

# CU Focus

The magazine of the **Irish League of Credit Unions** – Spring 2017



**Irish League**  
of **Credit Unions**

## THE NEW CREDIT UNION YOUTH AMBASSADORS



Tech Trends  
Driving the  
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Winners of All  
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**Cover image:**  
Olympic heroes Gary and Paul O'Donovan were announced as the new Credit Union Youth Ambassadors at the Youth and Marketing Conference

The lucky winner of our winter competition, a two night stay at Newpark Hotel in Kilkenny, was Marie Hynes from Athenry, Co Galway.

#### CONTRIBUTIONS

Letters to the Editor / contributions may be submitted via email to [editor@creditunion.ie](mailto:editor@creditunion.ie).

# Editorial

'It's got to get worse before it gets better' is an expression that has become trite because of overuse. This particular cliché should be consigned to history. Our aim, and the aim generally, must always be 'the best we can be' – no complacency. No easing of standards. No accepting or provision of a weaker service to our members.

Credit union membership continues to grow and members remain loyal and trusting. They deserve the best we can offer, be it continuation of current service or provision of additional service.

We are now in early spring and with the dark and dreary days of winter behind us, it will give us much reason for optimism, a positive feeling to mind and body. Spring is also the time when the Annual General Meeting of the Irish League of Credit Unions (ILCU) is held, an opportunity for delegates to discuss the issues that affect credit unions and agree a format to address the many problems they face.

Getting the credit union message out to all members and non-members is best achieved through advertising – radio, television, print media and all other areas where people congregate. The National Advertising Campaign (NAC) has been doing excellent work in this area for a number of years. The NAC has been funded by credit unions for credit unions, but sadly some have piggybacked on the generosity of others. This is not in the true spirit of cooperation.

The 'bread and butter' – the main income is generated from loan income – this was reduced during the downturn in the economy – it has improved somewhat recently and there is much room for more. There are other options; funding the provision of social housing and also the provision of mortgages.

Social Housing: Back in early 2015, a lobbying campaign was put in place in the Republic of Ireland by the ILCU Board. Lobbying, as we know, is ongoing and must be sustained, but it must be done in a unified way or else it will be futile.

Mortgage Lending and Home Loans: Work on this is being developed currently and we believe this could be a substantial benefit when agreed.

ILCU Elections – the elections to the ILCU Board and Standing Orders Committee have now been decided and the successful candidates will serve their term. We wish them well and hope the decisions they make will help the furtherance of the credit union movement. We also appreciate the efforts of the candidates who were not elected.

The Youth and Marketing Conference took place in the Hodson Bay Hotel, Athlone on the 25th and 26th of February. This must-attend event was highly informative about the requirements and issues of the next generation.

**Editorial Committee:** Nick Cashin, William Breen & Gerry Thompson. Volume 3 Issue 12 ©. ILCU ISSN 1649-377X. **League Board:** Brian McCrory, **President:** Charles Murphy, **Vice President:** John Mullen, **Treasurer:** Ciaran Bishop, Nick Cashin, Pat Fay, Margaret Heffernan, Seamus Kilgannon, Blanche Ronayne, Eamonn Sharkey, Martin Sisk, Gerry Thompson, Jim Toner **Supervisory Committee:** Martin Dolan, Michael Doyle, Terry Redmond **Life Director:** John Hume

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# Olympic Champions Gary and Paul O'Donovan unveiled as new Credit Union Youth Ambassadors

Olympic silver medallists Gary and Paul O'Donovan have been unveiled as the new Credit Union Youth Ambassadors for the Irish League of Credit Unions (ILCU). The rowing champions were officially announced as Ambassadors at the ILCU's Youth and Marketing Conference in Athlone on Saturday 25th February. Delegates from credit unions across the island of Ireland were in attendance to see the sporting heroes officially revealed as ambassadors by ILCU President Brian McCrory



*Gary and Paul O'Donovan with ILCU CEO Ed Farrell and ILCU President Brian McCrory*



*The Olympic heroes with ILCU President Brian McCrory and the ILCU's National Youth Committee*

**Newstalk 106 FM presenter Chris Donoghue was on hand to interview the sports stars live on stage, while a video filmed for credit unions by the two brothers was also premiered at the event.**

The overall theme of the youth conference was Digital Marketing and Social Media. There was a specific focus on how credit unions can develop their use of platforms such as Facebook and YouTube to communicate with Millennials and Generation Z. Guest speakers included Zeminar co-founders Ian Fitzpatrick and Damien Clarke, Facebook Advertising's Lizzy Lillington-Lester and Trendster co-founder Jack Cullen. A panel discussion on 'Reaching the Next Generation' was another highlight of the two-day event.

