

REPORT TO: Safer Policy and Performance Board
DATE: 12 March 2013
REPORTING OFFICER: Strategic Director, Communities
PORTFOLIO: Communities
SUBJECT: Halton Credit Union
WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

1.1 To inform members of the work of Halton Credit Union and the role that it plays in supporting the people who live and work in the borough. Their work is particularly relevant in the current economic climate and with the imminent benefit reforms.

2.0 RECOMMENDED: That the Board note the report.

3.0 SUPPORTING INFORMATION

3.1 Credit Unions are small not for profit financial organisations, set up by members with something in common to benefit their community.

3.2 Credit Unions provide a financial community, where its members mutually benefit as there's no profit for third party shareholders. This can mean helping those who can't get access to ordinary bank products; a lifeline in less well-off communities for people grappling with their finances.

3.3 The Credit Union is also a more affordable and more attractive alternative to payday loans or doorstep lending.

3.4 However they are not just for those struggling financially, they also appeal to those who want to bank ethically and benefit their community.

4.0 HALTON CREDIT UNION OVERVIEW

4.1 Halton Credit Union was formed in 2002, after an amalgamation of 3 separate Credit Unions from Runcorn and Widnes.

4.2 Halton Credit Union is a "Live or Work" Credit Union based in the borough of Halton. This means that anyone who lives or works in Halton is eligible to apply to become a member.

- 4.3 Since 2002, Halton Credit Union has loaned over £7 million to its members. These loans have been for lots of reasons, including Christmas and Holidays, as well as smaller loans to help with things like school uniforms.
- 4.4 Every member who has savings, is also a shareholder of Halton Credit Union, and is eligible to vote at their annual general meeting, where the board reports to its' members and presents their annual accounts.

5.0 HALTON CREDIT UNION SERVICES

- 5.1 Halton Credit Union is a savings and loan cooperative. The main services are **savings and savings based loans**, which are loans allocated based upon regular savings and savings amount. Once a member has joined, they will need to start saving in order to take out savings based loans.
- 5.2 **Savings Based Loans**, are the main type of loan offered by Halton Credit Union. In order to receive a loan, an individual will need to be a member and saving on a regular basis. The loans are based upon the Halton Credit Union loans policy, which states the amount that can be borrowed and the period of pay back. Members are able to borrow double the amount they have saved, based upon saving regularly and the limits within the loans policy. Members may apply for loans after 13 weeks of membership, and after every 13 weeks of payments thereafter.
- 5.3 Other loan services include **Capacity Based Loans**, which is a small pot of money to help some members obtain a loan when starting off with the Credit Union. The Credit Union also has a partnership deal with Co-op electrical for white goods.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

- 6.1.1 A Credit Union will impact positively on children and young people in the borough, as it will give families access to affordable loans and prevent them from going to loan sharks or other high interest rate lenders.

6.2 Employment, Learning and Skills in Halton

- 6.2.1 The Credit Union will support residents by helping them to budget and manage their money more efficiently.

6.3 A Healthy Halton

- 6.3.1 For members of the Credit Union, knowing they can have access to affordable loans and a way of saving will help reduce stress and improve their emotional wellbeing.

6.4 A Safer Halton

- 6.4.1 The Credit Union offers affordable and accessible savings and loan services and their presence in the borough should reduce business for loan sharks, who often

charge unaffordable interest rates and have been known to intimidate and threaten their clients.

6.5 Environment and Regeneration in Halton

6.5.1 There are no direct policy implications for Environment and Regeneration

7.0 RISK ANALYSIS

7.1 There would be a risk of people taking out more costly payday and doorstep loans if the Credit Union were not active in Halton.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 Halton Credit Union is open to all residents of Halton and those who work here and it does not discriminate against any individual.

9.0 FINANCIAL IMPLICATIONS

9.1 There are no financial implications

10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1072

10.1 None under the Meaning of the Act.