

**Minutes of a Meeting of the External
Partnerships Select Committee held at
Council Chamber, Surrey Heath
House, Knoll Road, Camberley, GU15
3HD on 11 June 2019**

+ Cllr Rebecca Jennings-Evans (Chairman)

+ Cllr Sarah Jane Croke (Vice Chairman)

- | | |
|-------------------------|--------------------------|
| - Cllr Peter Barnett | + Cllr Emma-Jane McGrath |
| + Cllr Cliff Betton | + Cllr Sashi Mylvaganam |
| + Cllr Tim FitzGerald | + Cllr Darryl Ratiram |
| + Cllr Shaun Garrett | + Cllr Morgan Rise |
| + Cllr David Lewis | - Cllr Pat Tedder |
| + Cllr Alan McClafferty | |

+ Present

- Apologies for absence presented

Substitutes: Cllr Sharon Galliford (In place of Cllr Peter Barnett)

In Attendance: Cllr Paul Deach and Cllr Valerie White

1/EP Minutes of the Previous Meeting

The minutes of the meeting held on 11 February 2019 were confirmed and signed by the Chairman.

2/EP Boom! Credit Union

The committee received a presentation from Catherine Illingworth in respect of the work of Boom! Credit Union.

Boom Credit Union was a not for profit organisation which was owned and controlled by its Members. The organisation was inclusive and anyone who used the Credit Union's services automatically became a member.

The organisation was built on values such as responsible lending, making ethical choices and the promotion of financial inclusion. This manifested itself, as the Credit Union aimed to make itself accessible to those excluded from high street banks and more mainstream financial providers. In addition the organisation ran services to promote saving and good money management, and ran education workshops on topics such as budgeting. Moreover, Boom! actively campaigned against the services of high-interest payday loan companies and provided an accessible alternative.

The following of Boom!'s services were highlighted:

- The Boom! facilitated current account, which featured cashback rewards, budgeting tools and a mobile app.

- The Family Lift Off Loan, which was accessible to those in receipt of Child Benefit. The loan provided a lower interest rate to the organisation's standard loan, even if the applicant had no credit history.

Arising from the Committee's questions and comments the following points were noted:

- It was noted that out of the organisation's 7,500 members, only approximately 50-100 were Surrey Heath Residents.
- The Boom! facilitated current account was an 'Engage' e-account and Visa Debit Card, which was run by Contis Financial Services Ltd, which subscribed to ethical lending and the values of Credit Unions. The company was registered with the Financial Conduct Authority and the current account was covered by the Financial Services Compensation Scheme (FSCS). Members underlined the importance of the financial secureness of companies which provided financial services to residents.
- Boom! considered all of the Surrey Borough and District Councils as its partners. However Surrey Heath had not provided Boom! with any financial help since the merger between SurreySave and West Sussex Credit Unions. This was in contrast to some neighbouring local authorities which had provided the organisation with grants.
- Recent emphasis on ensuring the long-term financial sustainability of the organisation had meant Boom! had not managed to fully develop its work with schools. There was ambition to further develop and include further schools in pocket money saving schemes which had already be undertaken in two schools in Sussex.
- Despite a previously insecure financial position and the inheritance of bad debts, Boom! was now heading in a upward trajectory in respect of its financial position.
- Boom! worked in partnership with the Citizen's Advice Bureau (CAB) and staff had recently visited CAB offices to remind them of the organisation's services. However, due to the nature of the problems which the CAB's customers face, only between approximately 10% and 20% of CAB referrals are approved for loans.
- Whilst Boom! recognised the value of working with Accent Housing in respect of increasing their volume of customers, they often found Housing Associations difficult to build partnerships with.
- Despite a zero percent current account interest rate, various organisations and individuals had decided to save large sums with the organisation, due to the perception of shared ethical, values with the Credit Union. It was aimed, that on reaching a better financial position, the organisation would be able to run like an old building society and pay savers an annual dividend.
- The processes for when a Boom! Customer cannot meet their loan repayments, were still evolving. It was emphasised that Boom!, always made a concerted effort to have a verbal conversation with the customer before taking any action. Steps, which had been taken in the past before more assertive actions, had included suspension of interest, write off of debts and extension of payments.

