



2007-2008
*Promoting Financial Inclusion
and Tackling Over-indebtedness*

Financial Inclusion in Leeds

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Origins of the initiative

- Initiative started early 2003
- Research undertaken 2004, including 410 households surveyed
- Conference February 2005
- Financial Inclusion Steering Group – open and inclusive

Findings of the Survey

- Cash based economy
- Lower utilisation of bank accounts
- Higher dependency on door step lending
- Serious debt problems

Needs

- Affordable Higher risk loan provision
- Expanded money/debt advice provision
- Financial literacy packages

Underlying message – Services must be local

Partnership

- 50 Partner Organisations
Inc - CAB and Advice Agencies, Credit Union RSL's
- 13 New Debt Advisors (160% increase)
- Credit Union Affordable Credit Scheme
- Expansion CU Branch Network
- Over £4m brought into Leeds

Economic Impact and Regeneration

- **£3m to £9.5m** "Excess" interest paid by Leeds residents
Comparison Neighbourhood Renewal Funding
- **£8.4m** NRF for 2004/5

The Regeneration Agenda

- Credit Union Affordable Credit
 - Total Loans, £5.6m (12 months)
 - 60% Low income Residents (£3.4m)
 - Interest Savings, £1.8m (low income)
- Debt and Money Advice
 - Income maximisation - £1.7m

The Regeneration Agenda

- Corporate Savings
 - Health cost savings
 - Reduce Council Tax debt burden - £58,000
 - Reduced recovery costs - £240,000
 - Reduce housing rent arrears - £170,000
 - Reduced recovery costs - £550,000
- Utilities, Gas, Water etc, RSL's?

Housing Business Case

THE COST OF DOING NOTHING

One property estimate

Average Rent Arrears	£2,110
Legal Costs and Staff Time	£1,000
Lost Rent During Repairs Period	£ 472
Void Repair Costs	£4,844

	£8,426

Notting Hill research – average cost of eviction £50,000

Contact details

Further information
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