

# **Economic and Environmental Wellbeing Scrutiny and Policy Development Committee**

---

**Wednesday 16 December 2015 at 5.00 pm**

**To be held at the Town Hall, Pinstone  
Street, Sheffield, S1 2HH**

**The Press and Public are Welcome to Attend**

## **Membership**

---

Councillors Bob Johnson (Chair), Ian Auckland (Deputy Chair), Lewis Dagnall, Gill Furniss, Neale Gibson, Julie Gledhill, Ibrar Hussain, Helen Mirfin-Boukouris, Roy Munn, Robert Murphy, Joe Otten, Ray Satur, Martin Smith, Steve Wilson and Paul Wood

## **Substitute Members**

In accordance with the Constitution, Substitute Members may be provided for the above Committee Members as and when required.

---

---

## **PUBLIC ACCESS TO THE MEETING**

---

The Economic and Environmental Wellbeing Committee exercises an overview and scrutiny function in respect of the planning, development and monitoring of service performance and other issues in respect of the area of Council activity relating to planning and economic development, wider environmental issues, culture, leisure, skills and training, and the quality of life in the City.

A copy of the agenda and reports is available on the Council's website at [www.sheffield.gov.uk](http://www.sheffield.gov.uk). You can also see the reports to be discussed at the meeting if you call at the First Point Reception, Town Hall, Pinstone Street entrance. The Reception is open between 9.00 am and 5.00 pm, Monday to Thursday and between 9.00 am and 4.45 pm. on Friday. You may not be allowed to see some reports because they contain confidential information. These items are usually marked \* on the agenda.

Members of the public have the right to ask questions or submit petitions to Scrutiny Committee meetings and recording is allowed under the direction of the Chair. Please see the website or contact Democratic Services for further information regarding public questions and petitions and details of the Council's protocol on audio/visual recording and photography at council meetings.

Scrutiny Committee meetings are normally open to the public but sometimes the Committee may have to discuss an item in private. If this happens, you will be asked to leave. Any private items are normally left until last. If you would like to attend the meeting please report to the First Point Reception desk where you will be directed to the meeting room.

If you require any further information about this Scrutiny Committee, please contact Matthew Borland, Policy and Improvement Officer on 0114 27 35065 or [email.matthew.borland@sheffield.gov.uk](mailto:email.matthew.borland@sheffield.gov.uk)

---

## **FACILITIES**

---

There are public toilets available, with wheelchair access, on the ground floor of the Town Hall. Induction loop facilities are available in meeting rooms.

Access for people with mobility difficulties can be obtained through the ramp on the side to the main Town Hall entrance.

---

**ECONOMIC AND ENVIRONMENTAL WELLBEING SCRUTINY AND POLICY  
DEVELOPMENT COMMITTEE AGENDA  
16 DECEMBER 2015**

**Order of Business**

---

- 1. Welcome and Housekeeping Arrangements**
- 2. Apologies for Absence**
- 3. Exclusion of Public and Press**  
To identify items where resolutions may be moved to exclude the press and public
- 4. Declarations of Interest** (Pages 1 - 4)  
Members to declare any interests they have in the business to be considered at the meeting
- 5. Minutes of the Previous Meeting** (Pages 5 - 10)  
To approve the minutes of the meeting of the Committee held on 3<sup>rd</sup> November, 2015
- 6. Public Questions and Petitions**  
To receive any questions or petitions from members of the public
- 7. Broadband and Economic Development**  
To receive a presentation from Edward Highfield, Director of Creative Sheffield
- 8. Work Programme 2015/16** (Pages 11 - 14)  
Report of the Policy and Improvement Officer

**For Information Only**

- 9. Sheffield Money** (Pages 15 - 18)  
Report of the Director of Policy, Performance and Communications
- 10. Date of Next Meeting**  
The next meeting of the Committee will be held on Wednesday, 17<sup>th</sup> February, 2016, at 5.00 pm, in the Town Hall

This page is intentionally left blank

---

## ADVICE TO MEMBERS ON DECLARING INTERESTS AT MEETINGS

---

If you are present at a meeting of the Council, of its executive or any committee of the executive, or of any committee, sub-committee, joint committee, or joint sub-committee of the authority, and you have a **Disclosable Pecuniary Interest (DPI)** relating to any business that will be considered at the meeting, you must not:

- participate in any discussion of the business at the meeting, or if you become aware of your Disclosable Pecuniary Interest during the meeting, participate further in any discussion of the business, or
- participate in any vote or further vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

You **must**:

- leave the room (in accordance with the Members' Code of Conduct)
- make a verbal declaration of the existence and nature of any DPI at any meeting at which you are present at which an item of business which affects or relates to the subject matter of that interest is under consideration, at or before the consideration of the item of business or as soon as the interest becomes apparent.
- declare it to the meeting and notify the Council's Monitoring Officer within 28 days, if the DPI is not already registered.

If you have any of the following pecuniary interests, they are your **disclosable pecuniary interests** under the new national rules. You have a pecuniary interest if you, or your spouse or civil partner, have a pecuniary interest.

- Any employment, office, trade, profession or vocation carried on for profit or gain, which you, or your spouse or civil partner undertakes.
- Any payment or provision of any other financial benefit (other than from your council or authority) made or provided within the relevant period\* in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

\*The relevant period is the 12 months ending on the day when you tell the Monitoring Officer about your disclosable pecuniary interests.

- Any contract which is made between you, or your spouse or your civil partner (or a body in which you, or your spouse or your civil partner, has a beneficial interest) and your council or authority –
  - under which goods or services are to be provided or works are to be executed; and
  - which has not been fully discharged.

- Any beneficial interest in land which you, or your spouse or your civil partner, have and which is within the area of your council or authority.
- Any licence (alone or jointly with others) which you, or your spouse or your civil partner, holds to occupy land in the area of your council or authority for a month or longer.
- Any tenancy where (to your knowledge) –
  - the landlord is your council or authority; and
  - the tenant is a body in which you, or your spouse or your civil partner, has a beneficial interest.
- Any beneficial interest which you, or your spouse or your civil partner has in securities of a body where -
  - (a) that body (to your knowledge) has a place of business or land in the area of your council or authority; and
  - (b) either -
    - the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or
    - if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you, or your spouse or your civil partner, has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

If you attend a meeting at which any item of business is to be considered and you are aware that you have a **personal interest** in the matter which does not amount to a DPI, you must make verbal declaration of the existence and nature of that interest at or before the consideration of the item of business or as soon as the interest becomes apparent. You should leave the room if your continued presence is incompatible with the 7 Principles of Public Life (selflessness; integrity; objectivity; accountability; openness; honesty; and leadership).

You have a personal interest where –

- a decision in relation to that business might reasonably be regarded as affecting the well-being or financial standing (including interests in land and easements over land) of you or a member of your family or a person or an organisation with whom you have a close association to a greater extent than it would affect the majority of the Council Tax payers, ratepayers or inhabitants of the ward or electoral area for which you have been elected or otherwise of the Authority's administrative area, or
- it relates to or is likely to affect any of the interests that are defined as DPIs but are in respect of a member of your family (other than a partner) or a person with whom you have a close association.

Guidance on declarations of interest, incorporating regulations published by the Government in relation to Disclosable Pecuniary Interests, has been circulated to you previously.

You should identify any potential interest you may have relating to business to be considered at the meeting. This will help you and anyone that you ask for advice to fully consider all the circumstances before deciding what action you should take.

In certain circumstances the Council may grant a **dispensation** to permit a Member to take part in the business of the Authority even if the member has a Disclosable Pecuniary Interest relating to that business.

To obtain a dispensation, you must write to the Monitoring Officer at least 48 hours before the meeting in question, explaining why a dispensation is sought and desirable, and specifying the period of time for which it is sought. The Monitoring Officer may consult with the Independent Person or the Council's Standards Committee in relation to a request for dispensation.

Further advice can be obtained from Gillian Duckworth, Director of Legal and Governance on 0114 2734018 or email [gillian.duckworth@sheffield.gov.uk](mailto:gillian.duckworth@sheffield.gov.uk).

