

TONBRIDGE & MALLING BOROUGH COUNCIL



EXECUTIVE SERVICES

Chief Executive

Julie Beilby BSc (Hons) MBA

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NB - This agenda contains proposals, recommendations and options. These do not represent Council policy or decisions until they have received proper consideration through the full decision making process.

Contact: Committee Services
committee.services@tmbc.gov.uk

15 September 2014

To: MEMBERS OF THE COMMUNITIES AND HEALTH ADVISORY BOARD
(Copies to all Members of the Council)

Dear Sir/Madam

Your attendance is requested at a meeting of the Communities and Health Advisory Board to be held in the Civic Suite, Gibson Building, Kings Hill, West Malling on Tuesday, 23rd September, 2014 commencing at 7.30 pm

Yours faithfully

JULIE BEILBY

Chief Executive

A G E N D A

PART 1 - PUBLIC

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The Chairman to move that the press and public be excluded from the remainder of the meeting during consideration of any items the publication of which would disclose exempt information.

PART 2 - PRIVATE

8. Urgent Items 51 - 52

Any other items which the Chairman decides are urgent due to special circumstances and of which notice has been given to the Chief Executive.

MEMBERSHIP

Cllr Ms S V Spence (Chairman)
Cllr Mrs C M Gale (Vice-Chairman)

Cllr A W Allison
Cllr T Bishop
Cllr D J Cure
Cllr Mrs E M Holland
Cllr D Keeley
Cllr Miss J L Sergison

Cllr Miss S O Shrubsole
Cllr A K Sullivan
Cllr M Taylor
Cllr R Taylor
Cllr D J Trice

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Apologies for absence

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Declarations of interest

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TONBRIDGE AND MALLING BOROUGH COUNCIL

COMMUNITIES AND HEALTH ADVISORY BOARD

Monday, 2nd June, 2014

Present: Cllr Ms S V Spence (Chairman), Cllr Mrs C M Gale (Vice-Chairman), Cllr A W Allison, Cllr T Bishop, Cllr D J Cure, Cllr Miss J L Sergison, Cllr Miss S O Shrubsole, Cllr A K Sullivan and Cllr R Taylor

Councillors Mrs J A Anderson, M A C Balfour, P F Bolt, Mrs M F Heslop, N J Heslop, B J Luker, Mrs S Murray and M R Rhodes were also present pursuant to Council Procedure Rule No 15.21.

Apologies for absence were received from Councillors M Taylor and D J Trice

PART 1 - PUBLIC

CH 14/9 DECLARATIONS OF INTEREST

There were no declarations of interest made in accordance with the Code of Conduct.

CH 14/10 MINUTES

RESOLVED: That the notes of the meeting of the Communities and Health Advisory Board held on 4 March 2014 be approved as a correct record and signed by the Chairman subject to the amendment of the recommendation at Minute CH 14/5 to refer to the Health Action Team.

MATTERS FOR RECOMMENDATION TO THE CABINET

CH 14/11 LOCAL HEALTH IMPROVEMENT PROGRAMMES

Decision Notice D140066MEM

The report of the Director of Planning, Housing and Environmental Health described the range of health improvement projects which Kent County Council had awarded funding to in the current year and reviewed the performance of these initiatives in 2013/14.

RECOMMENDED: That

- (1) the performance information, set out at Annex 1 to the report, be endorsed; and
- (2) the range of programmes for 2014/15, as set out in the report and delivered by the Borough Council and its partners, be approved.

MATTERS SUBMITTED FOR INFORMATION**CH 14/12 PRESENTATION ON THE WORK OF SEVENOAKS AND TONBRIDGE AREA MIND**

Ms J Roberts, Chief Executive of Sevenoaks and Tonbridge Area Mind, gave a detailed presentation on the aims, activities and achievements of the charity and outlined the range of services provided within the Borough. Particular reference was made to the link between physical and mental health issues and to the range of courses provided to develop greater understanding within the community, in schools and in the business sector.

CH 14/13 TONBRIDGE AND MALLING HEALTH ACTION TEAM

The report of the Director of Planning, Housing and Environmental Health provided a summary of the work of the Council's Health Action Team. The minutes of the meeting of the group, held on 26 February 2014, were attached at Annex 1 to the report.

CH 14/14 WEST KENT HEALTH AND WELLBEING BOARD

The minutes of the meeting of the West Kent Health and Well Being Board held on 18 March 2014 were presented for Members' information.

CH 14/15 MINUTES OF THE LOCAL STRATEGIC PARTNERSHIP

The minutes of the meeting of the Local Strategic Partnership held on 14 March 2014 were presented for Members' information. The Advisory Board noted that the next meeting of the Partnership would be held on 13 June 2014.

MATTERS FOR CONSIDERATION IN PRIVATE**CH 14/16 EXCLUSION OF PRESS AND PUBLIC**

There were no items considered in private.

The meeting ended at 8.52 pm

**TONBRIDGE & MALLING BOROUGH COUNCIL
COMMUNITIES and HEALTH ADVISORY BOARD**

23 September 2014

Report of the Management Team

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 COMMUNITY ENHANCEMENT FUND – ASSESSMENT OF BIDS

To set out the bids received from Parish Councils and Community Groups and to make decisions on each of these.

1.1 Background

- 1.1.1 A further round of the Community Enhancement Fund was launched in mid-July following a report to Cabinet on 25 June 2014. It was agreed that the funding round would be targeted on community groups either based in, or providing services to, the Borough, and on Parish Councils, particularly regarding proposals supporting the World War 1 Commemorations. A set of criteria for the round was set out and adopted and this is attached as Appendix 1 to this report for information.
- 1.1.2 The funding round closed on 8th September. A total of 102 bids from community groups have been received with a total value of £183,307. 15 Parish Councils have also submitted bids with a total value of £39,030. Overall, there has been a good spread of bids from different parts of the Borough.
- 1.1.3 The Board is now asked to consider the bids which have been submitted and to recommend to the Cabinet Members for Communities and Health and for Finance, Innovation and Property which bids should be supported either in full or in part.

1.2 Key Criteria

- 1.2.1 As set out in Appendix 1, the two key criteria that should be used to guide the Board's recommendations are:
- Bids must not give rise to any on-going revenue implications; bids should therefore relate to one-off purchases (eg of equipment/works) or revenue funding projects which are clearly time-limited.

- Match funding for bids must be demonstrated. Applicants have been advised via the adopted guidelines at Appendix 1 that bids for the full cost of projects are unlikely to be accepted.

1.2.2 In order to assist the Board with evaluating the bids received, a series of schedules have been prepared as follows and are attached as Appendices to this report:

Appendix 2 – Capital Bids with Match Funding - Supported

Appendix 3 – Capital Bids with no Match Funding – See Below

Appendix 4 – Revenue Bids with Match Funding - Supported

Appendix 5 – Bids Rejected

Appendix 6 – Bids from Older People’s Groups – See Below

Appendix 7 – Bids from Parish Councils - Supported

1.2.3 The bids set out in Appendices 2, 4 and 7 have been judged to meet all the necessary criteria (including the requirement to demonstrate match funding) and it is therefore recommended that all of these be bids **BE SUPPORTED** in full.

