

COUNTY COUNCIL LOCAL COMMITTEE FOR SOUTH LAKELAND
Meeting date: 4 APRIL 2011
From: Chief Executive

FINANCIAL INCLUSION & CREDIT UNION DEVELOPMENT

1.0 EXECUTIVE SUMMARY

- 1.1 *This paper provides an overview progress update on the work of South Lakeland Credit Union Study Group in the period since the report to the Committee in September 2010.*

2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS

- 2.1 The Council Plan and budget for 2011/12 outlines specific priorities around anti poverty. This report makes no additional proposals for financial support other than that agreed in the budget.
- 2.2 The proposed plans would have a beneficial impact on some of the most vulnerable individuals in the area.

3.0 RECOMMENDATION

- 3.1 The Committee is asked to note the achievements made from investing the allocated DRAMA/Credit Union Development budget of £16,836 for 2009-10 and 2010-11

4.0 BACKGROUND

- 4.1 The overall work of the group towards establishing a credit union service in South Lakeland continues to make good progress. However the work of the group was disrupted for most of November and December 2010 with meetings of the group and sub groups cancelled due to the extremely bad weather and avoiding danger to volunteers travelling to evening meetings in dangerous road conditions.

- 4.2 The majority of work of the group is now being progressed through smaller sub-groups. There are currently three key sub groups:- Business Planning, Promotions and Communications, Funding.
- 4.3 The Business Planning sub-group has sent representatives to various credit unions across the county and across the country to learn more from other credit unions about how they set up and the successes they have had and challenges they faced in the early stages of a new credit union. This has helped to inform more detailed work on likely uptake of membership, financial projections and costs of running a credit union in the early stages. The Business Planning Sub-Group has considered the implications of all of this information for South Lakeland Credit Union and is now preparing a more detailed document for the South Lakeland Credit Union Main Group.
- 4.4 The Promotions and Communications Sub-Group has developed a public pledge form. As part of the Financial Services Authority registration and authorization process new credit unions are required to gather a minimum of 1000 non-binding pledges from individuals throughout their area. The group is now approaching South Lakeland District Council to request that they distribute pledge forms, publicity leaflet and reply paid envelopes to all 46,000 households in South Lakeland. We are also working closely with the Methodist Church and a non-church community newsletter in Swarthmoor to trial the pledge forms with the 900 copies distributed to all households in that area. The sub-group has also produced a publicity leaflet. Updates have been provided to the Cumbria CVS South Lakeland Local Forum of Community and Voluntary Organisations and the District Association of Parish councils in South Lakeland on plans to set up a credit union and how they can work with the study group to help make it happen
- 4.5 Funding: The South Lakeland Credit Union Study Group successfully secured £1000 of funding from Cumberland Building Society as a contribution towards start up costs. Representatives from the funding and fundraising group attended the Cumbria CVS Funding Fair held in Ulverston in late 2010. This has led to a number of contacts and leads with funding organizations and potential to apply to grant programmes of bodies such as Northern Rock Foundation. The SLDC Community Grant Aid Funding is also being considered at the moment.
- 4.6 The group requires a comprehensive package of policies and procedures documents that govern many different aspects of the day to day running of the credit union. Seven of the 14 credit union specific documents covering areas such as Capital, Internal Audit, Audit Committee Charter, Capital, Provision for Bad and Doubtful Debt and Money Laundering have already been developed with others being developed as the business plan itself progresses.
- 4.7 If members want additional information or have suggestions, comments or questions at any stage please contact:-

Gordon Henry, Cumbria Credit Union Development Coordinator
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4.0 OPTIONS

- 5.1 To note progress made to date in developing Credit Union coverage in South Lakeland

6.0 RESOURCE AND VALUE FOR MONEY IMPLICATIONS

- 6.1 The report updates the Committee on achievements made from investing the allocated DRAMA/Credit Union Development budget of £16,836 for 2009-10 and 2010-11.
- 6.2 **Local Committee has a 2011-12 allocation of of £16,836 available to support this initiative.**

7.0 LEGAL IMPLICATIONS

- 7.1 Under paragraph 12 and page 69 of the Council Constitution County Local Committees are empowered to support the development of debt rescue and money advice, including the development of Credit Unions across their area.

8.0 CONCLUSION

- 8.1 The work of the volunteers on the group continues to progress well. The group would welcome active involvement in its work from any elected members with a willingness to be involved. Once the public pledge drive is launched the group would really appreciate support from elected members through signing up directly as individuals and through encouraging their constituents to sign up pledge their support to becoming members once established. This evidence of support from the public will be an essential component of the success of the application to become registered and authorized with the Financial Services Authority.

Jill Stannard, Chief Executive
March 2011

APPENDICES

South Lakeland Credit Union Leaflet
South Lakeland Credit Union Pledge Form

Electoral Division(s): All South Lakeland

Executive Decision

Yes	
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Key Decision	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No
If a Key Decision, is the proposal published in the current Forward Plan?	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Is the decision exempt from call-in on grounds of urgency?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No
If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?	<input type="checkbox"/>	<input type="checkbox"/>	N/A*
Has this matter been considered by Overview and Scrutiny? If so, give details below.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Yes
Has an environmental or sustainability impact assessment been undertaken?	<input type="checkbox"/>	<input type="checkbox"/>	N/A
Has an equality impact assessment been undertaken?	<input type="checkbox"/>	<input type="checkbox"/>	N/A

PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS

Cabinet 11 March 2008 Scrutiny Review of Debt in Cumbria,
Cabinet 6 January 2009 Credit Crunch and Fuel Poverty - Package of Advice to Vulnerable
Individuals, Families And Communities
 A Fuel Poverty Scrutiny Report May 2009
 Anti Poverty Strategy Cabinet April 2009
 Anti Poverty Strategy Action Plan Cabinet May 2009
 South Lakeland Local Committee: June 2009
 South Lakeland Local Committee: September 2010

CONSIDERATION BY OVERVIEW AND SCRUTINY

Scrutiny Review of Debt in Cumbria (2008); A Fuel Poverty Scrutiny Report (2009)

BACKGROUND PAPERS

No background papers.

REPORT AUTHOR

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