



Democratic Support

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#coopscrutiny

CO-OPERATIVE SCRUTINY BOARD

Friday 5 December 2014
4pm
Warspite Room, Council House

Members:

Councillor James, Chair

Councillor Mrs Aspinall, Vice Chair

Councillors Mrs Beer, Bowie, Darcy, Philippa Davey, Jordan, Sam Leaves, Murphy, Parker-Delaz-Ajete and Kate Taylor.

Members are invited to attend the above meeting to consider the items of business overleaf.

Tracey Lee

Chief Executive

CO-OPERATIVE SCRUTINY BOARD

AGENDA

PART I – PUBLIC MEETING

1. APOLOGIES

To receive apologies for non-attendance submitted by Co-operative Scrutiny Board Members.

2. DECLARATION OF INTEREST

Members will be asked to make any declarations of interest in respect of items on this agenda.

3. CHAIR'S URGENT BUSINESS

To receive reports on business which, in the opinion of the Chair, should be brought forward for urgent consideration.

4. CALL-IN - THE CREDIT UNION SCHOOL INITIATIVE (Pages 1 - 14) "STARTER-4-TEN"

The Co-operative Scrutiny Board will consider the decision called in by Councillors Ricketts, Churchill and Ball.

5. EXEMPT BUSINESS

To consider passing a resolution under Section 100A (4) of the Local Government Act 1972 to exclude the press and public from the meeting for the following item(s) of business on the grounds that it/they involve the likely disclosure of exempt information as defined in paragraph of Part I of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

PART II (PRIVATE MEETING)

AGENDA

MEMBERS OF THE PUBLIC TO NOTE

that under the law, the Board is entitled to consider certain items in private. Members of the public will be asked to leave the meeting when such items are discussed.

NIL.

CALL-IN REQUEST FORM



Decision to be called in	Credit Union School Initiative “Starter-4-Ten”
Decision made by:	Cabinet
Date decision was made	Cabinet Meeting 11 November 2014
Are you calling the decision in because you believe it to be outside of the Budget or Policy Framework	Yes – due to the monies, or part of, are being taken out of the general reserves.
Reasons for the Call-In	<ul style="list-style-type: none"> <input type="checkbox"/> the decision to be outside of the budget because the monies, or part of, are being taken out of general reserves <input type="checkbox"/> the process by which the decision was made was deficient because Members were not properly consulted <input type="checkbox"/> the decision maker failed to consider alternative courses of action; the report under the heading, 'Alternative options considered and rejected' states, 'None'. <input type="checkbox"/> the decision maker failed to take into account relevant factors; that the report is contradictory because the proposal supports the roll out of life skills programmes to help teach the young people of Plymouth to understand the value of money and promote the importance of money and savings, however the proposal will cost £50,000 in 2014/15 and will be funded from general reserves. This does not represent sound financial management.

Signatures To be valid **THREE** Members must support the request. All three Members should sign the form *OR* all three Members should e mail the Democratic Support Section (democratic.support@plymouth.gov.uk) expressing their support for the call-in. In this case, the form should be completed and attached to all of the e-mails.

Signatures of **THREE** Members

Name	Signature
1. Councillor Ricketts	
2. Councillor Churchill	
3. Councillor Ball	

Contact Details:	
Name of councillor to be contacted if there are any difficulties or questions.	

Co-operative Scrutiny Board

Call In – Procedure to be Followed in the Meeting



1. Once the Chair has opened the meeting and any previous business on the agenda been dealt with, the Members who called in the decision will be asked to explain why they have done so and what they feel should be reviewed.

The Members making the call-in shall be allowed up to 15 minutes in total to present their case. It shall be up to them to determine how they wish to use their time, they may ask one speaker to speak or share the time among several speakers as they see fit.

