

**GROWTH ECONOMIC DEVELOPMENT AND
COMMUNITIES CABINET COMMITTEE**

Tuesday, 7th July, 2015

10.00 am

**Darent Room, Sessions House, County Hall,
Maidstone**



AGENDA

GROWTH ECONOMIC DEVELOPMENT AND COMMUNITIES CABINET COMMITTEE

Tuesday, 7 July 2015 at 10.00 am
Darent Room, Sessions House, County Hall,
Maidstone

Ask for: **Christine Singh**
Telephone: **03000 416687**

Tea/Coffee will be available 15 minutes before the start of the meeting

Membership (13)

Conservative (8): Mr M A Wickham (Chairman), Mr S Holden (Vice-Chairman),
Mr A H T Bowles, Mr D L Brazier, Miss S J Carey,
Mr J A Kite, MBE, Mr G Lymer and Mr C Simkins

UKIP (2) Mr M Baldock and Mr F McKenna

Labour (2) Mrs E D Rowbotham and Mr R Truelove

Liberal Democrat (1): Mr B E Clark

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UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

A - Committee Business

A1 Introduction/Webcast announcements

A2 Apologies and Substitutes

To receive apologies for absence and notification of any substitutes present

A3 Declarations of Interest by Members in items on the Agenda

To receive any declarations of interest made by Members in relation to any matter on the agenda. Members are reminded to specify the agenda item number to which it refers and the nature of the interest being declared

A4 Minutes of the extraordinary meeting held on 20 May 2015 (Pages 7 - 10)

To consider and approve the minutes as a correct record

A5 Verbal updates

To receive verbal updates from the Cabinet Members and the Corporate Director for the Growth, Economic Development and Communities portfolio including the following:

Cabinet Member for Economic Development

- Dreamland,
- Manston
- Kent life Sciences

Deputy Cabinet Member for Community Services

- Libraries Customer Service Excellence Award
- Sainsbury's School Games

A6 Presentation: "The County's Visitor Economy" by Visit Kent

Presenters: Sandra Matthews-Marsh, Chief Executive, accompanied by Amanda Cottrell, Chairman.

B - Key or Significant Cabinet/Cabinet Member Decision(s) for Recommendation or Endorsement

B1 Tunbridge Wells Cultural Hub (Pages 11 - 16)

To receive a report by the Corporate Director for Growth, Environment and Transport to consider and endorse or make recommendations to the Cabinet Member Community Services on the decision to enter into a Memorandum of Understanding subject to securing Heritage Lottery Funding.

C - Other items for comment/recommendation to the Leader/Cabinet Member/Cabinet or officers

C1 Kent and Medway Growth and Infrastructure Framework (Pages 17 - 20)

To receive a report by the Cabinet Member for Environment and Transport and Corporate Director for Growth, Environment and Transport that gives details of the work that has been carried out to develop a Growth and Infrastructure Framework for Kent and Medway.

C2 Funding for Sports Organisations and Talented Performers (Pages 21 - 28)

C3 Work Programme 2015 (Pages 29 - 38)

To receive a report by the Head of Democratic Services that gives details of the proposed work programme for the Growth, Economic Development and Communities Cabinet Committee.

**D - FOR INFORMATION ONLY - Key or significant Cabinet Member
Decisions taken outside the Committee meeting cycle**

D1 Decision 15/00048 - Protocol for National Illegal Money Lending Team (Pages 39 - 54)

To receive a report by the Cabinet Members for Economic Development; and Community Services; and the Corporate Director of Growth, Environment and Transport

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Peter Sass
Head of Democratic Services
(01622) 694002

Monday, 29 June 2015

Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.

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KENT COUNTY COUNCIL

**GROWTH ECONOMIC DEVELOPMENT AND COMMUNITIES
CABINET COMMITTEE**

MINUTES of a meeting of the Growth Economic Development and Communities Cabinet Committee held in the Darent Room, Sessions House, County Hall, Maidstone on Wednesday, 20 May 2015.

PRESENT: Mr M A Wickham (Chairman), Mr S Holden (Vice-Chairman), Mr M Baldock, Mr A H T Bowles, Mr D L Brazier, Miss S J Carey, Mr I S Chittenden, Mr G Lymer, Mr B E MacDowall, Mrs E D Rowbotham, Mr C Simkins and Mr R Truelove

ALSO PRESENT: Mr P M Hill, OBE

IN ATTENDANCE: Mrs B Cooper (Corporate Director of Growth, Environment and Transport), Mr J Pearson (Project Manager), Ms A Slaven (Interim Director Preventative Services), Miss T A Grayell (Democratic Services Officer) and Mr A Saul (Democratic Services Officer)

UNRESTRICTED ITEMS

80. Apologies and Substitutes
(Item A2)

Apologies were received from Mr Clark and Mr McKenna.

Mr Chittenden was present as a substitute for Mr Clark and Mr MacDowall was present as a substitute for Mr McKenna.

81. Declarations of Interest by Members in items on the Agenda
(Item A3)

There were no declarations of interest.

Mr MacDowall advised that he had previously met and discussed the petition with Mr Stainton.

82. Minutes of the meeting held on 14 April 2015
(Item A4)

RESOLVED that the minutes of the meeting held on 20 May 2015 are correctly recorded and they be signed by the Chairman. There were no matters arising.

83. Save our Public Libraries - Petition Scheme Debate
(Item A5)

1. The Chairman invited Mr Richard Stainton, the petition organiser, to address the Committee on the above petition. Mr Stainton presented the petition statement, which had been published with the agenda for the meeting. The petition statement

concluded by asking the Committee to demonstrate that it had listened by making a series of recommendations, as follows;

- i. that the petition statements be adopted by KCC as criteria against which any proposal be evaluated;
- ii. that as libraries are local to every KCC councillor, any final proposal be subject to a public agenda debate in full council;
- iii. that use of reserves (or reductions in continuing payments into reserves) be considered to avoid cuts to the library service; and
- iv. that no 'privatisation' of Kent's much-valued public library service be undertaken prior to it being 'tested' in 2017 election manifestos.

2. The Chairman then invited the Committee to debate the petition. During debate the following concerns were raised and views expressed;

- a) that there was no statutory obligation to keep 99 Libraries open and, as such, there could be enormous scope for closure;
- b) that change in this Service would be necessary to manage the decline in the use of Libraries and, should the Libraries, Registration and Archive Services have to draw on reserves, it would be irrefutable evidence that it would not be fit for purpose; and
- c) that the consultation was not a fair representation of the people of Kent and needed to be more comprehensive.

3. Following the petition debate, Mr Hill, the Cabinet Member for Community Services, reassured the Committee and Mr Stainton that the proposal was, in his view, the best way to protect the County's Library service. He responded to points raised in the petition by confirming the following, were Kent's libraries to become a Charitable Trust:

- a) Kent's libraries would remain free and open;
- b) even if Kent's Libraries, Registration and Archive Services were to become a Trust they would meet the petitions operational demands. The service would continue to employ professional librarians with volunteers providing additional support; and
- c) were the Trust to be established the Cabinet Member for Community Services would still be democratically accountable for the service.

4. In response to questions and concerns raised in the petition debate, Mr Hill informed the Committee of the following:

- a) he was confident following the consultation that he could take account of all the points raised;
- b) the Trust would operate through a contract with Kent County Council, which could be terminated;
- c) Library Trust status would not be irreversible; and
- d) the Trust would be unable to close any library or make any significant change to the service without the approval of Kent County Council.

5. Mr Hill then responded to the four recommendations set out in the Petition Statement by confirming the following:

- a) there was no problem with this first recommendation;
- b) any proposal would be subject to the Councils' normal process of full public debate at the relevant Cabinet Committee as stated in the Councils' Constitution. A single service matter would go to the appropriate Cabinet Committee as opposed to the full County Council;
- c) advice from the Director of Finance and Procurement had confirmed that the use of reserves for ongoing revenue commitments for any specific service was inappropriate, specifically for the Kent County Council to meet its budgetary requirements in future; and
- d) there were no proposals to privatise Kent's Libraries, Registration and Archive Services.

6. Mr Baldock proposed and Mrs Rowbotham seconded that the consultation be repeated, prior to new legislation being introduced, to ensure a more comprehensive response from the public.

Lost, 5 votes to 6.

7. The Committee agreed to note the petition and thanked the petitioners for bringing this to its attention.

84. Decision on proposed model of delivery for Library, Registration and Archives Services
(Item B1)

1. Mr Hill introduced the report, which set out a proposed charitable trust model of delivery for the Library, Registration and Archive Services. Reassurance was given that there were no proposals to reduce library branches. He explained that he had been in conversation with the General Registration Office (GRO) who has concluded that primary legislation will be required before Registration staff can be transferred to a Trust. The GRO could not give a timescale but does acknowledge that the current legislation is not fit for purpose. It was emphasised that this transformation was part of a phased journey. He described the model proposed in the report as a continuum to modify the service in house and move to a Trust model when Government legislation allows.

2. Mr Pearson presented a series of slides which clarified the consultation process, consultation results and registration service implications, as well as the next advised steps in the transformation process.

