

APPENDIX A

Response to Informal Cabinet Questions from Ann Hickey Chief Executive Wave Community Bank

See also the attached presentation that I would have given – it may help in relation to these questions (APPENDIX B):

1. As a credit Union how do you ensure Wave are able to maintain the capacity to offer loans and support services to its members?

People - WCB has a highly skilled voluntary board that provides oversight. We have an experienced and skilled Management Team that supervises the services to members, delivers on our social objectives, ensures we meet our regulatory requirements and are financially sustainable. We have a small number of volunteers that carry out specific tasks but we do not rely on them to deliver core services.

Systems - We have user friendly digital services such as our mobile app, on-line members' area- 97% of our members deal with us via on line services. We also provide support over phone and via email.

Budgeting – we have a 3 year business plan that includes budget for increased staff resources to manage the expected growth.

2. We are aligning the proposal contained within the paper the Councils Community Wealth Building Principles. Are you able to provide examples of how investing in Wave has supported Community Wealth Building in regions the bank currently supports?

The council have focussed on how they can use their advantages to build and strengthen the local economy through business growth and local job creation.

Credit unions support local economies by helping people build financial resilience through safe savings (FSCS protected), affordable loans (our rates are capped), education on money management and other services. Increasing the financial resilience/education of local people, and our work with the Illegal Money Lending Team's Stop Loan Sharks Campaign, drives out predatory lenders/loan sharks and allows people to become more economically active, rather than becoming over indebted, accruing rent arrears, relying on public services.

<https://cles.org.uk/what-is-community-wealth-building/the-principles-of-community-wealth-building/making-financial-power-work-for-local-places/credit-unions/>

We estimate that WCB are saving our current borrowers in Lewes District over £800k per annum in interest compared to what they would have been charged by high interest lenders

Source: https://www.lendingstream.co.uk/application/apply/?loan_amount=550

We can also provide retrofit loans to improve properties to combat climate change – see presentation.

As a co-operative any surplus made is either invested in the business or given to savers as a dividend, thus keeping any money generated in the local economy. WCB employs 15 people and has growth plans to add two more staff in this financial year.

Examples:

WCB have helped over 200 street homeless people in East Sussex access basic bank accounts so they can access the benefits system to help them off the street.

ESCC have supported us – lending in East Sussex has been our significant growth area in the last three years with increase in lending of 78% by value and of 128% by volume from 20-21 to 23-24.

WCB are part of the Moneyworks partnership in B&H which helps people across the city with debt advice and support accessing financial services.

3. How can members be certain that the funding provided will have a direct and positive impact on the residents of Lewes District Council?

The subordinated loan will be used to increase our capital position and not used for revenue funding. However, by investing in a sub loan to WCB this will strengthen the financial stability of WCB.

We will grow our membership in Lewes District by 40% in three years. Lending will grow by 30% and savings by 15%.

We will continue to support low paid workers living in Lewes District with our workplace savings scheme which can be accessed by staff of LDC, ESCC, EBC, East Sussex Healthcare NHS Trust, Sussex Community NHS Trust, University Hospitals Sussex NHS Trust, Brighton & Hove Buses and many more local businesses.

We are targeting new businesses in the district to join up to offer our workplace savings scheme

We will continue to build on our financial education offering by running more educational webinars accessible to all residents in the area and continuing to add more money management content to our website.

We work closely with the third sector in Lewes District and are part of the Cost of Living Action Group. We continue to look for collaborative working opportunities with partners in the area.

4. What measure are the council able to take to ensure any funding provided is targeted specifically on the residents of the district?

As above

5. If the funding provided by other investors (e.g. Brighton & Hove) used to support residents in areas outside of that Council's boundary?

Other local authorities in Brighton & Hove East Sussex and Kent that have invested subordinated loans in WCB recognise the value of having a thriving credit union for residents. A more financially resilient community results in less call to the public purse, improves quality of life and participation in the local economy.