

People Select Committee

A meeting of People Select Committee was held on Monday, 11th April, 2022.

Present: Cllr Marilyn Surtees (Chair), Cllr Mrs Jean O'Donnell (Vice Chair), Cllr John Gardner, Cllr Barbara Inman (Sub for Cllr Barry Woodhouse), Cllr Eileen Johnson, Cllr Lee Spence, Cllr Hilary Vickers (Sub for Cllr Niall Innes), Cllr Sylvia Walmsley, Cllr Bill Woodhead MBE.

Officers: Margie Stewart-Piercy (HR, Legal and Communications), Paul Wilson, Katie Hindmarsh (Children's Services), Judith Trainer, Rachel Harrison (Democratic, Administration and Electoral Services)

Also in attendance: Ian Bartlett, Rhys Stephens (Stockton Advice and Information Service), Lisa Pickard, John Fettes (Five Lamps), Phil Goad, Diane Patterson, Annie Murphy (Tees Credit Union)

Apologies: Cllr Niall Innes, Cllr Barry Woodhouse

PEO 45/21 **Evacuation Procedure**

The evacuation procedure was noted.

PEO 46/21 **Declarations of Interest**

There were no declarations of interest.

PEO 47/21 **Minutes**

Consideration was given to the minutes of the People Select Committee meeting which was held on the 14 March 2022 for approval and signature.

AGREED that the minutes of the meeting held on the 14 March 2022 be confirmed as a correct record and signed by the Chair.

PEO 48/21 **Scrutiny Review of Tees Credit Union**

The Select Committee received presentations from Ian Bartlett and Rhys Stephens from the Stockton Advice and Information Service and Lisa Pickard from Five Lamps.

The presentation from the Stockton Advice and Information Service covered:

- Debt Advice at SDAIS- 2021-22
- Tees Credit Union
- Money Advice
- Areas for Development
- The future

The key issues highlighted from the presentation and discussed were:

- The Stockton Advice and Information Service in 2021-2022 had assisted 1,334 clients with 7,201 debt issues and £7.96 million of debt
- The key services they were aware the Tees Credit Union provided were accounts for benefits and salaries to be paid into, rent accounts, saving accounts and low-cost loans
- In 2022 199 children and 3145 adults held an account with the Tees Credit Union
- Loans were taken out for a variety of reasons with the most significant reasons being for Christmas and household items.

- SDAIS had 22 clients who had Tees Credit Union debts with the average debt being £520
- The Tees Credit Union made up 90% of all credit union debts for SDAIS clients
- 60% of clients were not aware of the Tees Credit Union with only 5% of clients having used it
- Some loans required Child Benefit to be paid directly to the credit union, which could be argued reduced choice and flexibility for customers
- More engagement with clients was needed to raise awareness of benefit entitlement, as many were unaware of what they were entitled to and this could have a significant impact
- Tees Credit Union were regulated by the Financial Conduct Authority and the Prudential Regulation Authority
- The Credit Union were active members of the Infinity Partnership and provided local, accessible and flexible support
- SDAIS proposed that:
 - o the Credit Union should carry out credit checks for all customers taking out a loan in order for the lender and individual to make informed decisions
 - o referral of all debt clients to SDAIS (not just signposting)
 - o more scrutiny of loans for Christmas and budgeting advice
 - o more collection point and promotion

The presentation from Five Lamps covered:

- Five Lamps Organisation
- CDFI: Community Development Finance Institution
- Conduit Loans
- Collaboration

The key issues highlighted from the presentation and discussed were:

- Five Lamps had three main strands: home care, youth and community engagement, and financial inclusion
- Conduit disbursed £11.4 million in the last three years
- The average loan was £590 over nine months
- Conduit disbursed £234 thousand to applicants from cost comparison websites
- 2357 loans were issued to the TS16-TS21 postcodes with 8178 applications being received
- £1,712,666 disbursed to Stockton on Tees residents accounting for 14% of all activity
- On average it took 24 hours for a loan to go into a customer's account.
- Conduits Annual Percentage Rate ranged from 99.8% to 200%
- A Conduit loan saved customers approximately £78 per calendar month
- Five Lamps lend to the most vulnerable; 6/10 clients with loans lived in rented housing
- 82% of clients had an income of less than £2,000 per calendar month
- 89% of clients were in the bottom decile credit score
- 8 million families did not access £16 billion of benefits in the last year
- A benefit entitlement checker app was being developed costing 20p a check, with the app being rolled out to 50,000 in the next year
- The app could be adaptable to suit the needs of Stockton on Tees
- Five Lamps had a limited relationship with TCU and felt that both organisations would benefit from closer working as their customers were those who could not get finance from banks. This could include referring customers to

each other where products or likelihood of securing credit were more favourable (“up and down stream”); there were also opportunities for jointly advertising

AGREED that the information be noted.

**PEO
49/21**

Chair's Update and Scrutiny Work Programme

The Scrutiny Officer advised that the next formal Committee meeting would take place on Monday 9 May 2022, with a remote evidence gathering session being held on the 28 April 2022.

AGREED that the Work Programme be noted.