

**MINUTES OF A MEETING OF THE ECONOMIC DEVELOPMENT,  
ENVIRONMENT & HIGHWAYS POLICY AND SCRUTINY COMMITTEE  
HELD AT COUNTY HALL, CHELMSFORD ON 17 JANUARY 2013**

**Present:**

Councillor S Walsh (Chairman)	Councillor D Kendall
Councillor B Aspinell	Councillor G McEwen
Councillor R Bass	Councillor L Mead
Councillor R Callender	Councillor C Pond
Councillor A Durcan	Councillor J Roberts
Councillor I Grundy	Councillor D Robinson
Councillor A Hedley	Councillor S Robinson
Councillor E Johnson	Councillor J Schofield

**1. Apologies and Substitution Notices**

The Committee Officer reported apologies for absence from Councillors G Mitchinson and M Skeels. An apology from Councillor B Aspinell was also reported for a late arrival.

**2. Minutes**

The Minutes of the Committee meeting held on 15 November 2012 were approved as a correct record and signed by the Chairman.

**3. Declarations of Interest**

With reference to Minute 4 – Financial Inclusion, Councillor R Bass declared a personal interest due to being a retired bank executive.

**4. Scrutiny Report on Financial Inclusion**

The Committee considered report EDEH/01/13 presenting the final scrutiny report of the Financial Inclusion Task and Finish Group with 17 recommendations.

Councillor Ian Grundy, as the Chairman of the Task and Finish Group, introduced the work of the Group and its approach to the review. He explained that financial inclusion was a huge topic that touched upon many issues beyond the control of the County Council as well as affecting many of its services. The Group had chosen to focus its report on those areas where the Council could have some effect or influence.

Individual Group Members introduced the recommendations in sections, and addressed questions from their Committee colleagues.

Finding a home for Financial Inclusion - Councillor Kendall introduced Recommendations 1-6.

- In response to general discussion, Councillor Grundy drew attention to the Executive Summary set out in the scrutiny report and the section entitled 'The Issue' setting out what is meant by Financial Inclusion and Financial Exclusion.
- The Committee was advised that Village Agents project is currently established in Mid Essex with County Council funding up to 2013 after which there is no guarantee of further support. The Agents had proven very successful and the scrutiny report sought support to extend the project into urban areas.
- Committee Members referred to their concerns about the lack of advertising of services such as Citizens Advice Bureau (CABs) and felt that there should be closer working with Borough/District/City and Parish Councils to advertise support services, recognising that not everyone has access to the internet.

Combatting Financial Exclusion – Councillor Grundy introduced Recommendations 7-14.

- The Committee discussed financial support for CABs and Credit Unions (CU) and in particular the reference in Recommendation 11 to exploring the feasibility of placing deposits with Credit Unions. After much discussion the majority of the Committee considered that the Credit Unions needed financial support, and therefore the recommendation should be amended to explore the feasibility of providing financial support to Credit Unions rather than placing deposits.
- It was also suggested that the term 'Credit Union' might in itself be a barrier to people seeking their CU support, which the Group confirmed this point had come up during the Group's own discussions.

Promoting Financial Inclusion – Councillor Walsh introduced Recommendation 15-17.

- The Committee supported the recommendations to engage with schools to promote financial literacy and management courses, and generally help to make people more financially aware. It was also suggested that other organisations such as youth services, youth centres and youth councils could be engaged to target those not in full-time education.
- Councillor Grundy advised the Committee that it had recently been announced that an all-party parliamentary group had gained agreement from Banks to do presentations to schools regarding financial management to raise the profile.
- A Member raised his concern that the scrutiny report did not incorporate a specific recommendation about the surveillance of loan sharks, pawnbrokers and the industry for short term loans, and that Essex Trading Standards should lead on a review of these matters.

An amended Recommendation 11 was proposed:

**That the County Council explore the feasibility of providing deposits with, or the direct funding of, credit unions with a view to them securing critical mass thereby supporting their sustainability and the services that they provide.**

The Amended Recommendation was moved, seconded and **Agreed**.

