

## Report of Chief Executive

to  
Cabinet

8<sup>th</sup> November 2016

Report prepared by:  
Fiona Abbott

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**In depth scrutiny report –  
'Control of personal debt and the advantages of employment'  
A Part 1 Agenda Item**

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### 1. Purpose of Report

To present the final report of the in depth scrutiny project - "Control of personal debt and the advantages of employment".

### 2. Recommendation

That Cabinet approves the report and outcomes from the review from the in depth scrutiny project attached at **Appendix 1**.

### 3. Background

- 3.1 The Policy & Resources Scrutiny Committee selected its topic at the meeting on 16<sup>th</sup> July 2015 (Minute 158 refers). The project plan was agreed by project team at its meeting on 16<sup>th</sup> September 2015 and by the Scrutiny Committee on 15<sup>th</sup> October 2015 (Minute 346 refers). The specific focus of the review was to understand the issues around personal debt in Southend and its impact on residents; the support available to residents to stop getting into debt and the advantages & benefits of employment. The aim was to raise resident and all member awareness about the issues and to make appropriate recommendations.
- 3.2 The Member Project Team, which was Chaired by Councillor Mark Flewitt, met on four occasions and considered a range of information and evidence and number of work streams were investigated by the project team. The Project Team comprised Councillors David Garston, Brian Ayling, Alan Crystall, Lawrence Davies, Cheryl Nevin, Derek Kenyon and Chris Walker. Officer support was provided by Fiona Abbott.
- 3.3 The Project Team held a full day of evidence gathering, in the form of a 'mini conference', with invited witnesses on 4<sup>th</sup> February 2016. The event was facilitated by the then Healthwatch Southend Manager.
- 3.4 The review proved to be a thought provoking and wide ranging project, looking at issues such as credit reference agencies, loan sharks and funeral poverty. There was greater Member awareness of the issues facing a number of our residents, for example, the Project Team considered detailed information from the Illegal

Money Lending Team on the issue of illegal loan sharks and also considered information about the Credit Union in Southend. A great deal of good work is taking place in Southend and based on the evidence from the review, a lot of good around to help and support residents who face debt issues and to help them.

- 3.5 The draft scrutiny report was considered by the Member Project Team and considered at the Policy & Resources Scrutiny Committee at its meeting on 13<sup>th</sup> October 2016 (Minute 371 refers). The Committee felt that the study had been worthwhile and suggested some further actions for inclusion at section 6 of the final report (emerging outcomes from review).

#### **4. Recommendations**

- 4.1 In accordance with Scrutiny Procedure Rule 10 (Part 4 (e) of the Constitution), the in depth scrutiny report is now attached at **Appendix 1** for consideration by Cabinet. There are a number of issues from the review which need to be taken forward, as follows:
- a) As a way forward a third sector assembly should be convened to ‘show case’ event (anti debt fair) for the debt agencies to promote awareness. This will provide an opportunity for stakeholders to show support and advice (the expectation is that the resourcing for the event will be met by sponsorship). A number of programmes or work streams should also be developed to take forward e.g. helping people maximise income, working in a joined up way (see also (i) below).
  - b) That awareness raising about Credit Reference Agencies be included in the work mentioned above and that some can provide information to people on a no-charge basis.
  - c) The public need to be made aware about the issues of illegal loan sharks and the media department, SEH and other partners should use every opportunity to publicise the issue.
  - d) The Council should embed financial inclusion as a cross cutting priority.
  - e) All statutory agencies should be asked to review their literature promotional materials, social media presence sent to residents so that opportunities to sign post residents who may be experiencing difficulties are not missed (or lead to residents falling further into debt).
  - f) The Council should encourage the use of Credit Unions (Essex Savers Credit Union), and promote membership of them to staff and residents and also look at other ways of supporting its work.
  - g) That the Council review whether the Essential Living Fund can be adjusted in some way to assist people with funeral costs.
  - h) Partners need to look at targeting outreach opportunities in the wards with higher number of households likely to experience financial stress.
  - i) The Council’s Head of Learning be asked to raise with School / FE Governors the need for improved financial literacy of primary and secondary school pupils and for a more structured approach to financial literacy incorporated into the school curriculum (utilising the resources of organisations such as Illegal Money Lending Team for example), including generic financial advice for school leavers.

4.2 Cabinet is asked to consider the report and identify how best to progress the work.

## 5. Other Options

Not applicable.

## 6. Corporate Implications

6.1 Contribution to Council's Vision and Critical Priorities – Becoming an excellent and high performing organisation; reduce inequalities and increase the life chances of people living in Southend.

6.2 Financial Implications – there are financial implications to some recommendations but as yet they are unquantifiable. However, any recommendations progressing with associated financial implications will need to go through the annual budgetary process before implementation, as currently no revenue or capital budgets exist for the proposals.

6.3 Legal Implications – none.

6.4 People Implications – none.

6.5 Property Implications – none.

6.6 Consultation – as described in report.

6.7 Equalities Impact Assessment – none.

6.8 Risk Assessment – none.

## 7. Background Papers

- Project team meeting notes – meetings held on 16<sup>th</sup> September 2015, 14<sup>th</sup> October 2015, 17<sup>th</sup> November 2015 and 5<sup>th</sup> January 2016
- Notes from witness session held 4<sup>th</sup> February 2016
- Updates to Scrutiny Cttee – 15<sup>th</sup> October 2015, 3<sup>rd</sup> December 2015 and 28<sup>th</sup> January 2016 and 13<sup>th</sup> October 2016
- Other evidence as described in the report

## 8. Appendix

**Appendix 1 – in depth scrutiny project report**