

Co-operative Scrutiny Board

Friday 5 December 2014

PRESENT:

Councillor James, in the Chair.

Councillor Mrs Aspinall, Vice Chair.

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

Apology for absence: Councillor Murphy.

Also in attendance: Councillor Lowry (Cabinet Member for Finance), David Northey (Head of Corporate Strategy), Councillor Penberthy (Cabinet Member for Co-operatives, Housing and Community Safety), Giles Perritt (Assistant Chief Executive) and Helen Wright (Democratic Support Officer).

The meeting started at 4.00 pm and finished at 5.10 pm.

Note: At a future meeting, the committee will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

91. **DECLARATION OF INTEREST**

In accordance with the code of conduct there were no declarations of interest made by Members.

92. **CHAIR'S URGENT BUSINESS**

There were no items of Chair's urgent business.

93. **CALL-IN - THE CREDIT UNION SCHOOL INITIATIVE "STARTER-4-TEN"**

The Co-operative Scrutiny Board considered the call-in of the Cabinet decision relating to the Credit Union School Initiative 'Starter-4-Ten'.

The Co-operative Scrutiny Board heard that –

- (a) Councillors Ball, Churchill and Ricketts had called the decision in for the following reasons -
 - the decision was outside of the budget because the monies, or part of, were being taken out of the Council's general fund;
 - the process by which the decision was made was deficient because Members were not properly consulted;

- the decision maker failed to consider alternative courses of action; the report under the heading 'alternative options considered and rejected' stated 'none';
 - the decision maker failed to take into account relevant factors; that the report was contradictory because the proposal supported 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 would cost £50,000 in 2014/15 and would be funded from the general reserves; this did not represent sound financial management;
- (b) Councillors Ball, Churchill and Ricketts considered that –
- the decision was reckless as the monies to fund the scheme would be drawn from the Council's reserves which was not a financially sound decision;
 - to give young people money to set up a savings plan was not the best method of educating them in order to become financially responsible;
 - constituents were not happy with the Council's decision as numerous complaints had been received;
 - alternative options had not been explored such as match funding from the credit unions;
 - they were unable to justify the decision to the hard working families of Plymouth;
- (d) Councillor Lowry (Cabinet Member for Finance), Councillor Penberthy (Cabinet Member for Co-operatives, Housing and Community Safety) and David Northey (Head of Corporate Strategy) responded that -
- the aim of 'Starter-4-ten' scheme was to teach young people the value and importance of money and savings, whilst promoting the services provided by the credit unions; the intention was to ensure awareness of alternatives to loan sharks and pay day lenders;
 - the scheme related to all eligible year seven students and provided them with an opportunity to open a credit union savings account in the Autumn term 2014;

it was proposed that the Council would give each child a voucher for £10 as a deposit, in order to start a savings plan; in addition, provided the child still had a minimum balance of £10 after 12 months, the Council would give each child a further £10 to top up the savings plan;

- there were 2,500 year seven students eligible for the scheme;
- as part of the delegated decision relating to the early intervention and prevention assistance from the emergency and welfare fund, published in March 2014, approval had been given to establish a children's credit union savings scheme; the scheme had been set up for all eligible year 11 students to open a credit union savings account; the Council would give each student a £10 voucher to deposit.
- Cabinet Members had been fully engaged with the decision which had been in response to the recommendations outlined in the Fairness Commission's report; the report had been fully debated by all Members at the Full Council meeting held on 12 September 2014;
- the estimated cost of the whole scheme would be £25,000 in total (£12,500 to be paid in 2014/15 and a further £12,500 paid in 2015/16);
- alternative options had been considered but 'to do nothing' had been rejected as this did not support the Council's co-operative values;
- the Council's Monitoring Officer had approved the delegated decision, as in his opinion it was inside of the budget and policy framework; (if the decision had been deemed to be outside of the policy and budget framework then the call-in would need to be considered by Full Council);
- Councillor Lowry had not received any complaints from residents regarding this scheme.

In response to question raised by the Board Members for clarity, it was reported that –

- (e) the estimated total cost of the scheme had been based on evidence provided from other schemes (such as Glasgow) where there had been a 50 percent take up;
- (f) the delegated decision approved in March 2014 related to year 11 students of which 3,500 were eligible for the scheme;

- (g) Councillors Ball, Churchill and Ricketts had deemed the decision to be outside of the budget and policy framework as the monies to fund it were being drawn from the Council's reserves rather than from revenue;
- (h) there were no separate arrangements for looked after children as they were being afforded the same opportunity to open a savings plan; arrangements were being made through schools as this was considered to be the fairest way to implement the scheme for the benefit of all the children;
- (i) the scheme would not be means tested.

The main points arising from the Board debating the call-in included –

- (j) the Child Poverty Working Group had considered the scheme to be positive and one which could change behaviours;
- (k) plans were being put in place to teach students the value and importance of money management; these sessions would be undertaken by Plymouth City Council staff and colleagues from Barclays Bank; this opportunity would allow the city's secondary schools to demonstrate their delivery of part of the 'personal finance education' programme relating to the national curriculum for Citizenship Education;
- (l) the projects formed part of the Life Skills programme and as such would offer an opportunity to break the cycle of debt by improving financial literacy, budgeting and savings skills;
- (m) currently 10 schools had taken up the offer of the scheme for year 11 students and initially four schools for the year seven children;
- (n) currently there was no data available as the year 11 scheme had just been launched; data would be gathered relating to the take up of the scheme in relation to the demographic areas.

The Board agreed to confirm that the decision should be implemented.

94. **EXEMPT BUSINESS**

There were no items of exempt business.