3. Mr Hill, Ms Slaven and Mr Pearson responded to questions and comments from member, including the following:-

- a. whether or not a new consultation would be required closer to the date would depend on the timing of the required new legislation. Mr Hill confirmed that he would follow the advice of the Director of Governance and Law on this matter and that if a significant length of time had passed before this then a second consultation, would be likely to be necessary;
- b. reassurance was given that the buildings would be leased to the Trust and that Kent County Council would retain ownership of them;

- c. in response to concerns raised with regard to the future of Kent's archives, Mr Hill explained there were two types of archives to take into account; those archives held by Kent County Council would remain in Kent County Council ownership and be made available by the Trust, while those deposited by others, would require negotiation with the owners to decide how they would operate alongside new model;
 - d. there was no intention to change the current mobile libraries service as this was a vital service and the Libraries, Registration and Archives Services were fully committed to widening public access to them;
 - e. if a Trust model were to be adopted, the Library, Registration and Archives Service would transfer all of its employees directly over to the Trust, via TUPE, and voluntary workers would not undertake any task that should be completed by paid staff. It was also stated that it would be up to the Trust to determine its own relationship with the unions. Reassurance was given that, as a Trust, it would be within its interest to maintain a good relationship with the unions; and
 - f. a view was expressed that, in considering the report, the Cabinet Committee must take into account the number of the electorate which did not make use of the Library service.
4. The report's recommendation was put to vote and was carried;

7 votes to 4.

The following Members asked that their dissention be recorded;

Mr M Baldock, Mr B MacDowall, Mr R Truelove and Mrs E Rowbotham

5. RESOLVED that;
- a) the decision proposed to be taken by the Cabinet Member for Community Services, to retain the service in-house until such a time as the Registration Service can be externalised and form part of an integrated Libraries, Registration and Archives Trust, be endorsed;
 - b) at that time a new decision would be required, and in parallel the in-house service would be internally commissioned against an agreed specification and deliver the required Medium Term Financial Plan (MTFP) savings. The County Council would push for the necessary legislative change to enable the full benefits of an integrated Libraries, Registration and Archives service in an externalised model to be realised.

From: Barbara Cooper, Corporate Director Growth Environment & Transport

To: Mike Hill, Cabinet Member for Community Services

Subject: Decision No: 15/00056 -Tunbridge Wells Cultural and Learning Hub

Key decision: Expenditure over £1m

Classification: Unrestricted

Past Pathway of Paper: N / A

Future Pathway of Paper: Policy and Resources Cabinet Committee (Property)

Electoral Division: Tunbridge Wells South

Summary: Kent County Council in partnership with Tunbridge Wells Borough Council is working to deliver a Cultural and Learning Hub in the heart of Tunbridge Wells on the current library and adult education site. This report seeks approval to enter into a Memorandum of Understanding subject to securing Heritage Lottery Funding.

Recommendations:

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Community Services on the decision:

- a) To enter into legal agreements including, but not limited to, a Memorandum of Understanding with Tunbridge Wells Borough Council. The Memorandum of Understanding sets out the intention with which KCC will progress the project;
- b) To support the delivery of the Cultural Hub by agreeing to temporarily relocate the library and adult education service during the period of the works, and incorporating them within the new Cultural Hub facility when the works are complete;
- c) That KCC shall act as accountable body for the project subject to KCC's VAT partial liability exemption position not being breached.

1. Introduction

- 1.1 KCC and Tunbridge Wells Borough Council (TWBC) are working in partnership to deliver a Cultural and Learning Hub in the centre of Tunbridge Wells. This will bring together the library, adult education centre, Gateway, museum, information point and theatre box office into a single facility.
- 1.2 At present, the library, museum, art gallery and adult education service are delivered from two listed buildings, co-located on a single site. The site is

owned by KCC and is partially leased (for the museum and art gallery) to the Borough Council. Despite co-location, each service currently operates separately, while the physical limitations of the buildings (including their dilapidated state) prevents the public accessing the full extent of their potential offer.

- 1.3 In 2013, KCC and TWBC jointly commissioned a report to examine options for a Learning and Cultural Hub project. This confirmed the suitability of the site as a location for service development and indicated the potential for external funding alongside local authority investment.
- 1.4 Following this analysis, proposals have been developed to refurbish the two existing buildings, linking them with a new build element. As well as improving the efficiency of service delivery, the new Cultural and Learning Hub is intended to provide a central focus for culture and learning in Tunbridge Wells, contributing to the vitality of the town and its visitor offer.
- 1.5 Build costs have been independently estimated at £11.2 million. This would enable the refurbishment of the two listed buildings, along with 540 sq m of new build.

2 Delivering the project: The Memorandum of Understanding

2. 1. As a shared priority, KCC and TWBC have each so far contributed £55,000 in revenue funding to progress early development external funding opportunities. To ensure clarity of governance and project management and to secure external funding, a draft Memorandum of Understanding (MoU) has been prepared between the two authorities, attached as Annex 1.
2. 2. The draft Memorandum of Understanding has been developed with legal advice and in close collaboration with the Director of Infrastructure. It sets out:

Project governance arrangements

2. 3. The MoU proposes that a Project Board should be established to provide overall strategic oversight and direction to the project. The MoU proposes that the Project Board should consist of the Cabinet Member for Community Services, a KCC Member of the Tunbridge Wells Local Area Board, the Corporate Director for Growth, Environment and Transport and the Director of Infrastructure, in addition to representatives from Tunbridge Wells Borough Council.
2. 4. It is envisaged that a Project Group will be established, reporting to the Board, to provide strategic project management.

Capital funding

2. 5. The MoU proposes that:
 - Tunbridge Wells Borough Council will invest £4 million in the project, subject to TWBC's approval processes;

- KCC will make a maximum contribution of £2 million. This will be secured from part of the proceeds of the sale of the site to TWBC, and partly from developer contributions.
- KCC and TWBC will work together to secure the balance of funding, which may be secured from:
 - Heritage Lottery Fund (£3.9 million).
 - Arts Council England (£750,000)
 - Other fundraising (£550,000)

2. 6. The MoU states that Tunbridge Wells Borough Council will be wholly accountable for any capital shortfall.

Revenue funding

2. 7. It is proposed within the MoU that once complete, the library will benefit from a long-term peppercorn lease, while Community Learning and Skills will pay a commercial lease to TWBC.

2. 8. The MoU proposes that KCC will provide an annual grant of £482,000 per year for the first five years of the Hub's operation, with TWBC covering all income risk to the facility for future years.

2. 9. It is also proposed that consideration should be given to transferring the Hub to an independent charitable trust. This could potentially provide the Hub with greater freedoms to secure grants and maximise income.

3 Securing external funding

3.1 In April, a 'stage one' application was made to the Heritage Lottery Fund for £3.9 million. The outcome of this will be known in July; if successful, this will enable work to begin on the second stage of the application process.

3.2 Discussions have also taken place with the Arts Council, and an application for capital funding may be submitted in the autumn

4 Accountable body

4.1 While TWBC will carry all expenditure risks, it is anticipated that KCC will act as the accountable body for the project to mitigate VAT costs. Officers are working closely with Finance to ensure that any risks to KCC from breaching its VAT partial liability exemption position are being monitored. Any final decision on this would be taken by the section 151 officer prior to signing of any contract.

4.2 Alternatively, TWBC could act as the accountable body for the project, until a trust is set up or selected and the facility transferred to it upon completion

5 Options analysis

5.1 In addition to the preferred option set out in Section 1 and on which the MoU is based, three alternative options were also considered:

- 5.2 Option 1: Do nothing – the current facilities are dilapidated and KCC would need to find the funds to undertake the necessary works. In order to make revenue savings, services would potentially need to consider what elements were discontinued or look at re-locating. Tunbridge Wells would get no enhanced cultural offer and no funding would be levered in to the county.
- 5.3 Option 2: KCC retain the freehold – KCC would need to find c£4M to invest in the scheme. It is less likely that TWBC would co-invest and or take as large an area within the revitalised facility. This would leave KCC with potentially higher revenue costs and KCC would carry the full risk of the project.
- 5.4 Option 3: Dispose of facilities – KCC could dispose of the facilities on the open market and look to purchase other alternative facilities. The cost of this option is likely to be prohibitive and would be subject to finding suitable alternative locations. Services would be less likely to deliver savings through integration and Tunbridge Wells would get no enhanced cultural offer. Once again funding would be unlikely to be levered in to the county from external grants

6 Relevance to KCC's policy framework

- 6.1 KCC's Strategic Statement, *Increasing Opportunities, Improving Outcomes*, sets out the Council's goal of ensuring that every pound spent delivers better outcomes for residents and businesses. The Strategic Statement includes the aim that Kent residents should enjoy a good quality of life, with more people benefiting from greater social, cultural and sporting opportunities. The Cultural and Learning Hub project contributes directly to this goal, by making cultural facilities more accessible and sustainable.
- 6.2 Through its contribution to the vitality of Tunbridge Wells town centre and to the visitor economy, the project will also have a wider economic benefit. This is directly referenced in the South East Strategic Economic Plan and is reflected in the economic objectives of the Strategic Statement

7. Other implications

- 7.1. Legal advice has been secured on the Memorandum of Understanding and no major issues have been identified.
- 7.2. Equalities: A full equalities impact assessment has been completed. This has raised no areas of concern.
- 7.3. Health: There are no negative Public Health implications with regard to this project, although improved access to cultural services is likely to have positive indirect effects
- 7.4. Further decisions: While the Memorandum of Understanding has been drafted in close collaboration with the Director of Infrastructure, decisions regarding the Corporate Property Portfolio will be taken separately by the Cabinet Member for Corporate and Democratic Services.