This page is intentionally left blank



Economic and Environmental Wellbeing Scrutiny and Policy Development  
Committee

Meeting held 3 November 2015

**PRESENT:** Councillors Bob Johnson (Chair), Lewis Dagnall, Neale Gibson, Julie Gledhill, Ibrar Hussain, Roy Munn, Robert Murphy, Joe Otten, Ray Satur, Martin Smith, Steve Wilson and Cliff Woodcraft (Substitute Member)

.....

**1. APOLOGIES FOR ABSENCE**

1.1 Apologies for absence were received from Councillors Ian Auckland, Gill Furniss and Helen Mirfin-Boukouris.

**2. EXCLUSION OF PUBLIC AND PRESS**

2.1 No items were identified where resolutions may be moved to exclude the public and press.

**3. DECLARATIONS OF INTEREST**

3.1 There were no declarations of interest.

**4. MINUTES OF THE PREVIOUS MEETING**

4.1 The minutes of the meeting of the Committee held on 30<sup>th</sup> September, 2015, were approved as a correct record and, arising therefrom, further to a query from Councillor Ibrar Hussain, Matthew Borland, Policy and Improvement Officer, stated that he had not received any information from the Head of Waste Management, in terms of the implications of the suggestion raised - that inclusion on the Council's Electoral Register be added to the eligibility criteria in terms of entitlement to assisted waste collections - and that he would circulate details of a response, when received, to Members of the Committee.

**5. PUBLIC QUESTIONS AND PETITIONS**

5.1 Alan Kewley questioned how members of the public could have an input into the Committee's Work Programme.

5.2 The Chair stated that members of the public could refer any suggested items they wished the Committee to look into, to himself or through their local Councillors.

**6. PRIVATE SECTOR HOUSE BUILDING**

6.1 The Director of Housing and Neighbourhood Services submitted a report containing details of the progress made in terms of the implementation of the recommendations of the Private Sector House Building Report.

- 6.2 Also in attendance for this item were Councillor Ben Curran (Cabinet Member for Finance and Resources), Councillor Jayne Dunn (Cabinet Member for Housing) and Maria Duffy (Interim Head of Planning).
- 6.3 The report highlighted the need for increasing the number of homes in the City, in order to achieve economic growth and that the Sheffield City Region Strategic Economic Plan set out an ambition to create 70,000 new private sector jobs, which had significant implications for housing growth. The Strategic Housing Market Assessment had identified that Sheffield required between 1,975 and 2,425 new homes per year. Reference was also made to the Task Group, established by this Committee, to scrutinise the Council's policies and practices to assess whether the Council had robust arrangements in place to meet this challenge, and to identify any additional measures required to facilitate more private sector house building the City. The report of the Task Group had been submitted to the Cabinet, and the Group had made six recommendations in connection with four areas, which included land disposal, culture, transparency/communications and City Centre. The report now submitted set out details with regard to actions and progress to date, with regard to the recommendations.
- 6.4 Members of the Committee raised questions and the following responses were provided:-
- It was accepted that most developers, particularly large companies, preferred to build larger houses on greenfield sites in the light of both the profit margins and that there were often more issues to deal with when developing on brownfield sites. The Council prioritised the use of brownfield development. Work was being undertaken, as part of the Asset Enhancement Programme, to assess all aspects of potential development sites, and information would be made available for prospective developers. The Strategic Housing Market Assessment contains details of what types of housing was required in the City, and where it was required.
  - Officers worked very closely with developers, particularly small/ medium-sized companies, in terms of providing help and assistance in connection with plans for residential developments. They were provided with clear guidance in terms of what types of housing was required in the City. There were difficulties as there was a fine balance between achieving a commercial deal beneficial to the Council, and what was suitable for the City.
  - It had been determined that, in the new Local Plan, going forward, there was a requirement to build around 2,000 houses in the City every year, for the next 20 years, in order to meet demand. The current demand was 1425. From 2013 to 2015, the net number of new houses constructed has totalled 438, 938 and 1,765, respectively. When considering viability as part of any planning application determination, the Council obtained a valuation from the independent District Valuation Office. Prior to the financial crash, the City reached an all built out rate high for two years of

2,000 units a year, which had mainly been due to the construction boom in terms of City Centre apartments.