1.2.4 Appendix 3 contains bids which are generally supportable as capital bids but, in these cases, the applicants have been unable to demonstrate any match funding for their projects. This would suggest that, given the adopted criteria and the need to be consistent across all bids (including those who have demonstrated some match) these bids should be rejected. However, it is acknowledged that match funding might be difficult to achieve for some smaller community groups and, generally, our overall aim with the Community Enhancement Fund is to give support to as many good causes as possible. On this basis, an alternative approach would be to offer a reduced amount of funding, for example, a small reduction of 10%. This would enable these bids to be supported in part, achieve consistency with the adopted guidelines and also give encouragement to those groups to seek some additional funding for themselves. On this basis, it is recommended that the bids set out in Appendix 3 should **BE AWARDED 90%** of the amounts that have been requested.

1.2.5 Appendix 5 contains two bids which have been rejected. The bid from Sevenoaks and Tonbridge band is retrospective. A capital bid from the Tonbridge and Malling Citizens Advice Bureau has been rejected on the basis that decoration costs are not eligible and the cost of the proposed purchase of headsets is something which needs to be shared equally with the Bureau’s other funding partners. On this basis, it is recommended that the bids set out in Appendix 5 **BE REJECTED**.

1.2.6 A number of bids, listed at Appendix 6, have been submitted by local older people’s groups. The Board will be aware that the Tonbridge and Malling Seniors’

Forum is now established and has received grant support from the Borough Council and annual grants from Kent County Council. The TAMS Management Committee has recently expressed a desire to consider giving financial support to local older people's groups in the Borough. There is an opportunity, therefore, to invite the TAMS Management Committee to co-fund those bids at Appendix 6 in partnership with the Borough Council potentially on a 50/50 basis. The TAMS Management Committee is being consulted on this proposal and a verbal update will be given to the Board. It is therefore recommended that the bids set out at Appendix 6 **BE SUPPORTED** and that they either be met in full from the Community Enhancement Fund or, if the TAMS Management Committee is willing to contribute, be paid in part, provided the total awarded matches the amounts bid for.

1.3 Future Publicity

- 1.3.1 There will be a requirement for successful bidders to acknowledge the support given by the Borough Council. In addition, consideration will be given to the need to generate additional, positive publicity about the community enhancement fund in the coming months as individual funding awards are claimed.

1.4 Legal Implications

- 1.4.1 None

1.5 Financial and Value for Money Considerations

- 1.5.1 The total amount to be awarded based on the recommendations set out in this report is £212,960. There is a total of £260,976 currently remaining within the fund which would then leave £48,016 unallocated.

1.6 Risk Assessment

- 1.6.1 Taken into account when bids have been assessed against the adopted criteria.

1.7 Equality Impact Assessment

- 1.7.1 See 'Screening for equality impacts' table at end of report

1.8 Recommendations

- 1.8.1 That the Cabinet Members for Communities and Health and for Finance, Innovation and Property **BE INVITED** to endorse the Board's recommendations as set out this report.

The Chief Executive confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and policy Framework.

Background papers:

Nil

contacts: Mark Raymond,
Gill Fox

Julie Beilby
Chief Executive

On behalf of the Management Team

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	All bids have been assessed with full regard to equalities issues
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	Yes	A number of bids for funding which are recommended to be supported aim to help vulnerable members of the community.
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		n/a

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.



Tonbridge & Malling Borough Council

Community Enhancement Fund 2014

Guidelines for Applicants

Am I eligible to apply?

The fund is open to parish councils, local charities, local voluntary and community groups, sports and arts bodies and other similar organisations that operate within Tonbridge and Malling. Applications can only be made by bona fide groups and organisations located in the borough or, in the case of voluntary sector bodies and charities, those that provide services to all or part of the Borough. Groups and bodies must have a written constitution (or equivalent) and a bank account. Please note that the fund is not open to individuals or commercial enterprises.

What projects will the fund support?

The overall purpose of the Community Enhancement Fund is to provide funding in support of local projects and initiatives that make a positive difference to the communities and residents of Tonbridge and Malling. Please make sure you let us know on the application form how you think your project could achieve this.

Priority will be given to bids in support of local projects and initiatives which add value to community work, deliver clear beneficial outcomes and/or enable projects to proceed which may not have otherwise happened without support from this fund. Projects should ideally be related to one of the Council's key priorities.

Please note, funding will not be offered to support recurring revenue costs. Bids will only be supported if they are made for one-off purchases or expenditure. Bids which may have on-going revenue funding implications cannot be considered.

The costs of routine repairs and maintenance of buildings or other facilities are specifically excluded. Hospitality expenses related to parties or events, including refreshments, will not be eligible for funding.

We are able to provide match funding, will that help?

Yes. Applicants will need to demonstrate that additional funding has been obtained from other sources to assist with the proposed purchase/project. Bids for 100% of project costs are unlikely to be accepted.

What type of funding is available?

We wish to help as many local projects and initiatives as possible. Therefore, funding is available for both one-off expenditure and capital projects. However, funding for projects which are clearly the responsibility of other public agencies to deliver will not be given and funding cannot be provided for projects and proposals on a retrospective basis.

When can I apply?

Funding bids need to be submitted between the 7 July and the 8 of September. Late bids cannot be accepted.

How much and how many grants can we apply for?

The maximum level of grant to be awarded to any one project will normally be £2500. Awards above this amount will only be made in exceptional circumstances, for example, in relation to projects linked to the World War 1 Centenary. If you are applying for more than the maximum, please tell us why on a separate sheet when submitting the application form.

To ensure all local groups have a fair chance of receiving some funding, grants will be limited to one award per organisation.

When will we hear if we have been successful?

Initial decisions will be made by 23 September and all applicants will be notified after that date as quickly as possible.

My application has been successful, what happens next?

Payments to applicants will be made on the receipt of appropriate invoices and proof of purchase. Advance funding will not normally be available.

Please note that if you are receiving grant support from the fund, you will be expected to provide information to the Borough Council demonstrating how the grant was spent and the outcomes of the work undertaken. We will contact you when we need this information.

Applicants must also agree to acknowledge the support of the Borough Council in any publicity material about the project.

When do I have to complete my project?

The project or proposal should normally be completed within 6 months of the grant being offered. No grant will be paid after that date.

