

## **Policy & Finance Committee - 7 April 2004**

---

Minutes of the meeting of the **Policy & Finance Committee** held on **7 April 2004** when there were present:-

Cllr P F A Webster (Chairman)  
Cllr Mrs M A Starke (Vice-Chairman)

Cllr J E Grey  
Cllr K H Hudson  
Cllr A J Humphries  
Cllr C A Hungate  
Cllr C J Lumley

Cllr J R F Mason  
Cllr P K Savill  
Cllr C G Seagers  
Cllr S P Smith  
Cllr D G Stansby

### **VISITING MEMBER**

Cllr M G B Starke

### **OFFICERS PRESENT**

P Warren - Chief Executive  
R Crofts - Corporate Director (Finance & External Services)  
D Deeks - Head of Financial Services  
S Clarkson - Head of Revenue and Housing Management  
C Nicholson - Solicitor  
J Bostock - Principal Committee Administrator

### **ALSO PRESENT**

A Davies, Managing Director of NetCUDA Limited and Director of Essex Savers Net Credit Union

Russ McLean of the STaR Partnership

### **164 MINUTES**

The Minutes of the meeting held on 9 March 2004 were approved as a correct record and signed by the Chairman.

### **165 PROGRESS ON DECISIONS**

The Committee received the Progress on Decisions Schedule. Outstanding issues would be carried forward.

### **166 ESSEX SAVERS NET CREDIT UNION**

The Committee welcomed Alison Davies, who was in attendance to present information on the Essex Savers Net Credit Union. A welcome was also extended to Russ McLean of the STaR Partnership who was able to relate working experience with Credit Unions.

The presentation covered the background and nature of Credit Unions and how a Credit Union might be developed and resourced within the Rochford District. During the presentation reference was made to the possibility that involvement with a Net Credit Union could assist the authority in endeavouring to reduce social isolation within the community.

Responding to questions, Alison Davies advised that:-

- The Essex Services Net Credit Union was at formation stage and had yet to develop a financial track record. Detailed information on financial plans/projected operating costs would be left for Members. It was anticipated that a dividend of approximately 2% would be payable in the first year.
- Any loans would represent a multiple of an individual's savings (two or three times initially). Loans could be up to a value of £10,000 although Unions frequently offered sums in the region of £80-£100. Approximately 6% of the population did not use traditional banking facilities and one in five could not obtain credit. General speaking, individuals needed to save for at least two months before they are able to be considered for a loan. Unions can accommodate individuals who have been refused credit by the banks.
- There is a legal requirement for Credit Unions to set a bad debt provision of 2%.
- Credit Unions do not automatically assume bad debts. All debts are pursued. Credit Unions had a good record on a debt in part because they were serviced locally.
- Money loaned out has been provided by savers with the Union.
- The Essex Savers Union was hoping to spread costs across the County via approaches to each District/Borough. Whilst Unions were traditionally staffed by volunteers the business plan for the Essex Savers Union included the appointment of some staff.
- Dividends are taxable.
- Credit Union loan facilities are not only for individuals who cannot obtain loans elsewhere. Unions look for individuals who are happily banked elsewhere to invest some money to support the Union for the community. Unions can help poorer members of the community access the type of facilities often taken for granted, such as the paying of utility bills by standing order.
- The Union had calculated that a figure of £½ million is required to cover infrastructure arrangements for the whole of Essex. It was envisaged that banking facilities would be available at a number of locations within

the community (libraries, church halls, etc). The Union worked in partnership with the Co-operative Bank.

Russ McLean referred to the value of Credit Unions in providing an alternative to "loan sharks" and associated problems. Whilst the quality of the service offered by Unions could vary, the key feature of the Essex Savers Union was that it had be modelled on Financial Services Authority recommendations. There was general support from Housing Associations to the Credit Union concept.

During debate, Members observed that a Union loan annual percentage rate of 12.7% was relatively high when compared with some unsecured loan facilities offered by high street banks/building societies. Reference was made to a change in bankruptcy arrangements that took affect on 1 April, whereby the period after which an individual could be discharged from bankruptcy was now less than 12 months. This change could, potentially, make it more difficult to collect bad debts and lead to well-meaning depositors losing out. It was observed that mutual sector organisations were experiencing problems coping with debt without access to capital markets. It was also observed that a Credit Union may be more likely to experience bad debt if the customer base comprised of many individuals with poor credit histories. It could be recognised that the type of facility offered by Credit Unions was well suited to localised arrangements able to demonstrate some local knowledge of customers.

