BOOM! COMMUNITY BANK
LOCAL MONEY LOCAL IMPACT

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Boom Community Bank - Your Parish Council's support for struggling households.

Introduction
Boom Community Bank is your local Credit Union. We are an ethically driven local cooperative owned by those we serve, our customers. We provide our members with comprehensive support and advice that helps them manage their personal finances and control how they cope with the current financial crisis. We offer them advice, loans and savings services usually after they have been refused help by the high street banks. It is likely that some of your residents have already approached us. We always try and help them if we can. The social impact of our work is considerable and we are well supported by our social partners - Councils, churches, and local charities - with whom we collaborate. There are 250 Credit unions spread throughout the UK. Boom is licensed to cover an area which stretches from the M4 to the south coast. Our **12,500** members have cumulative savings totalling **£7.4 million** and our loan book totals **£6 million.**

Our Problem
At present a quarter of all British households face financial difficulty due to inflation and rising interest rates. As a result, Boom is busier than ever. Our monthly demand for new loans currently exceeds **£1.5 million** and in June we issued **£444,000** new loans. In addition, some of our members are withdrawing savings to meet their personal 'rainy day.' Demand for credit is beginning to outstrip our ability to generate new lending capital. We can foresee a time in the coming months when our liquidity ratio will come under pressure. When it does, we will be obliged to reduce the number of loans we agree in order to maintain the firm liquidity ratios laid down by our regulator, the Bank of England. If that happens, some of the most vulnerable of our residents will have no one to turn to and will end up resorting to high interest lenders or Loan Sharks.

The Solution
Some Parish Councils, including Shere, Midhurst and Arundel, already support Boom's liquidity by lodging a portion of their static reserve capital in a standard Boom savings account. They do so because they have recognised Boom's social value and its ethical not-for-profit purpose and have decided to support it. Such Parish Council deposits range from £5,000 to £35,000. Each Council saves with Boom assured that its money is invested in a sensibly managed organisation and can be accessed on demand and earn an annual dividend if declared. In essence a relatively painless Treasury policy decision, but for Boom it provides some very important underpinning of its long-term liquidity. The normal FSCS guarantee also applies to investments by Councils who have an annual income and expenditure budget of under Euro 500,000.

The Background
Created by the merger of SurreySave and West Sussex Credit Unions in September 2016, Boom is licensed by the PRA and FCA under the 1979 Credit Union Act to provide simple loans and savings banking services in its exclusive geographical Common Bond which covers all who live or work in **Berkshire, North Hampshire, Surrey, Kingston and West Sussex.** From the outset Boom's aim has been to achieve financial self-sufficiency through strong and rapid growth. It has consistently applied commercial disciplines, streamlined its operations, adopted professional underwriting and credit control processes and has always treated its customers with courtesy and care. It manages to make a small annual profit and declares a regular, if modest, dividend on its savings. See the attached **Accounts** for our last three years**.**

Proposal
As a council you will be currently considering how best to help your own residents to weather the current economic storm and survive it with their finances in reasonable shape. Boom’s services can provide part of that answer. If you were to decide to help Boom and support its liquidity, you will be supporting your most vulnerable residents with access to much needed credit. Boom will need this additional lending capital if it is to offer your residents credit when they most need it. I therefore ask your Council to consider joining other Councils in opening a modest savings account with Boom Community Bank.

Conclusion
I should be most grateful if you could make it possible to put a proposal before your Councillors at their next Council meeting asking them to consider joining other Councils in opening a savings account with us.

Best wishes

David Wright OBE
Chair, West Sussex and Surrey Credit Union (trading as Boom Community Bank)