

Credit Union News



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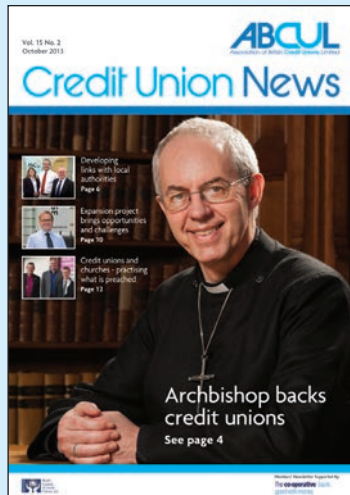


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Archbishop's intervention boosts credit unions' profile

THE ARCHBISHOP of Canterbury's intervention in the continuing debate on payday lending led to what I suspect is the most publicity we have ever received in such a short space of time.

In a week when it looked like the new heir to the throne would continue to dominate the headlines, a small paragraph in a seven page magazine interview with Justin Welby caught the media's attention. Credit unions' profile was raised greatly – we worked hard to meet the demands of journalists and attractive high street premises appeared on all the main news bulletins.

“ We are encouraged to hear that many credit unions have already been contacted by local churches. ”

We very much welcome the support from the Archbishop and the Church of England. In fact we have been talking to them for some months and are jointly planning a number of activities to help realise the Archbishop's ambition to see credit unions reach far more people in Britain. Nearly half of all dioceses are already talking to credit unions on the ground.

Influential community leaders such as churches can play a vital role in encouraging the use of credit unions among their diverse congregations. Skills and knowledge can also be harnessed to add to those within the leadership of credit unions and high profile parishioners such as employers can be encouraged to enter into partnerships of their own with credit unions.

Working with the Church of England we are making sure the right information about credit unions is filtered down from Lambeth Palace to local parishes. We are encouraged to hear that many credit unions have already been contacted by local churches. We hope this will lead to more productive and useful partnerships with not only C of E churches but other denominations, other faith groups and other community organisations.

Concerns about payday lenders stem not just from the high interest rates that are charged. The fact that all the capital is repayable so quickly means that loans are often unaffordable, leading to the rolling over of loans. There is a good reason why most personal loans are built on repayments

over many weeks or months; it allows the borrower to adjust their budget safely over a period of time rather than readjust in less than a month.

Scant regard to affordability and indebtedness by some payday lenders also means that people can end up in debt to multiple lenders. We hear of many cases where credit unions have consolidated debt for individuals who may owe up to 90% of their monthly income on high cost debt when each payday comes. This leads to a vicious cycle of increasing levels of debt until the credit union can step in with a more affordable loan spread over a more realistic period of time.

But it is not only awareness of credit union services and a more affordable and responsible loan that will assist people to move away from high cost credit; access and convenience are also vital in making sure more people choose realistic options that are within their means. Increasing access to credit union services through payroll deduction means that people can save easily and painlessly and also have access to affordable credit when they need it. The speeding up of access and decision making will also help steer people towards our services. So our collaborative work under the Credit Union Expansion Project is also crucial in ensuring more people have the tools to better manage their finances and avoid high cost debt. Improving the infrastructure behind credit unions and working with a range of partners will help us to realise the Archbishop's aspirations of a stronger, more successful credit union sector.



Mark Lyonette,
Chief Executive, ABCUL.

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Launch of National Young Leaders Forum

A NEW network for young credit union professionals in Britain has been launched.

The National Young Leaders Forum (NYLF) is a group of young people working in credit unions and co-operatives interested in the future of socially responsible finance. The goal of the Forum is to get young people more involved in credit unions and demonstrate the importance of the credit union model to them, in order to help build a strong future for the sector.

As well as offering networking opportunities through regular events and online, for instance through Facebook, NYLF aims to provide training for young people in the sector in areas such as communication, customer service, leadership, team building, strategic thinking and managing change.

Caroline Domanski, Finance and Development Manager at No1 CopperPot Credit Union and one of the organisers of NYLF, says: "We are encouraging all those young people with a passion for credit unions to get involved in the Forum. We want to help

young people in the movement develop their knowledge, share ideas and gain experiences through meeting like-minded professionals.

"We would also like to develop a way for young people in the sector to gain access to training that they may not be otherwise able to, in order to develop their own careers and become the credit union leaders of the future."

The Forum's first event takes place on Wednesday 16 October 2013 at No1 CopperPot Credit Union in Cheadle, Cheshire, and anyone aged 35 or under with a role in a credit union or co-operative is invited. The event is free of charge.

As a new network, NYLF is also looking for mentors and leaders who its members can learn from, as well as partners, sponsors and donors who can help make NYLF successful in engaging young people.

To find out more about the Forum, how to join and how to help, as well as



details about the first event, visit the NYLF website or Facebook page.

www.uk.trust.coop

[NationalYoungLeadersForum](https://www.facebook.com/NationalYoungLeadersForum)

Scottish Parliament debates credit union expansion

THE SCOTTISH Parliament debated the Credit Union Expansion Project in June, with positive contributions from across the parties.

MSPs debated a Motion tabled by John Wilson MSP (SNP, Central Scotland) which welcomes the announcement that ABCUL has been awarded the contract to deliver the project and "considers that the project will be of significant benefit to credit unions in Scotland by helping them to upgrade their systems".

The Motion was signed by more than 40 MSPs from all four main parties, a number of whom took the opportunity to outline their support for credit unions in the Parliamentary debate.

Opening the debate, John Wilson said: "The expansion of credit unions not only highlights the vital role that they play, but underlines the approach that the United Kingdom and Scottish Governments have taken in recognising that the community banking sector needs to be placed on an equal footing with its equivalents around the globe."

Kezia Dugdale MSP (Scottish Labour &



John Wilson MSP with Mark Lyonette.

Co-operative, Lothian) said: "Credit unions can play a very important role by offering affordable and accessible alternatives to short-term loans, and Mary Scanlon MSP (Scottish Conservatives, Highlands & Islands) noted that the credit union movement "has much potential to respond to the financial demands and challenges that face people today".

Summing up the debate, Fergus Ewing MSP, Minister for Energy, Enterprise & Tourism, joined in welcoming the Credit Union

Expansion Project and said: "I have asked my officials to explore a number of ideas on how we can do more to support the movement, encourage more people to become members and increase awareness."

Immediately after the debate, ABCUL Chief Executive Mark Lyonette – who had joined representatives from a number of credit unions and supporting organisations to listen to the debate from the Parliament's public gallery – gave a presentation on the project to the Cross-Party Group on Credit Unions and took questions from MSPs, credit unions and other stakeholders.

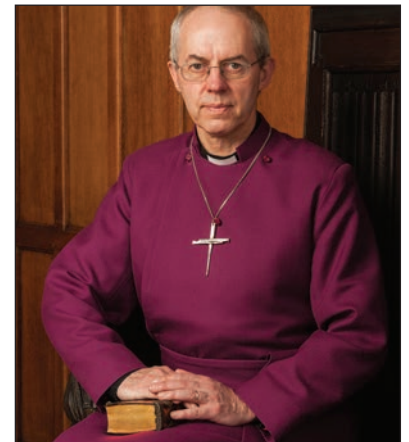
Mark said: "It was great to hear such strong support for the expansion of the credit union movement from so many MSPs across the parties.

