

Glasgow City Councils response to Non Standard Lending

Co-Operative Councils Innovation Network

20 June 2014

- Population breakdown
- High levels of deprivation (although reducing over time)
- High proportion of social rented sector tenancies
- Levels of benefit claimants
- Impact of welfare reform on the city & residents

Financial Inclusion

- Glasgow City Council Strategic Plan 2012 to 2017
- Poverty Leadership Panel
- Corporate Welfare Reform Group
- Glasgow's Advice & Information Network

Councils concern over Non-Standard Lending

- Impact on City
- Cross party sounding board
- Evidence Hearings
- Who did we speak to?

Payday Lending Sounding Board

“Glasgow City Council condemns the rise of payday lending in the City and the extortionate rates of interest they charge. We believe that such payday lenders prey on the most vulnerable in our City and in the light of further welfare reforms note with deep concern the potential for many more Glaswegians to be trapped in the cycle of Debt. Council will work alongside relevant partners to inform how best we can tackle this social scourge”

Motion proposed by Cllr. Paul Rooney,
City Treasurer and agreed by Glasgow City Council
December 2012

Conclusion

17 recommendations were made across 4 categories

- Regulation & Constraint
- Promotion & Prevention
- Influence & Evidence
- Changing Behaviour

Commitment

Regulation & Constraint

Block access to payday & short term lending websites from Council computers and encourage community partners to do so

ACCESS

Commitment

Promotion & Prevention



Support existing credit union and Scotcash website development to mimic key customer factors of simplicity, speed and cost (E.g. term sliders)

How much do you wish to borrow?

£ 300

How long do you want it for?

26 wks

Commitment

Influence & Evidence

Lobby UK government for an end to the use of CPA's for any loans under 26 week term

Commitment

Changing Behaviour

Provide all new first year secondary pupils in Glasgow to open a juvenile credit union savings account with a donation of £10 per pupil



Sustainability



Fixed Odds Betting Terminals

“Glasgow City Council agrees to reconvene the cross party sounding board to consider the impact on the city.

The Council continues to lobby the Scottish Government to investigate how planning legislation could be used to limit the concentration of gambling and payday lending premises in our communities.

The Council calls on the UK Government to reduce the maximum stakes on fixed odds betting terminals.”

Motion proposed by Cllr. Paul Rooney,
City Treasurer and agreed by Glasgow City Council
April 2014

Further Information

Lesley Haddow

Financial Inclusion Principal Officer

Financial Services

Glasgow City Council

220 High Street

Glasgow

G4 0QW

Tel: 0141 287 4280

Email: Lesley.Haddow@fs.glasgow.gov.uk