# 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





# **Regulation & Constraint**

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



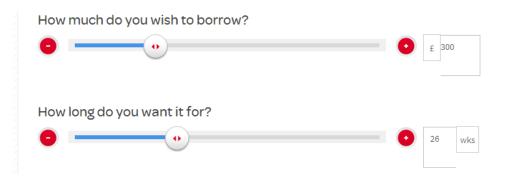




#### **Promotion & Prevention**



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







# Influence & Evidence

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





# **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**

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