8. Conclusions

- 8.1. The opportunity has arisen for KCC and Tunbridge Wells Borough Council to enter into a Memorandum of Understanding in order to progress the Tunbridge Wells Cultural and Learning Hub.
- 8.2. This will offer a step forward in making this long term aspiration a reality and ensure that the partners will benefit from modern, fit for purpose community facilities that will benefit residents and visitors and contribute to the vitality and cultural offer of Tunbridge Wells.

9. Recommendations:

Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Community Services on the decision:

- a) To enter into legal agreements including, but not limited to, a Memorandum of Understanding with Tunbridge Wells Borough Council. The Memorandum of Understanding sets out the intention with which KCC will progress the project;
- b) To support the delivery of the Cultural Hub by agreeing to temporarily relocate the library and adult education service during the period of the works, and incorporating them within the new Cultural Hub facility when the works are complete;
- c) That KCC shall act as accountable body for the project subject to KCC's VAT partial liability exemption position not being breached.

10. Background Documents

- 10.1 Memorandum of Understanding attached as Annex 1

11. Contact details

Report Author: Jonathan White
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From: Matthew Balfour, Cabinet Member for Environment and Transport
Barbara Cooper, Corporate Director for Growth, Environment and Transport

To: **Growth, Economic Development and Communities Cabinet Committee – 7 July 2015**

Subject: **Kent and Medway Growth and Infrastructure Framework**

Classification: **Unrestricted**

Past Pathway of Paper:

Future Pathway of Paper: Environment and Transport Cabinet Committee, Kent Leaders, Kent and Medway Economic Partnership

Electoral Division: All

Summary:

This paper informs Members of the work that has been carried out to develop a Growth and Infrastructure Framework for Kent and Medway which sets out a clear picture of the infrastructure needed to facilitate growth across the county to 2031 and quantifies the funding gap for provision of this infrastructure. The outcomes of this work will be a document that gives a strong voice for Kent and Medway in:

- a) a conversation with Government and other funding partners to articulate the potential growth in Kent and Medway and to discuss options for plugging the funding gap
- b) discussions with London as they tackle the issue of how to meet their own housing needs.

Recommendations:

The Growth, Economic Development and Communities Cabinet Committee is asked to:

- a) note the work that has been carried out to produce the Growth and Infrastructure Framework for Kent and Medway; and
- b) comment on the presentation accompanying this report.

1. Introduction

- 1.1 In December 2014 KCC commissioned consultants Aecom to develop a Growth and Infrastructure Framework (GIF) for Kent and Medway. The purpose of this document is to establish the infrastructure required to support growth in the county to 2031, cost that infrastructure, assess the funding likely to come

forward during that period and hence establish the extent of any funding gap. The objective of this work is to:

- a) Provide an evidence base on which to start a conversation with Government on how we plug any funding gap and hence deliver the necessary infrastructure to support the growth Kent and Medway has planned to 2031;
- b) Provide an evidence base for use in engaging with London as it considers how it can accommodate its identified housing need
- c) Provide a strong voice for Kent and Medway in the growth agenda.

2. Developing the Growth and Infrastructure Framework

2.1 KCC commissioned Aecom in December 2014 to carry out phase 1 of the work to develop the GIF. This was a desktop exercise comprising:

- Establishing the growth planned for Kent and Medway to 2031 based on the district authorities and Medway Council's Local Plans;
- Considering forecast population growth and demographic changes over that time;
- Considering economic factors likely to impact on growth and hence infrastructure required;
- Assessing and costing the infrastructure required to facilitate this growth;
- Estimating the funding that will be available during this time period; and lastly,
- Establishing the resulting funding gap.

2.2 Phase 1 completed in February 2015 providing a broad outline of the above. It was recognised however that further detail and validation was required if the GIF was to be used as a robust evidence base for the discussions outlined in section 1. Phase 2 of this work commenced in late February and is currently nearing conclusion.

2.3 Phase 2 work builds on the earlier desktop exercise by seeking validation through engagement with stakeholders. This involved meetings with every local authority and Medway Council, the utilities providers, a wide range of KCC service providers (adult social care, education, highways, waste, flood protection, leisure, green infrastructure, community education etc), the further and higher education sector and health sector.

2.4 A thorough analysis was also undertaken on the population forecasts used within the model as well as the costings allocated to the infrastructure requirements. In determining the funding likely to be available to 2031, this work considered funding from Government, potential developer contributions through Section 106 agreements and Community Infrastructure Levy (CIL) as well as other potential sources of funding.

2.5 To support the analysis of potential developer contributions, work was carried out on viability across the county acknowledging that certain areas in Kent have a greater ability to generate developer contributions than others. This analysis will be particularly helpful in discussions with government around the existing

CIL and developer contributions system and its ability to generate sufficient funding to finance the infrastructure required to support development.

3. Findings of the Growth and Infrastructure Framework

3.1 Headline figures emerging from the GIF in the period to 2031 are:

- 158,500 new homes are planned for delivery along with 135,800 new jobs
- The population of Kent and Medway will grow by 293,300 people during that time, equating to 17% population growth
- The infrastructure required to enable this growth will cost £6.7 billion (excluding a new Lower Thames Crossing)
- An estimated £4.7 billion is either secured or expected to come forward during this period
- Leaving an infrastructure funding gap of £2 billion. It should be noted that further refinement work is ongoing, particularly with regard to information coming from the health sector, and as such this funding gap figure may change as the GIF is finalised.

3.2 For the GIF to continue to be a useful piece of work, it will be important to keep it current and as such, work is now being undertaken to consider the mechanism by which this can be achieved. In addition, there is the potential to test alternative delivery models for infrastructure, for example how health or utilities are delivered in future and how this will impact on the County's future infrastructure funding requirements.

4. Conclusions and next steps

4.1 The GIF for Kent and Medway has the potential to be a powerful piece of work. Next steps in the process are to:

- a) finalise the current phase of work to include final comments from key stakeholders such as the health sector and the district authorities and Medway Council;
- b) seek endorsement from partners and the Kent and Medway Economic Partnership;
- c) establish the key messages to take to Government;
- d) establish a mechanism by which the GIF can be updated at regular intervals and,
- e) identify scenarios of alternative delivery models for testing.

5. Recommendations:

The Growth, Economic Development and Communities Cabinet Committee is asked to:

- a) note the work that has been carried out to produce the Growth and Infrastructure Framework for Kent and Medway; and
- b) comment on the presentation accompanying this report.

6. Background Documents

None

7. Contact details

Report Author:

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Relevant Director:

Barbara Cooper

Corporate Director of Growth, Environment & Transport

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From: Mike Hill - Cabinet Member for Community Services
Barbara Cooper, Corporate Director, Growth, Environment and Transport
Stephanie Holt, Interim Director, Environment, Planning and Enforcement

To: Growth Economic Development and Communities Cabinet Committee - 7 July 2015

Subject: **Funding for Sports Organisations and Talented Performers**

Classification: Unrestricted

Electoral Division: All

FOR INFORMATION ONLY

Summary: This paper provides Members with requested information on funding for sport provided through the Sport and Physical Activity Service for sports organisations and talented performers. The report is presented to this committee for information.

Recommendation

Members are asked to comment and note the report.

1 Introduction

- 1.1 The Sport and Physical Activity Service is a small service within the Environment, Planning and Enforcement Division within Growth, Environment and Transport. Its operating model consists of 6.6FTE County Council funded staff (2.0FTE of which work across the Countryside, Leisure and Sport grouping of services), combined with 12.7FTE, primarily funded by Sport England. A further 2.4 FTE posts, funded by Sport England, are part of the Service but hosted by University of Kent. This model has operated successfully since 2006, when Sport England introduced 'County Sports Partnerships' in every county in England.
- 1.2 In Kent, the decision was taken to integrate this Sport England resource with the County Council's sports development function, in order to provide a single strategic countywide function and point of contact for sport for partners and the local community. Sport England funding is confirmed until March 2017 and provides just over £1m of external funding into the Service. External funding currently provides approximately 64% of the Service's gross budget and in 2014-15, the Service levered in £2.9m of external funding for sport in Kent (including Sport England's funding) equating to an overall ratio of approximately £4 of external funding for every £1 of KCC funding. The 'County Sports Partnership' element of the team has responsibility for both Kent and Medway residents and sports providers.

