

“The Local Alchemy Coach provided the glue for the community, and got partnerships working with other individuals and organisations that are active in the area.

Some of them now sit on the board of the credit union, including Job Centre Plus, the local Housing Association, Sure Start, the enterprise centre, and the local school, which is involved with a new mini-credit union for children as well as several other enterprise initiatives”.

Howard, founder of the
Erewash Community Credit Union



access to finance in the community

The Erewash Community Credit Union, after just 6 months of operation, is providing a financial alternative to over 150 community members who have previously relied on doorstep money-lenders, having to repay over 50 per cent for loans which often go into basic living expenses.

The credit union allows people to save as little as they like, to open accounts where they have been denied by the banks, and to borrow money in a transparent manner and on understandable terms.

Howard, a retired process and efficiency manager for a large communications firm and the founder of the credit union, sees it as having a “dual role of social and economic contribution to the local area – it assists with the financial needs of community members, improves economic literacy through its personal approach to saving and lending, and has a positive effect on the local economy by ensuring more money stays local, and encourages people to spend more locally”.

“Many people”, says Howard, “can’t get conventional bank accounts. The credit union will take fifty pence and put it in an account for them. When they’ve been saving for thirteen weeks they can apply for a loan, and they can see exactly how much it will cost them”. A typical loan of £100 from the credit union will cost £107 at the end of the year, whereas a loan from a doorstep lender could cost as much as £170.

A community group in Cotmanhay had been trying to get a credit union off the ground unsuccessfully for several years, when Howard was asked to step in as a volunteer advisor. Howard felt a strong urge to give something back to his local community after his retirement, and given his financial background the technical aspects of starting the credit union also appealed to him.

Howard was able to bring a new focus in the group, and worked on what he sees as the four key aspects of a credit union – the demand for its services by local people, the complex financial processes for both the running of the business and the investments, the legal aspects of dealing in the financial market, and the base from which to operate.

Following extensive community consultation and lobbying for support from local residents and prospective users supported by Chris, the Local Alchemy coach, Howard and other members of the action group successfully applied for legal status with the FSA and put in a successful bid for the substantial start-up costs, hired a talented and driven fund manager to run the credit union full time, and began to work with the local community from their new office in Cotmanhay.

Howard believes that the credit union forms a key part of the Local Alchemy objectives in the Cotmanhay area, in particular through the social and economic benefits that residents can obtain through its services.