"This is a landmark project for credit unions and a once-in-a-lifetime opportunity which will help to place the credit union movement in Scotland on a similar footing to leading credit union movements around the world."

www.scottish.parliament.uk/parliamentarybusiness/28862.aspx?r=8231&mode=pdf

THE ARCHBISHOP of Canterbury hit the headlines this summer with his call for the Church of England to support credit unions as an alternative to payday lenders. The Rev Dr Malcolm Brown, Director of Mission and Public Affairs at the Church of England, who is leading the church's work on this, spoke to *Credit Union News* about the Archbishop's proposals and what the church can do to help credit unions.

The Archbishop, the church and credit unions



About Malcolm Brown

The Rev Dr Malcolm Brown is Director of Mission and Public Affairs for the Church of England.

He leads a team who are responsible for the church's engagement with Parliamentary affairs, ethical issues and external relationships. He has been a parish priest, industrial chaplain and academic, specialising in Christian ethics and economic questions. His most recent book is *Tensions in Christian Ethics* (SPCK, 2010).

The first thing Malcolm makes clear is that support for credit unions comes from the Archbishop himself. "The Archbishop was a member of the Commission on Banking Standards," says Malcolm. "He also gained an insight into the difficulties of accessing finance for hard pressed families and individuals in his previous positions at Coventry Cathedral, as Dean of Liverpool and as Bishop of Durham."

The starting point for the Archbishop's credit union proposals is how the financial services sector can serve people better. "At the moment, the sector is dysfunctional," explains Malcolm. "There is a lack of competition in the market and in some poorer areas there are no banks present at all, so people are forced to turn to loan sharks, high interest lenders or payday lenders."

Malcolm explains that the Archbishop sees credit unions as the most promising solution for creating competition in the market and offering services to those who are being failed by the sector. "The Archbishop's conviction is that if there was more competition, the market would serve all members of the community more effectively."

Three point plan

Malcolm says that, although the sudden media interest in the Archbishop's ideas made it look like they were something the church had "just dreamed up", the Archbishop has been working on his proposals for many months and has put together a three point credit union plan. The Church of England has been talking to ABCUL about the plans during this time.

The first point is to develop a credit union for the clergy and Church of England employees. Malcolm says: "If we can make a credit union for clergy work, it will bring a whole cadre of Church of England people into the sector and will help to show that credit unions are a good thing."

Of course, this isn't going to bring instant results and Malcolm estimates that it will take up to ten years to change attitudes and the culture within the church to make such a credit union a success.

The second point is to utilise the resources and

skills available within the church for the benefit of credit unions. Malcolm says that one of the things some credit unions lack is access to individuals with the necessary management skills, particularly at governance level.

The church can help link up a large number of skilled people in communities around Britain with credit unions that need support, and also encourage people to join the credit unions themselves. In addition, the church has a long history of volunteering, which might be of use to the sector. Of course, as Malcolm says, not all the right people will be in the right place, but that is something the church – and the credit union sector – can look at.

The third point of the plan is to facilitate access to church premises, which may be appropriate for some credit unions. Malcolm says he sees the church acting as "matchmakers" between their portfolio of assets on the one hand and credit unions' needs on the other.

"The Church of England has 15-16,000 premises across England. If you include our partners in the Church of Scotland, we cover from Land's End to John O'Groats", says Malcolm. "Not all will be suitable for credit unions, but some will be – and this doesn't just mean churches, but church schools too, for instance." Making sure information is available, providing office premises or access points are some of the ways premises can be utilised by credit unions.

Wider strategy

Of course, the credit union proposals are just one part of a wider strategy, looking at the financial services market as a whole and how the church can influence it to build up competition. Malcolm stresses that, despite newspaper headlines to the contrary, the Archbishop never said he wanted to "wipe out" Wonga but rather to see them facing much tougher and more ethical competition.

The church is talking to the Department for Work and Pensions (DWP), the Cabinet Office and ABCUL about their ideas and how they can work with the Government to implement them. They also recently attended a meeting at 10 Downing Street.

Malcolm points out that the church is right behind the Credit Union Expansion Project and is on the same page as the Government with helping to support people through financial crises, and provide more competition in the financial services industry, for example through the provision of budgeting products through credit unions. The Archbishop is also talking to mainstream banks about their model and what they can do to serve those on lower incomes more effectively.

Practical support

The Archbishop of Canterbury has to work with churches to encourage them to accept and implement his proposals – they are not imposed from the top – and, as Malcolm says, no doubt there will be a difference between what he would like and what happens on the ground. However, there are two main things the Archbishop can do to get churches on board with his credit union plan.

The first thing is to create awareness within parishes and, as an example, Malcolm explains that within 24 hours of the Archbishop's comments, basic advice for churches about working with credit unions had been posted on the Church of England's website, with input from ABCUL (see the link at the end of the article).

Although it is still a work in progress, the advice covers what credit unions do, how they work and what churches can do to help them. It encourages churches to find out about their local credit unions and raise awareness amongst their congregations and the wider community. It calls on churches to invest in a local credit union, encourage parishioners to join and volunteer with a credit union and allow credit unions to use church premises, if appropriate.

The second thing is persuasion. Malcolm says: "The Archbishop is not trying to set up something new and force it on the church. He is trying to show the church that credit unions are not just for the poor, but they work better when people of all incomes are involved and they offer a fairer alternative to payday and other high interest lenders."

To make the most of this support and interest from the church, Malcolm explains that if credit unions see an opportunity which a partnership with a local church might take forward then they should talk to local clergy, explain they have heard what the Archbishop has said and ask what the church in their area can do for them. And Malcolm adds that there is nothing to stop credit unions doing this now. ABCUL is working with the Church of England to prepare some guidance for credit unions.

A credit union for clergy

When asked about the development of a credit union for the clergy, Malcolm explains that, as many people will know, Antony MacRow-Wood, former President of ABCUL, has been driving this project for a long time. Of course, it has taken time to pull together the necessary sources of finance, but the Archbishop has been able to use his many contacts to bring in capital. Malcolm

also explains that the Church of Scotland is now interested in supporting the credit union and being part of its common bond, which will help to bring in resources too.

The credit union would be for clergy and church staff and would be workplace based, so would be able to offer services such as payroll deduction. Of course, as Malcolm mentioned earlier, the decision to set up a credit union for clergy and church employees is also strategic and will help to demonstrate the benefit of credit unions. Malcolm says he is very confident that this credit union is going to happen and expects to see it up and running within about a year.

Surge of interest

Malcolm says the Archbishop and the church were taken by surprise by the wave of media interest in the summer, following an interview with the Archbishop in *Total Politics* magazine. Although he says they were aware that *Total Politics* were issuing a press release following the interview, the Archbishop had very little input into this and was as surprised as anyone when the story took off.