- 1.3 Public consultation that fed into the newly published 'Increasing Opportunities, Improving Outcomes' asked that sport be explicitly referenced, leading to one outcome now reading "Kent residents enjoy a good quality of life, and more people benefit from greater social, cultural and sporting opportunities"
- 1.4 The Service works closely with a range of other KCC services, and external partners, to ensure that sport and physical activity in Kent is delivered not only for its intrinsic value but is playing its role in tackling wider agendas, particularly Public Health, but also anti social behaviour, Troubled Families, youth service provision, countryside access, educational attainment and active travel.
- 1.5 The Service is currently undertaking an internally led Service Review, in order to explore the current operating model in the context of KCC Transformation. Whatever the outcome of this Service Review, support for sports organisations and for talented performers will both remain important if sports and physical activity opportunities are to be maximised for the local community.
- 1.6 The Sport and Physical Activity Service both administers funding for individuals and organisations in Kent, and signposts to other local, regional and national opportunities, including providing support and advice to organisations on various funding sources.

2 Supporting Kent's Talented Performers

- 2.1 There are currently two levels of KCC support to Kent's Talented Performers:

Tier 1 - Kent FANS scheme:

This scheme consists of support offered to national level performers through the Kent FANS scheme (Free Access for National Sports performers). The support available includes free access at off peak times to over 60 leisure centres/facilities for training, discounts on kit and equipment, physiotherapy, sports massage, osteopathy, chiropractic treatment and sport science support / testing. Small monetary grants are also available to FANS members who are in fulltime education.

- 2.2 To be eligible for support, performers must reside in Kent, be performing in one of the sports recognised by Sport England, and meet at least one of the following criteria:

- Currently a member of a national team or squad
- Currently listed in the top 10 of any national age group ranking
- Successful in any national age group competition (top 10 finish, in the last 12 months)

There are currently over 500 members of the Kent FANS scheme ranging in age from 8 to 84 years. As part of its income generation work, the Service has recently introduced an annual administration charge of £10 per FANS member.

2.3 Tier 2 – Grant Aid from KCC

Grant aid from KCC is awarded annually to sports men and women with ambitions to be selected to represent Great Britain at international level, including at future Olympic and Paralympic Games.

2.4 Grant Aid support is for a selected number of high level performers who have the greatest potential to compete and achieve at a high level. The performers, who represent a range of sports and include disabled and non-disabled performers, are nominated via their sport's national governing body to the national charity, SportsAid. The decision making process regarding grant awards to Kent performers is undertaken in partnership with SportsAid.

2.5 44 performers were selected to receive support in 2015. Grants awarded ranged from £500 - £1,000 and recipients included; Skier Millie Knight, Britain's youngest ever Winter Paralympian; Decathlete Martin Brockman who took part in the 2014 Commonwealth Games; Paralympians and London 2012 Table Tennis medallists Will Bayley and Ross Wilson; and Jake Sheaf (Beach Volleyball) and Jodie Cowie (Synchronised Swimming) who represented Team GB in the inaugural European Games in Baku, Azerbaijan in June. For a full list of all 2015 talented performer grant aid recipients please see Appendix 1

2.6 There are a number of conditions that recipients of grant aid agree to, including promotion that they have been supported by KCC, for example, in publicity material, on social media and by displaying the logo on kit/equipment and websites. Recipients are also requested to make every reasonable effort to attend specific activities, such as awards presentation evenings and launch events, as requested by KCC.

2.7 Members may also be interested to learn that Jack Green who has received such financial support from KCC and whom competed in his first Olympics at London 2012 in the 400m hurdles also competed in the Kent Schools' Athletics Championships as part of the Kent School Games in 2008. Adam Gemili, currently Britain's best sprinter, competed in the 2010 Kent School Games. Whilst the Kent School Games is every bit as much about inspiring young people to participate in sport as it is to provide an extensive competitive school sports environment, it is pleasing to have such talented performers involved in these events and going on to perform at world class events.

3 Support for Sports and Community Organisations

3.1 The Sport and Physical Activity Service manages and administers a range of revenue funds; Small Grant Programme; Coach and Officials Scholarship Scheme; Sportivate; as well as a Small Capital Grants Scheme for Sport. The following provides a summary of those schemes.

3.2 Kent Sport Small Grant Programme issues grants of between £50 and £500 to formally constituted not-for-profit or statutory organisations, such as sports clubs; voluntary organisations; schools; local authorities and national governing bodies of sport. Kent Sport Small Grants supports the Service's main aim to boost participation in sport and physical activity, in order to improve the health and wellbeing of Kent and Medway residents.

3.3 Funding for the Kent Small Grant Programme has come from a variety of

sources over a number of years. This includes from a Sportsaver Account with the Kent Reliance Building Society and sponsorship monies from Pfizer and more recently P&O Ferries. No KCC monies have ever been invested in this grant programme.

- 3.4 It is recognised that to provide good quality sporting opportunities in the community which intrinsically encourage continued sports participation, there is a need to support coaches and officials to develop their professional and customer skills. The Service manages a small Coach and Officials Scholarship Scheme, which provides funding for Continuing Professional Development or improving levels of qualification. Nominations are welcomed throughout the year from National Governing Bodies, which are seeking to develop and improve their volunteer workforce and increase participation opportunities.
- 3.5 In addition, the Service manages Sportivate funding, a Sport England funded programme, which aims to increase participation in sport by young people aged 11 to 25 years. In the last four years, Sportivate has involved over 13,000 young people as regular participants.
- 3.6 KCC Small Capital Grant Scheme for Sports is a £100,000 annual capital fund managed through the Service that enables clubs, schools, national governing bodies of sport and parish councils to access funding for fixed equipment and the provision, improvement or refurbishment of community facilities that will ultimately increase participation in sport and physical activity in Kent. This scheme is particularly effective at leveraging in additional funding for sport, with 18 organisations supported in 2014-15. The scheme has an average leverage ratio of £17.95 for every £1.00 of KCC funding invested.
- 3.7 As mentioned earlier in this report, in addition to the funding mentioned above, the Service also signposts and supports organisations and individuals regarding other potential sources of funding.

4 Risks

- 4.1 Funding for Kent sports organisations and talented performers creates no risks in itself. The Service has been set a 38% (£300,000) cut to its budget across 15/16 and 16/17 which it is meeting through a combination of redundancies and vacancy management of 4.5FTE posts, and through programme revenue budget cuts
- 4.2 In 2014, the Service was successful in securing funding from the Big Assist Big Lottery Fund to enhance skills in commercial acumen, with an aim to generate additional income for the benefit of sport in Kent. Given the financial pressures continuing to face KCC and the uncertainty of the current County Sports Partnership funding award in March 2017, this was deemed a priority for the Service. The Service has now written with Oaks, a business development consultancy with a proven track record in the sports sector, a commercial business development plan for 2015 – 2019, which will underpin the Service Review.
- 4.3 The contact days with Oaks have affected a cultural shift within the team towards commercial activities, as well as a shared set of income generation targets. Commercial activities being pursued include:

- Fees and charges including annual administration fees for FANS memberships, selling branded merchandise (draw string bags, water bottles) at the Kent School Games, paid-for grant writing service.
- Statutory and Charitable Applications – considering what sources of funding are available for KCC to apply to for projects. A successful application has been made to run a Netball Pilot project in Shepway.
- Commercial Partnerships and sponsorship. Work is underway to find sponsors for School Games and other events.

5 Conclusion

- 5.1 Identifying, securing and/or providing funding sources and opportunities for community sport and for talented sports performers are priorities for the Sport and Physical Activity Service.
- 5.2 The Sport and Physical Activity Service will continue to seek sources of funding and income generation. This includes working with Sport England to secure continuation of County Sports Partnership funding for staff and programmes, to complement, enhance and add value to the resources and strategic outcomes of the County Council.

6. Recommendation

- 6.1 Members are asked to comment and note the report.

7. Report author

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PRESS RELEASE

Sports men and women helped on their way to Rio 2016 and future international success

Sports men and women with ambitions to be selected to represent Great Britain on the world stage at future Olympic and Paralympic Games are to be supported in their training with funding from Kent County Council.

Building on the legacy from London 2012, the 44 sportsmen and women represent a range of sports and include disabled and non-disabled performers. They are all from Kent and have been nominated and recognised by their sports' national governing bodies.

This is the seventh year that Kent County Council, via its Sport and Physical Activity Service, has provided this support to top sports performers. Current recipients include; Skier, Millie Knight, Britain's youngest ever Winter Paralympian, Decathlete Martin Brockman who took part in the 2014 Commonwealth Games, Paralympians and London 2012 Table Tennis medallists Will Bayley and Ross Wilson along with Jake Sheaf (Beach Volleyball) and Jodie Cowie (Synchronised Swimming) who have recently been selected to represent Team GB in the inaugural European Games in Baku, Azerbaijan in June.