Appendix 2 – Capital Bids with Match Funding

Applicant	Amount	Summary
1 st Ditton Scout Group	£1979	Purchase of new and updated equipment – Total Cost: £2659.75
1 st Snodland Scout Group	£2500	Contribution to the installation of under floor heating at the new Scout Hut – Total cost: £10,000.
Aylesford Bulls RFC LTD	£1500	To purchase training equipment (balls, cones, bibs, ladders, water bottles, first aid kits) for the female rugby section which includes senior ladies to under 13 girls (total cost £3000). Aylesford Bulls RFC is becoming a regional centre of excellence – female youth are finding strong female role models and mentors within rugby.
Aylesford Community Centre	£2500	Towards the purchase of a new floor in the Community Centre (total cost £14,324).
Bridge Trust	£1973.76	To purchase 12x table-top oven/hobs, kettles and toasters (total cost £1973.76). They house up to 8 homeless people in Tonbridge & Malling at any one time and when moved on to independent living, they generally have nothing to start their new lives. Providing essential kitchen equipment will remove some of the stress and financial burden. Total Project Cost
Challenger Troop CIC	£2500	To provide a one off youth diversionary programme during the October half term in East Malling (in partnership with Troubled Families programme). 5 days of outward bound, adventure-style activities (total cost £5000).
Cobdown Hockey Club	£1923	A project to promote the sport of hockey costing £2500 in total. Funding will pay for the purchase of equipment, promotional material and some coaching costs.
Dementia Café, Snodland	£500	To purchase 8 chairs with arms for dementia patients as they find normal chairs difficult – especially wheel chair users (total cost £512). Café benefits patients and carers, working closely with health centre and doctors (who refer clients) and the Maidstone and Malling Carers Assoc.
Devonshire Rooms Pre-School	£2500	To develop the Dedrick Memorial Garden for use by the Pre-School

		including purchase of fencing, gate etc with a total cost of £3500.
Ditton Heritage Centre	£1250	To renovate a small area around two chimney stacks, to prevent rain penetration and preserve the wellbeing of the external and internal fabric of the building (total cost £1500 +VAT). Renovation of this building has enhanced the street scene and made it available for schools and the local community.
Friends of Nevill Park and Snodland	£2200	To purchase an outside table tennis system costing £2200 to be located on an existing hard standing at the Cricket Meadow to cater for the needs of older children following local consultation. Total Project Cost
Hadlow Bowls Club	£1900	To purchase a secure fence (total cost £2128). Existing fence is 20 years old and has become insecure, without replacement the club and green could be vandalised and a valuable asset would be lost.
Heart of Kent Hospice	£2500	Towards the cost of a minibus (total cost £25,000) – this will enable a free of charge minibus service for all Hospice patients within the Tonbridge and Malling community.
Higham Wood Scout and Guide Group	£1500	To purchase a second hand box trailer (total cost £2000) to carry equipment to and from camps and other events. The group has over 200 members of all ages – always an issue transporting kit around. A trailer would make it easier and safer.
Hildenborough Short Mat Bowls Club	£800	Replacement of the existing 20-25 year old short mat (total cost £1000)
Holy Moley Club - Fegans Child and Family Care, Tonbridge	£2000	To purchase sound and projection equipment – microphones, portable speakers, projector and laptop. Total cost £2500. Will enable fun activities and team games to build confidence and leadership skills – many of the 25-30, 5-11 year olds have learning or behavioural needs.
Kingfisher Korfbal Club	£1650	To pay for advertising and new equipment - balls, training t-shirts etc. Total cost £1700
Kings Hill Cricket Club	£2000	To construct 12 additional cricket pitches to accommodate junior matches and host local schools (total cost £3,600)
Larkfield and New Hythe Sports Club	£2500	To replace damaged fencing around Larkfield Sports Club. (Already replaced half of it – but do not have the funds to complete the work). Total cost of project £3500. Fencing would ensure people use correct

		pathways, eliminating damage to the sports club facilities and eliminate complaints from the Fielding Drive residents.
Larkfield Swimming Club	£900	To purchase a “competitive start system- electronic” (total costs £954 + tripod – additional cost). This will replace current starter gun and could be hired out to other clubs. Larkfield swimming club is a relatively small club – an electronic starter system would promote a more professional atmosphere which would benefit the club and assist with hosting galas etc. The system also has a flashing light – to enable swimmers with hearing problems to take part.
Leybourne Grange Riding Centre for the Disabled	£2500	Provision of a direct water supply to the fields to avoid the need for filling and transporting containers and thus freeing up volunteer time to provide more lessons for disabled people. Total cost - £13000.
Maidstone and Malling Netball League	£200	Equipment for youth training and ‘Back to Netball’ initiative – total cost £300.
Malling District Scouts	£2500	A £3600 project to create a camp fire circle incorporating seating for 100, a stage area and screening.
Offham Village Hall Management Committee	£2500	To purchase new wall mounted heater, supply and install light fittings and replace curtains (total cost £5946)
PCC of Stansted with Fairseat and Vigo	£2500	Provision of an accessible toilet as part of a extension to the existing church. Main build cost - £428K, toilet - £36K.
Rochester Indoor Skatepark Club	£1500	To renew ramps in skatepark to enable all abilities to use them (total cost £2000 – remaining funds raised by young people from Medway Youth Trust). It is within the borough and serves many young people from T&M.
Royal British Legion Industries, Aylesford	£5000	A contribution to a £300,000 community Garden of Honour project funded by donations to restore the Memorial Garden at the RBLI site in Aylesford to increase the number of people able to access the facility, provide disabled access and create space to hold community events, a place for the public to visit and for private reflection.
Saracens Gym Snodland	£2160	Purchase of gym equipment, including exercise mats and treadmill. Total Cost: £4160.
Shipbourne Cricket Club	£2500	To help build an equipment shed to house expensive equipment (total

		cost £5000). Currently housed in an insecure structure, insufficiently protected from the weather which is causing damage. The club is raising funds from members and so far has £1500. Club has 3 teams of all ages and is an integral part of the village and surrounding areas.
Shipbourne Farmers' Market	£2500	To create a flexible space at the back of the church by removing pews and creating drawers on casters which can slide under the seats built into the 19 th Century decorative wooden screed (total cost £8-£10,000). Currently very little space to sit/socialise and store equipment. As this will benefit the church and the Farmers' Market, costs will be shared.
Sir Henry Cooper Junior Masters Charitable Trust	£2500	To pay for complete overhaul and rebuilding of the website to enable full financial "back office" credit card handling facilities. Total cost £8-£10,000. (the trust provides golf sessions in local primary schools).
Snodland Chamber of Commerce	£2500	To install new Christmas lighting above the shops in the high street and lamp posts. Total cost £7090 (remainder to be met by Snodland Partnership and STC)
Snodland Community Association	£1277	To purchase vertical blinds for the recent extension at Snodland Community Centre (total cost £1532)
Tonbridge & District Angling and Fish Preservation Society	£2000	Installation of 3 fishing swims accessible for the disabled at Haysden Country Park. (total cost £4500)
Tonbridge Athletic Club	£1750	To purchase 15 x Hudl 7" 16GB Wi-Fi Android Tablets for the use of Athletic Coaches and Team Managers (total cost £2010). The club is working towards "Clubmark" award which will facilitate applications for grants and awards for improvements. A key area is safety and security of members particularly youngsters (600 at present) who must all have 2 identified key contacts for accident, illness or injury. As activities take place across the countryside it is not possible for coaches to carry hard copy documents at all times.
Tonbridge Baptist Church	£2500	To upgrade three areas of the youth café – laptops for doing homework, replacement table football and replacement air hockey table. Would also like to buy a slush puppy machine for the café. (Total cost £3680)
Tonbridge Child Contact Centre	£150	To purchase a wooden role play shop/theatre plus shopping trolley and