Speaking at the announcement of the Youth Ambassadors, ILCU President Brian McCrory said "Gary and Paul O'Donovan embody the spirit of co-operation and the

ethos of working together towards a common goal which is so important to the credit union movement. Their accomplishments in rowing at global level and their achievements at the 2016 Rio Olympics make them ideal role models for young people in our communities, and indeed ideal ambassadors for the many youth programmes run by our credit unions. We very much look forward to working with them as we work to inspire the next generation."

Also commenting on their new role, Gary O'Donovan said "Our own credit union in Skibbereen has always supported us every step of the way and so we didn't hesitate when asked to be the new Credit Union Youth Ambassadors. We're very proud to be representing the movement, especially for the younger generations."

Paul added "The support for us from all corners of Ireland has been overwhelming. Knowing we have such incredible backing

from our own community and from communities around the country really makes a difference to us when we're competing, and so we're delighted to have this opportunity to work with a movement that gives so much back to the people in the local communities they serve."

The ILCU offers a wide range of marketing support to credit unions to set up and run both established national youth initiatives as well as local youth schemes. National initiatives include the Clued-In Scheme (a personal finance resource for second level schools) and the popular All Ireland Schools Quiz and All Ireland Art Competition. Local schemes run by credit unions include School Savings Schemes as well as Bursaries and Student Loans. The ILCU also runs the Young People's Network and the Young People Programme for the support and development of younger credit union staff members and volunteers.



# CU Focus meets the O'Donovan Brothers

In between their official unveiling at the Youth and Marketing Conference, interviews with the press and meeting and chatting with credit union delegates, CU Focus caught up with Gary and Paul O'Donovan to ask them a few questions.

**CU Focus:** How old were you when you first started rowing and why was rowing your sport of choice?

**Paul:** When we were about 7 or 8 we started getting into the water. We had played a bit of everything but as our dad had been a keen rower for much of his life, conversation always tended to sway that way. It was only a matter of time before we got into a boat.

**CU Focus:** Was there ever a time over the years when you felt you might quit rowing and why?

**Gary:** There were many times when things weren't going so well that we'd stop and ask ourselves why we were doing it at all. But I suppose if everyone stopped at the first few hurdles, nobody would get anything done!

**CU Focus:** Could you describe in three words how you felt when you crossed the finish line at Rio?

**Gary:** Knackered, hungry, proud!

**CU Focus:** Aside from the race itself, what is your fondest memory of Rio?

**Paul:** It was definitely seeing our family, friends and all the Irish in Rio celebrating our success. We had been working so hard towards this goal that it was always going to mean something to us, but to see that it meant so much to everyone else was really special.

**CU Focus:** Would you say your Olympic medals are your proudest possession or would it be another medal/trophy you won over the years for rowing?

**Gary:** The medal is just a round thing. We have been rowing for 15/16 years now and have picked up a few prizes along the way - but we just put them in a drawer. We can walk around with the memories.

**CU Focus:** What is a typical day like for you now?

**Paul:** At the moment I'm attending UCD and I'm on work placement, so I try to get up as early as I can and

get a training session in before I'm due into work. I'll get more training done then in the evening too.

**Gary:** I'm based in Cork at the moment and I've just started a Law degree. My routine is similar enough to Paul's. Training morning and evening and college in between. We're both really busy, but we wouldn't have it any other way.

**CU Focus:** Are you training for competitive events at the moment?

**Gary:** We are moving into the competitive season now and every race is a building block for longer term targets like Tokyo 2020. We didn't just turn up in Rio, a lot of hard work went into getting there. Every race we are in, whether it's on a cold Saturday morning at the National Rowing Centre or at the World Championships in Florida, we always aim to go as fast as we can and win it.

