



NOTTINGHAM CITY COUNCIL
OVERVIEW AND SCRUTINY COMMITTEE

Date: Wednesday, 6 February 2019

Time: 2.00 pm (pre-meeting for all Committee members from 1:30pm)

Place: Ground Floor Committee Room - Loxley House, Station Street, Nottingham,
NG2 3NG

Councillors are requested to attend the above meeting to transact the following business

Corporate Director for Strategy and Resources

Governance Officer: Zena West **Direct Dial:** 0115 8764305

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|----------|--|---------|
| 1 | APOLOGIES FOR ABSENCE | |
| 2 | DECLARATIONS OF INTEREST | |
| 3 | MINUTES
Minutes of the meeting held 9 January 2019, for confirmation | 3 - 6 |
| 4 | DISCUSSION WITH THE DEPUTY LEADER/PORTFOLIO HOLDER
FOR FINANCE, RESOURCES AND COMMERCIAL SERVICES
Report of the Head of Legal and Governance | 7 - 8 |
| 5 | CREDIT UNIONS
Report of the Head of Legal and Governance | 9 - 14 |
| 6 | WORK PROGRAMME 2017/18
Report of the Head of Legal and Governance | 15 - 18 |

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ON THE AGENDA, PLEASE CONTACT THE GOVERNANCE OFFICER SHOWN ABOVE, IF POSSIBLE BEFORE THE DAY OF THE MEETING

CITIZENS ATTENDING MEETINGS ARE ASKED TO ARRIVE AT LEAST 15 MINUTES BEFORE THE START OF THE MEETING TO BE ISSUED WITH VISITOR BADGES

CITIZENS ARE ADVISED THAT THIS MEETING MAY BE RECORDED BY MEMBERS OF THE PUBLIC. ANY RECORDING OR REPORTING ON THIS MEETING SHOULD TAKE PLACE IN ACCORDANCE WITH THE COUNCIL'S POLICY ON RECORDING AND REPORTING ON PUBLIC MEETINGS, WHICH IS AVAILABLE AT WWW.NOTTINGHAMCITY.GOV.UK. INDIVIDUALS INTENDING TO RECORD THE MEETING ARE ASKED TO NOTIFY THE GOVERNANCE OFFICER SHOWN ABOVE IN ADVANCE.

NOTTINGHAM CITY COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

**MINUTES of the meeting held at Loxley House, Nottingham on 9 January 2019
from 4.01 am - 2.53 pm**

Membership

Present

Councillor Brian Parbutt (Chair)
Councillor Anne Peach (Vice Chair)
Councillor Jim Armstrong
Councillor Azad Choudhry
Councillor Nicola Heaton
Councillor Patience Uloma Ifediora
Councillor Glyn Jenkins
Councillor Mohammed Saghir
Councillor Cate Woodward

Absent

Councillor Sue Johnson
Councillor Gul Nawaz Khan

Colleagues, partners and others in attendance:

Chief Inspector Simon Allardice	- Nottinghamshire Police
Superintendent Andrea Baxter	- Nottinghamshire Police
Philip Broxholme	- Crime & Drugs Partnership
Tim Spink	- Crime & Drugs Partnership
Zena West	- Senior Governance Officer
Phil Wye	- Governance Officer

45 APOLOGIES FOR ABSENCE

Councillor Sue Johnson – other council business
Councillor Gul Khan – personal reasons

46 DECLARATIONS OF INTEREST

None.

47 MINUTES

The minutes of the meeting held on 5 December 2018 were confirmed as a correct record and signed by the Chair.

48 POLICING IN NOTTINGHAM

Superintendent Andrea Baxter and Chief Inspector Simon Allardice, Nottinghamshire Police, delivered a presentation highlighting the following:

- (a) policing in the city has returned to a geographic model from a thematic model, and now has a City Area Commander along with three localised Chief Inspectors, a Detective Chief Inspector, Response and Neighbourhood Policing Teams and a Burglary Team;