Malcolm says: "it is a long time since the

Church of England had general public acknowledgment that it has a legitimate part to play in the economic debate, but clearly this has now changed."

Since the financial crisis of 2008, people have been looking at the moral issues of finance more closely and many now accept that the church has an active part to play. "The church has a role to say something sensible and, more importantly now, to do something too," adds Malcolm.

In conclusion, Malcolm says he is really pleased to be working with ABCUL, who were the first port of call for the Archbishop when he started to develop his strategy, and he was very worried that all the media attention would make it look like the church was bouncing credit unions into something that wasn't their choice. However, he says he is delighted that credit unions are already benefiting from the additional attention they have received and he is looking forward to continuing to boost support for and recognition of credit unions in future.

www.churchofengland.org/our-views/home-and-community-affairs/home-affairs-policy/work-and-the-economy/creditunions.aspx



The following message from the Archbishop of Canterbury has been distributed to dioceses and churches.

Support your local credit union

A message from the Archbishop of Canterbury:

Dear Friends,

A large and growing number of people rely on short-term loans at very high interest rates to make ends meet, and can easily end up in a crippling spiral of debt. One million families are taking out payday loans every month as they struggle with rising living costs.

I have seen this myself in the communities where I have lived and worked, and it is devastating. But people often have little choice, especially in deprived areas of the country.

Our faith in Christ calls us to love the poor and vulnerable with our actions. That is why the Church must be actively involved in supporting the development of real lending alternatives, such as credit unions. This is not an optional activity, but a fundamental part of our witness and service to all God's people.

We must help credit unions become bigger, better known and easier to access if we want them to compete effectively with high interest lenders.

We have a unique opportunity to make a difference. We can begin simply by saving some money with our local credit union, using their services and encouraging others to do the same. Some churches are already doing this, so we know the difference it can make to the local community.

Please take this opportunity to consider how you and your church could serve your community in this way. I pray that together we can make a difference to some of those who are most in need.

With every blessing,

+ Justin Welby

The Archbishop of Canterbury supports credit unions as part of a more ethical banking system. Visit www.churchofengland.org/creditunions for information and updates on how you and your church can help.

Developing links with local authorities

CREDIT UNIONS have worked in partnership with local authorities for many years, by serving their employees and working together to assist local residents. But changes to legislation last year made it possible for credit unions in Britain to offer services to organisations as well as individuals for the first time. As a result, pioneering credit unions across the country have been developing links with local authorities to encourage them to support their local credit union in innovative ways.

Dudley Council makes landmark deposit



MAKING A deposit in a credit union corporate account is one way a local authority can show support for a credit union, bank more ethically and encourage others to do the same. Dudley Council recently deposited £16,000 in Castle & Crystal Credit Union.

The credit union was one of the first in the country to open a corporate account for a local authority and this has set a precedent which, it is hoped, other local authorities will follow.

Councillor Pete Lowe, Deputy Leader of Dudley Borough Council and Cabinet Member for Finance, said: "The council has always backed Castle & Crystal but is now also investing the maximum deposit in the organisation by opening

this account which will continue to help the economic development and stability of Dudley communities.

"We are proud of our developing relationship with Castle & Crystal and during difficult economic times it is even more important that we have ethical co-operatives which can provide real alternatives to high interest loan sharks."

Dharminder Dhaliwal, Business and Finance Manager at Castle and Crystal Credit Union, said: "We're delighted that Castle & Crystal recently became one of the first credit unions in Britain to open a local authority corporate account.

"The changes to legislation last year made it possible for credit unions like ours to access large deposits from organisations for the first time, helping us increase our pool of funds quickly and more easily.

"Our work with Dudley Council opens the door for other credit unions to secure local authority investment which can then be used to provide affordable loans in the community."

Castle & Crystal also offers payroll deduction for Dudley Council employees and, thanks to the new legislation, has recently set up a payroll deduction scheme for another public sector employer, West Midlands Ambulance Trust, which has employees across the whole of the West Midlands.

Most local authorities invest their significant dormant cash in major banks and claim that they have to do this because of regulations on public sector investments, but this is not the case.

Banking campaigners Move Your Money, after consultation with ABCUL, recently launched a toolkit encouraging local authorities to support alternative forms of finance that provide community benefits and guiding them through the process of moving their money. By investing in local financial service providers, local authorities can support local organisations that provide local jobs and offer affordable loans to local residents.

In addition, in its response to the Parliamentary Commission on Banking Standards (July 2013), the Government has committed to clarifying the issues relating to where local authorities can deposit their money, in collaboration with the Chartered Institute of Public Finance and Accountancy (CIPFA).

www.castleandcrystal.co.uk

Natalie Poole,
Business & Marketing
Assistant at Castle &
Crystal Credit Union,
with Cllr Peter Lowe,
Deputy Leader of
Dudley Council and
Cabinet Member for
Finance.



£1 million grant from Liverpool City Council to seven local credit unions



LIVERPOOL CITY Council has provided a grant of £1 million to a consortium of seven credit unions to help more than 20,000 families and 600 small businesses in the city.

The aims of this scheme are twofold – first of all, to help prevent people taking out unaffordable credit at high rates of interest or falling prey to loan sharks, and secondly to provide support for small companies and start-up businesses in Liverpool, which are finding it difficult to access bank funding.

The grant was received from the council at the beginning of 2013 and the terms of the scheme are very similar to the Government's former Growth Fund initiative.

The credit unions which serve the city decided to work together to secure the funding, rather than competing with each other, and their bid was co-ordinated through the Merseyside Chapter of Credit Unions. The credit unions involved are Central Liverpool Credit Union, Enterprise Credit Union, Knowsley Mutual Credit Union, Lodge Lane Credit Union, Norris Green Credit Union, Partners

Credit Union and Riverside Credit Union.

All seven credit unions received £100,000 each to provide personal loans, and the five credit unions offering business loans received an additional £60,000. It is only since the legislation change last year that credit unions have been able to lend to businesses, so this is a landmark project for credit unions in Britain.

The council estimated that the £1 million investment would lead to around £3 million of money being lent over three years, because the credit unions would recycle the money once loans started to be repaid. However, according to the credit unions involved, it is likely to be much higher than this, as many have already met their three year target within the first six months of the scheme.

Deputy Mayor of Liverpool City Council, Cllr Paul Brant, said: "This is a pioneering initiative which will help and support the most vulnerable in our community who are being hit by a triple whammy of rising unemployment, increased costs for food and fuel and cuts in welfare benefits.

"The banks have also toughened up their lending criteria and this means many people and small businesses are unable to get affordable credit.



Cllr Paul Brant, Deputy Mayor of Liverpool City Council (left), with David Buttle, Chair of the Merseyside Chapter of Credit Unions.

"I am delighted that seven of the city's credit unions have come together to bid for this funding. They are based in the heart of communities and so are well placed to provide funds and advice to those who are most in need."