Those receiving funding this year are:

Ashford

Claire Harvey – Sitting Volleyball / Athletics
Candy Hawkins – Athletics
Matthew Blandford – Athletics
Nicholas Smelt – Wheelchair Tennis
Jodie Cowie – Synchronised Swimming
Ross Banham - Sailing

Canterbury

Millie Knight – Alpine Skiing
Rebecca Weston – Athletics
Nick Beaumont - Fencing

Dartford

Emma Kent – Equestrian
Jake Sheaf – Volleyball
Kate Curran – Triathlon
Hayley Ward - Boxing

Dover

Alex Clay – Athletics

Maidstone

Martin Brockman – Athletics
James Hall – Gymnastics
Courtney Tulloch – Gymnastics
Peter Bannister – Kayaking

Alessia Russo – Football
Kelsie Gibson – Rowing
James Evans – Squash

Sevenoaks

Thomas Bosworth – Athletics
Timothy Grant – Rowing
Megan Lewis – Basketball
Francesca Desmond – Netball
Daniel Tulett – Cycling
Rory Easton - Badminton

Shepway

Ellie Gooding – Athletics
Megan Wood – Wheelchair Basketball
Grace Walker - Waterpolo

Swale

Ross Wilson – Table Tennis
Sean Molloy – Athletics
Freya Harrild – Judo
Matthew Emmerson – Paratriathlon
Tazmin Bricknell – Rugby Union

Thanet

Ben Pond – Modern Pentathlon

Tonbridge & Malling

Daniel Lawrence – Table Tennis
Luke Savill – Table Tennis
Helshan Weerasinghe – Table Tennis
Jemima Yeats-Brown – Judo
David Coleman – Bobsleigh
India Prescott - Lacrosse

Tunbridge Wells

Will Bayley – Table Tennis
James Martin – Judo

Barbara Cooper, Corporate Director for Growth, Environment and Transport at KCC stated:

“I am delighted that we are able to support a number of Kent’s talented sports performers with targeted grants and hope that this support will assist them in their future ambitions to be successful at world level. London 2012 was inspirational to so many people; we hope that many Kent athletes will feature on the International stage this year in the lead up to qualification for the Olympic and Paralympic Games in Rio next year”.

For further information on Kent’s Talented Performers who have potential to achieve at Rio 2016 and future international competitions please visit:

www.kentsport.org/talent

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From: Peter Sass, Head of Democratic Services

To: Growth, Economic Development and Communities Cabinet Committee – 7 July 2015

Subject: **Work Programme 2015**

Classification: **Unrestricted**

Past Pathway of Paper: Growth, Economic Development and Communities Cabinet Committee meeting – 20 May 2015

Future Pathway of Paper: Standard agenda item

Summary: This report gives details of the proposed work programme for the Growth, Economic Development and Communities Cabinet Committee.

Recommendation: The Growth, Economic Development and Communities Cabinet Committee is asked to consider and agree its Work Programme for 2015.

1. Introduction

- 1.1 The proposed Work Programme, appended to the report, has been compiled from items in the Future Executive Decision List and from actions arising and from topics identified at the agenda setting meetings, held 6 weeks before a Cabinet Committee meeting in accordance with the Constitution, by the Chairman, Mr Wickham, Mr Holden, Vice Chairman and 3 Group Spokesmen, Mr Clarke, Mr Truelove and Mr Baldock.
- 1.2 Whilst the Chairman, in consultation with the Cabinet Member, are responsible for the programme's fine tuning, this item gives all Members of this Cabinet Committee the opportunity to suggest amendments and additional agenda items where appropriate.

2. Terms of Reference

- 2.1 At its meeting held on 27 March 2014, the County Council agreed the following terms of reference for the Growth, Economic Development and Communities Cabinet Committee '*To be responsible for those functions that fall within the responsibilities of the Director of Economic Development as well as some functions transferred from the former Communities Directorate and now located within the Growth, Environment and Transport Directorate*'. The functions within the remit of this Cabinet Committee are:

Economic Development

Economic & Spatial Development

Strategy & Development

International Affairs

Regeneration Projects including Grant and Loan schemes and other 'bid for funded' projects

LEP reporting and monitoring

Kent Film Office

Communities

Arts

Sport

Libraries

Registration and Archives

Volunteering

Big Society

3. Work Programme 2015

- 3.1 The proposed Work Programme has been compiled from items in the Future Executive Decision List and from actions arising and from topics, within the remit of the functions, listed in paragraph 2.1 above, of this Cabinet Committee, identified at the agenda setting meetings [Agenda setting meetings are held 6 weeks before a Cabinet Committee meeting in accordance with the Constitution]. The attendees of the agenda setting meetings are; Mr Wickham, (Chairman), Mr Holden, (Vice Chairman) and 3 Group Spokesmen, Mr Clarke, Mr Truelove, Mr Baldock; and Mr Dance (Cabinet Member for Economic Development) and Mr Hill (Cabinet Member for Community Services).
- 3.2 An agenda setting meeting was held on 26 May 2015, when Mr Wickham, Mr Holden, Mr Dance and Mr Hill were present when items for this meeting's agenda and future agenda items were agreed. The Cabinet Committee is requested to consider and note the items within the proposed Work Programme, set out in appendix A to this report, and to suggest any additional topics to be considered at future meetings where appropriate.
- 3.3 Future agenda setting meetings are scheduled to be held on Friday, 31 July 2015 and Tuesday, 13 October 2015.
- 3.4 When selecting future items the Cabinet Committee should give consideration to the contents of performance monitoring reports. Any 'for information' items will be sent to Members of the Cabinet Committee separately to the agenda and will not be discussed at the Cabinet Committee meetings.

4. Conclusion

- 4.1 It is vital for the Cabinet Committee process that the Committee takes ownership of its work programme to deliver informed and considered decisions. A regular report will be submitted to each meeting of the Cabinet Committee to give updates of requested topics and to seek suggestions for future items to be considered. This does not preclude Members making requests to the Chairman or the Democratic Services Officer between meetings for consideration.

5. Recommendation: The Growth, Economic Development and Communities Cabinet Committee is asked to consider and agree its work programme for 2015.

6. Background Documents

None.

7. Contact details

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GROWTH, ECONOMIC DEVELOPMENT AND COMMUNITIES CABINET COMMITTEE
WORK PROGRAMME 2014/2015

(Members agreed that the number of jobs, being created through the work being undertaken in the reports presented to the Cabinet Committee, should appear at the top of each report where appropriate)

FORTHCOMING EXECUTIVE DECISIONS		
Decision	Decision Maker	Lead officer
Discovery Park Enterprise Zone, Sandwich. Growing Places Fund investment Decision Number: 13/00034	Cabinet Member for Economic Development	Ross Gill, Economic Policy and Strategy Manager Tel: 01622 691131 e-mail: ross.gill@kent.gov.uk

STANDARD AGENDA ITEMS	
Item	Cabinet Committee to receive item
Verbal updates by the Directors and Cabinet Members	At each meeting
Portfolio Dashboard	At each meeting
Budget Consultation	Annually (November/December)
Final Draft Budget	Annually (January)
Annual Equality and Diversity Report	Annually (September)
Work Programme	At each Meeting

PROPOSED FUTURE ITEMS		
Agenda Item	Date requested	Cabinet Committee meeting
Paramount Theme Park project on Swanscombe Peninsular	29/07/2013	Regular updates
Shipping in Kent Ports –(Marine diesel) <i>Request by the Cabinet Member</i>		Part of Cabinet Members verbal update in Jan 2015
Ebbsfleet	14/10/2014 agenda setting meeting	tba
Urban Development Corporation	14/10/2014 agenda setting meeting	tba
Support for Start Ups and Entrepreneurs	14/10/2014 agenda setting meeting	tba
2020 Business Show	14/10/2014 agenda setting meeting	Members to be advise of date and time of show
Manston Airport	14/10/2014 agenda setting meeting	Regular updates
PRESENTATIONS		
Thanet Seafront	14/10/2014 agenda setting meeting	tba
Paramount Theme Park project on Swanscombe Peninsular	14/10/2014 agenda setting meeting	In 2015
VISITS		
VISIT: TIGER and Escalate - <i>Request by Chairman</i>	11/12/2013	Jacqui Ward to organise visits before 2 December 2014 meeting
VISITS: To Businesses in East Kent with the Investment Advisory Board	11/12/2013	tba
VISIT: Discovery Park	14/10/2014 agenda setting	David Smith to organise

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GROWTH, ECONOMIC DEVELOPMENT AND COMMUNITIES CABINET COMMITTEE
WORK PROGRAMME 2015

(Members agreed that the number of jobs being created through the work being undertaken in the reports presented to the Cabinet Committee should appear at the top of each report where appropriate)

FORTHCOMING EXECUTIVE DECISIONS		
Decision	Decision Taker	Lead officer
Library Services in Sandgate POSSIBLY Sept 2015	Cabinet Member for Community Services	Cath Anley Libraries Registration and Archives
Herne Bay Gateway - temporary relocation of library services POSSIBLY Sept 2015	Cabinet Member for Community Services	Jonathan White Projects & Operations Manager
STANDARD AGENDA ITEMS		
Item	Cabinet Committee to receive item	
Verbal updates by the relevant Cabinet Members and Directors	At each meeting	
Portfolio Dashboard	At each meeting	
Budget Consultation	Annually (November/December)	
Final Draft Budget	Annually (January)	
Annual Equality and Diversity Report	Annually (September)	
Risk Register – Strategic Risk Register	Annually (went in April 2015)	
Directorate Business Plan	April	
Work Programme	At each Meeting	

GEDC Cabinet Committee Meeting Dates 2015: Thursday, 22 January
 Tuesday, 14 April
 Wednesday, 20 May
 Tuesday, 7 July
 Tuesday, 15 September
 Tuesday, 1 December