- There had been a recent increase in the construction of affordable housing, and consideration would be given to the development of further such housing, as part of the Council's Local Plan. The National Planning Policy Framework 2012 required affordable housing to be negotiated where it was viable to do so and the affordable housing policy had recently been altered to reflect this. Instead of a target of 40% for all developments, there was now a variable rate across the City, informed by an independent viability study. The Council worked very closely with developers in connection with increasing the amount of affordable housing in the City but, for a variety of reasons, including the general low development rate, of which affordable housing was a part, and viability issues, as well as the ability to secure finance, meant that it was not possible for all developments to provide affordable housing. The independent viability studies generally allowed 20% profit for the developer. The majority of applications for planning permission for residential developments were approved.
- One of the Cabinet Member for Housing's priorities was to ensure the planning process was as streamlined as possible locally, within the fact that it was a statutory process, with national legal statute regulations and procedures set out by national Government.
- With all housing developments in the City, the Council needed to ensure that it obtained the best possible return with regard to the sale of land. In order to achieve this, there was generally a need for an element of private housing, which not only resulted in bigger profits, but also attracted Council Tax from purchasers, together with New Homes Bonus funding. The Council had to strike a balance, in terms of raising sufficient income to invest in Council services and to retain sufficient land for Council use.
- The Council would also be pursuing the option of encouraging development on Council-owned land, rather than disposing of the land, for example, as part of its Council housing building programme. The Council would also encourage housing associations to build on its land. It was often the case whereby good housing schemes often attracted other developers to build in an area.
- As part of major housing developments, the Council would provide a market brief to prospective developers, which would include planning considerations. Planning officers would also talk to colleagues in the Communities Portfolio, to discuss what type of housing was required in a particular area. As part of the consultation on the market brief, officers would also engage with local community groups. It was important that the market brief was correct by when the tenders for the development were submitted, as no further amendments to the specification could be made at this stage. Some good examples of local engagement included the proposed housing development on the site of the former Abbeydale Secondary School and Bannerdale sites, with the plans made to date,

including a considerable level of input from the local community. Both the Abbeydale and Bannerdale sites had outline planning permission for housing. The latest schools' consultation, following discussions with the community, includes the potential, amongst a number of other options, of school development on the Bannerdale site.

- There has been recent evidence of an increase in confidence in the economy, such as an increase in borrowing and the construction of residential developments. The Council had identified land suitable for residential developers, and was aware of developer interest. Efforts were also being made to encourage developers to build at the earliest possible opportunity as there had been instances whereby developers had purchased the land, but had delayed construction. Officers continued to work with all developers, particularly smaller and medium-sized, in order to encourage and give them more confidence.
- Whilst there were some large residential developments planned, there had been delays in respect of a number of these. The majority of the units planned over the next few years involved medium-sized developments.
- Studies with regard to the viability of all residential developments were undertaken, as well as independent evaluations being carried out. As part of all residential developments, the Council would first be obliged to take account of the National Planning Policy Framework 2012, then give consideration to its own local planning policies. Changes could be made to the Council's own planning policy as part of the next stage of consultation on the Local Plan. There was a two-stage consultation, the first commencing on 11<sup>th</sup> November, 2015, which was an options consultation, in effect a strategic, high-level consultation rather than a draft plan, which looked solely at the scale of development and growth of the City, as well as the broad locations for that growth. The comments and views made on this would then inform work, which would be incorporated into a second detailed site level consultation in summer 2016.
- It was accepted that there was a need for further training for Members on both national and local planning policies, specifically relating to residential developments, in order that they had sufficient knowledge to respond to constituents.
- There had been considerable liaison between the Council's Planning and Licensing Services in connection with the issues regarding the balance of City Centre living and the night-time economy. It was accepted that there was an element of confusion and frustration on the part of the public with regard to the two different statutory regimes of the two Services. However, they were both regulated by national Government in terms of their rules, regulations and processes, and were essentially very different. The Interim Head of Planning and the Chief Licensing Officer had set up a system whereby the Licensing Service was advised of all applications and pre-applications so officers could be included in pre-application discussions where there was likely to be a licensing issue further down the line to make

the different regimes as streamlined as possible.