- (b) Nottinghamshire Police's ongoing review of its Neighbourhood Policing aims to develop a foundation from which to build a stable and resilient offer. It has joint strategic overview from both Area Commanders for the city and county;
- (c) the three main thematic areas of focus for Neighbourhood Policing are Engaging Communities, Developing Staff and Volunteers and Building Analytical Capacity Targeting Activity and Solving Problems. These are each led by a different Chief Inspector;
- (d) a number of proactive operations are taking place across the city to tackle crime and anti-social behaviour, working in partnership with other agencies:
 - Operation Guardian is a city centre operation specifically aimed at targeting the use or dealing of illegal drugs in the night-time economy by using a passive drugs dog to identify suspects;
 - Operation Scorpion aims to reduce knife crime, working closely with all partners. Nottingham has the only dedicated Knife Crime Team in the UK outside of the Metropolitan Police;
 - Operation Reacher is a proactive policing unit working with the local neighbourhood team in City North, particularly Bestwood, to tackle organised crime;
 - Operation Taste is a proactive operation to reduce tensions between St Anns and Radford in response to a spate of shooting incidents over the summer;
 - Operation Relentless is a city centre operation to tackle drug dealing, anti-social behaviour (ASB) and vehicle crime in the city centre during the day;
- (e) an Arboretum Working Group was set up as the Arboretum was identified as a long-standing area of concentrated complexity with high levels of crime relative to its population. The partnership-working group has priorities of Burglary Dwelling, Public Space Crime and ASB and Organised Crime. It meets monthly with the aim to develop partnership problem-solving plans, and a partnership approach to engagement;
- (f) similar working groups are planned for Bulwell and the city centre;
- (g) a dedicated burglary team was introduced in June 2018 which investigated distraction-type burglaries, burglaries where vehicles are targeted and stolen, burglaries where family gold is targeted and stolen, and burglary in hot spot areas. The team is based in the St Anns and Radford areas and has led to improved outcomes for burglary offences in the city.

The following points were raised during the discussion which followed:

- (h) the original decision to move from a geographic to a thematic model was made due to funding cuts and lack of officers. Funding has now improved and the number of officers has increased by around 200;
- (i) working groups have been proposed for Bulwell and the City Centre as these were identified as hotspots for high-harm offences. The groups will work with a range of partners to tackle area-specific offences such as shop theft, begging or street drinking. Further groups may be introduced in other areas if these prove

successful;

- (j) the Command Team meets on a weekly basis to discuss trends and concerns, including displacement of crime from one area to another. Resources can be quickly deployed where needed in the new model to mitigate this;
- (k) crime figures in the city still continue to rise, though this is partly due to the recording of additional crime as instructed by the government. Other crime increases may be due to societal issues such as drugs and low incomes due to the government's austerity measures. Burglary levels have improved following partnership work and the introduction of the Burglary Team;
- (l) police satisfaction figures in the city remain high. Anyone reporting a crime who is identified as vulnerable will be visited straight away, but other reports which may have warranted a visit in the past may be dealt with over the phone or by Community Protection;
- (m) reductions in funding for services such as mental health, child sexual exploitation and missing children cause additional pressure for police services.

RESOLVED to thank Superintendent Baxter and Chief Inspector Allardice for the information provided.

49 WORK PROGRAMME

RESOLVED to note the Committee's work programme for the remainder of the municipal year.

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OVERVIEW AND SCRUTINY COMMITTEE
6 FEBRUARY 2019
DISCUSSION WITH THE DEPUTY LEADER/PORTFOLIO HOLDER FOR FINANCE, RESOURCES AND COMMERCIAL SERVICES
REPORT OF HEAD OF LEGAL AND GOVERNANCE

1 Purpose

- 1.1 To hear from the Deputy Leader/Portfolio Holder for Finance, Resources and Commercial Services on progress against their Council Plan priorities, and their main priorities and challenges for the 2018/19 municipal year.

2 Action required

- 2.1 To use the information received at the meeting from Councillor Graham Chapman, Deputy Leader and Portfolio Holder for Finance, Resources and Commercial Services, to inform questioning and identify potential areas for future scrutiny.

3 Background information

- 3.1 On 9 November 2015 the Council Plan was approved by full Council, and guides the Council's services and approach to support the delivery of its key priorities for the city until May 2019.
- 3.2 The local authority is currently in the last year of the plan.

4 List of attached information

- 4.1 None.

5 Background papers, other than published works or those disclosing exempt or confidential information

- 5.1 None.

