

### Summary

Eden & South Lakeland Credit Union is working towards achieving financial security and a sustainable future, where it can operate successfully without the need for grant funding. The credit union has made good progress in the 4 years since inception, with detailed financial projections indicating that this sustainability will be possible by 2019/2020. Whilst working towards this goal the group needs grant funding to cover its operating deficit during the next 2 financial years, thereby ensuring that services continue to be available to residents in Eden and South Lakeland.

### Recommendation

Eden Local Committee are asked to support the Eden & South Lakeland Credit Union within their financial year 2017/2018 (Oct 17 to Sep 18) with a grant of £5,000. The projected operating deficit for the credit union for this period is £17,054.

### Background

Eden & South Lakeland Credit Union is located in Devonshire Arcade Penrith, and consists of a shop front and associated office space. There are also outreach sites at Alston Moor Partnership Shop and Kendal Town Hall.

The goal of the credit union is to provide residents of Eden and South Lakeland access to financial information as well as savings and loans products to help them make informed choices.

The credit union is committed to supporting financially disadvantaged members of the community by providing an affordable range of financial services, locally delivered and ethically focused.

The credit union is growing year-on-year. Its operation is run by one recent part-time paid employee and over 40 volunteers. Current membership is 600; with more than £400,000 saved. Currently the credit union loan book is £150,000, with more than 100 loans live, most of these from within the Eden District.

EdenSave Credit Union began operating in Penrith on 01 Oct 2013. EdenSave and South Lakeland Credit Unions merged and became Eden & South Lakeland Credit Union on 24 March 2017. The merger is proving successful in providing significant economies of scale, efficiencies in operation, and a greater critical mass with which to withstand challenges.

The projected forecast for the credit union's next 4 years' financial performance is shown below. These projections are based on a growth in membership and size of loan book which is consistent with that achieved over the last 4 years.

<b>Projected Surplus/Shortfall from ESLCU's Business Plan and Budget Oct 17 to Sep 21</b>			
Oct 17 to Sep 18	Oct 18 to Sep 19	Oct 19 to Sep 20	Oct 20 to Sep 21
-£17,054	-£12,781	£688	£8,520

Eden & South Lakeland Credit Union is also in discussions with CCC South Lakeland Local Committee regarding grant funding for this service.