There were concerns in respect of Boom!'s perceived current financial fragility and as a result their potential to be endorsed as a formal Council Partner. On the other

hand, some Members affirmed that if an opportunity became available they would like to consider supporting Boom!'s application for a Council Grant in the future. It was stated, that if there was an appetite to support a funding request, a service level agreement would have to be in place in order to allow the Council to openly endorse and support the organisation.

3/EP Surrey Heath Lottery

The Committee received a report from Jayne Boitout, the Council's Community Development Officer in respect of the Surrey Heath Lottery.

Following an Executive resolution, the Surrey Heath Lottery had been introduced in order to support local good causes in the community. The scheme was run by Gatherwell Ltd, an established External Lottery Management Company, and operated completely online.

60% of all ticket sales went to good causes, whilst 20% of ticket sales went to the funding of prizes, and the remaining 20% went towards running costs. The latter amount included 3% of reclaimable VAT. Lottery players could pick one of 38 specific good causes to support on purchase of their ticket. Alternatively they could choose to support the local causes central fund.

The Council held the role of holding the Gambling Commission Licence for the scheme and was also responsible for the process of assessing the eligibility of Good Causes.

Arising from Members' questions the following points were noted:

- Applicable good causes included registered charities, registered community interest companies and constituted groups with volunteer management committees. Good causes must also operate within Surrey Heath.
- Gatherwell Ltd was chosen as the scheme's External Lottery Manager (ELM), after the consideration of two ELMs. Gatherwell were the outright market leader in respect of community lotteries and had experience of managing nearly 50 Council run lotteries nationwide.
- Gatherwell's marketing materials provided greater emphasis in respect of the lotteries funding of good causes. On signing up good causes were provided with various marketing materials to promote their participation in the lottery. This included bespoke e-resources for websites and social media and directed an organisation's supporters to an individual lottery landing page for the good cause.
- Whilst certain faith groups and organisations may refrain from participation in the scheme, it was underlined that lottery revenues were not a substitute for current funding streams and simply acted as a way to give a small boost to good causes' annual funds.
- The lottery produced no additional ongoing running costs to the Council and the 3% of ticket costs, from recouped VAT, would pay for Council's annual lottery licence of approximately £700 a year.

4/EP Review of Revenue Grants

Following a recommendation by the Executive on 22 January 2019, the Committee considered a report in relation to a review of the Council's Revenue Grants Scheme.

The Council operated a Revenue Grants scheme to support local not-for-profit organisations operating in Surrey Heath. The administration of the scheme was managed by officers and an annual report was presented to the Executive for a final decision.

It was noted the nine organisations which were invited to apply each year fell into two distinct categories:

1. Organisations which independently provided services to meet local needs.
2. Organisations which undertook work on the Council's behalf on a partnership basis, due to increased economies of scales.

The current scheme currently failed to acknowledge differences between the two types of organisation. In addition partnership bodies to the Council often felt frustrated in respect of the requirement to apply for grants each year, despite long term partnership agreements.

Members acknowledged that a more open grant scheme, than the existing arrangements, would allow for flexibility in funding and allow changes to reflect changing local priorities and new service demands.

It was noted service level agreements in place with partnership organisations included a clause stipulating that the Council must give at least 6 months' notice of a change in funding. In addition organisations, which were currently in receipt of grants, had been made aware that a review of the Revenue Grant scheme was taking place.

It was clarified by Officers that it was envisaged that the three organisations which would be ring-fenced from grant changes would be the Basingstoke Canal Authority, Blackwater Valley Countryside Partnership and Citizens Advice Surrey Heath. Ring-fencing from grant changes would take place for up to 3 years at a time.

RESOLVED that the Executive be advised to:

- i. **Ring fence revenue grant funding for Citizens Advice Surrey Heath, Blackwater Valley Countryside Partnership and Basingstoke Canal Authority for up to a three year period and;**
- ii. **Open the remaining funding to organisations that can deliver services that meet local priorities and needs.**

Note 1

It was noted for the record that

- i. As recorded in the previously published supplement, various members of the Committee were appointed as the Council's Representatives to organisations which received revenue grants.
- ii. Councillor Alan McClafferty's spouse was a volunteer trustee for Surrey Heath Age Concern and thereby he abstained from voting.

5/EP Committee Work Programme

The Committee noted its work programme for the rest of the municipal year.

Chairman