**It was Agreed that:**

- **Consideration be given to an additional recommendation regarding surveillance of loan sharks, pawnbrokers and the industry for short term loans and that Trading Standards should lead on a review of these matters. *[See post meeting note at the end of these Minutes]***
- **Subject to recommendation 11 being amended as set out above, the scrutiny report on Financial Inclusion including the following recommendations are endorsed by the Committee for submission to the Leader of the County Council and the Cabinet.**

**That it be recommended to the Leader of the County Council and the Cabinet:**

**Recommendation 1**

**That as part of its equality and diversity framework the County Council take into account financial inclusion both when assessing the potential effects of future policy development and when reviewing the impact of current policies, and the monitoring of financial inclusion issues across the Council be incorporated into the terms of reference for the Equality and Diversity Board.**

**Recommendation 2**

**That the County Council undertake an in depth review of what the Council and other public agencies could do to promote skills and employment not only for young people but more generally for other residents in the context of financial inclusion.**

**Recommendation 3**

**That Welfare Reform Working Group be urged to highlight the impact of the proposed welfare reforms upon policy development or service changes on the issue of financial inclusion, and that there is specific support in place to provide residents with suitable information, guidance and IT infrastructure through libraries and other local authority access points.**

**Recommendation 4**

**That based upon the positive feedback received of the Village Agent project, consideration be given as to how the project could be extended into urban areas eg 'Urban Agent' pilot, and to develop an additional focus, at least in part, on promoting financial inclusion.**

**Recommendation 5**

**That steps be taken to raise the awareness of all County Councillors and staff of the financial exclusion that exists in Essex in a way that enables them to signpost those individuals in need to the relevant services at the earliest opportunity.**

**Recommendation 6**

That, as a primary source of information on the relevant services available across Essex, a prominent financial inclusion portal be developed on the ECC website providing residents with easily accessible advice and signposting for support.

**Recommendation 7**

That the County Council review how it allocates funding to the twelve Essex Citizens Advice Bureau, which takes greater account of local need rather than being allocated according to population levels, and that clear objectives be established for the provision of that funding.

**Recommendation 8**

That the County Council consider how it may provide practical support for the CAB to reach out to potential community champions within the business sector who may be willing to help finance the work of their local CAB, including the option that it provide additional monies to finance the employment of a CAB fund-raiser tasked with reducing CAB reliance on local authority grants.

**Recommendation 9**

That the County Council consider the provision of funding to train four CAB Debt Advisors who will in turn each provide specialist debt training to five CAB volunteers providing face-to-face advice for clients across Essex.

**Recommendation 10**

That the County Council raise awareness of the StepChange Debt Charity, and consider how it may engage with that Charity's activities alongside targeted CAB preventative work, to extend debt advice to Essex residents.

**Recommendation 11**

That the County Council explore the feasibility of providing deposits with, or the direct funding of, credit unions with a view to them securing critical mass thereby supporting their sustainability and the services that they provide.

**Recommendation 12**

That the County Council provide practical support and expertise in assisting Credit Unions to reach out to potential community champions within the business sector who may be willing to help finance the work of their local Credit Union to reduce reliance on local authority funding.

**Recommendation 13**

That the County Council take active steps to promote positively on its website and within the literature it produces, the existence and potential suitability of borrowing and/or depositing monies with credit unions, and that all such information should be easily accessible to all.

**Recommendation 14**

**That the County Council work with borough, city and district councils and housing authorities to encourage them to consider using credit unions to deliver social outcomes and to promote the use of credit unions on their website and within their literature, and to both staff and citizens.**

**Recommendation 15**

**That the County Council engage with local schools and with other appropriate bodies with expertise in this field to promote the development and use of financial literacy courses for schoolchildren, so that training in financial literacy plays a greater role in the school curriculum. A financial incentive could be provided to promote intra-school competition, which could see individual schools and schoolchildren work to develop an appropriate financial literacy programmes for different school years.**

**Recommendation 16**

**That the County Council offer a range of appropriate budget management and financial literacy courses both through its Adult Community Learning and Libraries services.**

**Recommendation 17**

**That the Leader of the Council and the Cabinet be requested to respond to each of the recommendations set out in this scrutiny report in October 2013.**

**5. Scrutiny Report on the Future of Recycling Centres for Household Waste Service in Essex**

The Committee considered report EDEH/02/13 presenting the final report and recommendations of the Recycling Centre Task and Finish Group, which included two recommendations.

The Chairman introduced the report, explaining that Recommendation 1 reflected the findings of the Group regarding the current position with the Recycling Centres for Household Waste (RCHW) service and Recommendation 2 set out a number of issues to be addressed in a future in depth review of the service.