David Buttle, Manager of Lodge Lane Credit Union and Chair of the Merseyside Chapter of Credit Unions, said: "We are pleased to be working with Liverpool City Council on this initiative. The funding is helping credit unions in the city provide much-needed loans to keep vulnerable people out of the clutches of high cost lenders and loan sharks. It is also allowing us to support local businesses for the first time. We have already enabled several people to start new ones and we have helped to safeguard jobs in established businesses by giving cashflow support loans."

Darlington Borough Council backs Darlington credit union



DARLINGTON BOROUGH Council has invested £50,000 in Darlington Credit Union in a combination of deposits and deferred shares to help the credit union increase its capacity to lend.

Following a change to its rules to accept deferred shares and corporate members, Darlington Credit Union set up a meeting with the local council to investigate ways the council could invest money in the credit union.

The credit union needed to increase its reserves to meet the Financial Conduct Authority's minimum requirements and so the council agreed to invest £35,000 in deferred shares, to boost the capital of the credit union. They also agreed to deposit £15,000 in a credit union corporate account, which can be lent out to members in the community.

Cllr Bill Dixon, Leader of Darlington Borough Council, said: "The credit union is a very practical and safe way to help those in need.

"It is a win-win situation for everybody – investors can be assured that their money is safe and that they are contributing to the community and vulnerable people can access help when they need it without having to use payday lenders and the like."

Tony Brockley, Darlington Credit Union Co-ordinator, added: "We welcome this investment from the council, which will help us provide affordable loans to many more people in our community as well as boosting our capital.

"In addition to the support of the council, we have received a number of other corporate deposits since we changed our rules and our Board is actively working to recruit organisations such as charities and private companies into membership of the credit union."

www.darlingtoncreditunion.co.uk

Glasgow City Council opens credit union accounts for school pupils



GLASGOW CITY Council has been committed to supporting credit unions for many years and, as previously reported in *Credit Union News*, in 2012 won the gold award in the 'strong and sustainable communities' category of the Convention of Scottish Local Authorities (COSLA) Excellence Awards for its credit union development programme.

Over the last decade, Glasgow City Council has undertaken an ambitious programme to develop credit unions as a professional and credible solution for local people affected by financial exclusion, poverty and debt. As a result, credit union membership in Glasgow has grown from 3% of the population to around 23%.

Now, following a study into the scale and impact of payday lending on the city's residents, the council is proposing to help every young person access credit union services, in an effort to promote credit union membership.

From autumn 2013, the council will deposit £10 in a credit union account for all new secondary school pupils, which is up to 6,000 young people each year. Over time, this will help to ensure that every young person in the city has access to a dependable, responsible option for savings and money advice. It will also mean that, as adults, they will have a source of fair and affordable finance if they decide they need to borrow.

City Treasurer Cllr Paul Rooney said: "If someone already has a relationship with a credit union, then it can respond quickly and offer affordable, sustainable finance when it is needed. It can also help them to save and manage their money in the long term.

"What we are doing with this project is giving every young Glaswegian that safe and secure relationship with a credit union that is responsible to its members and to its community."

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East Anglian councils support credit unions

IPSWICH BOROUGH Council is giving financial backing to Ipswich and Suffolk Credit Union in order to offer an alternative to people tempted by loan sharks and payday loan companies. The council has deposited £15,000 in a corporate deposit account with the credit union, which will help the council increase its community lending programme.

Council Leader David Ellesmere said: "This is a further step in our campaign against loan sharks, who take advantage of people's desperation in this difficult economic climate. We are also aware of the incredibly high interest rates charged by some payday loan companies and we want to help the credit union help people save and borrow."

ISCU General Manager Chris Mole said: "This is a very good decision by Ipswich Borough Council as it enables the credit union to help more Ipswich people with affordable credit, whilst the money remains the council's for use in the future."

In addition, Suffolk County Council Trading Standards has deposited £10,000 of Proceeds of Crime money in a corporate account at ISCU.

Sasha Watson, Community Engagement Officer at Suffolk County Council Trading Standards, said: "Money that is seized from criminals under the Proceeds of Crime Act can be used in the cause of prevention of crime. SCC Trading Standards has deposited £10,000 in an ISCU corporate deposit account to help it in its work to offer a fair and legal alternative to using a loan shark."

Chris Mole added: "Our link up with Suffolk County Council Trading Standards provides a



Pictured from left to right are Sally Chicken, Volunteer Director of Ipswich and Suffolk Credit Union, Chris Mole, Manager of Ipswich and Suffolk Credit Union and Council Leader David Ellesmere at the credit union.

useful precedent which we hope other credit unions will be able to follow, if they can also get the proceeds of crime deposited in a corporate account, for example when a loan shark gets convicted in their area."

In Peterborough, Rainbow Saver Credit Union is part of the Peterborough Community Assistance Scheme (PCAS) which has been set up to support people facing hardship and requiring urgent assistance. The scheme is led by Peterborough City Council and Peterborough Citizens Advice Bureau, and involves organisations such as the Peterborough Food Bank, Care and Repair and Peterborough housing associations.

When the city council was choosing partners to provide extra services for the scheme, it chose Rainbow Saver CU to provide fuel top-ups for prepayment energy meters. More than 200 people received help with gas or electric costs between April and July 2013.

www.iscu.org.uk

www.rainbowsaver.co.uk



Pictured from left to right are Jawaid Khan, Community Cohesion Manager at Peterborough City Council, Martin Harold, Branch Supervisor at Peterborough Rainbow Saver Credit Union and Adrian Chapman, Head of Neighbourhoods at Peterborough City Council.

Manchester credit unions deliver council welfare scheme



TWO CREDIT unions in Manchester – Manchester Credit Union and South

Manchester Credit Union – are working with Manchester City Council to provide loans to support local residents, following a crisis or emergency, through its Welfare Provision Scheme. This scheme is a replacement for the Discretionary Social Fund which was largely devolved by the UK Government to local authorities and the Governments of Scotland and Wales earlier this year.

Credit unions were one of the solutions the Government put forward when it first suggested devolving the scheme and the Centre for Responsible Credit, in a report funded by Friends Provident Foundation, has recommended that credit unions should be the main delivery channel for replacement support under the scheme. The credit unions in Manchester are just two of a growing number around the country working with local councils to help deliver welfare provision.

In Manchester, the loans are funded by the City Council and administered by the credit unions. The credit union that eligible residents must go to for their loan depends on where they live in the city and, on confirmation of an award, they collect the loan from an allocated credit union branch.

Low value loans

Through the scheme, low value loans are awarded according to individual circumstances.

Annual credit union membership is included with the loan, providing recipients with access to the wider range of credit union services and benefits available. However, those who do not repay their loans are excluded from receiving further loan awards through the scheme.

"We have worked closely with Manchester City Council for several years and they approached us about delivering this scheme for them," explains Christine Moore, Chief Executive of Manchester Credit Union. "As it was a new project, we supported the council to devise the appropriate systems to deliver it effectively."