**CU Focus:** Are you interested in any other sports outside of rowing, either participating or spectating?

**Paul:** We'd watch the rugby and follow cycling. Aside from that then we keep an eye on how the rest of the Irish athletes are getting on.

**CU Focus:** Are you planning on taking time off this year and what do you typically like to do when taking time off from training?

**Paul:** With our studies and rowing we don't have much time off. We take a day every now and then to rest and recover, but we're never far away from a boat. In fact, I don't remember two days in a row that didn't involve us getting into the water.

**Gary:** We do a fair bit of travelling for events and training camps so when we are away we try to see as much of that place as possible in the time that we have, but otherwise our schedule dictates what we can or can't do.

**CU Focus:** How would you like to see the sport of rowing evolve in Ireland for younger generations?

**Paul:** Our greatest achievement would probably be in getting people talking about rowing and getting involved. We love our sport. If more people were to be exposed to it, more would be inclined to try it out. It was heartening to hear that the number of people joining clubs jumped after the Olympics, hopefully there's a medal or two to come out of it.

**CU Focus:** How good were you both at regularly saving in the credit union when you were younger?

**Gary:** We spent years saving towards buying our own boats - we were both pretty good at saving!

**Paul:** I remember collecting coins in plastic bottles and when I couldn't fit any more in I put them into the credit union in Skibbereen! In 2013 we finally had the money to do what we had been saving towards - buying our own boat.

**CU Focus:** We know that your mother saved with the Skibbereen Credit Union to fund her trip to Rio to support you, what tips did your mother have for you both about saving towards a goal?

**Gary:** She really wanted to get to Rio so she was putting a bit of money away for a good long while. I suppose saving in that way is much like our training, it's all about the building blocks and working towards an end goal.

**Paul:** She has always told us that if we set out to do something, do it right. Every penny she saved went towards that trip.

**CU Focus:** Finally, what message would you have for young people in Ireland who want to become world-class athletes?

**Gary:** It's important not to be afraid of hard work. If you put your head down anything is possible. You have fun along the way of course, but the hard work reaps rewards.





# Focus on ...

# TPM Credit Union

## IN THE BEGINNING

"On the 16th January 1967 an informal meeting took place in St Patrick's Social Club in Poyntzpass to consider the possibility of forming a credit union branch in the area."

These are the opening words of the "Minute Book" of what was to become Tandragee, Poyntzpass and Markethill Credit Union or TPM Credit Union. There were nine in attendance at this seminal meeting: Patrick McSherry, Michael Waddell, Leslie Kellett, Terry Murphy, Seamus Murphy, Gerry Davis, Frank Watters, Jim McAfee and Rev Sean Quinn.

After similar meetings in Tandragee and Markethill, TPM elected its founding office-bearers on 6th February 1967. Over the following month the nascent credit union drew on the experience of pioneers in the field; Edward Mackle (Newry), Jack O'Hare (Armagh) and John Hume (Derry) to finalise preparations for the opening for business in all three centres in early April. There were 95 members and share capital of £1,867. Now 50 years later, TPM Credit Union has a membership of over 2,600 and share capital in excess of £5.5 million.

## SOLID FOUNDATIONS

It is well accepted that if a structure is to last it must be built on solid foundations. The founders of TPM Credit Union understood this and ensured that the credit union ethos informed their every decision. TPM Credit Union's first President, Jim McAfee, speaking at the AGM on 12th February 1968 said;

"Credit union enables surplus to aid others. It shows the Christian reason for saving. It is not charity but credit - credit that a man buys. Charity can hurt dignity - credit does not."

Clear evidence of a solid start in life as a key financial entity in the community was confirmed when TPM Credit Union was awarded the 1968 All Ireland Credit Union Cup at the Annual Credit Union Convention in Cork. The

Minute Book records a victory celebration and stated that "no matter what we achieve in future years the elation and satisfaction of winning this trophy in our first year will scarcely be surpassed."