The Committee concurred with the view of the Chairman that the question of setting up a Union would benefit from more in-depth review and it was:-

### **Resolved**

That the question of setting up a Credit Union partnership within the District be referred to the Finance and Procedures Overview and Scrutiny Committee for in-depth review. (HFS)

## **167 SHAPING THE FUTURE OF ESSEX - A COMMUNITY STRATEGY 2004-2024**

The Committee considered the report of the Chief Executive on the final draft of the Community Strategy for Essex.

### **Resolved**

That signing up to the Strategy as drafted be supported in principal, with the qualification that such support will need to be further assessed in the light of the detail emerging in the Action Plans. (CE)

### 168 CHILD PROTECTION POLICY

The Committee considered the report of the Corporate Director (Finance and External Services) on the corporate adoption of a Child Protection Policy.

During debate it was observed that the Council was associated with many events involving children and that it was important to regularly review the applicability of a child protection policy for all services areas. The Committee concurred with the view of a Member that it would be appropriate to receive details of the programme of staff training. It would also be of value to know the name of responsible person/s.

Responding to questions, the Corporate Director (Finance and External Services) confirmed that all staff involved with children were subject to Criminal Record Bureau checks and that the authority ensured all partner organisations had checks carried out for their own staff.

#### **Resolved**

That, subject to the programme of training for all affected staff being reported to this Committee, the Child Protection Policy currently used by the Council's Leisure Section be adopted as the Corporate Child Protection Policy for use by all relevant service areas. (CD(F&ES))

### 169 TIMETABLE OF MEETINGS 2004/05

The Committee considered the report of the Head of Administrative and Member Services on the adoption of a timetable of meetings for the 2004/05 Municipal Year.

#### **Recommended** to Council

That the timetable of meetings for 2004/05, as set out in the Appendix to the report, be adopted. (HAMS)

### 170 ROCHFORD RECEPTION

The Committee received the report of the Corporate Director (Finance and External Services) on decisions taken under delegated authority in respect of the procurement of the temporary reception facility at Rochford.

It was noted that, since report completion, officers had ascertained that a number of companies may offer an appropriate hire facility. In view of a need to progress arrangements it was:-

#### **Resolved**

That officers produce an outline tender specification to facilitate expressions of interest from suitable companies. (CD(F&ES))

### **EXCLUSION OF THE PRESS AND PUBLIC**

#### **Resolved**

That the press and public be excluded from the meeting for the remaining business on the grounds that exempt information as defined in paragraph 1 of Part 1 of Schedule 12(A) of the Local Government Act 1972 would be disclosed.

### **171 DECRIMINALISED PARKING ENFORCEMENT - STAFFING**

The Committee considered the exempt report of the Head of Revenue and Housing Management on staffing levels, responsibilities and grades for the successful running of decriminalised parking enforcement.

Responding to questions, the Head of Revenue and Housing Management confirmed that illegal parking in disabled bays would be covered by traffic regulation orders.

#### **Resolved**

That the staffing levels and grades outlined at Appendix 1 of the exempt report be implemented with effect from 1 August 2004 (1 October 2004 in the case of the TUPE transferred officer). (HRHM)

### **172 TENANT PARTICIPATION**

The Committee considered the exempt report of the Head of Revenue and Housing Management on the role, responsibilities and grade of a post.

#### **Resolved**

- (1) That the post identified in the exempt report be regraded from Scale 2-4 to Scale 6 with effect from 1 April 2004.
- (2) That the post be made full-time and the short-term nature of the appointment be deleted. (HRHM)

### **173 STAFFING MATTERS**

The Committee considered the exempt report of the Chief Executive on the current position regarding vacancies and long-term sickness absence within the Authority.

It was noted that, since report compilation, offers have been made in respect of four posts and that the Authority was awaiting signed contracts in respect of a further three.

## Policy & Finance Committee - 7 April 2004

---

A report on the issues associated with the recruitment and retention of staff within the Revenues and Benefit team was to be submitted to the Finance and Procedures Overview and Scrutiny Committee meeting on 21 April 2004.

### **Resolved**

That the current level of vacancies and long-term sickness absence, as set out in the exempt report, be noted.

The meeting closed at 9.03 pm.

Chairman .....

Date .....