

**REPORT TO: NEIGHBOURHOOD RESOURCES AND DEVELOPMENT COMMITTEE
11 SEPTEMBER 2000**

REPORT ON: CREDIT UNIONS IN DUNDEE: FUTURE DEVELOPMENT

REPORT BY: DIRECTOR OF NEIGHBOURHOOD RESOURCES AND DEVELOPMENT

REPORT NO: 571-2000

1.0 PURPOSE OF REPORT

- 1.1 This report presents a revised set of proposals from the original Committee Report No 329/2000 setting out Dundee City Council's support for the future development of Credit Unions in Dundee.

2.0 RECOMMENDATIONS

It is recommended that:

- 2.1 Credit Union development in Dundee is focussed on a partnership between Dundee City Council and a consortium of agencies from the public, private, community and voluntary sectors to facilitate the establishment of a legally and financially independent Dundee City-Wide Credit Union.
- 2.2 A vision for the future of a Dundee City-Wide Credit Union is further developed by the consortium and a business plan established to realise the vision.
- 2.3 A Steering Group is appointed and charged with the responsibility for implementing the business plan and realising the vision for the Dundee City-Wide Credit Union.
- 2.4 Resource plans and financial forecasts are prepared and included as an essential element of the business plan.
- 2.5 A strategy for targeting external funding is prepared to cover additional costs during the start up/development phase until such time as the membership grows to a scale whereby the Credit Union can achieve financial independence and long term sustainability.
- 2.6 Existing Credit Unions continue to receive appropriate levels of support and will have the opportunity to join the new Credit Union from the start of its operations or at a later date.

3.0 FINANCIAL IMPLICATIONS

- 3.1 Dundee City Council expenditure related to the recommendations will be contained within the 2000/2001 revenue budget.
- 3.2 A strategy for targeting external sources of funding to cover additional costs during the development phase will be established.

4.0 LOCAL AGENDA 21 IMPLICATIONS

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

5.0 EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1 The development of Credit Unions will make a significant contribution to equalling opportunities and addressing factors which contribute to social and economic exclusion.

6.0 BACKGROUND

- 6.1 At its meeting on 8 May 2000 the Committee instructed officers to ensure that initial consultation with existing Credit Unions and others be completed prior to the approval of the recommendations contained within report 329/2000.
- 6.2 A further consultation has since been undertaken and the Strategy for the Future Development of Credit Unions in Dundee has since been highlighted as an example of good practice in ABCUL's draft consultation proposal for the National Strategy for Credit Unions in Scotland.

7.0 CONSULTATION EXERCISE

- 7.1 The following Council Departments were consulted on the strategy for the Future Development of Credit Unions in Dundee:

- Neighbourhood Resources and Development
- Economic Development
- Social Work
- Personnel and Management Services.

- 7.2 The following private sector, community and voluntary organisations have been consulted:

- Finmill Credit Union
- Dundee West Credit Union
- Charleston Credit Union
- Tayside Credit Union Forum
- Dundee Anti-Poverty Forum
- Association of British Credit Unions Limited (ABCUL)
- The Business Support Group
- The Private Finance Sector (Lloyds TSB, Royal Bank of Scotland and Natwest).

- 7.3 The outcome of the consultation was that all Council Departments have committed their support, in principle, to the development of a Dundee City-Wide Credit Union. All the community and voluntary organisations listed above, including existing Credit Unions who had previous reservations, have now confirmed their support to the principle of a city-wide strategy. Four members of the existing Credit Unions are represented on the consortium of agencies currently involved in developing the vision and business plan for the city-wide strategy. Full membership of the Credit Union Consortium is as follows:

Neil Gunn, Dundee City Council, Neighbourhood Resources and Development Department
Sally Anderson, Dundee City Council, Neighbourhood Resources and Development
Eric Peebles, Dundee City Council, Economic Development Department
Jim Milne, Dundee Anti-Poverty Forum
Alec Craigie, Charleston Credit Union
Dan McRae, Dundee West Credit Union
Avril Phillips, Finmill Credit Union
Steve Ellis, Tayside Employees Credit Union
Ann Campbell, Royal Bank of Scotland
Ian McCormack, Association of British Credit Unions Limited

8.0 ISSUES ARISING FROM CONSULTATION

- 8.1 Issues arising from the consultation included the need for
- corporate ownership of the strategy amongst key stakeholders.
 - a strategy for attracting external funding to cover additional costs during the development phase and a business plan/financial forecasts to ensure that the Credit Union will become financially independent within a three year period.

These issues are addressed by the recommendations contained in section 2 of this report.

9.0 CONSULTATION

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

10.0 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.

Director of Neighbourhood Resources & Development:

Date:

30 August 2000