Although it is relatively small scale at the moment, Christine believes it was important for the credit union to get involved with the scheme in order to cement relations with the council and to prove that the credit union was competent to deliver, so that the council will consider using their services for larger scale initiatives in future.

www.manchestercreditunion.co.uk

www.smcreditunion.co.uk



House of Lords Reception for Credit Union Foundation

THE WORK of the Credit Union Foundation was celebrated at a reception in the House of Lords, which brought together peers, credit union staff and volunteers and stakeholders from a range of organisations.

The Credit Union Foundation seeks to advance the professional development of credit union staff and volunteers and to enhance the financial capability of the credit union membership. The reception, which is now in its third year, was organised by Vice-Chair of the All-Party Parliamentary Group on Credit Unions, Lord Kennedy of Southwark, and was sponsored by Unite the Union. Foundation President, Angela Hampson, and former Chair of the Commons Treasury Select Committee and member of the Parliamentary Commission on Banking Standards, Lord McFall of Alcuith, spoke at the event.

Angela explained that the Foundation's work will help to bolster the training and development requirements of the new Credit Union Expansion Project. "Last year, for



Credit Union Foundation

Investment • Education • Community

example, the Foundation launched a training programme for credit union facilitators and coaches called Facilitation and Coaching Excellence or FACE."

The Foundation also runs the Development Educators UK (DEUK) programme, which is the UK branch of an international movement of learning and personal development for those that work in the credit union sector, and Angela said that 18 participants had graduated as Development Educators this year.

Angela added that the Foundation will be recruiting participants from among the 15 leading British credit unions for the second of the Foundation's renewed study trips to Canada, following in the footsteps of Lucky

Chandrasekera of London Mutual Credit Union and Peter Evans of Police Credit Union last year.

Angela also took the opportunity to thank the Foundation's many supporters, without whom the Foundation's work would not be possible. Looking ahead, Angela said: "We continue to seek supporters for an initiative to further explore how credit unions are supporting financial capability on the ground and how this activity can be improved and built upon."

Lord McFall, a long standing supporter of the credit union movement, used the occasion to highlight the contrast in culture and incentives between the banking sector, which the Parliamentary Commission on Banking Standards recently reported on, and the mutual credit union sector.

While the Commission's report highlighted the need for a duty of care in banking and a stronger link to the needs of the customer, rather than the shareholder, credit unions have only their members' needs in mind and therefore have "a long straight road ahead", he said.

www.creditunionfoundation.org.uk

Call for information about the movement's history

MARTIN LOGAN, whose banners illustrate the story of credit unions in Britain, has renewed his call for information and support to capture the history of the movement.

Along with colleagues from the ABCUL Greater Manchester Forum, Martin has formed the British Credit Union Historical Society.

The society aims to gather and preserve the history of the movement and ensure that it is not forgotten by current and future staff and volunteers. It also aims to set up an archive. The society is based on one in Australia whose website can be accessed at www.mycuhistory.com.au

Martin is keen to hear from anyone who wishes to join the society and also from credit unions which have information and documents about the history of their own credit unions, which they would be willing to share.

ABCUL is currently planning ways to mark the 50th anniversary of the first credit union next year and is working with Martin to explore the best ways of disseminating the information he has already gathered.

Information can be sent to Martin via Voyager Alliance Credit Union and he can be contacted at martin.logan@btinternet.com



Martin Logan.

Expansion Project brings opportunities and

ACCORDING TO Programme Director Simon Blissett, the Credit Union Expansion Project is possibly the best chance the credit union sector in Britain will ever have to transform its business model and significantly grow its membership. In an interview with *Credit Union News*, Simon sets out the opportunities and challenges for delivering the project.



About Simon Blissett

Before taking up his role as CUEP Project Manager, Simon Blissett was Head of Multi-Channel Distribution and Strategy at Nationwide.

Simon worked at Nationwide for many years and had a number of roles there, including Head of ATMs (Strategy and Development), Head of Branch Agencies (Distribution) and Head of Strategy & Interbank Lending (Commercial).

Simon has expertise in transforming customer experience and leveraging technology to deliver increased growth and profitability across digital and branch platforms. He has a background in leadership of large scale transformation and change projects and delivery of operational excellence.

Simon Blissett has many years' experience of transformational work in mutuals, most recently with Nationwide. Simon says that the main attraction of leading the Credit Union Expansion Project (CUEP) was to put this experience into practice in a different sector of the mutual market.

"The one big appeal of this role for me was the ability to use my business transformation and financial services experience in another part of the mutual financial services market. I strongly buy in to the principles of mutuality and this was a chance to apply my experience in a purely mutual environment."

Simon says he brings a pragmatic, businesslike approach to the position and to the process of business transformation within the credit union sector. His experience at Nationwide, shaping distribution strategy and leading transformational change across a multi-channel distribution operation, demonstrates a strong track record of success in this field.

Once-in-a-generation opportunity

For Simon, CUEP presents a once-in-a-generation opportunity for credit unions to transform their business model and substantially grow their membership which, as he says, they need to do in order to get bigger and better. "The investment of up to £38 million by the Department for Work and Pensions (DWP) in this project is a fantastic opportunity for the sector to modernise its businesses," says Simon.

However, Simon goes on to highlight the challenges of bringing together a large number of

independent credit unions to work towards a common goal and successfully deliver the project. "The challenge isn't necessarily collaboration," says Simon, "which I think is the easy part and something credit unions have shown themselves to be good at in the past, but compromise, which is much harder."

Simon says that, in his experience, the challenges will really start when credit unions have to put aside their own individual interests for the good of the project. "For any organisation, transformational work is difficult, but when it involves 80 independent businesses, it is particularly challenging," he explains.

Simon summarises his philosophy for the project as "doing simple things spectacularly well". He also says: "We need to match what we do in the project with credit unions' ability to accept change at a pace credit unions can absorb."

Making a difference

According to Simon, much of the success of the project will be about the difference it makes to individual members of credit unions themselves, and to consumers' experience of credit unions as a whole. Simon says there are three key principles for improving customer experience. "First of all, it is about reducing customers' efforts in dealing with credit unions, secondly it is about improving convenience and thirdly credit unions need to treat members in a personalised way – 'show me you know me' in the business jargon."

Credit unions need to offer a smooth and simple-to-understand

ngs challenges

path to purchase which allows members to do business with them when and where they want, explains Simon. However, in order to get people to come to credit unions in the first place, Simon outlines the marketing work that needs to be done. "The marketing workstream of the project is all about increasing awareness and consideration of credit unions and people's preference for them. Once people turn up at the credit union, then the principles I've mentioned can be applied."

Simon summarises the three broad delivery workstreams of the project, as outlined in the last issue of *Credit Union News*. As well as marketing, there is a member products and channels workstream, which is primarily about developing the IT platform to improve path to purchase and increasing efficiency, and a central services workstream, which is about enhancing the buying power of credit unions and providing professional services that individual credit unions can draw on.

