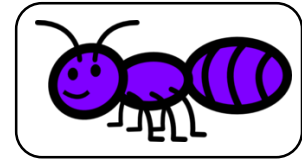


WEST



EAST



SOUTH

LEEDS DEBT FORUMS

A. Background to the Forums

The Debt Forums in Leeds bring together organisations from the voluntary and the public sectors to discuss issues relating to debt and financial inclusion and to develop appropriate local action. Forum members include: Advisory service providers; Credit Unions; One Stop Centres; Housing groups and Associations; Neighbourhood Health Improvement; Illegal Money Lending project; local Community Development/Service providers; Faith groups.

The West Leeds Debt Forum started in 2004 as a response to concern about those caught up in debt and the consequences of debt:

- stress and the associated health-related conditions;
- family breakup; self-harm;
- suicide,
- substance abuse

WLDF has subsequently been joined by the East Leeds and the South Leeds Forums. Together with the concerns highlighted above, the Forums are a voluntary response to the needs of those who are:

- financially excluded,
- who have no credit rating,
- who cannot stretch their income until the point when the next payment comes in.
- who when crisis hits – the cooker/washing machine/heating breaks down - have no recourse but to high interest rate legal lenders or even higher rate illegal lenders.

Though the Forums work independently at local level, they share the following common aims and work together to address these issues on a citywide level:

- the promotion of debt advisory services and other types of financial advice;
- alerting people to the dangers of loan sharks and encouraging local action;
- the promotion of savings and affordable credit sources, such as the credit unions.

The Forums have campaigned extensively around these aims and, in addition to signposting to advisory services to a significant extent, have been a contributing factor to the identification and prosecution of loan sharks and to the increasing membership of credit unions. The Forums are now recognised locally and nationally as a valuable local resource, having been approached frequently not only by the local press, television and radio, but also by Channel Four and BBC television.

An outstanding feature of the work of the Debt Forums is that members work together in the true spirit of Community Development – no special recognition of organisation requested.

B. Leeds Experiences

The initiatives in Leeds have been shown to be an inspiration to other parts of our area. Following the Annual Open Meeting of the united Debt Forums in June 2014, participants from outside Leeds said 'I'd like to be in Leeds!' The work done in Leeds can help other areas to respond to and plan to overcome the effects of financial exclusion.

Successful Initiatives for Financial Inclusion

Q3.

- a) The local Debt Forums that come together on a purely voluntary basis – unfunded other than the time of those contributing (which is an acknowledged cost) – the local Debt Forums have come together to enhance local advisory services, to promote local credit unions as an alternative to high cost lenders and to campaign to raise awareness of loan sharks and have had demonstrable success.

THE MODEL

- ✓ **Identifying information/statistics/research that can justify intervention and programme development (in the Leeds case, the Leeds City Council made a major contribution. Other agencies can also contribute – e.g. Citizens Advice);**
 - ✓ **Identifying key local organisations/individuals that have interest in debt/financial inclusion;**
 - ✓ **Mobilisation of local organisations to commit to joint efforts with no contest over 'recognition';**
 - ✓ **Securing support of key people/institutions: ward councillors, the local council, MPs, local organisations that provide meeting rooms free of charge (e.g. for West Leeds and East Leeds – local churches);**
 - ✓ **Developing action plans that can attract local funding.**
 - ✓ **Promoting an enabling environment by ensuring continued support of local politicians and other influential organisations or individuals. (In Leeds, the Forums have had excellent support from the City Council and, at local level, from ward councillors, the MP – Leeds City Council has been proactive in providing an enabling environment.)**
- b) A recent initiative, developed by the Burmantofts Community Project (East Leeds) in order to strengthen local advice and to provide continuing support, is the **Money Buddies** project, which is now being rolled out across Leeds. Money Buddies are volunteers who can work on a one-to-one basis with individuals who have money problems, who have been helped towards a management plan and who need encouragement and practical help to see things through.

Money Buddies help by:

- Maximising income and identifying entitlements;
- Completing grant applications;
- Switching Utility providers;
- Preparing budget/financial statements;
- Writing to/negotiating with creditors;
- Assisting in reporting loan sharks;
- Finding affordable sources of credit;
- Saving money opportunities.

This programme also offers new opportunities for Money Buddies themselves – the project has seen a number of previously unemployed Buddies finding work as a direct result of their being Money Buddies.

- c) Leeds City Council has commissioned research into the effects of financial inclusion. The research showed that every year, **£26 million additional income is generated in the local economy in Leeds with an impact on the regional economy of over £28 million.**

This economic impact is produced from total operating costs of £3.3 million, which means **that for every £1 invested in financial inclusion initiatives £8.40 is generated for the regional economy**

The results of the survey gave very interesting findings also:

Following support from partners:

- almost 70% now claiming benefits or tax credits which they previously did not claim;
- individual debts reduced by half following casework advice;
- 1% said they would now use a doorstep lender compared to 22% who would have previously done so.

In addition:

- Those saying that their quality of life had Improved:
LCCU sample – 52%
Debt Advice sample – 57%
Benefits Advice sample – 29%

- d) **Leeds City Council Initiatives in Leeds**

- The LCC hosted a major national conference on High Cost Lending in October 2013;
- The LCC launched the 'Take a Stand' campaign against HCL, which many local organisations have signed up to; HCL in Leeds is worth £20 million – high cost lenders are targeting the disadvantaged parts of Leeds;
- Payday lender web sites have been blocked;
- Business grant/loan schemes are being provided;
- Advertising space for HCL is not allowed;
- Planning restrictions (e.g. number of HCL on the high street) is to be investigated;
- LCC investments will not include HCL agencies.

- e) Credit Union loan shop – an initiative of Leeds City Credit Union to offer affordable credit quickly.

Q4.

Digitisation: a significant proportion of households in Leeds, especially in West Leeds, are NOT on line. Local programmes to assist, such as training through libraries, recycling 'old/discarded' computers, should be extended. Given that Universal Credit requires on line application, this is URGENT.

Q7.

High increase in rent arrears noted by Housing groups, linked to both 'bedroom tax' and financial squeezing.

Q9.

Affordable credit must be more easily accessible. Same day loans are needed to allow response to domestic crisis, e.g. breakdown of washing machines, cookers.

Q11.

CREDIT UNIONS must be promoted more intensively. There is very low awareness. The Debt Forums in Leeds have been working closely with our local credit unions, e.g. Bramley Independent CU (purely voluntary), St Gregory's CU (also voluntary), Leeds City Credit Union (paid staff).

Q14. Restrict the number of high interest lenders allowed on any one high street. Ban bill board advertising by high interest lenders.

Q19. Promote savings through credit unions, through School Saving Schemes (Leeds City Credit Union has been very successful in Primary Schools).

Expand Family money learning programmes through libraries.

Q21 Make services more easily reachable, e.g. Credit Unions offer collection points at local levels where often there is no bank branch.

On behalf of the Leeds Debt Forums

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