



City and County of Swansea

**Minutes of the Poverty Reduction Policy  
Development Committee**

Committee Room 5, Guildhall, Swansea

Monday, 16 December 2019 at 3.30 pm

**Present:** M Sherwood (Chair) Presided

**Councillor(s)**  
C R Doyle

**Councillor(s)**  
P K Jones

**Councillor(s)**  
C Richards

**Co-opted Member(s)**  
Andrew Davies

**Officer(s)**

Amy Hawkins  
Allison Lowe  
Joanne Portwood  
Lyndsay Thomas

Tackling Poverty Service Manager  
Democratic Services Officer  
Strategy and Policy Officer  
Principal Lawyer

**Apologies for Absence**

Councillor(s): K M Roberts

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**26 Disclosures of Personal and Prejudicial Interests.**

In accordance with the Code of Conduct adopted by the City & County of Swansea, the following interests were declared:

Andrew Davies, Co-Opted Member declared a personal interest in Minute 28 "Draft Promoting Affordable Credit Policy".

**27 Minutes.**

**Resolved** that the Minutes of the Poverty Reduction Policy Development Committees held on 30 September 2019 and 18 November 2019 be approved and signed as a correct record.

**28 Presentation - Draft Promoting Affordable Credit Policy.**

The Chair outlined the work that the Committee had already undertaken during their working group meetings. She stated that once the Policy had been agreed by the Committee, it would be forwarded to Cabinet for adoption.

The Tackling Poverty Service Manager provided a presentation outlining the following:

## 1. Introduction

Borrowing was a necessity for many residents. High cost credit companies target those who might have poor credit and low financial resilience. This could lead to over-indebtedness, default and insolvency, as residents might take on too much high cost credit. A number of residents targeted by high-cost credit providers might also be vulnerable and we had a particular duty to ensure they were supported to make well-informed borrowing choices.

The Swansea Tackling Poverty Strategy states our vision of a Swansea in which:

- Income poverty is not a barrier to doing well at school, having a healthy and vibrant life, developing skills and qualifications and having a fulfilling occupation.
- Residents maximise their income and get the most out of their money.
- Residents avoid paying the 'Poverty Premium', the extra costs people on low incomes must pay for essentials such as fuel and transport.

Welsh Government's Financial Inclusion Strategy (2016) promotes financial inclusion for all residents in Wales. The overall aim is to provide information and advice and to ensure residents have access to appropriate and affordable financial services.

## 2. Definitions

**High Cost Lending** includes:

- High-cost short-term credit
- High-cost unsecured loans aimed at poor credit customers
- Guarantor Loans
- Door step loans / home collected cash loans e.g. Provident
- Pay-day loans e.g. Quick Quid
- Logbook loans / V5 Car loan
- Pawnbroking
- Rent-to-own e.g. Bright House

It could also include:

- Unregulated lenders e.g. Loan Sharks

**Affordable Credit** features include:

- Credit products with affordable repayments
- Clear cost of credit stated
- Affordability checks undertaken
- Responsible lending
- Build the financial capacity of the borrower
- Ethical, affordable and accessible credit products

### 3. Policy Statement

Swansea Council aims to:

- 1) End the targeting of high cost credit,
- 2) Prevent high cost borrowing
- 3) Promote access to more equitable and affordable credit.

Therefore, we will:

- Promote, encourage and support the take up of free and impartial debt advice, through:
  - a) general campaigns, and
  - b) a proactive offer whenever a resident discloses that they are in financial difficulty
- Commit to work with Swansea Credit Union/s.
- Promote and establish Credit Union collection points where possible.
- Promote and encourage membership of the Credit Union to new and existing council tenants
- Promote and encourage membership of the Credit Union to new and existing staff.
- Block payday loan sites on council computers and public access computers and signpost to Swansea Credit Union/s, Citizen's Advice and Money Advice Service.
- Promote the Financial Conduct Authority register of regulated lenders on the Council website (<https://register.fca.org.uk/>).
- Promote reporting of any loan shark activities to the Wales Illegal Money Lending Unit and Swansea Trading Standards.
- Provide Loan Shark Awareness training to staff and County Councillors.

### 4. Action Plan and Monitoring

This policy would be implemented through a three year Action Plan, reviewed annually in January.

The Action Plan would set out how officers and members would ensure delivery against the commitments listed in the above policy statement. It might also include additional actions which were considered timely and relevant to this policy.

The Committee discussed the following:

- Whether community hubs could be utilised in order to promote advice for residents;
- Although the Policy had not technically been co-produced, considerable information and feedback had been utilised to create the policy;
- A glossary of the technical wording would be helpful;
- Need SMART targets so outcomes could be monitored and evaluated;
- Need to increase the public's knowledge of Credit Unions as an alternative source of borrowing and promote their benefits;

- Whether other bodies such as Swansea Public Services Board should also sign up to the Policy.

It was acknowledged that consultation would need to be undertaken with all relevant bodies. Following adoption of the Policy by Cabinet, extensive publication would then take place.

**Resolved** that:

- 1) The presentation be noted;
- 2) The Draft Promoting Affordable Credit Policy proceed to Cabinet.

**29 Work Plan 2019-2020.**

The Chair presented the Work Plan 'for information'.

The meeting ended at 4.15 pm

**Chair**