

TELFORD & WREKIN COUNCIL

CABINET – 8 NOVEMBER 2012

INVESTIGATION OF ILLEGAL MONEY LENDERS (LOAN SHARKS)

REPORT OF THE ASSISTANT DIRECTOR: LAW, DEMOCRACY & PUBLIC PROTECTION

LEAD CABINET MEMBER – COUNCILLOR H. RHODES

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

To seek members approval for Birmingham City Council to be authorised to undertake enforcement of Part III of the Consumer Credit Act 1974 insofar as it applies to the regulation of illegal money lending, within Borough of Telford & Wrekin

2. RECOMMENDATIONS

- 2.1 That members approve, by virtue of Section 101 of the Local Government Act 1972 and Section 13(7) of the Local Government Act 2000 the delegation of a function, namely, enforcement of Part III of the Consumer Credit Act 1974, to Birmingham City Council subject to terms and conditions contained in an agreement to be entered into with Birmingham City Council relating to the said delegated function.
- 2.2 That the Assistant Director: Law, Democracy and Public Protection be authorised to undertake the necessary legal procedures to bring the proposal in 2.1 (above) into effect.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Cooperative priority - Protect and support our vulnerable children and adults
	Will the proposals impact on specific groups of people?	
	Yes	Vulnerable adults and in particular those in a low income bracket or with little or no access to bone fide credit providers
TARGET COMPLETION/DELIVERY DATE	The project is current and enforcement and investigations will be determined by illegal money lender activity within the borough	
FINANCIAL/VALUE FOR MONEY IMPACT	No	The project is funded by the Department of Business, Innovation and Skills/ HM Treasury.
LEGAL ISSUES	Yes	The enforcement of Part III of the Consumer Credit Act 1974 in so far as it applies to the regulation of illegal money lending within the Borough of Telford & Wrekin can be delegated to Birmingham City Council by virtue of section 101 of the Local Government Act 1972 and section 13(7) of the Local Government Act 2000.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	Borough-wide impact

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

The primary legislation governing the Consumer Credit Industry is the Consumer Credit Act 1974. 'The Act' imposes a duty upon local weights and measures authorities to enforce its provisions and regulations made under it.

Responsibility for detecting and investigating unlicensed money lending rests with Trading Standards services, but such investigations and prosecutions are rare as the offence is difficult to investigate as the services do not have adequate resources to specifically target such activities.

Under the provisions of Section 101 of the Local Government Act 1972 and Section 13(7) of the Local Government Act 2000, it is possible for a local authority to delegate a function to another local authority. In this instance, it would be to authorise Birmingham City Council to undertake enforcement of Part III of the Consumer Credit Act 1974 in relation to illegal money lending.

The Tackling Illegal Money lending pilot project was set up by the Government in 2004, with teams in Scotland and Birmingham to investigate and prosecute illegal money lenders. In 2007 the project was expanded to create three national teams based within Trading Standards, covering England, (Birmingham Team) Scotland and Wales.

This project seeks to protect the public from activities of illegal money lending. It is funded by the Department of Business, Innovation and Skills/ HM Treasury and has a dedicated team equipped with the necessary resources to actively target illegal money lenders with a long term prospect of removing illegal money lenders who target vulnerable members of our communities.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

None

6. PREVIOUS MINUTES

CB163 Cabinet 28 February 2005

7. BACKGROUND PAPERS

None

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