6 Published documents referred to in compiling this report

- 6.1 Council Plan 2015-19.

7 Wards affected

- 7.1 All.

8 Contact information

- 8.1 Zena West, Senior Governance Officer
 Zena.west@nottinghamcity.gov.uk
 0115 8764305

OVERVIEW AND SCRUTINY COMMITTEE
6 FEBRUARY 2019
CREDIT UNIONS
REPORT OF HEAD OF LEGAL AND GOVERNANCE

1 Purpose

- 1.1 To establish the nature of the relationship between Nottingham City Council and local credit unions, and Nottingham City Council's promotion of loans from credit unions as an alternative to payday lenders.

2 Action required

- 2.1 To explore how the Council interacts with credit unions, the benefits of using them and whether they are an effective way of addressing the increasing use of payday lenders.
- 2.2 To consider the information provided at the meeting to identify areas for potential future scrutiny.

3 Background information

- 3.1 Credit Unions have existed in Britain for over 50 years, and provide loans and savings to more than 1.2 million people across England, Scotland and Wales. A credit union is a financial co-operative which is owned and controlled by the members, with directors elected from the membership, by the membership.
- 3.2 Membership of a credit union is based on a common bond. This can be working for a particular employer or in a particular industry, or working in a specified geographical area.
- 3.3 Nottingham Credit Union has been in operation since 1992. They offer simple savings accounts for events (such as Christmas or Holidays) and regular savings. All savings are protected by The Financial Services Compensation Scheme. They also offer loans from £100 to £15,000 for any purpose (subject to application) and can also consider consolidation loans to help those stuck in a cycle of debt to payday lenders.
- 3.4 Common issues with other payday lenders can include high interest rates, inadequate affordability checks, and borrowers becoming trapped in a cycle of debt. Help and advice is offered by charities, regulatory advice services, credit unions and private companies to help those facing issues with payday lenders.
- 3.5 Lynn Griffin-Pearce, HR Consultant - Reward, Daljit Nijran, Organisational HR Manager and Richard Henderson, Director HR and Customer (all from Nottingham City Council) will attend the meeting,

along with Jason Eaves, Manager of Nottingham Credit Union, to present information to the Committee and to answer any questions.

4 List of attached information

- 4.1 Information on the City Council's relationship with Nottingham Credit Union prepared by Lynn Griffin-Pearce, HR Consultant - Reward, Nottingham City Council.

5 Background papers, other than published works or those disclosing exempt or confidential information

- 5.1 None.

6 Published documents referred to in compiling this report

- 6.1 Financial Ombudsman - payday lenders common complaints and case studies: https://www.financial-ombudsman.org.uk/publications/technical_notes/payday-lending-case-studies.html
- 6.2 Nottingham Credit Union blog and advice: <https://www.nottinghamcu.co.uk/category/blog/>

7 Wards affected

- 7.1 All

8 Contact information

- 8.1 Zena West, Senior Governance Officer
Zena.west@nottinghamcity.gov.uk
0115 876 4305

Briefing for Overview & Scrutiny Committee
Update on Nottingham City Councils relationship with Credit Unions
6 February 2019

Introduction

This appendix provides detail on the working relationship between Nottingham City Council (NCC) and Credit Union(s), as requested by Councillors, which is being discussed at February's Overview and Scrutiny Committee.

Background

NCC has long established links with Credit Unions, particularly Nottingham Credit Union (NCU). This commitment is set out in the Labour Party Manifesto and Council Plan. NCC also offers financial support to NCU, providing investment to improve its profile and offering, thereby becoming more financially stable in the future. In 2017, NCU was heavily promoted to the NCC workforce, including having a presence at Loxley restaurant and running a money management workshop. More recently, Organisational HR colleagues (whose focus is on reward and recognition), have connected with the newly appointed NCU Manager, Jason Eaves, first meeting him on 2nd October 2018, along with Board Member-Peter Cowley. Since that time two further update meetings have taken place.