PROPOSED FUTURE AGENDAITEMS

Agenda Item	Date requested	Cabinet Committee meeting
Paramount Theme Park project on Swanscombe Peninsula	29/07/2013	Regular updates
Ebbsfleet Garden City UDC Master Plan	14/10/2014 at agenda setting meeting	tba
Support for Start Ups and Entrepreneurs	14/10/2014 at agenda setting meeting	verbal update in July 2015 report in September 2015
Manston Site (Invite Paul Barber)	14/10/2014 at agenda setting meeting	verbal update in July 2015 report in September 2015
Kent and Medway Draft Growth and Infrastructure Plan	22/01/2015	7 July
A report on Kent Life Science Network – Paul Wookey	22/01/2015	verbal update in July 2015 report in September 2015
Tunbridge Wells Cultural Hub (a key decision)	31/3/15	7 July 2015
regular updates on progress of new LEP arrangements	at 14/4/2015 mtg	tba
Stage Set Build project	at 26/5/15 agenda setting	September 2015
Libraries, Registration and Archives Service specification (relating to internal commissioning of LRA services)		September 2015
Big Society Fund update		September 2015
Stage Set (relating to Kent Film Office)		tba
LEP – future resource implications for KCC (needs to be confirmed with Mark Dance)		tba

PRESENTATIONS

Topic	Date requested	Cabinet Committee meeting
Thanet Seafront	14/10/2014	tba Update to include Dreamland Paper + possible presentation
The current position with sports education in our Secondary Schools, looking at participation but also competitive activity, the opportunities for excellence and working with sports bodies and professional sport. Requested by Mr Truelove	3/12/2014	1 st presentation by Canterbury Christchurch - 14 April 2015 meeting (Education and Young People's Services Directorate to be included in this – Stephanie Holt and Chris Metherell)
Kent Universities to be invited to present how they are facilitating and encouraging economic development in Kent. The discussion would include current programs and planned initiatives along with consideration specific challenges faced. Requested by Mr Clark (link includes some high level case studies https://www.gov.uk/government/speeches/contribution-of-uk-universities-to-national-and-local-economic-growth)	4/12/2014	Dave Hughes liaising with Universities ongoing programme – next one 15 September 2015
Kent Universities to be invited to present on sports arts etc	4/12/2014	tba
Presentations on the 4 District Deals	22/01/2015	tba

VISITS

VISIT: TIGER and Escalate - <i>Request by Chairman</i>	11/12/2013	Jacqui Ward to organise ½ day visits 10.00 am - 2.00 pm
VISIT: Discovery Park	14/10/2015	David Smith to organise
Visit to be arranged to the regeneration sites in Margate	22/01/2015	tba

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From: Mike Hill – Cabinet Member for Community Services
Barbara Cooper – Corporate Director for Growth,
Environment and Transport

To: Growth, Economic Development & Communities Cabinet
Committee – 7th July 2015

Subject: 15/00048 - Protocol for National Illegal Money Lending Team

Classification: **Unrestricted**

FOR INFORMATION ONLY

Summary: The attached decision was taken between meetings in accordance with the process in Appendix 4 Part 6, paragraph 6.18 (b) to (d) of the Constitution as it could not reasonably be deferred to the next programmed meeting of the Growth, Economic Development and Cabinet Committee for the reason set out below.

(1) In accordance with the new governance arrangements, all significant or Key Decisions must be listed in the Forward Plan of Key Decisions and should be submitted to the relevant Cabinet Committee for endorsement or recommendation prior to the decision being taken by the Cabinet Member or Cabinet.

(2) For the reason set out below it has not been possible for this decision to be discussed by the Cabinet Committee prior to it being taken by the Cabinet Member or Cabinet. Therefore, in accordance with process set out in Appendix 4 Part 6, paragraph 6.18 (b) to (d) of the of the Constitution, the Chairman and Group Spokespersons for this Cabinet Committee were consulted prior to the decision being taken and their views were recorded on the Record of Decision. After the decision was taken, it was published to all Members of this Cabinet Committee and the Scrutiny Committee.

(3) Since 2011, KCC has had a protocol with Birmingham City Council delegating Birmingham Trading Standards to provide a national, specialist resource to investigate illegal money lending across England. Changes in legislation have required a new delegation to be agreed to ensure the correct protocols were in place for active investigations in Kent and therefore Decision number 15/00048 – Protocol for National Illegal Money Lending Scheme to authorise Birmingham City Council to investigate and institute proceedings against illegal money lenders operating within the Kent County Council area was taken.

2. Recommendation: That Decision Number 15/00048 - Protocol for National Illegal Money Lending Team taken in accordance with the process in Appendix 4 Part 6 of the Constitution be noted.

Background documents:

None

Contact details:

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Growth, Environment and Transport
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From: Mike Overbeke – Head of Public Protection
To: Mike Hill – Cabinet Member for Community Services
Subject: 15/00048 - Protocol for National Illegal Money Lending Team

Key Decision; Affects more than 2 Electoral Divisions

Classification: **Unrestricted**

Past Pathway of Paper: None

Future Pathway of Paper: Cabinet Member Decision

Electoral Division: All

Summary

This report seeks approval for Kent County Council to authorise Birmingham City Council to investigate and institute proceedings against illegal money lenders operating within the Kent County Council area.

Recommendations:

The Cabinet Member for Community Services is asked: to:

1. agree the delegation of the function of the enforcement of Part III of the Consumer Credit Act 1974 and the enabling provisions within the Financial Services Act 2012 in respect of matters concerned with the Financial Services and Markets Act 2000 be carried out in Kent by Birmingham City Council and delegate the power of prosecution to Birmingham City Council for any matters associated with or discovered during an investigation by the illegal money lending team; and,
2. agree that the attached “Protocol for Illegal Money Lending Team Investigations” be agreed and authority be delegated to the Head of Trading Standards to enter into the agreement on behalf of Kent County Council and approve minor alterations if required.

1. Background

- 1.1 The primary legislation governing the consumer credit industry is the Consumer Credit Act 1974 and the Financial Services Act 2012 in respect of matters concerned with the Financial Services and Markets Act 2000. Trading Standards enforces this in each Local Authority area. The Act is based on a licensing system and all consumer credit and consumer hire businesses operating in the UK (with certain exemptions) must possess an appropriate licence issued by the Financial Conduct Authority (FCA). The FCA must be satisfied that an applicant for a Consumer Credit Licence is a fit and proper person before issuing that person with a licence to trade.

- 1.2 To operate a consumer credit business without being licensed is a criminal offence and carries a maximum penalty of £5,000 and/or up to two years imprisonment. Licences can be revoked where it can be established that the licensee has acted inappropriately. Warnings and conditions can be added to the licence where necessary. Illegal money lending covers a range of activities, from persons that are actually licensed but are acting unlawfully, to the extreme of a person offering cash loans without being licensed at all (Loan Sharks). Loan Shark activity is characterised by deliberate criminal fraud and theft, with extortionate rates of interest on loans that mean borrowers face demands for payment of thousands of pounds more than they borrowed and can often never pay off the loans. Borrowers who fail to pay or refuse to pay are subject to intimidation, theft, forced prostitution and other, extreme physical violence.
- 1.3 An Illegal Money Lending Team was established within Birmingham Trading Standards as a pilot project in England, one of only two in Great Britain; the other pilot area being Glasgow – covering Scotland. The remit of the team is to investigate illegal money lending activity, establish if a problem exists and, if so, bring to justice those persons carrying on this activity. The team is made up of highly experienced investigators with a broad range of backgrounds and investigative skills.
- 1.4 Research, funded by the Department of Business Innovation and Skills (BIS) and using information gathered by the Birmingham pilot project, has been published which identifies the extent of this type of activity as well as the reasons that people use illegal money lenders. Funding for the project is provided from the Financial Inclusion Fund administered by the Treasury and managed by the National Trading Standards Board (NTSB).
- 1.5 The England team is hosted by Birmingham City Council and continues to provide a resource to investigate illegal money lending across England.
- 1.6 Birmingham was chosen to lead the new England team due to the efficiencies associated with having just one national team. The team, although it is based in Birmingham, continues to operate the “parachute in and out model”, with a local presence through regional officers, this being the recommended option by the recent research commissioned through Policis.
- 1.7 The benefit that this team can bring to Kent is significant. KCC Trading Standards, like most local authorities, is not able to provide the level of specialist resource to provide this function. This is an excellent example of how sharing resources on specific issues can bring benefits otherwise unavailable in providing support to vulnerable consumers and tackling rogues. KCC has been part of this project since a protocol was signed in 2011. This has now expired and changes to the law since that date require a new delegation at this time.

2. Key Statistics

- 2.1 Key statistics for the national project up to March 2015:

- Written off over £64 million of illegal debts (money victims would have paid back to illegal lenders if the IMLS had not acted)
- Taken over 325 prosecutions.
- Secured prison sentencing totalling over 214 years and also one sentence of indefinite length.
- Assisted over 25 thousand victims, including showing them other sources of financial support.
- Trained over 24 thousand front line staff to spot the signs of illegal lenders.

2.2 In addition to exceeding the expectations of the Government the project has also achieved significant added value, including partnership working with the Police, the Department of Work and Pensions, Post Office Counter Fraud Unit, H M Revenue and Customs to facilitate a coordinated approach to tackling crime and disorder.

