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Office of First Minister and Deputy First Minister
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ANTI-POVERTY

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26th October 2005

Re: New Targeting Social Need ("TSN") – the way forward – phase two consultation.

Dear Jim,

May I take this opportunity to thank you and your colleagues for meeting with Uel Adair and myself last week. We welcome this opportunity to make some comments considering the consultation period in respect of the New TSN is completed.

The philosophy of credit unions is focused on enabling members to develop financially, socially and economically. This is achieved by members having opportunities to access credit and utilise their resources to improve their lifestyles. The main goal of the above strategy is to encourage financial inclusion and obviously the reduction of financial exclusion.

The Irish League of Credit Unions is presently engaged in a number of initiatives to tackle financial exclusion namely –

- The establishment of a pilot scheme where social security benefits for members may be paid directly into their credit union accounts.
- The establishment of a pilot scheme where members may pay bills such as utility bills in the credit union office.
- The setting up of an anti-money lending scheme where credit unions target areas where money lenders predominate and try to encourage more people to look towards their local credit union rather than money lenders for their short term finance. A similar scheme is being set up in the Republic of Ireland at present.
- The development of training for credit union personnel in money advice.

Some of these initiatives relate to the thinking that is detailed both in the TSN strategy and at European level.

The Irish League of Credit Unions has being involved in on going consultation to review credit union legislation in Northern Ireland. The aspirations that were held for this review may have opened up other channels where credit unions may assist in the battle against financial exclusion. One of these is the provision of additional services where credit unions would offer member services to people who would not have accessed these previously. An example of this would be various insurance services.

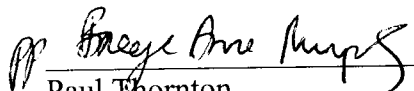
I must also point out that the Irish League of Credit Unions feels that the decision by HM Treasury to exclude credit unions in Northern Ireland from being authorised to accept Child Trust Funds should be reconsidered immediately. The Chancellor of the Exchequer has indicated the need for savings to become habit forming particularly amongst children. History has shown that habits are formed in the home. Surely your department would agree that a local credit union is an important and convenient place for parents and children to begin the saving habit? However the current thinking of HM Treasury excludes credit unions from being part of that habit creation.

Another area that the Irish League of Credit Unions would like to mention is the area of funding that is available in Northern Ireland. One must question the rationale for the exclusion of agencies in Northern Ireland from financial support when money is being made available in all other areas of the UK. The area that comes to mind immediately is money advice.

The Irish League of Credit Unions would welcome the opportunity to be involved in the proposed Anti-Poverty Forum as we feel that the credit union movement has much to contribute.

The Irish League of Credit Unions would be prepared and would welcome the opportunity to discuss this or any related matter with your unit at a time convenient to yourselves.

Yours sincerely,


Paul Thornton
Business Relationship Manager