Research stage

At the moment, Simon says the marketing stream is in the research stage, with work taking place to identify the characteristics of existing members and the requirements of potential customers. The results of this will then be used to inform and develop marketing strategy for the project. Simon explains that the central services work is shaping up well, and the team is working through the list of requirements, identifying priorities and early deliveries based on credit union feedback. However, the real challenge, at this stage, is what credit unions need from the IT platform. He says: "We have to identify the critical requirements and business priorities, which isn't easy with so many different businesses. We also need to be clear on our product propositions – for example what does

it mean when we say 'we'll deliver transactional banking?'"

Simon adds that another of the challenges faced by the project is how to attract more higher income earners into credit union membership. One of the questions the project aims to address is, what do credit unions need to do to attract more of them into membership?

As we come to the end of the interview, Simon emphasises that none of those involved in the project should underestimate the challenges ahead. "We need to be clear about the complexities," says Simon, "and there will be challenges, but also rewards for all those involved."

Compromise

Simon explains that the project requires real compromise on all sides, for the greater good of the movement. "We need to maintain a laser like focus on the needs of credit union members and how we improve services and delivery. It is important that all those involved in the project have the ambition to make life better for members. We also need to understand what sustainable mutuality looks like, balancing the needs of the individual member with that of the membership as a whole."

Simon reiterates that transformation is never easy for any organisation, but this is a once-in-a-lifetime opportunity for the sector, with a strong group of committed people working together. "We have to remember that this is an amazing opportunity for credit unions, which we need to take advantage of – not only because of the Government investment we have received, but because of the huge public interest in banking alternatives at the moment and a greater interest in and awareness of credit unions than perhaps there has ever been in Britain. By building on the skills and enthusiasm within the sector, I am sure it is something we can achieve."

30 more credit unions join up

Following the initial 31 credit unions joining the Credit Union Expansion Project in May, a further 30 credit unions signed up to the Project from 1 August. Between them they already serve over 115,000 people and over 10 million people are able to access their services.

1st Class Credit Union Ltd – employees in the postal and communication industries

2Shires Credit Unions Ltd – North Nottinghamshire and North East Derbyshire

Ayrshire Credit Union Ltd

Bacup (Lancashire) Credit Union Ltd

Blackpool Fylde & Wyre Credit Union Ltd

Cardiff & Vale Credit Union Ltd

Chesterfield and North East Derbyshire Credit Union Ltd

Durham County Credit Union Ltd

East Renfrewshire Credit Union Ltd

Erewash Credit Union Ltd – Derbyshire

Grampian Credit Union Ltd

Hoot - Wise With Money Credit Union Ltd – Bolton

Just Credit Union Ltd – Shropshire

Lewisham Plus Credit Union Ltd – South London

Lincolnshire Credit Union Ltd

Lodge Lane And District (Liverpool) Credit Union Ltd

London Capital Credit Union Ltd

Money Box Credit Union Ltd – Herefordshire

NHS Scotland Credit Union Ltd – NHS employees

North Lincolnshire Credit Union Ltd

North London Credit Union Ltd

Plough & Share Credit Union Ltd

Police Credit Union Ltd – employees in the police service and law enforcement

Prince Bishops Credit Union Ltd – County Durham

Solent Credit Union Ltd – Southampton

South Manchester Credit Union Ltd

South Tyneside Credit Union Ltd

St Machar Credit Union Ltd – Aberdeen

Waltham Forest Credit Union Ltd – London

West Sussex Credit Union Ltd

Credit unions and churches – practising what is preached

THE ARCHBISHOP of Canterbury's words of support for the credit union sector have already led to many new approaches to credit unions from churches and dioceses. But many credit unions have received support from local churches and dioceses, and several were formed with church links at their heart.

Lewisham Plus and South Manchester are just two examples of credit unions with existing, long-standing partnerships with churches.

Local churches have always been at the heart of Lewisham Plus Credit Union in South East London. Originally the credit union was called ACTS, deriving its name from the "Association of Churches Together in Sydenham and Forest Hill", an ecumenical grouping of 20 local churches of all denominations. ACTS founded the credit union in 1992, in response to the Church of England's Faith in the City report. Churches are still very supportive of the credit union today and are closely involved in its management, although the credit union now operates from a network of high street branches.

a church credit union which merged with SMCU, also provided a collection point."

Robert explains that many of the credit union's volunteers have come from these churches. "We would have struggled to succeed without this support."

Christ Church URC originally provided space for the credit union's office, initially rent free and then, as they became financially viable, at a nominal charge. After 12 years in the hall at Christ Church, South Manchester Credit Union has recently moved into shop front premises.

Robert adds: "We would like the churches to encourage their members to join the credit union and become active members, to use their community links to spread the message that the credit union is for all who want to help strengthen their local community and make it a better place in which to live and to run a business."

Since the Archbishop's comments, the Church of England has worked with ABCUL to provide information to local dioceses about their local credit unions. This has already led to a number of Bishops visiting their credit union and other locally based activity.

In August, the Bishop of St Albans, Dr Alan Smith, visited St Albans District Credit Union, where he confirmed his strong support for credit unions. He suggested that the diocese might use its large parish network to publicise the availability of credit unions to parishioners and the wider community. In addition, parishes may be able to boost the numbers of committed volunteers to run credit unions, he said, and parishioners could benefit from credit union loans, rather than relying on higher cost credit cards. Before leaving, the Bishop demonstrated his personal support for St Albans District Credit Union by becoming a member and promising encouragement for others to "sign on".

In September, the Bishop of Stafford called in at Staffordshire Credit Union and signed up as a member. In addition, a director from Staffordshire Credit Union recently attended the first of what will become a regular diocese meeting, with representatives from all the other credit unions in Lichfield diocese.

South Manchester Credit Union (SMCU) has depended on links with churches from its very beginning. Christ Church South Manchester United Reformed Church was one of two organisations (the other being Merseybank Community Association) which set it up.

Director of South Manchester Credit Union, Robert Lock, says: "Christ Church URC first opened its premises as a collection point, as did St. Bernard's Roman Catholic Church in Burnage and subsequently St. Peter's in Levenshulme, St. Luke's in Ardwick and St. Paul's in Withington. St. Catherine's Credit Union,



The Bishop of Bolton, the Rt Revd Chris Edmondson, with Hoot Credit Union Manager David Batten and Credit Union Chair Steve Bottrill.

Also in September, the Bishop of Bolton took time out to visit Hoot Credit Union. After touring the credit union's main branch and meeting with staff, the Bishop talked to Credit Union Manager David Batten and Chairperson Steve Bottrill about how the diocese can work with the credit union on providing services for the communities of Bolton and Bury. Ideas were explored around partnerships aimed at promoting credit union services to the wider community and the Bishop was very keen to help the credit union connect with multi-faith communities by inviting it into faith networks in Greater Manchester.

In a project that will benefit both church and credit union, Castle & Crystal Credit Union has linked up with St Thomas's Church in Stourbridge to raise funds to help restore the church's community hall. For every Stourbridge resident who joins and opens one of the credit union's savings accounts, they will donate £1 of their £3 membership fee to St Thomas's Community Hall Fund.