## THE GIFT OF TIME AND TALENT

The fact that TPM Credit Union has for over 50 years sustained and indeed developed a most valuable contribution to the community has been due in essence to the generosity, determination and initiative of a "small army of volunteers." The men and women of the TPM community gave of their time and talent to allow the credit union members to "save with security and borrow with dignity." Today's members should be extremely grateful to all who have ensured that a vibrant and dynamic credit union has, for over half a century, provided a valuable source of financial assistance at a fair rate, within a caring and supportive environment.

John McGrane, TPM Credit Union's current Chairman notes that "It is clearly impossible to acknowledge in detail the many beneficial contributions of TPM workers over the years. We have been fortunate to have had Presidents/Chairpersons of vision and leadership; Treasurers with sound financial judgement and accounting skills; Secretaries of diligence and thoroughness; Committees which were vigilant, ethical and fair in their decision making; Paid staff who were hard-working and reliable; Supervisors of persistence and rigour. However few would disagree with the view that anything which TPM has managed to achieve has been due in no small measure to the wisdom, leadership and dynamism of two of our founding members. Jim McAfee and Syl Campbell were men of outstanding ability, drive and generosity of spirit and were 'credit union men' to their core."

On the sad occasion of Syl's passing in 1986, the AGM minutes recorded the following: "Since the last AGM we have suffered the loss of the credit union



*Celebrating 40 years of TPM Credit Union in 2007*



*Winners of the Art Competition with Guest of Honour Rory Best*



*The Poyntzpass Pumas Basketball Team*



*CORK 1968. TPM Credit Union's Treasurer Syl Campbell receives the All Ireland Credit Union Cup from Jack Lynch under the watchful gaze of a youthful John Hume.*





*Front Row: Dawn McConnell (Manager), Anne Lappin, John McGrane (Chairman), Helena Gamble, Simon Clarke, Gabrielle McParland; Second Row: Patrick Gallagher, Margaret Campbell, Irene Caulfield, Brian O'Hare  
Third Row: John Campbell, Jackie Jenkinson, Lorraine McAllister, Eddie McAfee; Fourth Row: Frank Watters, Vincent Braniff, Billy McClelland, Harry Gaffney. Absent: Joe Flannigan, Sheila McKeown, Ann O'Hare and Agnes McCoy.*

man 'par excellence' ---- Although there might be some debate as to who started the credit union here, there is absolutely no doubt who kept it going through the bad times. For many of our members Syl Campbell was the credit union. Syl set the standards - his meticulous attention to detail, his capacity for selfless hard work, and shrewd judgement - give all of us who attempt to follow in his footsteps both a guide and a challenge. TPM is the monument to Syl Campbell and all future doings of TPM will be keeping his memory green."

Jim McAfee, who delivered these words, died in 2010. He was a man of wisdom, wit and total commitment to the credit union. The 'TPM Credit Union News' of November 2011 paid tribute thus: "It would not be an exaggeration to say that for forty years Jim McAfee was the very heart of credit union. It is certainly true that much of what TPM is today is directly attributable to his unwavering dedication ....those of us who have known him in his prime appreciate his immense and lasting contribution to TPM Credit Union and indeed the many members "who knew him not" will for years to come, continue, to benefit from his vision and commitment."

#### STAFF EXCELLENCE

In business in general the importance of customer service is a well-accepted

principle. In the case of credit unions, where staff are serving not customers but members who through their shareholding own the credit union, the quality of interaction has an added dimension.

TPM Credit Union's front-line staff have, over the years done a first class job. Those currently in post, Gabrielle McElroy, Ann O'Hare, and Agnes McCoy provide service of high quality led by Manager Dawn McConnell. Dawn has been with TPM Credit Union since March 1980 and is vital to its success. Her sound knowledge of every aspect of credit union, her wise and considered decision-making, her total commitment to her tasks, her sense of humour and warm personality make her a most valuable and valued leader of TPM Credit Union's progress on a daily basis.

#### THE FUTURE

Many observers are at present of the view that the world is entering a period of even greater uncertainty than usual. However it would seem clear that many of the circumstances which led to the development and growth of 'community self-help' in the Germany of Friedrich Raiffeisen in the 1860's, and which the founders of the credit union movement on this island successfully introduced here in the 1950's, will continue to have an important part to play in the community.