Current position

It has been agreed that both organisations will work together to deliver a package that NCC colleagues might be potentially interested in, including Christmas and Holiday savings. The main focus for NCU is to attract new members, both savers and borrowers, detailed in the Communications Plan, currently being developed to achieve this aim, which includes-

- Piloting 'pop up' shops, 1 day per week, w.e.f. 7th November, at Loxley House, on an appointment basis. Eight sessions have been run so far, with 15 employees attending. This pilot is currently being reviewed.
- Attending quarterly Welcome (induction) events for new starters at the Council House.
- Providing general communications in the Works Perks newsletter, intranet, plasma screens and via leaflet drops, focussing on lending and savings for either for a holiday, Christmas or both now, in early 2019. The ease of repaying loans and saving through payroll is an obvious benefit and is a key part of this message.
- The NCU Manager has also offered to attend team meetings and to talk to managers/team leaders, as well as recruiting colleagues to become NCU champions. There are future plans to attend Eastcroft.
- A HR colleague has written a piece about her experience of using NCU and we want more colleagues to feature as case studies in the future, which will be in addition to money related articles.
- Since November 2018, 48 loans have been approved for NCC staff, totalling £120,491. Twenty eight new members have joined NCU, 13 of who have applied for loans totalling £52,450 (included in the above figure)
- There are now 378 NCC members who collectively have £242,671 in savings. Of this total staff figure, 131 have taken out loans totalling £338,927.

Future plans

As part of the 'reward' remit, HR needs to be able offer a financial 'product' which colleagues value and includes a financial education and support programme that appeals to the whole workforce. NCU have confirmed that their focus is on providing finance to colleagues with 'limited choice', who may have difficulty in obtaining credit and/or obtaining affordable reasonably priced credit. NCU acknowledge that their loans for example, may not be as competitive as other financial institutions, therefore being potentially less appealing to some of the workforce who are home owners and/or have good/excellent credit scores. This is highlighted by an independent exercise, undertaken by the Internal Audit team which compared NCU services/products with a leading Financial Wellbeing & Education Provider (Appendix 1). It is worth noting that the headline rate marketed isn't the rate offered to everyone who is accepted for a loan. However, NCU rates remain significantly cheaper than those offered by payday lenders, rent to buy retailers and other lenders who target people with poorer credit scored (e.g. 118118 headline rate is currently 99.9% APR, Provident is 299% APR and Payday lenders are up to 5000% in some cases.) NCU can help us offer more reasonably priced lending products to those employees who currently use high cost lenders, rent to but, loan sharks etc.

The Reward team have been reviewing the 'gap' in provision, and undertaken as assessment as to how the financial wellbeing offering can be improved and made more accessible to NCC colleagues. Councillor Chapman has recently given HR the 'go ahead' to undertake a soft market test exercise, which will gather

intelligence on external suppliers of Financial Wellbeing and Education. NCC want a future provider who can offer a range of options including debt consolidation loans (payments being made directly from salary) and more affordable loan products (with lower interest than the NCU can apply), as this can really help people better manage their finances, getting them on a more financially secure footing. Any supplier also needs to work in partnership with NCU, thereby providing a complementary offering that gives wider choice, which enables colleagues to both borrow and save together, where fairer interest rates are applied and this helps reduce their credit costs. NCC also wants an end-to end service that provides employees with education as well as mechanisms for borrowing and savings. This will help break the cycle of debt, improve financial wellbeing and is likely to have a positive impact on stress related absence and sleeplessness, with the potential to improve performance and productivity at work.

Conclusion

Lack of financial wellbeing continues to have a negative impact at personal, organisational and national level. Employers are involved, no matter where the boundaries lie, when it comes to blending personal finance and work, particularly as the average UK household is close to £13k in debt (including student loans). There is a lot of evidence that links financial hardship with mental health issues and increased employee absence – helping people improve their financial resilience through better money management, enabling them to build small savings and better understanding cost of borrowing are key areas, and NCU are very much part of this approach. It is hoped that this closer way of working will ensure that the provision put into place will be attractive to all members of the NCC workforce. The Reward team will continue to work in partnership with NCU and ensure that any additional Financial Wellbeing and Education offering can capitalise on this relationship, with the aim of improving colleagues' financial confidence and awareness and enabling them to do more with what money they have left. Any savings made as a consequence will mean that employees have an increase in disposable income-equivalent to a 5% pay rise, which in the current financial environment would be really good news.