Dharminder Dhaliwal, Business and Finance Manager at Castle & Crystal Credit Union, said: "Both the church committee and the credit union were keen to promote the fact that we, the local community bank, were raising funds for a community hall used by all the community."

ABCUL is working with the Church of England to provide information to both dioceses and credit unions in the run up to International Credit Union Day. Lots of events are already planned around the day on 17 October, which will cement existing relationships and lead to new partnerships being formed.



The Bishop of St Albans, Dr Alan Smith, meets the St Albans District Credit Union team (from left to right) Sheila Broadhead, Colin Metcalfe, Freda Chaloner, David Edwards and Anthony Baker.

Challenging the barriers to growth at No1 CopperPot

SPEAKING AT this year's World Credit Union Conference in Ottawa in July, Chief Executive of No1 CopperPot Credit Union Frank Corcoran explained the barriers his organisation has overcome as it has grown to become one of the largest and most successful credit unions in Britain.

Originally formed in 1986 by a group of Greater Manchester Police officers, No1 Police Credit Union merged with CopperPot Credit Union, based in Leicestershire, in 2004 to create No1 CopperPot Credit Union.

The credit union has its offices at Cheadle in Cheshire and operates across all 43 police forces in England and Wales. Its services are available to police officers, including retired officers, police staff, PCSOs and their families, and it has over 26,000 members.

"When I joined the credit union in 2000 it was a very different organisation," says Frank Corcoran. "We had one savings account and one loan account, and we expected our members to jump through hoops to take advantage of either. We had a joining fee, a limited common bond and very restrictive loan conditions. My first task was to do away with these self-imposed barriers.

"We replaced the joining fee with an incentive, expanded to all police forces in England and Wales and introduced capacity-based lending, that is, lending based on ability to repay. We also extended our range of accounts, such that we now have 14 – four savings accounts and 10 loan accounts. Under these circumstances we were then able to change the question from 'Why would you join?' to 'Why wouldn't you join?'"

Serving a diverse and widespread membership from one office, however, creates a number of challenges that the credit union needed to overcome. Frank explains: "We did it by developing relationships with organisations already in place, such as the Police Federation of England and Wales, and we are in regular contact with police force payroll departments.



Frank Corcoran speaking at this year's World Credit Union Council.

"The goodwill is there and they support us, but we have to give something back. We advertise in their magazines, attend their charity events, and put money back into their coffers."

With a single office, talking to members and potential members in branch is usually not an option, so No1 CopperPot has had to adopt as many different ways of communicating with people as possible and to make it simple and pleasant. "We make sure the phone doesn't ring too many times before we answer, and make it as easy as possible to apply for our products," says Frank.

An innovative idea the credit union has implemented is to send members a birthday card, designed by their junior members, which includes an updated account statement and short questionnaire about their views on the credit union. Frank says: "This gives us rolling feedback and early warning signs and lets us know what members want."

The credit union's website is also an important part of its growth strategy, with 95% of applications for new membership and loans filed online.

"With the competition for financial services that there is, if we can't compete, we can't grow," says Frank. "Our strategy has always been to provide unique products designed around individual needs with some kind of added value; something to make them different from the general market.

"However, you can have the best products available, but if you don't have the service to back that up, you won't sell them. Our staff are our best asset – they believe we are the best credit union in Britain, and they are committed to maintaining that."

www.no1copperpot.com

Timeline

1986	No1 Police Credit Union established
2000	Obtained Version 2 status
2002	Common bond extended from three police forces to all in England and Wales
2004	No1 Police Credit Union and CopperPot Credit Union merged to form No1 CopperPot Credit Union
2006	Purchased current building in Cheadle
2011	Celebrated 25th Anniversary
2012	First member of staff retired after 27 years service

No1 CopperPot Growth

	2000	Today
Shares	£7.7 million	£98.6 million
Loans	£9.1 million	£71.1 million
Assets	£9.0 million	£112.1 million
Members	6,659	26,163



From left to right: World Council President and CEO Brian Branch, Caroline Domanski, World Council Chair Grzegorz Bierecki and World Council Director Scott Kennedy.

No1 CopperPot young employee wins global award

AT THIS year's World Credit Union Conference, Caroline Domanski, Finance and Development Manager at No1 CopperPot Credit Union, was awarded a scholarship to attend the 2014 World Credit Union Conference in Gold Coast, Australia.

Caroline was one of five nominees from the World Council's Young Credit Union People (WYCUP) programme to be awarded a scholarship to attend the 2014 conference.

Caroline said: "I'm very proud to have been able to represent No1 CopperPot on a global level. It was a fantastic opportunity to attend the World Credit Union Conference; I met some amazing people and I have learnt so much."



No1 CopperPot Credit Union.



CUNA MUTUAL

Scotland's Credit Union Conference 2013

Friday 13th September 2013, Glasgow

We were once again delighted to be the sole sponsor of the Scottish Credit Union Conference. This is the third year of this annual event, and in this short space of time, it has become a key event in the credit union calendar. CUNA Mutual Group Limited welcomes the opportunity to support credit unions to share best practice, network with partner organisations and learn about the key issues facing the sector.

Loan Protection and Life Savings – the credit union difference

Following the successful renewal of our partnership with ABCUL, we've been working hard behind the scenes to make further improvements to our LP&LS programmes for credit unions. We started from a simple premise:

How do we make LP&LS standardised, simpler and with guaranteed acceptance for ABCUL credit unions?

More information about the improvements will be included with the annual review information which will be sent to all participating credit unions in due course. Upon receipt, please read carefully and contact your Key Account Manager with any queries.

Finally, ask us at any time how we can help to raise awareness of these credit union benefits within your membership - we can give you some ideas how to make the most of these valuable programmes that epitomise "people helping people".

Plane Saver Credit Union launches Payment Waiver

Most people need to borrow money from time to time, whether it is for that special holiday; to renew the car or to cover an unexpected bill.

All credit unions have experience of members finding it difficult to repay their loans when their personal circumstances change. Hardship brought about by redundancy, long-term sickness or following an accident can all result in loans going bad.

It is at these very times in your members' lives that credit unions really show how they differ from other lenders – by helping members through the difficult times. Payment Waiver is a service you can offer which tells your members up-front that you'll be there for them. By promising your help in times of need, your members will feel more comfortable borrowing from you.



Plane Saver Credit Union has become the first UK financial institution to include Payment Waiver as a benefit to members taking out loans with the credit union.

"Following an extensive survey, it was clear that our members had a need for a product which gives them more confidence to borrow from us," says CFO Helena Pretorius. "We believe this benefit will significantly

increase both our lending volumes and our membership. We have already successfully used Payment Waiver to bring in a new strategic partnership and expect this to continue."

Payment Waiver is a market-leading benefit supported by CUNA Mutual which enables lenders to waive loan repayments if the borrower unexpectedly loses their income.

CUNA Mutual works closely with the credit union to help ensure the product meets the needs of its members, as well as dealing with all the administration and implementation.

