

Please ensure that you refer to the Screening Form Guidance while completing this form.

Which service area and directorate are you from?

Service Area: Tackling Poverty Service

Directorate: Social Services

Q1 (a) What are you screening for relevance?

- New and revised policies, practices or procedures
- Service review, re-organisation or service changes/reductions, which affect the wider community, service users and/or staff
- Efficiency or saving proposals
- Setting budget allocations for new financial year and strategic financial planning
- New project proposals affecting staff, communities or accessibility to the built environment, e.g., new construction work or adaptations to existing buildings, moving to on-line services, changing location
- Large Scale Public Events
- Local implementation of National Strategy/Plans/Legislation
- Strategic directive and intent, including those developed at Regional Partnership Boards and Public Services Board, which impact on a public bodies functions
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans)
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy)
- Major procurement and commissioning decisions
- Decisions that affect the ability (including external partners) to offer Welsh language opportunities and services

(b) Please name and fully describe initiative here:

Adoption of a Promoting Affordable Credit Policy

Borrowing is a necessity for many people on low incomes, simply to 'make ends meet' or as a result of 'pinch points' such as Christmas, or 'life shocks' such as bereavement. The Step Change Debt Charity estimated that 8.8 million people use high cost credit for every day household expenses. High cost credit companies often target those who might have poor credit and low financial resilience. This can lead to debt, default and insolvency, as residents might take on too much High Cost Credit. A number of residents targeted by high-cost credit providers are also sometimes vulnerable and we have a duty to ensure they are supported to make well-informed borrowing choices.

High Cost Lending includes; unsecured loans aimed at poor credit customers, Guarantor loans, Door step loans / home collected cash loans Pay-day loans, Logbook loans / V5 Car loan, Pawn broking and Rent-to-own. It can also include unregulated lenders such as Loan Sharks.

There are a number of reasons why residents take on High Cost Credit. Sometimes, residents perceive that this is the only option and there is a lack of awareness of other options. High Cost Credit is often easy to access online, or at home, or in the local community and can sometimes be recommended by friends and family. The cost of the High Cost Credit products are often packaged as affordable weekly payments and sales techniques are often pressurised. People who take on High Cost Lending may lack financial capability or financial resilience.

High Cost Credit is often associated with spiralling debt, repeated borrowing, multiple loans and intimidating collection practices by lenders. High Cost Credit can have a negative impact on mental and physical health, social well-being and relationships and financial security. The impact of High Cost Credit can result in Homelessness, relationship breakdowns and other complex problems, increasing the demand for Council services.

The features of Affordable Credit are ethical, affordable and accessible credit products which clearly state the cost of credit. Lenders should undertake affordability checks and lend responsibly and build the financial capacity of the borrower. Credit Unions are examples of organisations which offer a range of affordable credit products.

Although the Council have limited powers to prevent High Cost Credit and unethical lending within the confines of current legislation, the Council does have a key role in promoting the awareness of Affordable Credit and has a number of policy levers at its disposal. These include the way in which Council respond to people when they disclose that they are in financial difficulty, promoting Affordable Credit options, signposting to debt advice and preventing the promotion and facilitation of High Cost Credit in the delivery of services e.g. banning pay day loan adverts on Council owned computers at libraries for example.

The Draft Promoting Affordable Credit Policy sets out the following aims:

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.

This policy makes a commitment to promoting affordable credit as an alternative to high cost borrowing. The freedom of choice remains with the individual when considering options for financial borrowing.

Q2 What is the potential impact on the following: the impacts below could be positive (+) or negative (-)

| | High Impact | | Medium Impact | | Low Impact | | Needs further investigation |
|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|-----------------------------|
| | + | - | + | - | + | - | |
| Children/young people (0-18) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Older people (50+) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Any other age group | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Future Generations (yet to be born) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Disability | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Race (including refugees) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| | | | | | | | |
|------------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|-------------------------------------|--------------------------|--------------------------|
| Asylum seekers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Gypsies & travellers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Religion or (non-)belief | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sex | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sexual Orientation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Gender reassignment | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Welsh Language | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Poverty/social exclusion | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Carers (inc. young carers) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Community cohesion | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Marriage & civil partnership | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Pregnancy and maternity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Q3 What involvement has taken place/will you undertake e.g. engagement/consultation/co-productive approaches? Please provide details below – either of your activities or your reasons for not undertaking involvement

The Draft Promoting Affordable Credit Policy went to public consultation for a period of four weeks. The consultation was promoted via Tackling Poverty Networks and Forums including the Swansea Poverty Partnership Forum, Financial Inclusion Steering Group and Swansea Council Poverty Forum.

The consultation raised queries around the impact of the policy on Celtic Credit Union. Further discussions were held with Celtic Credit Union as a result and they felt very positively about the development and implementation of this policy, seeing it as good practice that other Local Authorities could replicate.

Q4 Have you considered the Well-being of Future Generations Act (Wales) 2015 in the development of this initiative:

- a) Overall does the initiative support our Corporate Plan’s Well-being Objectives when considered together?
 Yes No
- b) Does the initiative consider maximising contribution to each of the seven national well-being goals?
 Yes No
- c) Does the initiative apply each of the five ways of working?
 Yes No
- d) Does the initiative meet the needs of the present without compromising the ability of future generations to meet their own needs?
 Yes No

Q5 What is the potential risk of the initiative? (Consider the following impacts – equality, socio-economic, environmental, cultural, legal, financial, political, media, public perception etc...)

| | | |
|---------------------------------------|---|---|
| High risk <input type="checkbox"/> | Medium risk <input type="checkbox"/> | Low risk <input checked="" type="checkbox"/> |
|---------------------------------------|---|---|

Q6 Will this initiative have an impact (however minor) on any other Council service?

