

**REPORT TO: NEIGHBOURHOOD RESOURCES AND DEVELOPMENT COMMITTEE  
- 21 OCTOBER 2002**

**REPORT ON: DISCOVERY CREDIT UNION PROJECT**

**REPORT BY: DIRECTOR, NEIGHBOURHOOD RESOURCES AND DEVELOPMENT**

**REPORT NO: 733-2002**

## **1. PURPOSE OF PROJECT**

- 1.1 Following Committee Report numbers 329-2000, 571-2000 and 718-2001, this report provides an update on the progress made to date with the development of the Discovery Credit Union Project, previously referred to as the Dundee City-Wide Credit Union.
- 1.2 The report also makes recommendations on the way in which the Council should continue to support the Discovery Credit Union Project, within the current level of resources over the next 3 years.

## **2. RECOMMENDATIONS**

It is recommended that the Committee:

- 2.1 Agrees to make city-centre accommodation available to the Discovery Credit Union Project within NRDD premises at the Central Library in the Wellgate and if need be in Room 23 at Mitchell Street Centre.  
  
The rental fee for the accommodation will be fixed at £2,000 per annum inclusive of rates, heating and lighting.  
  
The Discovery Credit Union Project will be given the option of terminating the lease at one month's notice should more suitable accommodation become available.
- 2.2 Agrees to the phased opening of local collection points according to the specification detailed in Appendix One.
- 2.3 Continues to grant-aid the Discovery Credit Union Project through its third party payment budget for the next 3 years at £4,500 per annum.
- 2.4 Supports the Discovery Credit Unions strategy for securing external funding.
- 2.5 Makes payroll deductions facilities available for Dundee City Council staff wishing to join the Discovery Credit Union.

## **3. FINANCIAL IMPLICATIONS**

- 3.1 Dundee City Council expenditure related to the recommendations will be contained within existing budgets until such time the Discovery Credit Union becomes financially independent.
- 3.2 A strategy is in place for external funding to secure the early investment needed to make the project financially independent over a three-year period.

## **4. LOCAL AGENDA 21 IMPLICATIONS**

- 4.1 The recommendations contained in this report will contribute to achieving the Council's vision of self-sustaining, secure and healthy communities.

## **5. EQUAL OPPORTUNITIES IMPLICATIONS**

- 5.1 The development of the Discovery Credit Union Project will promote financial inclusion and equal access to goods and services.
- 5.2 The Discovery Credit Union supports the Council's Anti-Poverty Strategy by improving individuals economic position through creating better access to low cost financial services.

## **6. BACKGROUND**

- 6.1 Committee Report numbers 329-2000, 571-2000 and 718-2001 provide the background to this report.

## **7. PROJECT MANAGEMENT TIMETABLE**

- 7.1 The Project Management Timetable outlining the key stages and the timetable for the development of the Discovery Credit Union Project is detailed in Appendix Two.
- 7.2 The Project Steering Group has applied to the Financial Services Authority (FSA) for registration and all going well the Credit Union will be open for business from 1 October 2002.

## **8. FUNDING**

- 8.1 A Social Inclusion Partnership grant of £71,766 has been awarded to support project development for three years up to March 2005.
- 8.2 £12,000 has been made available to the project for start up costs for the current financial year (2002-2003) by the Scottish Executive through the Scottish Credit Union Partnership.
- 8.3 A bid for European funding has been submitted by the Council on behalf of the Discovery Credit Union Project for additional funding.

## **9. CONSULTATION**

- 9.1 Existing Credit Unions, The Chief Executive and Directors of Finance, Support Services and Economic Development have been consulted in the preparation of this report.

## **10. BACKGROUND PAPERS**

No background papers, as defined by section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

**Fraser R Patrick, Director, Neighbourhood Resources and Development**

**Date: 10 October 2002**

**DISCOVERY CREDIT UNION**  
**LOCAL COLLECTION POINT SPECIFICATION**

**VISION**

The vision is to establish a network of local credit union collection points (LCPs) that will be accessible to all Dundee citizens.

Local collection points will operate in easily identifiable community-based settings with regular opening hours to provide maximum access for people to lodge savings in an atmosphere they feel comfortable with.

There could also be a consequential increase in the uptake of the facilities on offer in these buildings.

