

Building on Foundations

After studying the pros and cons of a merger for over two years, members of our Project Team believe that a merger is the best option for all existing credit unions and communities in North Wales. It builds on the foundations laid by Volunteers, Members, Staff of our five Credit Unions and aims to improve the service that we provide to our members and safeguard our future.

Will we still be dealing with the same staff & volunteers?

Essentially, yes. The existing offices & collection points will be maintained. Current staff & volunteers will continue. From time to time, you may see a new face but this happens now and again.

So, as far as you are concerned, it will be business as usual.

WAG initiative

This Merger Project is a Welsh Assembly Government funded Initiative.



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Government Ministers support merger plans



Cheryl Gillan, the new Secretary of State for Wales and Wales Minister, David Jones, have visited Clwyd Coast Credit Union in their first week in office and paid tribute to the work of staff and volunteers.



Wrexham Credit Union recently opened its new town centre office on King Street. The office was opened by Welsh Assembly Government Social Justice Minister Carl Sargeant AM

Since our last Newsletter

In the last Newsletter, we explained the background to the Study into the feasibility of a merger of the five credit unions. At that time we said that the Project Team would be working on Financial and Business Plans and detailed investigation of the many implications of a merger.

The completion of that work has been delayed in part because the production of individual Business Plans by each Credit Union has been put back in line with the submission of three year funding applications to the Welsh Assembly Government (WAG). What has begun however is the process of what is known as Due Diligence - the examination of the processes and accounts for each Credit Union.

A major step has also been taken in the planning process with the creation of a Shadow Board. This group of 12 representatives of the 5 Credit Unions has now begun to meet to look at the many aspects of a merger that would be the responsibility of its Board.

We have also presented a first draft of a report, The Merger Proposal Paper, to the Boards of each Credit Union. In due course this will be formally presented to the Boards as a result of

the work of the Project Team including its expected recommendation of a merger.

What happens next?

With the delay in the completion of the Business Model and the submission of the report to the Boards, the Project Team is now planning a fresh set of possible timescales for a merger.

Now planned is that each Credit Union will complete the work associated with the end of their financial year. This ends on the 30th September.

The Board of your Credit Union will then hold its Annual General Meeting (AGM) and declare its results for the year 2009/10.

Assuming by that time the Project Team's work and its report have been completed, the Boards will be calling two Special General Meetings of Members to consider the proposal. Details of the date and location of these meetings will be advised to all members and the first of them may take place on the same date as the AGM.

At these meetings, members will have presented to them the reasons for the recommendation to merge and the opportunities and risks that would come with such a step.

“Er budd gorau aelodu”
“In the best interest of members”



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**Welsh Assembly
Government Initiative**

This extended timescale has a number of benefits, including:

- Each Credit Union knowing the results of their 3-year funding bid to WAG
- Some changes in legislation for Credit Unions may have been completed
- Each Credit Union will be entirely responsible for the completion of its accounts and the payment of dividends as appropriate

What can we expect the Merger Proposal Paper to say?

The draft paper describes the basis for the proposal to form one Credit Union for North Wales. It has the title “**In the best interests of members**” and the basis for any merger is that, first and foremost, it must benefit the interests of members of all of the Credit Unions involved and their communities.

It sets out the reasons for the merger; the benefits that it can provide and the potential drawbacks. It describes how a merger would take place and how members, volunteers and staff would be affected.

What were the Guidelines for the Merger proposal?

There were eight:

1. The Merger must open up access to credit union services to the widest and most diverse membership possible.
2. Decisions on future services will be made as close as possible to the point of delivery to local communities.
3. All existing premises and offices of participating Credit Unions will be maintained within the constraints and conditions placed on the Credit Union by funding and contractual arrangements.
4. There will be continuing employment of all staff who are currently permanent staff of the participating Credit Unions.
5. The merger will offer an option to each of the participating union areas to provide new services to members.
6. The resources of the participating Credit Unions will be used more efficiently in serving members and their communities.
7. The merger will lead to an increased profile of credit unions in North Wales,

and help to move towards sustainability.
8. The merger will help to share best working practices across North Wales.

Keeping it local

The Project Team is committed to a merged Credit Union keeping strong links with its local roots. Local Forums will be created in each area to ensure that local issues are properly taken into account in decision making and to ensure a good representation from Members across North Wales.

Who will be on the Board from my area?

In the first instance, it is anticipated that the new board will include representatives of each of the existing boards. This has already been implemented in forming the planning group known as the Shadow Board.

Shadow Board members Caledfryn

Alan Williams and Ursel Luhde

Clwyd Coast

John Killion and Gwyn Davies

Llandudno

Colin Summers, Phil Joy and Geoff Uttley

Wrexham

Michael Cantwell and Sharon Angus-Crawshaw

Y Llechen

Mostyn Toghill and Martin Williams

In the long term it may be that individual board members are not from each and every part of the whole common bond area. That is true of the existing Credit Unions. We trust the board members to be fair to all parts of their existing areas.

We believe that we can trust our future Board members in the same way that we have come to trust our existing boards.

Members will of course continue to be the ones to vote for those they wish to become members of the Board of their North Wales Credit Union, should the merger(s) proceed.