Yes

No

If yes, please provide details below

The implementation of the policy will provide services across Swansea Council with information to be able to raise awareness of access to affordable credit with people that they support and in the circumstance of disclosed financial difficulty. This will be met from within existing resources and will enhance the ability of holistic support for residents across Swansea.

Q7 What is the cumulative impact of this proposal on people and/or communities when considering all the impacts identified within the screening and any other key decisions affecting similar groups/ service users made by the organisation?

(You may need to discuss this with your Service Head or Cabinet Member to consider more widely if this proposal will affect certain groups/ communities more adversely because of other decisions the organisation is making. For example, financial impact/poverty, withdrawal of multiple services and whether this is disadvantaging the same groups, e.g., disabled people, older people, single parents (who are mainly women), etc.)

This policy makes a commitment to promoting affordable credit as an alternative to high cost borrowing. The freedom of choice remains with the individual when considering options for financial borrowing.

This policy will have a positive impact particularly for those that are socio-economically disadvantaged. High interest lenders tend to target areas of deprivation.

This policy will have a positive impact on Human Rights particularly by supporting residents of Swansea to be able to make choices that can improve their financial security.

Community Cohesion will be positively impacted indirectly by this policy by promoting improved financial resilience.

This policy will have a neutral impact on all other protected characteristic groups.

Outcome of Screening

Q8 Please describe the outcome of your screening below:

- **Summary of impacts identified and mitigation needed (Q2)**
- **Summary of involvement (Q3)**
- **WFG considerations (Q4)**
- **Any risks identified (Q5)**
- **Cumulative impact (Q7)**

Impacts Identified

The impact across all groups have been identified as positive, particularly for those that are socio-economically disadvantaged. We also recognise that members from all groups can experience socio-economic disadvantage. The introduction of this policy supports the promotion of ethical and affordable borrowing as an alternative to high cost borrowing. Decisions about personal borrowing sits entirely with the individual. No mitigations have been identified at this stage. Any need for mitigation in the future would be addressed at the time.

Summary of Involvement

A summary of the consultation findings are listed below:

- 80% agreed that it was easy to read with 20% strongly agreeing. 80% either agree or strongly agree that the policy is easy to understand with 20% tending to disagree. 100% agree or strongly agree that the policy is well laid out and is an appropriate length. 80% agreeing or strongly agreeing that the policy was informative with 20% tending to disagree.
- 80% tend to agree or strongly agree that the aims of the policy are appropriate, achievable and going to make a difference to the people of Swansea. 20% tending to disagree or strongly disagree with these statements.
- 80% tend to agree or strongly agree that actions outlined in the policy will achieve our aims, they are appropriate, achievable and going to make a difference to the people of Swansea. 20% tending to disagree or strongly disagree with these statements.
- 80% feel that the policy is a good idea with 20% feeling it is not.
- 100% of respondents had not spoken with a representative of Swansea Council about themselves, or someone they support, having financial difficulties.

Comments raised highlighted the need to further explore any issues that the policy might create for Celtic Credit Union.

A focus session was subsequently held with Celtic Credit Union to discuss any impact on the Credit Union. Feedback was that the policy would support the objectives of the Credit Union and the provision of affordable credit in Swansea. The development and introduction of this policy was seen as very positive and as good practice that other local authorities could consider.

WFG Considerations

Long Term - The long-term impact of promoting affordable credit will ensure future generations and those yet to be born are not caught in the cycle of poverty and debt. Reducing the number of high cost credit lenders and promoting affordable options will enable many families to become debt free sooner.

Prevention - The reduction of high cost lenders and promotion of affordable credit will work to break the cycle of lending and debt within families, with families becoming debt free sooner and reducing the dependency on credit. Promoting affordable options will enable responsible lending. This will include advertising affordable options at key pinch points for families (such as Christmas) to avoid crisis points for families.

Integration – The Policy will help low-income households and links with Council’s overall objectives of Safeguarding People from Harm and Tackling Poverty.

Collaboration - Working across all Council Services and working with Celtic Credit Union

Involvement - This policy is about promoting ethical, accessible and affordable alternatives to high cost borrowing. Service users are not obliged or required to act on any information that is provided. They entirely hold the freedom to make their own decisions in relation to borrowing.

Risks

No risks have been identified. The roll out of the policy will be met from within existing resources.

Cumulative

The cumulative impact is positive across all groups and communities in particular, those experiencing socio-economic disadvantage.

(NB: This summary paragraph should be used in the relevant section of corporate report)

- Full IIA to be completed
- Do not complete IIA – please ensure you have provided the relevant information above to support this outcome

NB: Please email this completed form to the Access to Services Team for agreement before obtaining approval from your Head of Service. Head of Service approval is only required via email.

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|---|
| Screening completed by: |
| Name: Anthony Richards |
| Job title: Poverty and Prevention Strategy Development Manager |
| Date: 09/12/21 |
| Approval by Head of Service: |
| Name: Amy Hawkins |
| Position: Head of Adult Social Services |
| Date: 09/12/21 |

Please return the completed form to accesstoservices@swansea.gov.uk