2. **15 minutes shall be allowed to respond on behalf of the decision maker(s).** It shall be up to them to decide how to use this allocation. The relevant Cabinet Member, or a senior officer, may make the presentation or they may divide the time between several speakers as they see fit.
3. **After each presentation, Members may ask questions to clarify any points made by the speakers** (although the speakers will not have an opportunity to cross-examine one another).
4. The Board will then discuss the matter. **Members may ask further questions of the Members making the call in or the decision makers during the debate. The Members making the call in and the decision maker will not normally speak during the debate, except to answer questions.**
5. When the Chair considers that the matter has been debated for a reasonable length of time, the decision maker will be offered the opportunity to make any final comments on the matter. **One of the Members making the call in will also be offered the opportunity to sum up. Each side will be allowed five minutes for this purpose.**
6. The matter will then move to the vote -
 - 6a. The first question is to consider in principle whether, in light of the case presented by the Members making the call-in and any other points made during the debate, Members wish to refer the decision for further consideration. **If members vote no at this stage, the call-in is ended.** The matter will not be referred back and the original decision may be implemented.
 - 6b. If Members vote in favour of referring the matter for reconsideration, they must vote on the following matters:

Where to refer the matter - Members must decide whether the decision should be referred back for reconsideration directly to the original decision-maker (i.e. the Cabinet **OR** an Executive Committee **OR** to refer the matter to City Council with a request that they decide whether to refer the matter back to the original decision-maker for reconsideration. The Chair shall ask members to vote in favour of either:

- (i) Reference directly back to the original decision-maker **OR**
- (ii) Reference back via the City Council

- 6c. **Reasons for referring the matter back** - The Chair will then put to the meeting that the matter be referred back to the original decision-maker (or to the City Council, as the case may be) for the reasons set out in the call-in request. Members will then be invited to move any amendments or additions to those reasons. Members may also move any specific recommendations or issues they would like the original decision-maker or Council to consider. Members must agree on the factors the decision-maker (or Council) are to be asked to consider. The matter may not be referred for reconsideration without reasons being given.
- 6d. If Members of the Board vote to refer the matter back via City Council, they must then decide whether to request that any officers should be available to respond to questions at the Council meeting. If they do wish officers to be available, they should specify which officers they wish to be present to answer questions. They may not request any officer below the level of Head of Service to appear before Council.

PLYMOUTH CITY COUNCIL

Subject: Credit Union School Initiative “Starter-4-Ten”
Committee: Cabinet
Date: 11 November 2014
Cabinet Member: Councillor Lowry
CMT Member: Malcolm Coe, Assistant Director for Finance
Author: David Northey, Head of Corporate Strategy
Contact Details Tel: 01752 305428
Email: david.northey@plymouth.gov.uk
Ref:
Key Decision: No
Part: 1

Purpose of the report:

To provide the children and young people in Plymouth an opportunity to open a savings account with either of the two credit unions within the city, together with professional training in the importance of managing their money. Our aim is to promote alternative sources of lending to the high profile Pay Day Loan companies.

For all eligible year 7 students, there is the opportunity to open a credit union savings account in the Autumn term 2014. The proposal is that Plymouth City Council will give each child a voucher for £10 to deposit to start their savings plan. In addition, provided the child still has a minimum balance of £10 after 12 months, we will give each child a further £10 to deposit to top up their savings plan.

In order to maximise the full potential of this proposal we have joined up with the Year 11 scheme, which has already gained agreement, to provide one initiative to schools.

For all eligible year 11 students, in the Autumn term, to give them a kick start with their savings, we are offering the opportunity for them to open a Credit Union savings account and again Plymouth City Council will give each eligible student a voucher for the sum of £10 to deposit.

There are also plans to teach the students the value and importance of money, with presentations and lessons from ourselves, Plymouth City Council staff, and colleagues at Barclays. This opportunity allows the city’s secondary schools to demonstrate their delivery of part of Personal Finance Education, an element of statutory Citizenship Education. In addition it is evidence of work in SMSC (social, moral, spiritual, cultural) development.

