



Joint Report of the Chief Customer Services Officer and Director of City Development

East (Outer) Area Committee

Date: 23rd March 2010

Subject: Leeds City Credit Union Branch Network

Electoral Wards Affected:

Armley	Morley North
Chapel Allerton	Morley South
City & Hunslet	Temple Newsam
Gipton & Harehills	Wetherby
Killingbeck & Seacroft	
Middleton Park	

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Council
Function

Delegated Executive
Function available
for Call In

Delegated Executive
Function not available for
Call In Details set out in the
report

Executive Summary

Leeds City Credit Union (LCCU) has around 26,000 members and a network of 10 branches across the City. Annually, the network handles 295,178 visits, (around 24,500 per month) with 215,075 cash withdrawals being undertaken (17,923 per month).

LCCU are reviewing the sustainability of this network. Council Officers have been working closely with LCCU for sometime in order to provide support in relation to both the operation of the core business and the branch network.

1.0 Purpose of this report

1.1 This report provides details on the services provided by LCCU to enable the Area Committees to engage in an informed debate about the future of Credit Union branches within their area. Paragraph 2.1 below describes the branches and locations relative to the various Area Committees and Ward boundaries.

2.0 Background Information

2.1 The credit union operates 10 public facing branches in Leeds as follows:

Location	Ward	Area Committee
Council One Stop Centres locations		
Great George Street	City & Hunslet	Inner South
Dewsbury Road	City & Hunslet	Inner South
Armley	Armley	Inner West
Halton Moor	Temple Newsam	Outer East
Wetherby	Wetherby	Outer North East
South Seacroft	Killingbeck & Seacroft	Inner East
Morley	Morley South	Outer South
Other Locations		
Belle Isle (BITMO)	Middleton Park	Inner South
Kirkgate (LCCU)	City & Hunslet	Inner South
Roundhay Road (LCCU)	Gipton & Harehills	Inner East
New Joint Service Centres (not yet operational)		
Chapeltown	Chapel Allerton	Inner North East
Harehills	Gipton & Harehills	Inner East

2.2 Two new joint service centres will be completed this year in Harehills (July 2010) and Chapeltown (October 2010). Both of these joint service centres were designed to include a fully operating cash office for the credit union. This design has been changed more recently in the light of the uncertainty around the future shape of the service.

3.0 Main Issues

3.1 In light of the LCCU review of their branch network, an officer group has been looking at options for support. One of the main areas for consideration was the possibility of staff in the Council's one stop centres delivering some or all of the functions of the existing credit union branch network. This option has been considered in some detail by management within customer services and assistance was received from the Council's BPR (Business Process Re-engineering) team who also considered the proposals.

3.2 The conclusion reached from this work is that whilst there is some capacity within customer services to provide an initial contact/signposting, service, there is insufficient capacity to deliver the whole of the function and particularly cash handling from within existing resources. In connection with the latter the main difficulties identified were in relation to separation of duties, location of counters and customer convergence. In addition it was also apparent that the need to staff the new joint service centres from within existing customer services resources (circa 11 FTE's) imposed a further significant constraint on the ability to provide assistance.

4.0 Council Financial Inclusion Policy Implications

4.1 Leeds City Council's Financial Inclusion Strategy has gained a national reputation for the work undertaken in the City. Leeds is generally seen as the pre-eminent authority in delivering financial inclusion (even when compared with the other two Beacon Councils, Sheffield and South Tyneside). Financial Inclusion initiatives in Leeds must be seen as part of an integrated and holistic network consisting of advice agencies, the Council and the Credit Union.

- 4.2 The advice agencies provide comprehensive and detailed casework support to citizens who find themselves with serious debt problems. The majority of residents who receive this form of support have successful outcomes i.e. an agreed approach to resolving their debt position. If locally provided affordable credit is not available there is a high likelihood that such residents will find themselves back in difficulties within a few years of receiving their debt casework support. The work of the Credit Union is thus seen as fundamental to supporting the work of other agencies and Council services.
- 4.3 An example of this joined up approach and an illustration of how the Credit Union supports LCC activity can be seen in relation to the payment of Housing Benefit to private tenants. The use of LCCU basic bank account facilities is particularly useful for privately rented benefit recipients whose Housing Benefit (HB) is paid into a Credit Union account, and a resulting direct debit set up to pay their landlords. Currently 916 tenants receiving HB have requested that their payments are made directly to a Credit Union Account. In January of this year benefit payments totalling £241,068 were made into credit union accounts.
- 4.4 Many of the tenants who have accounts with LCCU cannot access a mainstream bank account and their Credit Union account is vital to them managing their benefit payments, paying their rent and retaining their tenancy. This arrangement is also beneficial to a number of Leeds landlords who have set up rent transfer arrangements to coincide with HB payment for many of their tenants. This facility is particularly popular in South Leeds where there are over 220 tenants in a single postal area (LS11).
- 4.5 Further considerations in respect of the ongoing support which the Council can provide to the LCCU are included in the proposed exempt Appendix A attached to this report. The information contained in Appendix A to this report relates to the financial or business affairs of a particular person, and of the Council. It is therefore considered that this element of the report should be treated as exempt under Rule 10.4.(3) of the Access to Information Procedure Rules. It is further considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, as it deals with the financial and business affairs of LCCU, which it is regarded might be affected if the information was made public at this time.

5.0 Legal and Resource Implications

- 5.1 LCCU are reviewing the sustainability of their branch network and are working closely with Council officers to consider options for future service provision.

6.0 Conclusions

- 6.1 This report has identified that the LCCU are reviewing their branch network, has summarised the current position of that network and how it supports financial inclusion activity in the City.

7.0 Recommendations

Area Committee are asked to:

- a) Note and support the ongoing work being undertaken by the Council in relation to LCCU.
- b) Consider whether the Area Committee would regard it as appropriate to invest in the existing LCCU branch network by making monies available from its Wellbeing Budget.

8.0 Background Papers

8.1 None.