Sample Company and Nottingham Credit Union

Background

In May 2017, we provided an independent comparison between the services/products offered by Sample Company and Nottingham Credit Union (NCU). We have revisited the loan options comparison table we provided and updated this to reflect the current packages offered. Please Note – The information below is based on website promoted products, if negotiation is undertaken then agreements made may alter the rates displayed.

Loan Options

Nottingham Credit Union			Sample Company		
Loan Type	Amount	APR	Loan Type	Amount	APR
Payroll Loan <ul style="list-style-type: none"> Work for NCU Payroll Partners Good credit history No missed repayments in the last year 	£1,000- £2,999 £3,000- £4,999 £5,000- £7,499 £7,500 - £15,000	17.5% 14.7% 7.4% 6.2%	Sample Company Loan – Excellent Rate <ul style="list-style-type: none"> A long credit history No missed repayments Never defaulted or had a CCJ 	£2,000-£25,000	3.9%
Homeowner Loan <i>(Not secured on property)</i> <ul style="list-style-type: none"> Good credit history No CCJ or default in last 3 years At the same address for more than 3 years At the same employer for more than 3 years 	£1,000- £2,999 £3,000- £4,999 £5,000- £7,499 £7,500 - £15,000	17.5% 14.7% 8.3% 6.2%	Sample Company Loan – Great Rate <ul style="list-style-type: none"> A long credit history Might have missed one or two repayments Never defaulted or had a CCJ 	£2,000-£25,000	7.9%
Loxley Loan <ul style="list-style-type: none"> Less than 2 CCJs outstanding Owe CCJs of less than £1000 Not declared bankrupt in the last year Not in a debt management plan 	£2,000 - £4,999 £5,000 - £8,000	19.6% 12.6%	Sample Company Loan – Good Rate <ul style="list-style-type: none"> A short credit history Might have missed a few repayments Never defaulted or had a CCJ 	£2,000-£25,000	12.9%
			Sample Company Loan – Ok Rate <ul style="list-style-type: none"> A short credit history May have fallen behind on previous repayments May have defaulted or had a CCJ 	£2,000-£25,000	17.9%
Robin Hood Loan <ul style="list-style-type: none"> Less than 2 CCJs outstanding Owe CCJs for less than £1000 Not declared bankrupt in the last year Not in a debt management plan 	£100 - £3,000	42.6%	Credit Builder Product <ul style="list-style-type: none"> A low credit rating 	£500 - £5,000 (capped at 20% of gross salary)	17.9%

Direct Comparison

A direct comparison between loans offered by NCU and Sample Company is difficult due to the differing loan packages offered and the rates being entirely dependent on each individual applicant's circumstances. It can be argued that both NCU and Sample Company offer good value packages. For example if an individual has an excellent credit history over a long period of time then the Sample Company – 'Excellent' rate of 3.9% APR would make a loan with them considerably cheaper. However, if an applicant has had a CCJ or defaulted 4 years prior to their application then Sample Company may only offer the 'Ok' rate of 17.9% APR but NCU may still offer their 'Payroll', 'Homeowner' or 'Loxley' rate of between 6.2% and 17.5% APR.

It is clear that if employees have an excellent credit history then the Sample Company 'Excellent' rate is the best value for money. However, the case study at Thurrock Council, indicates only 10% of the Sample Company loan portfolio was provided at their previous top rate of 4.9% APR. The 'Excellent' rate would benefit employees with an excellent credit history and not those likely to be suffering from a financial wellbeing or mental health issue. We would suggest that employees who may benefit from improved financial wellbeing and mental health via a loan, would not meet the requirements of Sample Company's 'Excellent' rate and therefore NCU may offer better value for money than Sample Company for these employees. However, it is entirely dependent on individual circumstances.

Loan Cost to Employees

We calculated the total interest charged (i.e. the total loan cost) for each loan package based on some basic parameters of a £3,000 loan over a five year period or a £10,000 loan over a five year period. Other parameters have been used where the loan package limits those conditions. It is interesting to note that due to the sliding scale of NCU loan rates, when you borrow a larger amount from NCU on the Payroll Loan and Homeowner Loan the total cost is lower than the Sample Company 'Great', 'Good' and 'Ok' rates.