6.5 RESOLVED: That the Committee:-

- (a) notes the contents of the report now submitted, together with the information reported and the responses provided to the questions raised; and
- (b) requests that the issues raised by Members be forwarded to the Director of Housing and Neighbourhoods Services, and used to inform the development of the emerging Housing Growth Strategy.

## **7. WORK PROGRAMME 2015/16**

7.1 The Policy and Improvement Officer circulated a report attaching the draft Work Programme for 2015/16.

7.2 It was agreed that Members should forward any comments on the draft Work Programme to the Chair or Matthew Borland, Policy and Improvement Officer, for discussion at the Committee's meeting in December, 2015.

## **8. DATE OF NEXT MEETING**

8.1 It was noted that the next meeting of the Committee would be held on Wednesday, 16<sup>th</sup> December, 2015, at 5.00 p.m., in the Town Hall.

This page is intentionally left blank



## Report to Economic and Environmental Wellbeing Scrutiny & Policy Development Committee 16<sup>th</sup> December 2015

---

**Report of:** Policy & Improvement Officer

---

**Subject:** Work Programme 2015/16

---

**Author of Report:** Matthew Borland, Policy and Improvement Officer  
[matthew.borland@sheffield.gov.uk](mailto:matthew.borland@sheffield.gov.uk)  
0114 273 5065

---

A proposed work programme is attached at appendix 1 for the Committee's consideration and discussion.

The proposed work programme aims to focus on a small number of issues, in depth. This means that the Committee will need to prioritise which issues will be included on formal meeting agendas. In doing this, the Committee may wish to reflect on the prioritisation principles attached at appendix 2 to ensure that scrutiny activity is focussed where it can add most value.

Where an issue is not appropriate for inclusion on a meeting agenda, but there is significant interest from members, the Committee can request written briefings or presentations outside of formal scrutiny meeting time.

---

**The Scrutiny Committee is being asked to:**

- Comment on the proposed work programme
  - Identify priorities for inclusion on agendas
  - Identify items for written briefings
-

**Economic and Environmental Wellbeing Scrutiny & Policy Development Committee  
Draft Work Programme 2015-16**

Please note: the draft work programme is a live document and so is subject to change.

Potential Item	Rationale	Date
Future Role of City Centre	Follow up to the Committee's discussion in October 2014.	
Sheffield's International Economic Commission	April 2015: the Committee should (A) monitor the developments of Sheffield's International Economic Commission and (B) give consideration to (1) establishing a Task Group during 2015/16 to scrutinise the proposals in respect of the Commission	
Library services in the city	During the discussion at July's meeting on Walkley Library the Committee agreed to add library services in the City in general to the Work Programme 2015/16	
Streets Ahead	Committee requested an update following discussion of the Streets Ahead Action Plan on Street Lighting in July 2014.	
Bus services in Sheffield	A Council Motion agreed at December's meeting referred this issue to the Scrutiny Committee, and 6 petitions reported to the same Council meeting were also referred to the Scrutiny Committee	



<b>Written briefings (without agenda time)</b>		
Air Quality	Follow up to the Committee's discussion in February 2015.	
Cycling Inquiry Progress	To update the Committee on implementation. In July 2014 the Committee asked for an update on progress in one year's time.	
Modernisation of Cabinet Highways Committee - review of new arrangements	The Committee requested at its April 2013 meeting that a review of the new arrangements be undertaken following implementation	
Enforcement action on litter dropping	A written briefing was requested at the Committee's September 2015 meeting	

The Committee's meeting dates are:

- 5.00pm Wednesday 17<sup>th</sup> February 2016
- 5.00pm Wednesday 16<sup>th</sup> March 2016

## Selecting Scrutiny topics

This tool is designed to assist the Scrutiny Committees focus on the topics most appropriate for their scrutiny.