The projects are part of the Life Skills programme and the Credit Unions are accredited by the Financial Services Compensation Scheme (FSCS). The training sessions will focus on budgeting, saving, borrowing, avoiding scams and how to use basic bank accounts. The Council aims to break the cycle of debt by improving financial literacy, budgeting and saving skills amongst residents, focusing on our children, being tomorrow's savers and takers of loans.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

The key initiatives and activities which deliver this awareness link directly to the Council's Corporate Plan to be The Brilliant Co-Operative Council, supporting our objectives:

- Pioneering Plymouth: providing education and savings which exceed our customer expectations
 - Growing Plymouth: making our City a great place to grow up and attend school
 - Caring Plymouth: promoting a fairer, more equal city by investing in communities
-

**Implications for Medium Term Financial Plan and Resource Implication:
Including Finance, Human, IT and Land**

- The training will be provided free of charge by the Credit Unions and Barclays Bank.
 - The payment to an estimated eligible 3,500 students in year 11 will cost £35,000; funding has been agreed from our Emergency Welfare Fund under the Delegated Decision early intervention and prevention assistance – see delegated decision referred at the bottom of the report.
 - The two payments to an estimated eligible 2,500 students in year 7 will cost £50,000 in 2014/15 and will be funded from our general reserves.
-

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

The initiative, by being made available right across the city, will benefit all sections of our community.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? No

Recommendations and Reasons for recommended action:

That Cabinet:-

1. Note the Year 11 proposal, which has been approved by an Executive Decision taken by Councillor Penberthy in March 2014
2. Approve the Year 7 proposal as proposed in the report.

Reasons: To provide the children and young people in Plymouth an opportunity to open a savings account with either of the two credit unions within the city, together with professional training in the importance of managing their money. Our aim is to promote alternative sources of lending to the high profile Pay Day Loan companies.

Alternative options considered and rejected:

None

Published work / information:

[Delegated Decision Early Intervention and Prevention Assistance from Emergency and Welfare Fund March 2014](#)

[Motion on Notice on the subject of Loan Sharks](#)

Background Papers:

None

Sign off:

Fin	djn1415.64	Leg	21597/ DVS	Mon Off	21597/DVS	HR		Assets		IT		Strat Proc	
Originating SMT Member: Malcolm Coe, AD for Finance													
Has the Cabinet Member(s) agreed the contents of the report? Yes													



Plymouth City Council
Credit Union School Initiative
“Starter-4-Ten

2014/15

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Background

At the Full Council Meeting held 3rd December 2012, there was a debate on a **Motion on Notice on the subject of Loan Sharks**. The Motion included proposals that the Council:

- Notes and welcomes the UK-wide campaign to end ‘legal loan sharking’.
- Believes that the lack of access to affordable credit is socially and economically damaging.
- Unaffordable credit is causing a myriad of unwanted effects such as poorer diets; colder
- Further notes that unaffordable credit is extracting wealth from the most deprived communities.
- Believes it is the responsibility of all levels of government to try to ensure affordable credit for all
- ***Also pledges to promote credit unions, community based organisations offering access to affordable credit and promoting saving, in Plymouth.***

The Motion was proposed by Councillor Penberthy, Cabinet Member for Cooperatives and Community Development, and Seconded by Councillor Evans, Leader of the Council.

Several initiatives have been worked up, with the aim of promoting credit unions and promoting savings in Plymouth.

Three initiatives have been linked to provide one joint approach to raising awareness within schools, and our young people to the benefits of savings.

1. Plymouth City Council is working in partnership with the two Credit Unions in Plymouth, “Hope (Plymouth) Credit Union Limited” and “City of Plymouth Credit Union Limited”, with support from our operational bank provider Barclays Bank, to roll out **life skills programmes to help our young people understand the value of money.**
2. **In tandem with this, we will be making funds available as contributions to the young people’s savings.**
3. **Following** a delegated decision entitled **Early Intervention and Prevention Assistance from Emergency and Welfare Fund** signed by the Cabinet Member for Cooperatives and Community Development dated March 2014, Plymouth City Council agreed to set up an incentive to encourage school children to save from an early age. This initiative stated that “Every child who is resident in Plymouth, in a specified year of secondary education would be given in the region of £10 - £15 to save in a credit union account”.