Nottingham Credit Union							Sample Company						
Loan Type	Loan Amount	APR	Loan Length	Monthly Repayments	Amount Repayable	Total Interest Charged	Loan Type	Amount	APR	Loan Length	Monthly Repayments	Amount Repayable	Total Interest Charged
Payroll Loan	£3,000	14.7%	5 Years	£69.48	£4,169.05	£1,169.05	Sample Company Loan – Excellent Rate	£3,000	3.9%	5 Years	£55.02	£3,301.34	£301.34
	£10,000	6.2%	5 Years	£193.47	£11,608.19	£1,608.19		£10,000	3.9%	5 Years	£183.41	£11,004.48	£1,004.48
Homeowner Loan	£3,000	14.7%	5 Years	£69.48	£4,169.05	£1,169.05	Sample Company Loan – Great Rate	£3,000	7.9%	5 Years	£60.30	£3,617.76	£617.76
	£10,000	6.2%	5 Years	£193.47	£11,608.19	£1,608.19		£10,000	7.9%	5 Years	£200.99	£12,059.19	£2,059.19
							Sample Company Loan – Good Rate	£3,000	12.9%	5 Years	£67.03	£4,021.74	£1,021.74
								£10,000	12.9%	5 Years	£223.43	£13,405.80	£3,405.80
Loxley Loan	£3,000	19.6%	5 Years	£76.23	£4,573.99	£1,573.99	Sample Company Loan – Ok Rate	£3,000	17.9%	5 Years	£73.88	£4,432.93	£1,432.93
	£8,000	12.6%	5 Years	£177.66	£10,659.40	£2,659.40		£10,000	17.9%	5 Years	£246.27	£14,776.43	£4,776.43
Robin Hood Loan	£3,000	42.6%	3 Years	£148.92	£5,361.12	£2,361.12	Credit Builder Product	£3,000	17.9%	3 Years	£108.31	£3,899.16	£899.16

OVERVIEW AND SCRUTINY COMMITTEE
6 FEBRUARY 2019
WORK PROGRAMME 2018/19
REPORT OF HEAD OF LEGAL AND GOVERNANCE

1 Purpose

- 1.1 To consider the Committee's work programme for 2018/19.

2 Action required

- 2.1 To discuss the work programme for the remainder of the municipal year and make any necessary amendments.

3 Background information

- 3.1 The Committee discussed items for its 2018/19 work programme on 14 March 2018, and approved it on 4 April 2018, with some amendments being made at subsequent meetings.
- 3.2 The Committee is responsible for setting and managing its own work programme.
- 3.3 In setting the work programme, the Committee should aim for an outcome-focused work programme that has clear priorities and a clear link to its roles and responsibilities.
- 3.4 The work programme needs to be flexible so that issues which arise as the year progresses can be considered appropriately.
- 3.5 Where there are a number of potential items that could be scrutinised in a given year, consideration of what represents the highest priority or area of risk will assist with work programme planning.
- 3.6 Changes and / or additions to the work programme will need to take account of the resources available to the Committee.

4 List of attached information

- 4.1 Overview and Scrutiny Committee 2018/19 Work Programme.

5 Background papers, other than published works or those disclosing exempt or confidential information

- 5.1 None.

6 Published documents referred to in compiling this report

- 6.1 Work Programme 2018/19 Development – report and minutes, Overview and Scrutiny Committee, 14 March 2018:
<http://committee.nottinghamcity.gov.uk/ieListDocuments.aspx?CId=230&MId=6376&Ver=4>

7 Wards affected

- 7.1 All

8 Contact information

- 8.1 Zena West, Senior Governance Officer.
Zena.west@nottinghamcity.gov.uk
01158764305.

Overview and Scrutiny Work Programme 2018/19

DATE	ITEMS
6 March 2019	<p>Discussion with the Portfolio Holder for Housing and Planning (Councillor Linda Woodings) To consider an update on progress against Council Plan priorities, budget pressures and challenges</p> <p>House building To look at progress in achieving the target number of properties that need to be built in the city</p> <p>Asset Management A written briefing to Committee on the Council's Corporate Asset Management Plan</p> <p>Work Programme 2019/20 Development To discuss the work programme for 2019/20</p>
<p>3 April 2019</p> <p>No meetings in April due to election in May</p>	

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