- **Public Interest**  
The concerns of local people should influence the issues chosen for scrutiny;
- **Ability to Change / Impact**  
Priority should be given to issues that the Committee can realistically have an impact on, and that will influence decision makers;
- **Performance**  
Priority should be given to the areas in which the Council, and other organisations (public or private) are not performing well;
- **Extent**  
Priority should be given to issues that are relevant to all or large parts of the city (geographical or communities of interest);
- **Replication / other approaches**  
Work programmes must take account of what else is happening (or has happened) in the areas being considered to avoid duplication or wasted effort. Alternatively, could another body, agency, or approach (e.g. briefing paper) more appropriately deal with the topic

### Other influencing factors

- **Cross-party** - There is the potential to reach cross-party agreement on a report and recommendations.
- **Resources**. Members with the Policy & Improvement Officer can complete the work needed in a reasonable time to achieve the required outcome

## APPENDIX 1



### Report to:

- **Safer & Stronger Communities Scrutiny & Policy Development Committee, 3<sup>rd</sup> December 2015**
- **Economic & Environmental Wellbeing Scrutiny & Policy Development Committee, 16 December 2015**

**Report of:** Director of Policy, Performance and Communications

**Subject:** Sheffield Money

**Author of Report:** Cat Arnold, Policy and Improvement Officer, 34529

### Summary:

Sheffield Fairness Commission recognised that Sheffield's residents on low incomes frequently have to pay more for products and services, including for credit, and made recommendations which sought to address this inequality. A new not-for-profit organisation, Sheffield Money, was set up with start-up funding from Sheffield City Council to improve access both to affordable credit and other appropriate financial products.

This report has been requested by the Committee following the 2<sup>nd</sup> September 2015 Full Council Meeting. It provides the background to the establishment of Sheffield Money as an organisation and provides a report about its progress during the first 6 weeks of trading.

**Type of item:** The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Community Assembly request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	<b>x</b>
Other	

**The Scrutiny Committee is being asked to:**

Note for information.

**Background Papers:**

List any background documents (e.g. research studies, reports) used to write the report. Remember that by listing documents people could request a copy.

- Non-Key Officer decision report: Allocation of funding to Finance for Sheffield Limited (Sheffield Money), 26 November 2014
- Non-Key Officer decision report: Allocation of additional funding to Finance for Sheffield Limited (Sheffield Money), 26 August 2015
- Fairness Commission Implementation Budget Executive Leader Report, 20<sup>th</sup> September 2013
- Understanding and tackling high-cost credit problem in Sheffield. Final Report 15<sup>th</sup> May 2013. John Jeffries and Bill Truin

**Category of Report:** OPEN

## **1. Introduction/Context**

- 1.1 This report has been requested by the Committee following the 2<sup>nd</sup> September 2015 Full Council Meeting. It provides the background to the establishment of Sheffield Money as an organisation and provides an initial report of progress from the first 6 weeks of trading.

## **2. Main body of report, matters for consideration, etc**

- 2.1 The independently-chaired Sheffield Fairness Commission's recommendations, published in 2013, included the following: 'the city establish an ethical and affordable loan scheme; work is undertaken into the size and type of the market for affordable credit in Sheffield; the city continues to support the provision of advice; and preventative work to help people manage their money effectively should be supported'.
- 2.2 The Council allocated £1m in its 2013/14 budget to support the implementation of the Commission's recommendations, and a report to the Executive Leader on 20<sup>th</sup> September 2013 set out a commissioning process for allocating that money which focused on innovation, scale of impact and ability to be self-sustaining in the long term.
- 2.3 An independent report published in May 2013 presented research into the market for high-cost credit in Sheffield and concluded that there is a large and growing non-standard consumer credit market in the city. People who cannot access mainstream credit are paying a significant premium to borrow cash for emergencies or for ordinary household goods. This increases inequalities in the city and it does nothing to help the Sheffield economy, as the money paid on expensive loans goes outside the city.
- 2.4 The independent report proposed an intervention that provides a more affordable alternative that is at sufficient scale to make a difference to the problem and is sustainable over the long term without public subsidy. It proposed the establishment of a new organisation, the potential viability of which was then tested by working into a full business case that recommended the establishment of a sustainable, independent organisation with a core

financial model that does not depend on ongoing financial support from the public sector.

