

## **POLICY & RESOURCES COMMITTEE**

**WEDNESDAY 9<sup>th</sup> OCTOBER 2019**

### **GATEWAY CREDIT UNION INVESTMENT**

#### **1.0 PURPOSE OF THE REPORT**

1.1 To approve an investment in Gateway Credit Union

#### **2.0 BACKGROUND**

2.1 In November 2018 , the Town Council received a presentation from Sara Burch, Manager of Gateway Credit Union. As a result of this presentation, it was agreed that the Town Council would consider investing in Gateway Credit Union.

#### **3.0 TERMS OF THE INVESTMENT**

3.1 The investment would be through opening a Community Account on the same term as individual membership of the Credit Union. This would require a £5 membership fee and the minimum deposit is £3, maximum £30,000.

3.2 The dividend paid depends on the surpluses generated by the credit union in the year. Given the current financial circumstances of many of CU members dividends have been minimal for the last few years.

3.3 Withdrawal is on demand, and most Community Account holders register three signatories, with any two to sign.

3.4 FSCS does not protect deposits made by a public authority (including a parish council), unless it is a small local authority with an annual budget of up to EUR500,000.

3.5 With an exchange rate of £1 – EUR 1.13 this would give an annual budget of up to £443,000. Therefore, currently with an annual budget of £374, 233, Abergavenny Town Council would be covered by the FSCS

#### **4. RECOMMENDATION**

4.1 That £20,000 from general reserves is invested in Gateway Credit Union for three years or a lesser period of time if the Town Council's annual budget exceeds EUR 500,000

4.2 That three signatories are registered – Chair & Vice Chair of Policy & Resources and Town Clerk.