

Slide 1

Why Credit Unions in West Central Scotland have done so well

The Cluster effect

The proximity of the credit unions led to a considerable sharing of information

The Irish Effect

Most of those involved in founding and promoting credit unions prior to 1985 had contacts in Ireland who had spread the word about credit unions;

The Common Bond areas;

The common bonds covered large well populated areas; with a good mix of working and non-working residents

The Ability Effect

The presence within a community of a sufficient number of adequately skilled and motivated individuals to promote and manage its affairs. Local people were prepared to take on management and policy making, making courageous decisions and move out of their comfort zones.

A Demand for the Product

There was a high demand for loans from the start, Scotland having at present a ratio of loans to assets of around 84%, the English equivalent being around 65%¹,

The Comfort Zone

West Central Scotland retained a remnant of working class solidarity with a history of co-operation that provided fertile ground for the development of credit unions

Slide 2: Credit Unions in Great Britain: 1997

	Total	England and Wales	Scotland	Scotland / Total (%)
Number of credit unions	549	434	115	20.9%
Number of members	219,729	126,837	92,892	42.3%
Total assets	£123.1m	£68.7m	£54.4m	44.2%
Total loans	£98.1m	£51.2m	£46.9m	47.8%
General reserve	£9.6m	£4.7m	£4.9m	51.0%

¹ The Registrar of Friendly Societies has indicated that when this ratio falls below 70% and a credit union is deemed to be trading unprofitably, a letter is sent emphasising that the credit union is in the business of lending.

Slide 3: Large credit unions in Great Britain (more than 1,000 members): 1997

	England and Wales	Scotland
Number of credit unions	23	20
Number of members	51,491	66,556
Average membership	2,239	3,328
Total assets	£38.8m	£46.4m
Total loans	£30.5	£40.9m
General reserve	£2.8m	£4.6m

Slide 4: Non-employee credit unions in Scotland: 1997

	Total	Credit unions established pre 1985	Percentage of total	Large credit unions established pre 1985	Percentage of total
Number of credit unions	101	16	15.8%	8	7.9%
Number of members	47,402	20,700	43.7%	17,764	37.5%
Average membership	469	1,294	NA	2,221	NA
Total assets	£16.8m	£10.0m	59.5%	£8.6m	51.2%
Average assets	£166,337	£625,000	NA	£1.1m	NA
Total loans	£13.3m	£8.2m	61.6%	£7.2m	54.1%
Average loans	£131,683	£512,500	NA	£900,000	NA

Slide 5: % of shares on loan

	1997	1995	1993
UK	81.5%	81.1%	85.7
England and Wales	75.3%	72.0%	80.0%
Scotland	90.5%	93.7%	95.8%
Large Scottish (West of Scotland)	94.9%	99.4%	100.4 %

Slide 6 TOP 20 CREDIT UNIONS ACCORDING TO SHARE CAPITAL -1996

	Name of Credit Union	Share Capital
1	SCOTWEST CREDIT UNION LIMITED	£7,319,698
2	GLASGOW COUNCIL CREDIT UNION LIMITED	£7,176,857
3	MID WEST POLICE CREDIT UNION LIMITED	£3,743,856
4	GREATER MANCHESTER POLICE CREDIT UNION LIMITED	£3,732,276
5	CAPITAL CREDIT UNION LIMITED	£3,306,057
6	STRATHCLYDE POLICE (FEDERATION) CREDIT UNION LTD	£3,106,001

7	LEEDS CITY CREDIT UNION LIMITED	£2,796,121
8	DALMUIR CREDIT UNION LIMITED West Central Scotland Community C U	£2,141,884
9	SCOTTISH PASSENGER TRANSPORT CREDIT UNION LIMITED	£2,092,791
10	L T D A CREDIT UNION LIMITED	£2,065,185
11	PENTECOSTAL CREDIT UNION LIMITED	£1,844,598
12	VOYAGER CREDIT UNION LIMITED	£1,670,656
13	SOUTHWARK AND KINGS EMPLOYEES CREDIT UNION LTD	£1,450,056
14	BRITISH AIRWAYS (UK) EMPLOYEES CREDIT UNION LIMITED	£1,423,420
15	LIVERPOOL CITY COUNCIL EMPLOYEES CREDIT UNION LTD	£1,292,138
16	MERSEYSIDE PASSENGER TRANSPORT EMPLOYEES CREDIT UNION LTD	£1,282,581
17	BIRMINGHAM CITY COUNCIL EMPLOYEES CREDIT UNION LTD	£1,211,355
18	GLASGOW DISTRICT POSTAL WORKERS CREDIT UNION LTD	£1,192,728
19	NEWARTHILL CREDIT UNION LIMITED West Central Scotland Community C U	£1,145,056
20	MERSEYSIDE POLICE CREDIT UNION LIMITED	£998,190

Only 2 community credit unions feature in the above list. They are both in the West Central belt of Scotland and were formed before 1985. In addition there are seven employee credit unions within the same geographic area.

Slide 7 : TOP 20 CREDIT UNIONS ACCORDING TO MEMBERSHIP 1996

	Name of Credit Union	Total no. of members
1	SCOTWEST CREDIT UNION LIMITED	11765
2	GLASGOW COUNCIL CREDIT UNION LIMITED	8445
3	CAPITAL CREDIT UNION LIMITED	5702
4	DALMUIR CREDIT UNION LIMITED	4780
5	GREATER MANCHESTER POLICE CREDIT UNION LIMITED	4198
6	LEEDS CITY CREDIT UNION LIMITED	4105
7	STRATHCLYDE POLICE (FEDERATION) CREDIT UNION LTD	3866
8	MID WEST POLICE CREDIT UNION LIMITED	3840
9	SCOTTISH PASSENGER TRANSPORT CREDIT UNION LIMITED	3799
10	LIVERPOOL CITY COUNCIL EMPLOYEES CREDIT UNION LTD	3103
11	BIRMINGHAM CITY COUNCIL EMPLOYEES CREDIT UNION LTD	2764
12	CAMBERWELL CREDIT UNION LIMITED	2748
13	NEWARTHILL CREDIT UNION LIMITED	2724
14	L T D A CREDIT UNION LIMITED	2425
15	VOYAGER CREDIT UNION LIMITED	2365
16	EAST KILBRIDE CREDIT UNION LIMITED West of Scotland Community C U	2158
17	MERSEYSIDE POLICE CREDIT UNION LIMITED	2097
18	BRITISH AIRWAYS (UK) EMPLOYEES CREDIT UNION LIMITED	2037
19	GLASGOW DISTRICT POSTAL WORKERS CREDIT UNION LTD	1896
20	SOUTHWARK AND KINGS EMPLOYEES CREDIT UNION LIMITED	1692

Four community credit unions are represented here three being from the West of Scotland area and all formed prior to 1985. In addition there are 5 employee credit unions drawn from the greater Glasgow area.