- 2.5 On the basis of this work a new Industrial and Provident Society, Finance for Sheffield Limited (trading as Sheffield Money) was established, with a board chaired by The Very Reverend Peter Bradley and including representatives from Sheffield First Partnership, South Yorkshire Housing and, later, Sheffield Citizens Advice Bureau.
- 2.6 The Sheffield Money model is innovative because it acts as a broker rather than as a provider in itself. This enables it to establish relationships with appropriate partner organisations, both within and outside the city, in order to provide lower-cost loans and other financial products to customers who would otherwise use high-cost credit providers. Sheffield Money focuses on providing excellent customer service and is aiming to provide the quickest service possible within an ethical framework.
- 2.7 Sheffield City Council has provided start-up funding from the Fairness Commission Implementation Fund of £252k. This includes £40k of additional working capital that is to be repaid in the event that the business has become financially self-sustaining and is in a position to repay the amount.
- 2.8 Sheffield Money started trading to the public on 10<sup>th</sup> September 2015. They business is still establishing itself, but early indications are positive. They had significant publicity both locally and nationally. The highlights included a full-page article in the Guardian Money section, live evening coverage from BBC Look North and very positive coverage locally on BBC Radio Sheffield and in The Star. They have received requests from other local authorities to visit and requests from individuals wanting to buy shares in Sheffield Money.
- 2.7 They have established partnerships so far with: Five Lamps, a well-established Community Development Finance Initiative based in the North-East, Sheffield Credit Union, Transave Credit Union, Ffrees (an ethical company that provides current-account type products) and an organisation that supplies white goods. Their customers can access their services via a city centre shop, website and phone line. They work with Money Advice Service and Advice Sheffield.
- 2.8 Sheffield Money aims to be sustainable in the long-term by collecting a levy from some or all of their partner organisations to cover their costs in referring customers. This levy is not passed on to customers.
- 2.9 Sheffield Money is also exploring other sources of income to work towards sustainability. This includes a successful application the Key Fund for a long-term loan and developing a model that can be franchised out to other areas, to capitalise on the very great interest that there has been from other parts of the country.
- 2.10 They have expanded their Board to include members with an expertise in accountancy and legal matters. They have also commissioned a bespoke Customer Relationship Management system in order to help them analyse and

understand the makeup of their customers. It will also allow them to operate some automatically generated reminders for customers for budgeting appointments and help ensure customer satisfaction.

2.11 Between 10 September and 30 October, the following statistics were available from the first 6-monthly monitoring report that is submitted by Sheffield Money to the Policy, Performance and Communications Service, Sheffield City Council:

- Loans: 575 loan quotes and 283 customers who went on to make a full loan application. The loan conversion rate is not available for this report for commercial reasons.
- Current Accounts: 18 applications completed (3 in store, 15 online) and 12 accounts issued - 66% conversion rate to date, although there is a delay between applications completed and accounts issued due to confirmation of identity.
- Advice Referrals:
  - Customers who have been officially referred to other organisations and services: Money Advice: 6 appointments; Sheffield CAB: 8 appointments; Food banks: 3 referrals; Electoral Roll: 3 signed up.
  - Sheffield Money frequently give information for relevant services such as CAB, Step Change, food banks, local assistance scheme, housing solutions, etc, and informally recommend that they contact organisations directly. Anecdotal evidence suggests that they have done this over 50 times.
  - In addition to this every declined application customer is contacted with the offer of money advice.

### **3 What does this mean for the people of Sheffield?**

3.1 Work done by the Sheffield Fairness Commission and elsewhere has highlighted that people on lower incomes often pay more for their services than those on higher incomes. This is particularly noticeable in the case of credit. Those on low incomes are less likely to have savings, less likely to have access to mainstream banking and are therefore more likely to have to rely on commercial doorstep or payday lenders in order to borrow the money to fund unexpected expenses. These commercial lenders charge high rates of interest and frequently encourage their customers to become more and more reliant on them.

3.2 Sheffield Money provides access to credit at a lower cost than commercial lenders. It also provides support to customers to help them manage their money and move towards mainstream financial services, and keep money in the local economy.

### **4. Recommendation**

4.1 The Committee is asked to note the contents of this report for information.