

# Norwich City Council

## SCRUTINY COMMITTEE

### BRIEFING PAPER for meeting to be held on 12 February 2009

#### FINANCIAL INCLUSION, DEBT ADVISORY SERVICES AND CREDIT UNIONS

**Summary:**

“Credit crunch” is now a familiar daily phrase. But what does it actually mean to the residents, businesses and agencies that are involved in dealing with the associated problems and issues currently faced in Norwich resulting from the “Banking/Credit Crisis” and the onset of a recession? This was a question raised by Scrutiny members setting the Committee’s Work Programme in September 2008, and links with the Motion to the 30 September meeting of Council regarding Local Advice Services (para 2 of this report).

This session is for members to form a view on how they may wish to progress this topic. It is suggested that future meetings could involve relevant officers; representatives from the banking sector and Local Advice Services.

**Conclusions:**

The current problems with the economy are already having an impact, and if predictions are correct, this will continue nationally and locally for the foreseeable future. In looking into what might be done to help those who may find themselves affected by the credit crunch/recession and associated problems, members may wish to work with other local authorities, agencies and partners who are also currently considering or dealing with this issue. (para1 of this report)

**Recommendation:**

- a) to consider sharing information with other local authorities currently carrying out similar work
- b) consider who to invite along to a future meeting of this committee as expert witnesses in order to form an overview of the problem(s)

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## **1. Possible First Steps**

- 1.1 Members of the Scrutiny Committee could be given the opportunity to hear from witnesses towards gaining an overview of the current situation in the Norwich area.
- 1.2 A further meeting could invite the Council's Benefits Manager, Revenues Manager and the Debt advisor - to answer any questions members may have regarding the effect the current economic situation is having on the Council and the impact on the services they are involved in.
- 1.3 External witnesses could also hopefully be able to attend the meeting from organisations such as the Citizens Advice Bureau, a local Credit Union, Transition Norwich and the banking sector – to give a picture of the current situation in Norwich. **Are there others?**
- 1.4 In questioning the internal and external witnesses, members are invited to consider what steps the Scrutiny Committee should take next.

## **2. Motion – Local Advice Services**

Councillor Watkins to move:-

‘That Council notes:

- the growing economic crisis and the impact it is having on individuals in the city;
- the increasing number of people struggling with mortgage repayments and the record levels of personal debt;
- the increasing demand for local debt advice demonstrated by Norwich Citizens Advice Bureau, reporting a rise of 36% in debt related cases last year and the fact that local residents may wait up to 5 weeks for an appointment with free, independent debt advisers in the city;
- that planned changes in funding for advice services nationally may see the CAB service forced to bid against major national organisations to secure funding from 2011, and potentially stripped of funding.

Council resolves to:

- (1) write to the Chancellor of the Exchequer to:
  - (a) request that the Government reviews the adequacy of the current provision of free, impartial debt advice services in the City;
  - (b) seek clarification that any new government ‘one stop centres’ or Community Legal Advice Centres (CLACs) should not take funding away from the Norwich CAB and any new services should complement the City's existing services.

- (2) ask the Scrutiny Committee to work with relevant local public and voluntary sector bodies to undertake a review of current debt advisory service provision in Norwich.
- (3) ask the Executive to review the support that the City Council offers the CAB and similar services and consider whether this support could be extended.'