		play foods for children to play with their “absent” parent while they are having contact with them at the centre. Total cost £198.
Tonbridge Lions Club	£1280	To purchase 20 hand held radios and chargers to help deliver professionally managed community events and activities. Total cost £1600.
Tonbridge Mini Soccer Alliance	£2500	To install additional block paving to allow hard standing for picnic tables and outside the fence to improve safe access to the pavilion during winter months (total cost £5000)
1 st Tonbridge Scouts Group	£2500	To replace windows and install disabled ramp at hut. Total cost £5000
Wateringbury Local Historical Society	£1050	To provide a new explanatory sign for the replica village stocks erected in 2013. Total cost: £1800 inc VAT.
Wateringbury Sports Association	£1420	Final phase of a three year project to improve the playing field. Phase 3 will cost £4720 and will involve preparing and reseeding the remaining 6000sqm of the field.
Wrotham Park Life	£2500	To redevelop the play area at Wrotham Recreation Ground, purchasing new play equipment – total cost £100,000
West Kent Raynet	£750	To replace radios and batteries – used to provide emergency communications for the community and to support local events (total cost £1500)
West Kent YMCA	£1200	Purchase of equipment to facilitate Life Changers Project – Expedition and Hiking. Total cost - £7487.53
West Malling Village Hall	£600	Refurbishment of disabled toilets (total cost: £1200).
Young Kent	£2,000	A £5,000 project to provide a local equipment store to house the sports and games equipment which is loaned out to local youth clubs to enable a better service and greater ease of access.

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Appendix 3 – Capital Bids with No Stated Match

Applicant	Amount	Summary
8th Tonbridge Scouts	£2389	Purchase of camping equipment for Group including tents, stoves, and tarp.
Crossroads Care West Kent	£1867	Funding for a one-off respite trip for young carers to Brighton Seaworld recognising that such opportunities are rare within families affected by long-term illness
Ditton Short Mat Indoor Bowling Club	£1000	To purchase one lightweight bowling mat which is needed to help older members of the club. Total Cost £1,000
Holborough Anchorians CC	£2500	To purchase machinery for upkeep of Anchorians cricket and football ground. Total Cost £2500
Inspire Allstars Cheer and Dance CIC, Tonbridge	£1500	To purchase specialised cheerleading dance mats for performing stunts and tumbling for a class of 7-11yrs run at the Tonbridge Baptist Church. The class serves the local community and subsidises fees for low income families. The equipment would enable the class to be expanded to other locations. The CIC has no funding available to invest in new equipment.
Kings Hill Pre-School	£1500	Applicant is a registered charity. Seeking to purchase iPads and software '2Build a Profile' costing £1500 which enables staff to create a developmental portfolio for each child which can then be shared electronically with parents to keep them informed and involved with their children's progress.
Lazy C Country Music Club	£528	To purchase 40 chairs which are upholstered and more comfortable – will also be used by health groups, children's groups, conferences and seniors. Total cost £528.
Leybourne Football Club	£2000	To establish a youth disability football team with the aim of competing in the Kent Disability League (total cost £2000). Funding will be used to purchase match equipment, to kit out the squad with football strips and training jackets and training. Longer term aim is to establish more teams and grow disability sports locally.
Royal British Legion Bowls Club	585.06	To purchase two, secure storage lockers for Members use.

Snodland Amateur Boxing Club	£800	Purchase of new equipment including skipping ropes, punch bag mitts and club vests and shorts (total cost of project £800)
Snodland Community Cricket Club	£2500	To purchase equipment, pitch cover, crease marker and scoreboard etc.
Snodland Partnership	£1500	Marking out of spaces in the Town Car Park to create safer and more efficient use of car park.
Tiddlers and Toddlers, Kings Hill	£340	To purchase replacement toys and equipment (total cost £340). A non-profit group.
St Georges Hall Management Committee, Wrotham	£2300	Replacement of 15 tables, 90 chairs and 1 table trolley.
Tonbridge Community Gardeners	£1,700	A volunteer organisation which works to improve neglected areas around Tonbridge including The Angel Community Garden . Wishing to purchase further equipment and materials for the existing Community Garden and to host a community engagement event to promote their work and attract more volunteers.

Appendix 4 – Revenue Bids Supported/Match Funding

Applicant	Amount	Summary
Age UK Maidstone	£2250	A time limited project costing £4450 to provide a programme of free benefits advice sessions across the Malling area.
Carers First in Kent & Medway	£2280	To run a 6 week project for young adult carers to address issues of isolation, focussing on the future; self-belief, raising aspirations and practical help for future training and employment (total cost £2765)
Communigrow	£2500	An £8,000 project to take over the lease of a field in East Malling to provide fresh produce for residents within a five mile radius. Currently supply 200 people and aim to run education and social care programmes as part of the programme.
Community Futures	£1458.75	To undertake an audit of cultural and art facilities in Tonbridge and Malling, to assess levels of service to disabled people who have learning disabilities (total cost of project £2558.75). The project aims to make culture and arts services more accessible to those with learning disabilities.
Ditton After School Club	£390	To run a healthy eating project in the after school club – funding will enable the group to provide healthier snacks. Total cost £877.50.
Funding for All	£1120	FFA provides mentoring to community/small groups via mentors with experience in voluntary sector funding. Proposal is to cascade knowledge to 2/3 individuals from 4 groups selected/agreed by TMBC (23 hours per group). Total cost £2240
GRAFT	£2500	To run a pilot workshop programme to help the long term unemployed with mental health issues. If successful, the pilot will be used to bring forward further programmes potentially to be funded by Job Centre Plus. Total Cost: £2750
Harmony Therapy Trust	£2500	Holistic therapy courses for people with life-altering illnesses and carers referred via the NHS. £2500 will provide 25 Tonbridge and Malling residents with six therapy sessions.
Home-start South West Kent	£2500	To recruit and offer accredited training to local parents to enable them to deliver a bespoke home visiting service across T&M – will reduce

		isolation, improve health, encourage good parenting and identify and offer support for domestic abuse – total cost £4000.
Kent Equality Cohesion Council	£2400	To help pay for staging, sound, lights and culturally diverse artists for the Wrotham Fusion Festival of Light (total cost £7000). Working with four local schools, the event brings together diverse communities through music, food and dance and promotes community cohesion between young and old, urban and rural.
Kent Friendz (formerly Tonbridge Mencap)	£2500	To provide two activity weekends for groups of 10 people aged 18-25 with severe learning and physical disabilities and aimed at families on low incomes. Total cost £5000.
Maidstone and Medway Cruse	£696	Funding required to hold 4.5 days training for bereavement volunteers to help them address those affected by sudden and traumatic death including suicides. Total Cost £1461.
Maidstone Mediation	£2500	To use mediation to deal with problems caused by conflict between adolescents and their parents (total cost £4000)
MIND in Tonbridge	£2500	Towards “Many Minds” a new volunteer/supporter project for Tonbridge- aims to support local residents with mental health problems through – combating isolation and increasing skilled volunteering opportunities. Total cost of project £5000
Paddock Wood Community Advice Centre	£1600	As part of a wider training initiative, provision of a 2 day in-house training session for advisors on debt advice for advisors covering the T&M area.
Relate West and Mid Kent	£2500	Towards a one off project to take place over one year only – offering free counselling for young people aged 5-21 – to assist younger people who live with families in conflict. Aimed at low income and those in receipt of benefits. (total cost £10,000 with £7,500 raised so far)
Slide Away	£1750	To fund one bereavement support workshop programme for 15 young people and their families (1 day for parents/carers and 2 days for young people) to help reduce the growing waiting list. (Total cost of years workshops - £15,750).
StrangeFace Theatre Company	£2500	To run a programme of performances including a puppet theatre across the Borough at unusual venues (pubs cafes, libraries, sports halls etc)

