

THE POTENTIAL FOR MERGER OF BIRMINGHAM INNER CITY CREDIT UNION WITH ADVANCE CU

Reasons for Merger

The board is working to plan for the long-term future and expansion of the reach of the credit union, to improve existing services and see them develop across a broader population. In our view a merger would:

1. Increase the opportunity to respond to membership and loan applications digitally and so more smoothly, where this is convenient and efficient for members;
2. Improve response times;
3. Rapidly expand access to the Engage debit card;
4. At the same time maintain the existing face-to-face services including membership, over the counter transactions and manual loan applications;
5. Continue our additional services to do with bill-payment, welfare and debt advice and our relationships with the Ladywood Project and the Birmingham Settlement, and with more workers available to deal with the daily work, have the potential to expand.

The nature of our credit union has meant that our opportunities for development have been limited by a small workforce trying to manage an increasing work-load. We welcome the work but it could be carried out more effectively if there were more human resources to manage the day-to-day, and greater freedom to be involved in promotion of the credit union.

The Process of Merger

There is a legal process that has to be followed:

1. The proposal to merge has to be agreed by two thirds of the membership present at general meeting (ie this meeting). This decision has to be confirmed by a simple majority at a further general meeting within 28 days;
2. The larger – ‘receiving’- credit union will absorb the ‘transferring’ credit union into its common bond or catchment area. The credit union we are hoping to merge with already covers all of Birmingham and most of Solihull. So it would not affect any of our members’ eligibility;
3. Each credit union has to apply to the credit union regulator to approve merger and transfer of the assets and all administration, to the ‘receiving’ credit union;
4. We carry out a process to protect our paid staff. The process is known as TUPE (transfer of undertakings, protection of employment). In other words, there is a responsibility on us to ensure that Velma and Rhonda’s terms and conditions of employment are maintained.

Integration

After the completion of the legal procedures, the process of integration can begin. We will need to:

1. Compare policies and amend by agreement if necessary;
2. Amalgamate financial systems, IT systems and telephone communications;
3. Discuss representation on the various committees, especially the Board;
4. To ensure the long-term future of the Ladywood shop. To date we have received assurances that the shop and the existing staff will remain in Ladywood.