

Cross-Party Group on Credit Unions

Minutes of the meeting held at 5.45pm on Thursday 21st June 2012 in Committee Room 4, The Scottish Parliament

Present

John Wilson MSP (Convener), Frank McKillop (Secretary), Claudia Beamish MSP, Margaret Burgess MSP, Emma Balfour (Citizens Advice Scotland), Sharon Boyd (Glasgow Housing Association), Trisha Butler (Drumchapel Community CU), Joy Campbell (City of Edinburgh Council), Liz Campbell (Castlemilk CU), Sandra Cumming (Dunedin Canmore Housing Association), Lynn Cunningham (Discovery CU), Karen Dawson (Money Advice Scotland), Ray Donnelly (First Scottish University CU), Alison Dowling (Renfrewshire Wide CU), Susan Dryburgh (Fife Council), Pat Farrell (East Kilbride CU), Jim Garrity (Pollok CU), Angela Hampson (Glasgow CU), Christine Harris (Drumchapel Community CU), Robert Kelly (NHS CU), Tom Kelly (Johnstone CU), Jim Lee (The Co-operative Party), Mark Lyonette (ABCUL), Iain MacGillivray (West Lothian CU), Nancy MacGillivray (West Lothian CU), Fiona Malcolm (Scottish Government), Jim Marshall (Falkirk District CU), Gill Mathieson (Grampian CU), Sheila Maxwell (Link Group), Cathy McGrath (Glasgow CU), Carol McHarg (1st Alliance (Ayrshire) CU), Tom McVay (SCVO CU), David Ogilvie (Scottish Federation of Housing Associations), Dermot O'Neill (SLCU), Eddie Percy (Glasgow City Council), Avril Phillips (Discovery CU), Theresa Potter (Office of Anne McTaggart MSP), Julie Rain (Discovery CU), Joe Reilly (Shettleston & Tollcross CU), Ann Robertson (1st Alliance (Ayrshire) CU), Graeme Russell (Dunedin Canmore Housing Association), Charles Sim (Scotwest CU), Billy Thomson (West Lothian CU), Duncan Thorp (Social Enterprise Scotland), Donald Urquhart (Capital CU), Alison Wright (West Lothian CU)

Apologies

Anne McTaggart MSP (Deputy Convener), Jackie Baillie MSP, Sarah Boyack MSP, Hugh Henry MSP, Jenny Marra MSP, Margaret McCulloch MSP, Margaret McDougall MSP, Mary Scanlon MSP, Dr Richard Simpson MSP, Bill Walker MSP, Allison Barnes (Money Advice Service), Ian Caldwell (Scottish Police CU), Deirdre Forsyth (Scotwest CU), Bobby Gould (CUNA Mutual), Sylvia Lynch (Money Advice Service), Yvonne MacDermid (Money Advice Scotland), Craig Sanderson (Link Group), Marlene Shiels (Capital CU)

- 1 The Convener welcomed all to the meeting.
- 2 Attendance and apologies were noted as above.
- 3 Minutes of the meeting held on 19/04/12 were read, moved as correct by Alison Dowling, seconded by Carol McHarg and agreed.
- 4 Presentations were given on the theme of "Welfare Reform: Can credit unions and housing providers work together to help people transition to Universal Credit?" by Mark Lyonette (ABCUL), David Ogilvie (SFHA) and Carol McHarg (1st Alliance (Ayrshire) CU).

The Convener thanked the speakers for their contributions on such a serious issue for tenants and housing providers alike, and opened discussion of the issues. Points raised included:

- Welfare Reform is the biggest change and biggest challenge for the social housing sector in many years, and arrives against the already challenging backdrop of funding cuts;
- Where partnerships between credit unions and housing associations were once solely towards a financial inclusion agenda, there is now an eagerness to secure partnerships which could help protect the housing associations' rent income;
- In Scotland, Housing Benefit accounts for approximately 56% of all rent paid to housing associations, and 96% of tenants receiving Housing Benefit currently choose for it to be paid direct to their landlord;
- The potential exists for an individual's Universal Credit to be paid direct to their credit union account, with the Housing Benefit portion ring-fenced from their disposable income and paid by the credit union to the landlord;
- Such budgeting and bill-paying accounts have a cost attached, and a successful partnership must be one that represents a good deal for the landlord, the credit union and the tenant;
- Housing associations need to encourage *all* their tenants to join the credit union to maintain a diverse membership; not just tenants receiving benefits;
- This is a challenging but exciting opportunity for credit unions. Private sector companies are keen to corner this market, but credit unions can provide an ethical and more holistic solution;
- There will need to be flexibility and locally tailored solutions as the diversity of both the housing and credit union sectors means one size won't fit all;
- Housing associations could be encouraged to join credit unions as corporate members to help capitalise the credit union and help it offer more services. They could even seek to borrow from credit unions with large reserves;
- Housing associations should encourage their staff and directors to join credit unions and to visit or shadow staff in credit unions so there is a better understanding of credit unions throughout the organisation;
- Not all credit unions will have the capacity to offer the services housing associations are looking for. The scaling up of the credit union movement is an important and welcome process to help meet this demand;
- Some housing associations will need to look beyond their own community or choose between local credit unions. Such competition between credit unions is something the movement should not be afraid of;
- Welfare Reform creates a real risk of more personal insolvencies and lost tenancies, with potential rent and loan write-offs threatening the existence of some housing associations and credit unions. Partnerships to help people cope with the transition are not just desirable, but essential;
- There is a moral duty on the Scottish Parliament to do all it can to protect vulnerable people adversely affected by Welfare Reform. Appropriate support and a safety net need to be in place prior to the changes being implemented.

The Convener thanked all for their contributions to a lively discussion. At his suggestion, it was agreed that the CPG would remain open to discussion of this very important issue at future meetings, and joint meetings should be explored with other relevant CPGs with a view to getting all affected sectors and agencies working together. Housing associations would be welcome at all future meetings of the CPG to continue this dialogue.

- 5 AOCB: It was noted that the ABCUL Scotland Conference will be held in Glasgow on 14/09/12.
- 6 The next meeting of the CPG will mark the UN International Year of Co-operatives and International Credit Union Day with a Parliamentary Reception on 03/10/12.
- 7 The Convener thanked all for their attendance and closed the meeting.