		along with creative workshops to inspire others and promote art t those who might not normally have the opportunity to access this.
St Stephens Church, Tonbridge	£1000	Provision of reliable Wi-Fi access for the Church and Community Centre to help access to online services such as debt advice, self-harming, Tuition, older people's support and access to work. Total cost: £1836.97
Tonbridge and Malling District Cricket Partnership	£2000	Contribution to the costs of providing four Young Leaders in Cricket programmes (two in Tonbridge and two in Malling) with up to 20 attendees in each programme .Total cost is £2400
Tonbridge Community Film	£2000	Launch of the Tonbridge Community Film as a showcase for local groups and societies including the Town Team, celebrating 3 months of filming. In-kind match.
Tonbridge Juddians RFC	£2500	A project to provide externally coaching at U14 to address a current major shortage of coaches available at this level. The club now has no in-house qualified coaches at this level and without intervention, the U14 community team is in danger of closing down.
Tonbridge Memorial Garden Trust	£1000	A £1200 project to organise and hold a community vigil in the newly renovated gardens to mark WW1.
Tonbridge Music Club	£300	Towards the cost of the Benson – Young Artists Concert – to support young musicians at the start of their career – total cost £1807 - £2100 approx.
Tonbridge Swimming Club	£2500	To provide training and teaching courses along with swim training aids which form a single tranche of investment for the club totalling £5943.13.
Tonbridge Tennis Club	£500	To provide a one-off tennis coaching programme (basic skills) at Cage Green Primary School in summer of 2015 (2 hrs per week over 10 weeks), total cost £600). School currently in special measures and the management team working hard to improve education and opportunities. Tennis lessons will improve co-ordination and fitness and develop lifelong skills.
Tonbridge Town Team	£2500	A £5000 project to establish the team as a limited company, invest in a new website, help develop a Tonbridge 'brand', and contribute to the

		costs of a pop-up shop as a centre piece for the Team's work.
Trench Partnership – Beat Project	£1500	Intergenerational project to be held in Trench to record stories, experiences and memories of living in Trench (total cost £3000)
West Kent Mediation	£2500	To provide a time-limited programme of teen/parent mediation services based at Hillview School. Total cost: £3600.
Voluntary Action Maidstone	£1000	To fund a one-off advertising campaign for the new transport service to those living in Malling, via Downs Mail, posters and other marketing resources. Total cost £2000
Voluntary Action Within Kent	£1890.25	To provide a one-off programme for 80 young carers with a total cost of £3240.25. This would involve First Aid training, mental health workshop, healthy eating and sport activities which will also require the purchase of equipment.
Youth Empowerment Service (YES +)	£2500	To fund a specific project in Tonbridge and Malling specifically designed for young people in education who have been identified as being at risk of exclusion/offending (total cost of project £3600). This is to be delivered in West Kent AC PRU (Alternative Curriculum – Pupil Referral Unit in Tonbridge). Aims to divert young people from crime and ASB by empowering them to explore social responsibilities and lifestyle choices.

Appendix 5 – Bids Not Supported

Applicant	Amount	Summary	Reasons
Sevenoaks and Tonbridge Band	£733	Contribution to the funding of band activities at the Twinning event on 12-14 th Sept (note: this event has now taken place)	Event has already taken place. Funding cannot be offered retrospectively.
Tonbridge and Malling CAB	£2168	To purchase headsets to enable better call handling and to repaint the walls downstairs so that reception and interview rooms are a pleasant and welcoming place for clients (total cost £2168).	Decoration costs ineligible (maintenance). Costs of headsets best shared between funding partners

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Appendix 6 – Potential TAMS Partnership Bids

Applicant	Amount	Summary
Aylesford Active Retirement Association	£1200	Purchase of a defibrillator (total cost £1200) for use at older person's meetings and trips.
Derwent Day Centre	£2500	To create a garden with disabled access for isolated elderly in Tonbridge, providing raised beds with disabled access, Astro turf and seating.
Dynamic Futures Together	£350	To purchase equipment and games for social activities for the Saturday social club and weekly lunch club at Tonbridge and Lasrkfield for the lonely elderly and to buy basic utensils and walking aids to enable people to get in and out of the venue..
Good Companions Club - Tonbridge	£1500	Purchase of a laptop and printer to aid administration of the Club.
Hildenborough Old People Society	£2000	To purchase printed material to publicise the group (total cost £2000). The group has recently adapted into a more social and supportive network for older people, but would now like to reach further out to the community and surrounding areas.
Kings Hill & District U3A	£300	To purchase a laptop and relevant software in order to produce educational presentations for members (total cost £600). Many members are elderly and living alone. The group organises topical and educational meetings providing social interaction for community's elderly and vulnerable.

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Appendix 7 – Parish Council Bids - Supported

Applicant	Amount	Summary
Borough Green Parish Council	£5000	To design, manufacture and erect a new civic War Memorial (total cost of project £30,000). Small memorials exist in local churches etc., but there is currently no all-encompassing civic war memorial that lends itself to community Remembrance Day ceremonies and parades. Fund raising to be carried out by community groups and schools to involve all generations in commemorating the history of their community. Parish Council will manage the project, apply to other funding bodies and add to funding from current budget and future precept.
Burham Parish Council	£2500	To refurbish war memorial gardens, including re-rendering walls, painting iron work, new wrought iron sign, relaying path, re-siting benches, creating rose garden, trellis, pergolas etc (total cost £15-£16,000). Project will enhance the area and provide quiet place for residents. Flag flown in gardens permanently and lowered to half-mast on day of a funeral of Burham resident – allows loved ones to utilise garden to lay flowers etc after funeral.
Ditton Parish Council	£740	To purchase safety barriers, road signs and cones to undertake road closures during Remembrance parades. Total cost £840
East Peckham Parish Council	£2500	To enhance facilities at East Peckham Playing Fields by providing a youth shelter and outdoor table tennis table (total cost of project £10,000). Aims to prevent boredom and anti-social behaviour, will promote healthy lifestyle.
Hadlow Parish Council	£1787.50	Purchase of enhanced equipment, repairs and redecoration of the HyArts Centre and Youth Club. Total cost: £5970.25.
Hildenborough Parish Council	£2500	To renew and extend the area of soft play surface in the West Wood Recreation play area (total cost £3025). The area around the play area no longer provides a safe impact surface, two pieces have already been replaced at a cost of £8716 and they would now like to extend this to include other pieces of equipment, which would also allow usage during winter months.