3. Objectives of the Project

3.1 **Objective 1** - To obtain a clear understanding of the scale and impact of illegal money lending as well as learning lessons on the best way to enforce.

3.1.1 The evidence so far indicates that illegal moneylenders are widespread and prevalent. They operate in areas that have a high proportion of rented accommodation and target the most vulnerable members of society. High rise flats are common premises targeted by loan sharks as legitimate lenders do not lend to people residing in this type of accommodation due to the health and safety risks for their collectors.

3.1.2 Evidence shows illegal moneylenders vary from those who lend £10 over a few days and demand £12 on repayment, to those who provide substantial loans to those looking to set up businesses. Interest rates range from 100% up to 117,000% APR in some instances.

3.1.3 Information gathered so far suggests that illegal money lending is being operated across all sectors of the community. The majority of people using moneylenders are in receipt of income support or benefits and are introduced through word of mouth. However evidence also suggests that money lenders operate within the wider community and the pilot has identified illegal money lending within the business community. In many of the investigations it has been established that the moneylenders resort to intimidation and violence in order to secure payment. Other common traits include: adding indiscriminate charges, targeting single mothers and introducing payment through sexual favours.

3.1.4 Moneylenders often use victims of money lending to assist them with maintaining their criminal lifestyle and anonymity, for example illegal money lenders' vehicles are often registered at a clients' address.

3.1.5 There is also anecdotal evidence which suggests that illegal moneylenders have an impact on the wider community in which they operate, with victims resorting to petty crime to enable them to meet payments. Reducing the

activities of illegal moneylenders or removing them altogether may therefore help to reduce levels of other criminal activity within a community.

3.1.6 With regard to enforcement activity the investigation of illegal money lending has proven to be very resource intensive. Target individuals need to be observed and monitored to determine their activity, to identify them and if possible establish their address. A significant proportion of targets are also what are termed “life style criminals”, which means that evidence of other illegal activity can surface during the course of an investigation. This may not only involve other agencies but can also extend the life of an investigation, thereby adding to the pressure on resources.

3.2 **Objective 2** - To create a climate where victims can come forward – confident that prosecutions will be undertaken, and convictions obtained, without fear of reprisals.

3.2.1 Effective branding and publicity of the pilot project has meant extensive promotion of the aims of the project and work of the team, within both the local and wider community. Evidence suggests that this has been achieved because it can be evidenced that victims are willing to contact the hotlines, and to provide further evidence to help achieve prosecutions.

3.2.2 The team has used injunctions, backed by the power of arrest under the Anti-Social Behaviour Act 2003, to remove lenders from their area of operation. Injunctions are reinforced with an agreement from the local police to flag the matter on their system and respond immediately if they receive a call from one of the victims.

3.3 **Objective 3** – To change the perception amongst those lending that illegal money lending is rarely prosecuted.

3.3.1 A proactive media campaign is ongoing in those areas that have successfully targeted criminals. Engaging the media promotes the work of the team and raises public awareness.

3.4 **Objective 4** – To develop ways of replacing the removed lenders with more support for their victims.

3.4.1 The Illegal Money Lending Team will help victims of illegal moneylenders with practical help and support through and in conjunction with the services of local Debt Advice Teams and the National Debtline. It has been noted that victims often need more than simple money advice and so face-to-face advice is considered the most helpful way forward and is the route normally adopted.

3.4.2 Links are also established with credit unions and their associations and where practicable these agencies are also called upon to provide help and advice. The Illegal Money Lending Team offers money management to all victims of moneylenders who contact them for advice and assistance. Partnership working in this area is recognised as being essential in this area of service provision. This will be the key role of the LIAISE officers (Leads in awareness, intelligence, support and education).

4. Delegation

- 4.1 In order to expand the scheme into Kent, Birmingham City Council requires formal delegation of functions to carry out the investigations etc under the Act and to prosecute any matters in the area.
- 4.2 It is proposed that the delegation will continue until 31st March 2018 with a view to extending the arrangement if successful.
- 4.3 In order to ensure clarity in respect of the operation of these arrangements, the attached draft protocol (appendix 1) sets out the processes and practices to enable Birmingham City Council and its officer to undertake investigations and legal procedures.
- 4.4 This delegation does not prevent Kent County Council Trading Standards from undertaking the function.

5. Resource Implications

- 5.1.1 There are no financial implications for Kent County Council as a result of this proposal. All major costs will be funded by the Treasury. Incidental costs in providing a work base for officers operating in Kent will be contained within the Trading Standards budget.

6. Legal Considerations

- 6.1 By virtue of Section 161 of the Consumer Credit Act 1974, it is the duty of each local weights and measures authority to enforce the provisions of the Act within their local authority boundary. Kent County Council is a Local Weights & Measures Authority. This is an executive function for the purposes of the Local Government Act 2000 and the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 and therefore it is necessary to formally delegate this function to Birmingham City Council under Section 13 and 19 of the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2000. Birmingham City Council is also required to formally accept the delegation.
- 6.2 Any prosecutions will be undertaken by Birmingham City Council with no liability for costs to Kent County Council.

7. Section 17 – Crime and Disorder Act

- 7.1 Illegal moneylenders invariably target low-income households and the most vulnerable members of society. This can mean that their activities have disproportionate implications for the more deprived areas and action taken against them therefore supports the policy priorities associated with crime and disorder and protecting the more vulnerable members of the community.
- 7.2 Illegal money lending has a serious detrimental effect on both individuals and the community. Tackling the root causes and providing legitimate alternative

sources of credit will contribute to reducing stress and pressures on many individuals and communities.

- 7.3 Marginalising rogue traders creates an environment which supports and encourages legitimate credit providers and reduces the fear of crime.

8. Equal Opportunities

- 8.1 It is often the poorer and more vulnerable members of society who become victims of illegal moneylenders and find it difficult to access appropriate support and help.

9. Risk Implications/Assessment

- 9.1 The risk to adopting this partnership approach by providing delegated powers is assessed as low. The approach removes any risk to future funding of this work as the officers will be employed by another local authority and any costs associated with enforcement and prosecution will be borne by that authority.

10. Alternative Options

- 10.1 There are no other viable options as the national funding is provided on the basis of the service being provided by the Birmingham team.

11. Conclusion

- 11.1 This proposal, if agreed, will add to the County Council's resources and will enable Kent County Council Trading Standards to continue to have access to a team of highly trained experts from the IMLT.
- 11.2 This area of law enforcement requires specialist resource, expertise, techniques and facilities which Kent County Council Trading Standards would not otherwise have access to. Members of the IMLT include officers with high-level training and expertise in surveillance techniques as well as security operations. The team includes, amongst others, ex-police officers and security services personnel.
- 11.3 The recommendations will support performance of the Authority's duty in relation to enforcement of the provisions of the Consumer Credit Act 1974 and the Financial Services Act 2012 in respect of matters concerned with the Financial Services and Markets Act 2000.

12. Recommendations:

The Cabinet Member for Community Services is asked to agree:

- 12.1 That the function of the enforcement of Part III of the Consumer Credit Act 1974 and the enabling provisions within the Financial Services Act 2012 in respect of matters concerned with the Financial Services and Markets Act 2000 be carried out in Kent by Birmingham City Council and delegate the

powers of enforcement and prosecution to Birmingham City Council for any matters associated with or discovered during an investigation by the illegal money lending team.

- 12.2 That the attached “Protocol for Illegal Money Lending Team Investigations” be agreed and authority be delegated to the Head of Trading Standards to enter into the agreement on behalf of Kent County Council and approve minor alterations if required.

13. Contact details

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DEPARTMENT FOR BUSINESS INNOVATION AND SKILLS (BIS)
ENGLAND ILLEGAL MONEY LENDING PROJECT

PROTOCOL FOR ENGLAND ILLEGAL MONEY LENDING SECTION
INVESTIGATIONS

Interpretation

For the purposes of this Protocol –

“**BCC**” means Birmingham City Council

“**KCC**” means Kent County Council Trading Standards

“**IMLS**” means the Illegal Money Lending Section

“**Delegated Power**” means the discharge of the function of the Enforcement of the Consumer Credit Act 1974, the enabling provisions within the Financial Services Act 2012 in respect of matters concerned with the Financial Services and Markets Act 2000 granted to BCC by KCC in pursuance of section 101 and 222 of the Local Government Act 1972, Regulation 7 of the Local Authorities (Arrangements for Discharge of Functions) (England) Regulations 2012, sections 13 to 19 of the Local Government Act 2000 and any other legislation enabling the discharge

“**Commencement Date**” means the date the Delegated Power is granted

“**Term**” means from the date of signing of this protocol to 31st March 2018

“**Birmingham Trading Standards**” means Regulatory Services of BCC

“**Kent County Council Contact Officer (KCCCO)**” means the relevant person appointed by the Head of Trading Standards of KCC to liaise with the Head of Illegal Money Lending Section on matters relating to and in connection with the Illegal Money Lending Project

“**Appropriate Contact Officer**” means The Director of Regulation and Enforcement or the Head of Illegal Money Lending of Birmingham Regulation and Enforcement or any person nominated by the Council or authorised by them

1. Application

1.1 This Protocol applies to the DBIS / NTSB / HM Treasury funded 'Illegal Money Lending Project' and covers the following issues:-

- The conduct of investigations and associated working practices for the IMLS officers when conducting investigations or operating in Kent County Council
- The mechanisms whereby Kent County Council is updated on the progress of the project and any significant issue relating thereto.
- The exchange of intelligence and information between the IMLS and KCC.
- The institution of legal proceedings.