Introduction

We are planning to teach the young people of Plymouth the value and importance of money and savings, whilst promoting the services provided by the two Credit Unions. The intention is to ensure awareness of alternatives to Loan Sharks and Pay Day Lenders.

The key initiatives and activities which deliver this awareness link directly to the Council's Corporate Plan to be The Brilliant Co-Operative Council, supporting our objectives:

- Pioneering Plymouth: providing education and savings which exceed our customer expectations
- Growing Plymouth: making our City a great place to grow up and attend school
- Caring Plymouth: promoting a fairer, more equal city by investing in communities

For all eligible year 7 students, there is the opportunity to open a Credit Union savings account in the Autumn term 2014. *Plymouth City Council will give each child a voucher for £10 to deposit to start their savings plan.* In addition, provided the child still has a minimum balance of £10 after 12 months, we *will give each child a further £10 to deposit to top up their savings plan.*

For all eligible year 11 students, in the Autumn term, to give them a kick start with their savings, we are offering the opportunity for them to open a Credit Union savings account and again ***Plymouth City Council will give each eligible student a voucher for the sum of £10 to deposit.***

We are also planning to teach the students the value and importance of money, with presentations and lessons from ourselves, Plymouth City Council staff, and our colleagues at Barclays. This opportunity allows your school to demonstrate its delivery of part of Personal Finance Education, an element of statutory Citizenship Education. In addition it is evidence of work in SMSC (social, moral, spiritual, cultural) development

Objectives

The objectives of this initiative are:-

- To actively promote a savings habit for all first year secondary school students and year 11 students by opening a credit union savings account with a donation of £10 per student
- Actively promote the service, ethos & values of the credit unions
- To raise awareness of the impact of borrowing from non-standard lenders
- Reward year 7 students with a further £10 after 12 months, in recognition of maintaining a minimum £10 balance
- A commitment from all three partners to introduce the concept of financial awareness at an early age within the local community.
- Helping to build and shape a better community spirit within the City of Plymouth

Monitoring & Evaluation

A key activity of the project team will be to develop a monitoring framework which will track:-

- Number of completed application
- Number of accounts created
- Total Value of Savings
- Frequency of Savings

Project Team Structure

Name	Service/Department/Organisation	Role
Cllr. Mark Lowry	Cabinet Member for Finance	Project Sponsor
Cllr Chris Penberthy	Cabinet Member for Cooperatives and Community Development	Co-Sponsor
Cllr Sue McDonald	Cabinet Member for Children, Young People and Public Health	Co-Sponsor
David Northey	Head of Corporate Strategy	Project Lead
Laura Griffiths	Financial and Social Inclusion Officer	Project Officer
Ann Thorp	Customer Services Manager	Project Officer

Establishing Project Delivery Partnerships with Credit Unions

The project concept is to link secondary schools throughout the City to safe local community credit unions.

In the first instance, our banking partners Barclays Bank were approached to gain an understanding of the relationship between the established high street bank providers and the credit unions in the city. Barclays were very keen to support and promote the initiative, agreeing to provide both staff and educational material to deliver the importance of savings to our young people, and were also instrumental in engaging the credit unions with us to support our initiative.

The Project Team undertook an extensive engagement exercise with the two city credit unions with the aim of securing their commitment to participate in the project and commit to being linked to a nominated local secondary school(s), where possible.

The key aspects of engagement with the credit union sector involved:

- Outlining the initiative and highlight the Council's objectives;
- Securing credit union commitment to participate and deliver;
- Clarifying and agreeing roles, responsibilities, resources and practicalities around implementation;
- Identifying areas where additional credit union support was required (example – initial administration costs)
- Establishing the specific geographical areas of Plymouth covered by both credit unions linked to their individual common bonds.
- Confirming existing credit union/school-partnership arrangements with primary feeder schools and secondary schools.
- Linking credit unions with appropriate local secondary schools.

The key objective was to secure adequate community credit union participation to ensure full coverage of all secondary schools in the City.

A crucial factor in securing credit union commitment to participate has been the reassurance given by the Project Team to minimise the financial and staff resource input for credit unions and the provision of additional financial resources to offset the administration costs associated with project delivery.

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