**The Committee Agreed the Task and Finish Group's scrutiny report including the following recommendations:**

- 1. That, subject to the formal approval of the Economic Development, Environment and Highways Policy and Scrutiny Committee, this report be commended to the Cabinet Member for Economic Growth, Waste and Recycling, as an overview of its initial investigation of the RCHW Service and specific attention is drawn to its observations on**
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  - The existing anomalies where Essex residents have to pay to use recycling facilities provided by neighbouring Councils like Southend Borough Council and the London Borough of Havering.**

- **Consideration of an extension of the RCHW service to incorporate trade waste.**
- **As part of the new contractual arrangements the contractor be required to sign up to and comply with the End Destinations of Recycling Charter (dated June 2012).**

**2. That an in depth scrutiny review be conducted following the 2013 County Council elections on the future of the Recycling Centres for Household Waste Service taking account of the following issues to be addressed:**

- **How does the implementation of the Joint Municipal Waste Management Strategy affect the role of the RCHW Service in practice? For example:**
  - **How has the development of kerbside collections affected the volume and type of material deposited at recycling centres, and what changes are envisaged in the future?**
  - **How will the operation of the Courtauld Road facility impact upon the RCHW Service?**
- **Given the changing role of recycling centres:**
  - **What type of modern facilities will be required in the future?**
  - **How many centres in total may be necessary and where should they be located?**
  - **What are the key factors that should be considered in developing the future design of the service**
- **What is the impact upon the type and frequency of visits to recycling centres given the variation in kerbside collections operated by WCAs, which may be impacting the ability of ECC to deliver an effective RCHW service, and how can those variations be addressed effectively?**
- **What other recycling collection models exist across the country and what has been their impact upon the associated RCHW Services?**
- **Across Essex how can the recycling of commercial waste be improved, whilst ensuring the RCHW service does not become overburdened?**

**6. Place Services Project Update**

The Committee received report EDEH/03/13 providing an update on the Place Services Project, along with a presentation from Matt Searle, Head of Place Services.

The presentation set out the key points from the report:

- The background to the project and case for change. Place Services had already begun to separate the commissioning of its services from the

delivery. Transformation Mark 2 sets out a framework for taking this forward.

- The Safer and Stronger Communities Committee had undertaken a review in May 2011 to consider the future delivery of this specialist service. The Committee had concluded, from the options available, that its preferred option for delivery was to set up a Local Authority Trading Company (LATC). The Committee had asked for the opportunity to comment on the preferred option prior to a formal decision being made at Cabinet.
- A further options appraisal process had also concluded that setting up an LATC was the preferred option.
- The LATC would be limited by shares with 100% of the shares owned by the County Council.
- The Governance and Finances were set out in the presentation, including the intention for a full TUPE transfer of the 37 staff along with contracts to the LATC. The set up costs of £72,000 would be funded by the 2012/13 carry forward of Place Services underspend.
- The critical success factors of this delivery model were highlighted. The model would see a move away from the previous subsidising of Local Authority partners whilst continuing with the partnerships.

During the discussion the following points were raised:

- Questions over the financing and tax liability. It was confirmed that the options regarding the initial set up costs and how these might be repaid would be considered by the Cabinet.
- In response to a question raised regarding the partnerships with other Local Authorities, it was confirmed that there were some Service Level Agreements (SLAs) in places and dialogue had been taking place with district partners regarding the future, including consideration of the options appraisal and were aware that they will need to pay to retain the current services.
- Concern was raised regarding the important role of Place Services in the activities of voluntary groups. In response it was confirmed that work was being done with a number of groups and societies to advise and support on various initiatives.
- With regard to other similar services, it was confirmed that planning related services such as Minerals and Waste would remain with the County Council, as well as the statutory function of the Highways Authority whereby it is consulted upon highways safety relating to individual planning applications. However, the current proposals for the Place Services project did not preclude other services being incorporated in its portfolio in the future.
- In response to a question about Governance arrangements, the Committee was advised that the Board would be chaired by the Portfolio Holder with responsibility for these functions and there would be Directors and Non-Executive Directors. The cost for an accountant would be £6k per year for submission of the accounts.
- In terms of pricing and costs, this had been looked at and discussed with clients to ensure that the services were competitive on cost. It was confirmed that there is a market for the services provided and advice. The

new organisation would have three years protection with the contract from Essex County Council along with transferring the existing SLAs, with a headroom of 15% for private sector work.