Ightham Parish Council	£2500	To connect the local scout hut and nursery to mains drainage (total cost of project £5832). Scout hut and nursery currently served by a cesspit which frequently overflows and needs emptying. Mains drainage would be more hygienic for children and local residents.
Kings Hill Parish Council	£2500	Purchase of a Defibrillators and Evacuation Chairs for Kings Hill Community Centre and Sports Park. Total cost: £2795.
Leybourne Parish Council	£2500	To purchase granite boulders to make entrances to green areas impossible for vehicles and caravans to access (on Tonbridge & Malling land) Total cost of project £2500. (Note no match hence award will be 90% of bid)
Plaxtol Parish Council	£1850	To replace parish notice boards and purchase and install two defibrillators (total cost £3700)
Snodland Town Council	£5,000	To construct a car park for Snodland Cemetery. Total Cost is £21122. Remainder to be met from KCC Member Grant and Town Council funding.
Stansted Parish Council	£2500	Enhancement of local play park equipment, total cost £53763, phase 1 costs £10928
Trottiscliffe Parish Council	£2289	Replacement of the junior swings at playground (total cost £4579.59)
Wouldhan Parish Council	£2363	Replacement of two picnic benches at Recreation Ground and purchase of a new bench for Wouldham Common plus installation costs.
Wrotham Parish Council	£2500	Reinstatement of lighting at Multi-Court Sports facility at the recreation ground to enable young people to use the facility when dark. Total Cost - £4000.

TONBRIDGE & MALLING BOROUGH COUNCIL
COMMUNITIES and HEALTH ADVISORY BOARD

23 September 2014

Report of the Management Team

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 KENT SAVERS CREDIT UNION

1.1 Introduction

1.1.1 Members of this Advisory Board and its predecessor have, on a number of occasions, considered the challenges of those on low incomes securing affordable loans as well as the overall management of debt.

1.1.2 In March 2013, the former Communities Advisory Board received a report on the Kent Savers Credit Union and the Cabinet Member for Communities resolved, amongst other things, that a campaign of raised awareness of Kent Savers be undertaken, via the website, with partner organisations and existing forums.

1.1.3 In June 2013, this Advisory Board received a report from the Chief Executive on short term lending, and also received a presentation from Mr Hopkinson who had been undertaking research on behalf of Tonbridge and Malling CAB into why people chose payday loans rather than other financial products. Some of the reasons put forward by Mr Hopkinson from his research were linked to feelings of shame, belittlement and lack of respect perceived during face to face contact; and the anonymity of applying for financial help over the internet (as with some payday loans, for example) was attractive to many people. Kent Savers has been trying to address some of these issues and, for example, has developed an on-line application form.

1.2 Request for Subordinated Loan

1.2.1 In June this year, the Leader received a letter [**Annex 1**] from Gail Devries, President of Kent Savers Credit Union, requesting that the Council considers offering a £10,000 subordinated loan to enable Kent Savers to meet new banking requirements for capital and at the same time provide more funds to loan to those in need. Members will note that this request went to all Kent District Councils.

1.2.2 Presently, Kent Savers are constrained as to how much they can advance because of the regulations surrounding the 'capital to asset ratio' and hence why

they need to seek further capital funding (ideally by way of subordinated loan) from third parties, e.g. local councils.

- 1.2.3 The Director of Finance and Transformation has spoken to the General Manager at Kent Savers to discuss this further and to understand the 'risks' to the Council's investment were Members to agree to the request. Subordinated loans are long-term loans to a credit union for a minimum of 5 years, and are another way of providing 'capital' since the lender cannot demand the return of the investment before the stated maturity date unless the loan is in default. The lender receives interest during the term of the loan at a rate agreed in advance with the credit union (or alternatively the lender can forego the interest for the benefit of members in the scheme). In an insolvency, a subordinated loan ranks behind all other creditors except holders of deferred shares.
- 1.2.4 In a worst case scenario, therefore, there is little financial protection for the Council with this type of loan and there is a 'risk'; but it is important that this risk is weighed against the benefits that can be brought about for our residents. As Members will be aware, the main aims of Kent Savers are to promote saving and provide their members with loans at reasonable rates, so that they feel in control of their own money. Kent Savers has very recently signed up a 'budget account' partner to develop an account to meet the needs of people who find it difficult to budget and plan their spending. (These are sometimes known as jam jar accounts).

1.3 Options

- 1.3.1 When considering a loan request to an organisation such as Kent Savers where preferential lending terms are offered, consideration has to be given whether such a loan would amount to 'state aid', which is itself a complex issue.
- 1.3.2 State aid is prohibited by law and there are strict tests as to the nature and amount of assistance which can be offered to any business or organisation under the exemptions to that general prohibition.
- 1.3.3 Legal Services advise that this type of lending appears, on the face of it, to be state aid. There is, however, a possibility that one of the exemptions, the "de minimis Regulation" may apply provided that the state aid in question is "transparent" and the relevant threshold for state aid being given to this undertaking has not been exceeded in the last three financial years. The relevant threshold for state aid is EU 200,000 cumulatively over a three year period.
- 1.3.4 The type of subordinated loan requested is unlikely to meet the "transparency" requirements of the de minimis Regulation, and therefore this exemption would not apply. In those circumstances, the assistance offered would be likely to be considered as state aid.
- 1.3.5 However, an alternative to a subordinated loan would be to offer an unconditional grant of £10,000. As the Director of Finance and Transformation understands it, a grant of this kind would give Kent Savers an immediate and permanent increase in their regulatory capital thereby achieving the objective of improving the capital

to asset ratio. The 'advantage' of a grant over a loan in this respect is that the 'De Minimis' Exemption rules can be applied.

- 1.3.6 The General Manager at Kent Savers has confirmed that the state aid received by them in the last three years has amounted to £78,000, which is below the threshold in the de minimis Regulation. Therefore, it would be possible to advance an unconditional grant and comply with state aid regulations.

1.4 Further background information about Kent Savers

- 1.4.1 By way of further background information for Members, Kent Savers work with Circle Housing Russet and other housing associations to assist tenants.
- 1.4.2 They also work alongside our staff at the Gateway, as well as Tonbridge & Malling CAB and other CABx across Kent.
- 1.4.3 Since their launch with the Diocese of Rochester in June of this year, they have also started to work with churches in West Malling and Aylesford and are in liaison with others in our borough. The latest newsletter can be found at:

<http://www.kentsavers.co.uk/images/library/documents/30062014-121934.pdf>

- 1.4.4 The Director of Finance and Transformation has examined the latest set of accounts and this shows a satisfactory balance sheet position. In terms of the revenue account, however, this shows a 'worsening' position largely as a result of reductions in grant funding. The remedy is to advance more by way of grants/loans on which they then earn interest so that income and expenditure become better matched. Of course, the 'Catch 22' is that they are not permitted to advance more without securing additional capital funding (see paragraph 1.2.2).
- 1.4.5 We understand that Swale Borough Council has agreed to advance £10,000 and other Kent districts are giving consideration to it. Ironically, the more Councils there are that decide to offer support in this way, the closer to the state aid threshold Kent Savers will come.