"CUNA Mutual has really helped us through the process from end-to-end," adds Helena.

Credit unions interested in finding out more can contact their CUNA Account Manager directly for more details.

You work hard for your members and we work hard to support you – Then, Now, Always

For more information please contact your CUNA Mutual Key Account Manager or email us on info@cunamutual.co.uk



Mark Neale, Chief Executive of FSCS.

FSCS training programme adapted for credit unions

ABCUL HAS adapted a training package developed by the Financial Services Compensation Scheme (FSCS) so it can be made available through its online training portal.

The programme has been designed to help front line staff to inform consumers about the protection available on their savings and current accounts. It forms part of the FSCS's campaign to raise awareness about the protection which exists for consumers. The training programme is already being used by a number of banks and building societies, including Nationwide Building Society, HSBC and Royal Bank of Scotland as part of their employee training.

Credit union front line staff and volunteers will now be able to take the 20 minute course about FSCS protection and then complete a ten question multiple choice test in half an hour. The pass mark is 80% and successful participants will receive a certificate as part of their professional development.

The training supports the introduction of regulatory requirements from 12 months ago. These compel banks, building societies and credit unions to display posters and stickers in their branches to promote FSCS, and provide information on their websites about the savings protection which is available to consumers.

Mark Neale, Chief Executive of FSCS, said: "The banking crisis showed how important it is for consumers to have clear information about FSCS protection. Since last August, banks, building societies and credit unions have been obliged to show information about FSCS protection in their branches and online. As well as this visual reassurance, savers need to be given the right information by front-line staff."

He added: "As the credit union movement grows in the public consciousness it is vital that consumers know any savings they have with an authorised credit union are protected in the same way as any bank or building society account."

ABCUL Chief Executive Mark Lyonette said: "This training programme will help those on the front line to answer customer queries about the savings protection they enjoy from FSCS and we see it as a valuable addition to our range of courses. Ensuring credit union staff have the information they need about the compensation scheme helps them to ensure members have confidence in the services they provide."

Hi-Scot Credit Union gains award for camper van

HI-SCOT CREDIT Union has been awarded £42,000 from the Barclays Community Finance Fund to purchase a camper van.

The van is being specially converted and will become a familiar sight at community events, places of work, markets and fairs throughout the Highlands, with the aim of doubling the credit union's membership.

Transact, the national forum for financial inclusion, which manages the fund, worked with a panel of independent experts to reduce nearly 80 applications from across the UK to six successful projects.

David Mackay, Manager of Hi-Scot Credit Union, said: "I am delighted that our application has been successful and Barclays has agreed to fund the purchase of a camper van. This will significantly raise our profile and help us reach out to many more people across the Highlands and Islands."

David Steer, Regional Director for UK Retail Banking at Barclays in Scotland, commented: "This is a great opportunity for Hi-Scot Credit Union to use the funding to support its next steps towards increasing membership, sustainability and growth. We hope that the experience they gain will provide important knowledge that can be shared by the sector."

Highland MP Danny Alexander said: "I was proud to support the Hi Scot Credit Union application to the Barclays Community Finance Fund and I am thrilled that they have been successful this year. Expansion will mean that all those living or working in the Highlands and Islands will be able to access its competitive and affordable financial products, whilst ensuring that benefits stay within their local economy."

Barclays has committed £1 million over three years to the Barclays Community Finance Fund to support the delivery of affordable credit. Since 2010, the fund has awarded up to £50,000 each to 17 credit unions and CDFIs, with projects being funded over 12 months.

www.hi-scot.com

www.barclays.com



A camper van similar to the one that Hi-Scot Credit Union is purchasing thanks to funding from the Barclays Community Finance Fund.

Co-operative Solutions in an Uncooperative World

By Barbara Hodgson, Regional Manager Charity & Social Banking



Barbara Hodgson, Regional Manager Charity & Social Banking.

THE CO-OPERATIVE recently held an inaugural event that brought together a host of leading social business figures including many from the credit union movement.

Held in Manchester, the 'Co-operative Solutions in an Uncooperative World' conference provided an opportunity to build on the already strong relationships in place between The Co-operative and these sectors.

It also enabled attendees to share experiences and best practice in dealing with the challenges of the ongoing uncertain economic climate, as well providing the chance for many to discuss the changes impacting these sectors such as Universal Credit.

For The Co-operative, it also gave us the chance to further demonstrate some of the ways in which we can offer support. This is important to us because one of our core values is to help the development of member owned organisations.

A history of supporting credit unions

There can be little doubt that the credit union sector and The Co-operative have a long standing history of working together.

The Bank provides accounts to approximately two-thirds of the UK credit union sector and both have worked together on joint research to highlight the causes and impacts of financial exclusion.

The Co-operative's electrical business has worked with the sector

to introduce a scheme that allows credit union members to purchase low-cost appliances at affordable rates.

And the Fidelity Bond from Co-operative Insurance and the Funeralprotect+ product from the Co-operative Funeral Planning Service are both widely taken up by the credit union sector.

How else can The Co-operative support credit unions

The Co-operative family of businesses can also help credit unions through the broad range of products and services it provides. From banking, insurance and legal services to travel management and electrical items, we can offer a diverse range of support.

One of the sessions at the recent conference in Manchester covered The Co-operative's energy procurement service known as Co-operative Power.

Co-operative Power is part of the energy services department of the Co-operative Group operating within the commercial and third sector energy markets.

It is responsible for the procurement and management of all the utility requirements for the entire group. In addition it purchases the power for a number of other large co-operatives, charities, third sector organisations and private business.

Co-operative Power also offers bill validation and reporting services, metering installation and CRC reporting. Plans are well advanced to offer additional services such as energy audits, strategy development advice, colleague training and technical advice. Co-operative Power, working in partnership with one of the UK's biggest energy providers, procures its own energy straight from the market. Economies of scale enable it to secure industry leading prices which are passed straight onto the customer with no added

mark-up – unlike a traditional energy broker. Co-operative Power charge a management fee, which is discussed and agreed before the contract is signed, so you always know what your energy charges will be, which allows you to plan for the future with confidence.

And, all the electricity supplied is green so by letting Co-operative Power look after your energy procurement needs not only will you save money but you will also reduce your environmental footprint as well.

Other services

In addition, The Co-operative can also provide the following other products and services to credit unions:

- The Co-operative Insurance can offer a wide range of products for liability, asset and revenue protection.
- The Co-operative Electrical offers value for money electrical products from renowned manufacturers.
- Sunwin Services Group provides a diverse range of security services for most types of business, from security guarding, personnel screening and key-holding to secure cash collection, general CVIT management and ATM engineering support.
- The Co-operative Travel Management provides travel services that include a self-ticketing system and arranging all rail, flight and hotel bookings.

Anyone interested in finding out more about how these products and services from The Co-operative can help credit unions should contact us at barbara.hodgson@cfs.coop



Co-operative Solutions in an Uncooperative World conference.

The **co-operative** bank
good with money