case before FIF funding. Education Leeds financial literacy projects are also at risk when funding ceases in March 2011.
- Demand for advice services continues to exceed the level of existing provision, agencies are working to meet increasing demand by; training more volunteer advisers, working in partnership, applying for new funding, increasing open hours and telephone advise provision.
- Bidding process for Legal Services Commission (LSC) contracts is now in progress with results expected in June 2010. LSC has reduced the amount of Debt, Benefits and Housing work they are funding in many areas and in Leeds they are funding only 640 Debt and 520 Benefits cases. Together with the potential loss of FIF funding in 2011 this will significantly reduce the advice available to those in need.

**Council / Partnership Groups**

**Approved by (Accountable Officer)**

Paul Stephens

**Date**

27.04.2010

**Approved by (Accountable Director)**

**Date**

**Improvement Priority – TP-1e. Increase financial inclusion in deprived areas.**

**Accountable Officer – Paul Stephens**

**Accountable Director - Neil Evans**

<b>Key actions for the next 6 months</b>				
	<b>Action (Desired Achievements)</b>	<b>Contributory Officer / Partner</b>	<b>Milestone / Actions</b>	<b>Timescale</b>
1	<p><u>Affordable credit</u> Work to ensure the continued sustainability of the credit union and its branch network.</p> <p>Recovery plan approved for credit union (Financial Inclusion)</p>	<p>Chris Smythe Leeds City Credit Union</p> <p>David Roberts, Leeds City Council</p>	<p>To stabilise the position of the branch network and seek resources for their continued operation in 2010/2011.</p> <p>Recovery plan approved by CLT</p>	<p>Ongoing</p> <p>End June 2010</p>
2	<p><u>Debt Advice</u> To continue to deliver debt advice services which meets customer needs</p> <p>Conclude the Debt Advice Pilot</p>	<p>Dianne Lyons Leeds Citizens Advice Bureau</p>	<p>Sustain City Centre Bureau drop in hours 18 per week and at Crossgates Bureau at 9 per week. Respond to 190 telephone enquiries per week. Prepare as far as possible for significant reductions in debt advice provision from April 2011.</p> <p>Produce an evaluation report of the debt advice pilot.</p>	<p>Next 6 months</p> <p>Report due June 2010</p>
3	<p><u>Financial literacy</u> Count me in: To continue to promote resources throughout Leeds libraries, and to correct the technical issues with Count me in web. Education Leeds: Continue to develop financial literacy understanding amongst teachers.</p>	<p>Count me in: Ann Day Education Leeds: Christine Marsden</p>	<p>Count me in: Increase the number of bags lent out, and to ensure Count me in web is easily accessible. Education Leeds: To embed financial literacy into the curriculum</p>	<p>Count me in: April to October Education Leeds: Until March 2011</p>
4	<p><u>Corporate Debt Policy</u> Revise and agree update of the policy and reinstate regular liaison group meetings.</p>	<p>Dave Levitt</p>	<p>Corporate Debt Liason Group meeting to be held as soon as possible in order to begin the revision and update of the strategy.</p>	<p>October 2010</p>

**Performance Indicators**

Performance indicators aligned to the Improvement Priority

<b>Reference</b>	<b>Title</b>	<b>Owner</b>	<b>Frequency &amp; Measure</b>	<b>Rise or Fall</b>	<b>Baseline</b>	<b>2008/09 Result</b>	<b>2009/10 Target</b>	<b>Full Year Result</b>	<b>Data Quality</b>
LSP-TP1e	Increase the number of new customers on low incomes accessing credit union services (savings, loans and current accounts).	Economic Development	Quarterly Number	Rise	6,700 (2007)	5,971	3,500 new members	3113	No concerns with data