**CHARACTERISTICS/SUCCESS CRITERIA**

Services provided by local credit union collection points will

- Be welcoming, friendly, and accessible
- Respect confidentiality
- Provide security and inspire confidence
- Take into account the need for continuity of service.

**LOCATIONS**

The initial aim is to establish local collection points in SIP 1 areas in addition to existing credit union facilities currently operating in Charleston, Fintry and Menzieshill. A city centre office with full time staff would support these. Thereafter, the intention would be to establish more local collection points according to demand and the need to achieve greater levels of market penetration in local community areas. A trial scheme will be established for local collection points prior to full implementation.

**BUILDING REQUIREMENTS**

Local credit union collection points will need:

- Credit union members access to public reception facilities.
- Continued access to existing NRD facilities in Fintry, Menzieshill and Charleston.
- Safe/secure facilities for storing the cash/cheque deposits from credit union members, prior to banking.
- Advertising space on Centre notice boards.
- Disabled access. (where possible)

**OPERATIONAL PROCEDURES FOR LOCAL COLLECTION POINTS****Savings**

- Deposits will be accepted and a receipt given from a numbered receipt book with carbon copies/or stub.
- A daily record of sums received to be made by centre staff/volunteers receiving monies. This will have to be faxed or emailed to the central office. (Even zero returns)
- Members will be given a numbered receipt recording their payment. Monthly or quarterly printed statements will be issued from the central office..
- All documentation will be supplied to centres and members by the credit union.
- Deposits will be stored in a separate lockable cash box and placed in a safe or secure facility (eg a locked cupboard).

- Cash deposits will require to be banked within 48 hours by credit union staff or named volunteers.
- Deposits will be banked more regularly if need be, to keep cash under the upper limit which can be held in a safe.
- All cash handling/transportation systems will be subject to risk assessment and insured.

### **Loans/Withdrawals**

- Credit Union members can access loan application forms and share withdrawal slips at local collection points and submit the completed forms directly to the Credit Union's registered head Office.

### **STAFFING**

#### **Council Staff**

Council staff will be asked to:

- Accept cash/cheque deposits, issue a receipt and mark the amount on a record sheet and place the money in a secure facility.
- Send in the record sheet note by fax/ email of the day's transactions.
- Issue credit union membership forms, loan application forms and withdrawal slips, as required.
- Liaise with credit union staff/volunteers as necessary.
- Facilitate Credit Union members access to Credit Union staff through Pinpoint Access.

Trade Union consultation will be facilitated through the NRDD Senior Management Team.

#### **Credit Union Staff/Volunteers**

Where existing facilities are staffed by credit union staff/volunteers will:-

- Deal with the public/credit union members
- Issue application forms on request
- Accept savings and loan payments
- Issue and accept loan application forms and withdrawal slips
- Make up bank books or statements and make ledger entries
- Balance collection sheets
- Be available at certain locations at specified and agreed times initially, pending review.

Credit union staff/volunteers will also be responsible for visiting local collection points as required to:

- Collect deposits, receipts, etc.
- Provide information/advice to NRDD staff
- Ensure a sufficient supply of credit union paperwork is on hand.
- Keep credit union posters, etc up to date.

#### **Credit Union Volunteers**

Credit union volunteers will be responsible for:

- Providing local knowledge to support credit union decision-making processes
- Attending credit union interviews and committee meetings where appropriate.

## **POLICY/OPERATIONS MANAGEMENT**

- Credit union policy/procedures are governed by the regulating framework laid down by the Financial Services Authority FSA (Before authority to operate is given the FSA must be satisfied as to procedures. Credit union staff are responsible for the financial administration of credit union members accounts.

## **FUNDING**

Expenses associated with the development of local collection points will be bid for through external funding.

**DUNDEE CITY-WIDE CREDIT UNION**

**DRAFT PROJECT MANAGEMENT TIMETABLE**

Action	2001								2002												2003				
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
Update Business Plan																									
Undertake Feasibility Study																									
Agree Collection Point Specification																									
Steering Group Formation																									
Develop Operational Procedures																									
Secure External Funding																									
Identify Sponsors																									
Steering Group Training																									
Policy Development																									
Credit Union Development in Schools																									
Appoint Board of Directors																									
Establish Credit Union Committees																									
Secure Premises/Collection Points																									
Credit Union Registration																									
Affiliation of Local Credit Unions																									
Employ Staff																									
Open for Business																									
Member/Volunteer Recruitment																									