

**NOTICE OF MOTION****LABOUR GROUP AMENDMENT****FINANCIAL SERVICES**

To insert the text at point 2 shown in bold italics:

“This council welcomes the support that Brighton and Hove City Council is giving to the East Sussex Credit Union.

It also notes that:

- Two million people in the UK do not have bank accounts
- Three million people do not have access to conventional credit and depend on licensed sub-prime market lenders, many of whom operate on the doorstep
- On average those who borrow from doorstep lenders pay £65 in interest for every £100 they borrow
- Consumers on low incomes are hit hardest by the recession as credit dries up
- Formal lending had dropped by 60 per cent since the recession began.

It therefore calls on the council’s Acting Chief Executive to write to Alistair Darling, Chancellor of the Exchequer, and Lord Mandleson, Secretary of State for Business, Enterprise and Regulatory Reform, urging them to:

1. Use the Government’s stake in high street banks to make loans and other financial services available from conventional sources to those on lower incomes,
2. Give more support to credit unions, the Post Office and community finance initiatives to make financial services available to those on lower incomes, ***whilst recognising the £38 million investment for 2008-11 from the Government and the extra £18.75 million investment to the Growth Fund, announced in the most recent budget, which will enable lenders to make an additional 85,000 loans to the financially excluded by 2011.***
3. Cap the interest rates charged by doorstep and other sub-prime market lenders in line with many EU countries, US states, Canada and Australia.

Proposed by: Cllr. Kevin Allen

Seconded by: Cllr. Pat Hawkes