1.5 Conclusions

- 1.5.1 We believe that there are potential benefits to our residents of providing support to Kent Savers, particularly in view of the priority we have attached to the impact of welfare reform and the concerns expressed about payday loans.
- 1.5.2 Although Kent Savers have requested a subordinated loan of £10,000, the nature of loan requested is likely to amount to state aid, which would be unlawful.
- 1.5.3 Whilst an unconditional grant of a similar amount would mean that the money would not be repaid to TMBC, legal advice is that it would avoid the state aid issues as the De Minimus Exemption applies.
- 1.5.4 Members are therefore asked to consider whether they wish to consider awarding to Kent Savers an unconditional grant of £10,000.

1.5.5 In view of the arguments set out above, we would ask Members to give serious consideration to an unconditional grant of £10,000 which could be funded from the Welfare Reform Reserve.

1.6 Legal Implications

1.6.1 None save as set out above.

1.7 Financial and Value for Money Considerations

1.7.1 As set out above. Funding can be made available from the Welfare Reform Reserve.

1.8 Risk Assessment

1.8.1 Kent Savers is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority .

1.8.2 State Aid Regulations need to be considered when offering financial support to an organisation like Kent Savers. The assessment undertaken with Legal Services suggests that from a legal point of view, offering an unconditional grant as opposed to a loan would be the only lawful option.

1.8.3 Members will note that an unconditional grant would not be repayable.

1.9 Equality Impact Assessment

1.9.1 See 'Screening for equality impacts' table at end of report

1.10 Policy Considerations

1.10.1 Community

1.11 Recommendations

1.11.1 It is **RECOMMENDED** that Members give consideration to the request for financial support of £10,000 to Kent Savers in the form of an unconditional grant, having regard to the issues set out within the report.

The Director of Finance and Transformation confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

contact: Sharon Shelton

Nil

Julie Beilby
Chief Executive

Sharon Shelton
Director of Finance and Transformation

For Management Team

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	Funding advance should provide opportunities through Kent Savers for all sectors of our community
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	Yes	Funding advance should provide opportunities through Kent Savers for all sectors of our community
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.

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Cllr Nicolas Heslop
Tonbridge and Malling Borough Council
Gibson Building
Gibson Drive
Kings Hill
West Malling
ME19 4LZ

20th June 2014

Kent Savers Credit Union – Capital appeal

I am writing to ask for your council's support to enable Kent Savers Credit Union (KSCU) to continue to grow and offer affordable loans and savings products to support local people in Kent and Medway. As I am sure you know, KSCU offers an affordable alternative to payday and other high interest lenders which helps residents, including many from your area, to reduce the cost of borrowing and avoid indebtedness.

Following the financial crisis the new regulations now require UK banks to hold increased levels of capital to underpin their day-to-day business operations. Credit unions are no exception to this and have seen the capital requirement for them increase from the 1% capital to asset ratio in 2012 to an expected level of 3% by 1st October 2014. This is proving to be extremely challenging for many credit unions, especially relatively young ones like Kent Savers, as their main source of income is loan interest. The projection in the KSCU business plan is to generate enough loan interest and other income to be self-supporting by 2016/17.

Kent County Council has kindly stepped in to provide some help through a subordinated loan to help us meet the new capital requirement. However on its own this is not enough to meet the gap that exists over the next two years, and particularly to meet the higher ratio that we must operate under from October 2014.

I am now writing to the Leaders of all twelve District Councils in Kent and to the Leader of Medway Unitary Authority to ask for your combined support to help KSCU at this very difficult time. All of you have supported KSCU since its launch, and some of you have offered revenue funding. I am now seeking help from you all with a £10,000 subordinated loan to KSCU over a period of between 5 and 10 years. Our target is to raise a minimum of £40,000 by 1st October 2014 with further sums committed by 30th September 2015.

Kent Savers, Maidstone Community Support Centre
39-48 Marsham Street, Maidstone, Kent ME14 1HH

T 0333 321 9050
F 01622 690635

E info@kentsavers.co.uk
W www.kentsavers.co.uk

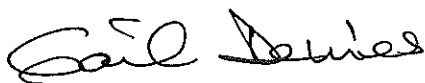
If each council agreed to support KSCU in this way then together, and with the help already offered by Kent County Council, KSCU will be able to thrive and grow. This means we can make a real difference and impact for residents across all income brackets, but especially those who will benefit from cheaper loan finance. In the event of KSCU not being able to raise sufficient capital in time then growth plans will restrict us to offering core products only and lending to people most in need of affordable finance will be reduced. With your support this will not happen.

Earlier this year in March KSCU launched very competitive low interest rates for larger loans over £5,000, and is about to launch an on-line loan application facility to make it easier to apply for loans. These measures will increase the level of loan interest income but will take time to build our capital reserves, time we do not have if we are to meet the new capital requirements by October. An increased level of capital will also allow KSCU to offer other products and larger loans.

Please have a look at the information contained in the attached document. KSCU's General Manager, Chris Hunt, will be able to answer any detailed queries that you may have.

I would be most grateful if you could let me know as soon as possible, and ideally by 12th July, whether your Council is able to allocate a small proportion of reserves to support your local credit union in the way that I have proposed. If all District Councils and Kent County Council get behind KSCU then we will deliver the credit union services that are so very much needed to help the people of Kent and Medway.

Yours sincerely



Gail Devries
President of Kent Savers Credit Union

Summary

This document describes the regulatory capital needs for credit unions and how this affects Kent Savers Credit Union.

Kent Savers urgently needs to increase its regulatory capital to support its operation in two important ways:

- To enable Kent Savers to meet the new regulatory requirement of 3% capital to asset ratio by 1st October 2014
- To enable Kent Savers to offer new advanced products and services

Credit unions

Credit unions are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Credit unions offer simple and easy to use financial services including savings accounts and loans, and are non-profit-making. Credit unions are co-operatives owned by their own customers.

Credit Unions are actively supported by central government, by trades unions, by housing associations and in the last 12 months by the Church of England who are running a campaign to empower church volunteers throughout the country to work with their local credit union.

There are around 400 credit unions in Britain, and collectively they have over 1 million members.

Kent Savers

Kent Savers Credit Union was launched in 2010 with funding and support from Kent County Council and several district councils and housing associations.

Kent Savers has grown to become a 1,600 member organisation with shares (members' deposits) of over £1 million and a loan book of £550,000. During its four years of operation Kent Savers has loaned out over £1.3 million, with the majority of loans going to people on low incomes.

Members taking loans from Kent Savers have made great savings as the typical small loan from Kent Savers has been at 26.8% APR whilst pay day and other high interest lenders may offer rates running into several thousand per cent APR.

Regulatory requirements #1

The Prudential Regulation Authority requires credit unions to hold sufficient capital. For 2013/14 the minimum capital requirement is equal to 2% of assets. From 1st October 2014 the minimum capital requirement rises to 3% of assets¹.

Kent Savers needs to secure additional capital in the next three months to enable it to meet the new 3% threshold and to continue to meet the new threshold as it grows and expands.