**It was Agreed that:**

- 1. The Committee was supportive of the project and noted the work already undertaken.**
- 2. That comments from the Committee be fed into the process prior to the report going to Cabinet In February for a final decision.**

**7. Passenger Transport Concessionary Fares**

The Committee considered report EDEH/04/13 on Passenger Transport Concessionary Fares.

The Chairman reminded Members that this issue had been referred to the Committee by Full Council. The Chairman had met with officers to establish the background to the issue with a view to commencing a review. The officers drew attention to some more fundamental issues relating to concessionary travel in general, this along with forthcoming County Council Elections and the Committee's workload, led to a proposal to conduct an in depth and longer term review taking a holistic approach to promoting more effective integrated transport across Essex following the County Council Elections.

Members noted that the effectiveness of other forms of subsidy along with concessionary fares needed to be considered. It was also noted that there was a recent national scheme adopted by many of the bus operators for subsidising unemployed people travelling on buses and the effects of this would also need to be considered.

Councillor Stephen Robinson expressed his concern regarding deferring the review until after the County Elections, particularly in light of some of the issues raised in the Financial Inclusion report.

**It was Agreed that:**

**The Committee supported the proposal to undertake an in depth review into the provision of effective integrated public transport across Essex following the County Elections.**

**8. Forward Look**

The Committee received and noted the Forward Look EDEH/05/13.

The Committee was informed that the next scheduled meeting would be focussed on the launch of the Review of Off Site Emergency Planning Requirements (COMAH) which would take place in the Council Chamber. There were a number of guest speakers being invited to address the Committee. It was



requested that any questions regarding the scrutiny report be forwarded to Christine Sharland, Governance Officer in advance of the meeting to ensure that appropriate responses could be provided at the meeting.

## **9. Dates of Future Meetings**

The Committee noted that the next activity day was scheduled for Thursday 21 February 2013 at 10am.

There being no urgent business the meeting closed at 12.16pm.

Chairman

### **Post Meeting Note:**

*With reference to Minute 4 on Financial Inclusion, since the meeting the following information has been confirmed in respect of loan sharks, pawnbrokers and the short term loan industry:*

- **Loan Sharks**

*In 2007, Essex County Council Trading Standards entered into an agreement with Birmingham City Council for its Trading Standards Illegal Money Lending Team (IMLT) to operate within Essex and use powers under the Consumer Credit Act to tackle unlicensed money lenders.*

*There are IMLTs covering the whole of the UK with the England team being hosted by and operating from its Birmingham City Council base. Essex County Council, in common with other Trading Standards Services across the UK, entered into an agreement with the English IMLT for it to operate in Essex. The IMLT is funded by the Government Department for Business, Innovation and Skills. The Task and Finish Group did meet Matt Thubron of the England IMLT as part of its investigation.*

*The IMLT's focus is on illegal money lenders (loan sharks) who they seek to identify and then prosecute, recover assets from, and hopefully stop from re-offending. They have been very successful in their work. They have resources available to them and, as they concentrate entirely on this very narrow aspect of Trading Standards work, a level of expertise that is impossible to replicate, even in one of the larger local authorities such as Essex. Put simply there is an economy of scale and flexibility of resources that the investigation of and prosecution of loan sharks needs (high level of expertise spread across the whole of the UK) that the IMLT is best placed to deliver.*

*As part of their victim support work, the IMLT also delivers some of the financial inclusion activities alluded to in the scrutiny report.*

- *Payday Loans/ Pawnbroker Issues*

*During the Committee meeting concern was raised about loan sharks, pawnbrokers and pay day lenders, which were not featured in any depth in the scrutiny report or supporting evidence. There was a suggestion that the Trading Standards Service should take a special look at the industry for short term loans. Following enquiries around statutory responsibilities it has been established payday loan and pawnbroker businesses are, despite the stories in the media about the extortionate levels of interest, operating within the law. Any change in the law would be a matter for the Government to address. Any investigation into this market would be for the Office of Fair Trading (OFT) to undertake, which will soon become part of the Government's new Competition and Markets Authority, rather than any individual Trading Standards Service. The OFT has been looking into this market, and indeed in June 2011 it announced a series of measures relating to marketing and charging practices used by credit brokers, in response to concerns raised about the impact of such practices on vulnerable consumers.*