2. Protocol

2.1 The purpose of this protocol is to facilitate the delegation of powers to BCC and officers employed within BCC's IMLS to enforce the provisions of the Consumer Credit Act 1974, to include matters in respect of the Financial Services and Markets Act 2000 within the area of Kent County Council. The protocol encourages the exchange of information and a working partnership approach between BCC and KCC in relation to the Consumer Credit Act 1974.

2.2 This Protocol will come into force on the Commencement Date and terminates at the end of the Term.

2.3 Notwithstanding the terms and conditions of this Protocol, this Protocol does not prejudice the right of KCC to withdraw the Delegated Power at any time during the Term. However KCC undertakes not to withdraw the Delegated Power unless it considers there is good reason to do so. The Delegated Power is not to be unreasonably withdrawn by KCC.

3. The IMLS

3.1 It is recognised that officers in the IMLS will need authority to initiate and/or undertake investigations and/or the prosecution of potential offences falling within the scope of the 'Illegal Money Lending Project' where such potential offences fall entirely outside of the BCC boundaries. This protocol and also the Delegated Power is deemed to provide such authority to BCC and its officers regarding all matters.

3.2 The IMLS will comprise of a Head of Service and up to 55 staff directly employed by BCC. The Head of Illegal Money Lending Section will be responsible for the day-to-day operation and supervision of the IMLS.

3.3 The Head of Illegal Money Lending Section will report directly to the Director of Regulation and Enforcement or nominated officer as appropriate.

- 3.4 The Head of the Illegal Money Lending Section BCC will, when required, provide quarterly progress reports, from the Commencement Date, to the Head of (Trading Standards) of KCC giving details of investigations, (unless there is a significant risk that any such disclosure may jeopardise an investigation, such a decision is within the discretion of the Director of Regulation and Enforcement or Head of Trading Standards BCC) prosecutions being pursued or concluded and developments concerning or affecting the Illegal Money Lending Project in Kent County.
- 3.5 It is recognised that after Delegated Power is granted to BCC, all decisions concerning the pursuance of relevant investigations, decisions to prosecute and the laying of charges and/or information on such relevant matters within Kent County, shall be taken by BCC and in accordance with the relevant Code for Crown Prosecutors and BCC's Enforcement Policy.

4. Working Arrangements in the Kent County Council Area

- 4.1 KCC will designate and appoint a Kent County Council Contact Officer (KCCCO).
- 4.2 The Head of Illegal Money Lending Section will at any time the Head of Illegal Money Lending Section considers necessary and prudent, or at the request of the KCCCO, brief the KCCCO on any intelligence gathered, any progress made on investigations and/or prosecutions pending or otherwise, relating to or affecting Kent County and/or its residents.
- 4.3 Further to Clause 4.2 above, all reasonable steps will be taken by the Head of Illegal Money Lending Section to keep the KCCCO updated on the progress of investigations and enquiries being carried out in Kent County and any changes made or introduced by Government concerning the 'Illegal Money Lending Project'. It is incumbent on the Head of Illegal Money Lending Section to maintain regular dialogue/communication with the KCCCO.
- 4.4 The IMLS will have regular contact with the Police and other Government agencies. The Head of Illegal Money Lending Section will consult the KCCCO to identify any local arrangements, investigations and protocols before any investigation is commenced in pursuance of the 'Illegal Money Lending Project'. Wherever possible, the Head of Illegal Money Lending Section will actively involve the KCCCO and seek to develop close links between those agencies and BCC.
- 4.5 The Head of Illegal Money Lending Section will as soon as reasonably practicably inform the KCCCO of the outcome of any concluded prosecution proceedings conducted within Kent County.
- 4.6 BCC, where possible, will consult with KCC in good time before issuing any press release concerning any prosecution pursued by BCC pursuant to this Protocol.

- 4.7 Any contact with local government bodies, other police forces, credit unions or similar organisations that may be locally funded or may involve local sensitivities will be agreed with the KCCCO in advance. Upon being notified of an intention to contact such a body, Kent County Council Trading Standards may arrange for one of their own officers to accompany the relevant officer of the IMLS on any visit.
- 4.8 Where the Head of Illegal Money Lending Section and the Head of Trading Standards of Kent County Council agree that an officer or officers of Kent County Council Trading Standards will be actively involved in an investigation, that officer will remain an employee of KCC but for the purpose of that investigation, will come under the control of the IMLS team manager. Such agreement will be subject to the Head of Illegal Money Lending Section being satisfied that the officer's or officers' participation will not compromise any investigation or endanger any member of the IMLT, supporting staff or witnesses, that the officer has the appropriate training and experience to undertake the task; and upon any other terms that the Head of Illegal Money Lending Section and the Head of Trading Standards of Kent County Council consider necessary and/or appropriate.
- 4.9 Unless there is prior agreement with the Head of Illegal Money Lending Section for assistance in an investigation, which is accompanied by an official purchase order from BCC, no reimbursement will be made for time spent on activities supporting the 'Illegal Money Lending Project' or expenditure incurred by any KCC officer.
- 4.10 The exercise by BCC of these arrangements shall be at no cost to KCC
- 4.11 BCC shall have an Appropriate Contact Officer.
- 4.12 In the absence of the IMLS Head of Service, the role, duties, and responsibilities of the Head of Illegal Money Lending Section shall be discharged and carried out by the other Appropriate Contact Officers as nominated.

5. Referral of Information/Intelligence to the Project Team

- 5.1 It is recognised that the IMLS will rely on receiving information about Illegal Money Lender activities.
- 5.2 KCC will endeavour to provide as much relevant information and intelligence as reasonably and practicably possible to the IMLS concerning any investigation being carried out within Kent County having regard to any statutory limitations/restrictions.
- 5.3 Information and intelligence will be provided by the KCCCO to the Head of Illegal Money Lending Section or a person designated by him/her.

- 5.4 BCC IMLS will not, as a matter of routine, investigate individual complaints received concerning alleged Illegal Money Lender activities. However, such complaints may be used by the IMLS as a source of intelligence.
- 5.5 BCC, IMLS and KCC agree to process personal data only in accordance with the requirements of the Data Protection Act 1998 and to disclose information only in accordance with the requirements of the Enterprise Act 2002.

6. Conduct and Control of Investigations

- 6.1 The conduct and control of all investigations undertaken and prosecutions by the IMLS in Kent County will be the responsibility of BCC. Investigations will be undertaken in line with the BCC's published Enforcement Policy and subject to the policies and procedures approved and adopted by Birmingham Trading Standards.
- 6.2 BCC will be responsible for all aspects of the investigations and responsibilities under the Criminal Procedure and Investigations Act 1996, Regulation of Investigatory Powers Act 2000, the Data Protection Act 1998, the Freedom of Information Act 2000 and the Enterprise Act 2002.
- 6.3 BCC will be solely responsible for the Health and Safety of IMLS officers and any other officer or person within the direct management of the IMLS providing support and assistance in any investigation undertaken by the IMLT.
- 6.4 Where breaches of Part III of the Consumer Credit Act 1974 are identified, action will be taken in accordance with the enforcement policy and procedures adopted by Birmingham Trading Standards.
- 6.5 When the Head of Service, IMLS BCC, recommends a prosecution under Part III of the Consumer Credit Act 1974, if required, KCC will be provided with a copy of the relevant prosecution file, which will consist of a detailed case summary, schedule of issues, aggravating and mitigating factors, reasons justifying prosecution and any other material fact that KCC ought reasonably to be aware of. KCC will be invited to communicate any comments it considers appropriate and necessary concerning the intended prosecution to the Director of Regulation and Enforcement, the informant for BCC. Such comments will be given due attention and consideration by the informant for BCC.

7. Responsibilities and Actions of the Authorities

- 7.1 BCC shall be liable for the actions and competence of the persons employed within the IMLS and shall ensure that the IMLS shall comply with all legislative requirements and take all reasonable steps to ensure any actions taken are lawful and within the spirit of the protocol.
- 7.2 KCC shall be liable for the actions and competence of persons within its employ and shall take all reasonable steps to ensure the competence of those persons in

carrying out their functions and that they comply with legislative requirements and the spirit of this protocol.

- 7.3 Information / intelligence provided between BCC and KCC shall be used for the purpose intended and shall not be divulged to third parties unless to do so would be lawful and in pursuant of an investigation / enquiry subject to this protocol.
- 7.4 BCC and KCC endorse a joined up working approach to the enforcement of the Consumer Credit Act 1974. The partners will attempt to promote consistency in enforcement. However, this protocol does not attempt to restrict the powers of authorised officers of the IMLS or BCC from discharging their duties, as appropriate.

Commencement date: 1 March 2015

Signed

Kent County Council

Signed

Jacqui Kennedy
Director of Regulation and Enforcement
Birmingham City Council.