Regulatory requirements #2

Credit unions with lower levels of capital (soon to be 3%) are limited by regulators to providing a core level of services to members.

Credit unions with additional capital (typically over 5%) are permitted to offer some additional services. Three services in particular are governed by capital:

- Paying interest on deposits
- Paying different returns on different classes of deposits²
- Issuing loans larger than £7,500³

Kent Savers needs to secure additional capital to enable it to offer the additional services.

Advanced products and services

Credit unions offer affordable products and services because their aim is to provide good value to their members. Some other lenders charge far more for their services and with this income they are able to invest in cutting edge technology.

During 2014 to 2016 there is an opportunity for Kent Savers to transfer its operation across to a modern banking platform, and this will offer the services that people now expect such as mobile access, current and budget accounts, and automated services. The technology is being made available through a programme funded by the Department for Work and Pensions called the Credit Union Expansion Project.

Kent Savers needs additional capital to transfer to the new platform.

Business needs

There is a clear business need amongst the people of Kent and Medway for the opportunities that the increased capital will permit.

Ease of use

People use pay-day loan companies partly because they feel they have nowhere else to turn, but partly also because they offer a very quick service. Because the process is so easy people often overlook the costs of credit with these companies.

Kent Savers loans are much better value to those on low incomes, but the problem is to become attractive to those customers. To effectively compete with the new lenders, Kent Savers has to provide a good modern user interface and a fast service. The new platform will provide mobile access to credit unions and improved processing and automated decision making.

With a higher level of capital Kent Savers will be able to transfer its operation across to the new modern banking platform which has a mobile interface and extensive automation.

Current accounts

Research has shown that over 1 million people still do not have access to a current account. Current accounts allow people to save money with payments made by direct debit, and offer payment methods that reflect the modern age. They can also be used to manage the new Universal Credit when it is rolled out.

A current account provided by a locally trusted organisation such as a credit union and supported and promoted by local agencies will be of great benefit to people.

With a higher level of capital Kent Savers will be able to offer a current account to members from the new banking platform.

Budget accounts

Some people might find a current account hard to manage, and so for them a budget account is the better solution. Budget accounts allow people to set money

aside for their priority payments. Budget accounts are the preferred choice for members to manage the new Universal Credit when it is rolled out.

A budget account from Kent Savers in conjunction with local housing providers will be of great benefit to people.

With a higher level of capital Kent Savers will be able to offer a fully featured budget account to members from the new banking platform.

Encouraging saving

In today's climate with price comparison websites flourishing, savers have more and more choices for investing their money. Historically credit unions have shared their surpluses amongst members in the form of a dividend on their shares. This means that when a member makes a deposit, they will not know the return that they may make on that deposit. This represents a risk that many people are reluctant to take.

With a higher level of capital Kent Savers will be able to offer interest bearing shares with the interest rate being set in advance. This surety will encourage more members to place their trust and their funds with Kent Savers.

Secure platform for lending

Kent Savers needs a solid base of members' shares to support its lending activity. The default savings account is a no notice account, but this represents a risk to Kent Savers lending capital. Today banks and building societies offer different rates for different products; those needing instant access to their savings will receive a lower rate to those who are able to put their savings away for a specified period.

Kent Savers needs to build up a tranche of long term (e.g. 1 year plus) investors, and paying a higher dividend will encourage these investors to put their money away for a longer period. With these savings locked away Kent Savers will be able to lend its funds out with greater confidence.

With a higher level of capital Kent Savers will be able to offer several different dividend classes.

Large loans

Kent Savers average loan size is just over £1,000. Smaller loans to those on low incomes are typically high risk and are also expensive to manage, and Kent Savers needs a balanced portfolio of high value low risk loans and low value high risk loans. Homeowners and people on good earnings often need to borrow larger amounts that the current cap of £7,500 will allow, for items such as cars.

An increase in capital will enable Kent Savers to build up its portfolio of higher value low risk loans, which will in turn enable it to offer more social loans.

Kent Savers capital position

Kent Savers currently has capital support from Kent County Council and from a fund provided by the Department of Work and Pensions in 2010.

Kent Savers' current forecast shows that we will have assets of £1,200,000 and capital of £20,000 on 1st October 2014, a capital to asset ratio of 1.67%.

There are further risks with this position which could take the forecast capital even lower:

- If members' share deposits between now and 30th September are higher than forecast this will increase assets and reduce the key ratios.

- If insufficient loans are issued between now and 30th September to replace loans being repaid, this will reduce income and capital, reducing the key ratios.
- If bad debt is higher than forecast during the next three months this will increase expenditure and reduce capital, reducing the key ratios.

Kent Savers capital requirements

Kent Savers needs to increase its capital by at least £40,000 by 1st October 2014, with further sums committed by 30th September 2015.

£40,000 on 1st October 2014 will result in a capital to asset ratio of 5%. Further capital of £40,000 in 2015 will enable Kent Savers assets to grow to £2 million during the year to September 2015 and maintain a capital ratio of 5%. Increased capital will:

- Give Kent Savers protection against variations in its business that will affect the capital ratio and ensure that it remains above 3% at all times
- Enable Kent Savers to offer the additional services that become available when the capital ratio is above 5%
- Enable Kent Savers to plan a migration to the modern banking platform and deliver the advanced products and services available through the platform

Increasing capital

There are a number of ways to increase the capital of a credit union, and the method used most often is through a subordinated loan. Other methods include gifts of capital and corporate deferred shares.

Subordinated loans are used regularly to support credit unions, for example:

- The Public and Commercial Services Union made a subordinated loan of £150,000 to the PCS Credit Union in 2012.
- The Magee Charitable Trust made a subordinated loan of £75,000 to Community Savings and Loans (Berkshire Credit Union) which is not repayable until December 2017.
- Other examples include Harrow Council and M for Money credit union, Islington Council and London Capital Credit Union

Subordinated loans

A subordinated loan⁴ is a loan to Kent Savers over a term that exceeds 5 years.

Kent Savers are inviting corporate supporters to provide capital funding to the credit union in the form of 5 to 10 year subordinated loans.

The loans will attract interest of 1% paid annually on the anniversary of the loan. Lenders can opt not to receive the interest in which case the interest payable will be paid into a special reserve for the benefit of those members on low incomes.

The loans will be repayable in full on their maturity.

¹ Credit Unions Sourcebook CREDS 5.3.1

² Credit Unions Sourcebook CREDS 4.2.6

³ Credit Unions Sourcebook CREDS 5.3.10

⁴ Credit Unions Sourcebook CREDS 5.2.1 (4)

Agenda Item 6

Any other items which the Chairman decides are urgent due to special circumstances and of which notice has been given to the Chief Executive.

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Agenda Item 7

The Chairman to move that the press and public be excluded from the remainder of the meeting during consideration of any items the publication of which would disclose exempt information.

**ANY REPORTS APPEARING AFTER THIS PAGE CONTAIN EXEMPT
INFORMATION**

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Agenda Item 8

Any other items which the Chairman decides are urgent due to special circumstances and of which notice has been given to the Chief Executive.

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