TPM Credit Union has well equipped offices in each of its three centres. The technology used is regularly reviewed to ensure that the credit union keeps up to date with relevant developments and is appropriately positioned to move forward.

As ever, a credit union needs to be renewed and refreshed by recruitment of young volunteers. TPM Credit Union will work to ensure that the 'credit union torch' is handed on to the next generation, who will no doubt rise to the challenge. The outstanding qualities of the community's young people has been witnessed through TPM Credit Union's schools savings scheme, inter-schools quiz, art competition and the sponsorship of sporting activities such as the 'Poyntzpass Pumas' basketball.'

TPM Credit Union has a message for the young people of its community on the occasion of its 50th Anniversary, and this is well encapsulated in the words of US President Barack Obama in his farewell address. He urged young Democrats to get involved by suggesting they should "Show up; Dive in; Stay at it!"

TPM Credit Union is confident that young people within its common bond will understand this message in relation to credit union and knows that it can continue to go from success to success over the next 50 years.

# CREDIT UNIONS LEGALLY OBLIGED TO REGISTER ON CENTRAL CREDIT REGISTER

All credit unions in the Republic of Ireland are legally obliged to both register on and supply information to the new Central Credit Register (CCR). The CCR is a mandatory database of credit intelligence and **any credit union who has not yet registered should immediately log on to [www.centralcreditregister.ie](http://www.centralcreditregister.ie) to sign up and commence the on-boarding process.** A number of credit unions have already registered and are in the midst of preparing to submit data to the CCR. Data submissions will begin in June 2017.

Under the Credit Reporting Act 2013, credit unions are legally required to supply information on all credit agreements of €500 or more to the CCR. They will also be obliged to access it when considering loan applications for €2,000 or more. **Credit unions should ensure they are registered as a matter of priority.**

#### Data Collection to Commence in June

Data collection for credit unions will begin on 30th June 2017 and will continue until December 2017. Credit unions are legally obliged to have submitted the required information by the deadline of 31st December 2017.



The Central Bank has also issued individual codes and registration numbers to credit unions to allow them to access guidance manuals and documents which it has published on its website. If any credit union has not received this material, or has misplaced it, they can request a new code and registration number at [www.centralcreditregister.ie/info-request/](http://www.centralcreditregister.ie/info-request/).

**Registering on the CCR now will ensure that the on-boarding process can be completed in time for credit unions to begin preparations for the commencement of the data collection phase.**



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# DRAGONS LEND

**Chapter 2 recently held a unique Chapter meeting that was completely different from all others. The meeting took place in the Old Courthouse in Antrim and was designed to educate its members on the current issues facing credit unions in Northern Ireland. The meeting, which was held in the style of the popular television programme, *Dragons' Den*, was titled *Dragons Lend*. Most of the 17 credit unions in the Chapter were involved in the preparation and presentation of *Dragons Lend*, an example of co-operation among co-operatives.**

The distinctive event was hosted by Nick Garbutt, a respected PR practitioner and media commentator, as well as a fan of credit unions and a good friend to Chapter 2. Aidan McCormack and Billy Breen of Larne Credit Union were the writers and directors, while the whole evening was brought to life by the work of Niall Kerr from Ballinascreen Credit Union. His work in sound, lighting and graphics made the evening's performance very enjoyable and an excellent approximation to the television show. It also meant that the DVD produced on the night was of an excellent standard and well received by the credit unions in the Chapter.

During the night, a number of loan applicants from credit unions made

their pitch for a loan to the 'Dragons' – which were played by personnel from across Chapter 2 credit unions. It should be noted that the roles they played are in no way an indication of the roles they play in their own credit unions or of their personal views, but an attempt by the writers of *Dragons Lend* to bring out attitudes and beliefs that might be found in credit unions.

The 'Dragons' on the night were played by:

Ann Quinn (Carn Glen Credit Union): Ann portrayed a well-run credit union with all its policies in place prepared to make larger loans, with a novel take on security and preparedness to lower interest rates on these loans.

Liam O'Kane (Bannvale Credit Union): Emphasising the "know your member" ideal; the need for good communication and the ethos that credit unions are for service. Liam portrayed a credit union that would be prepared to look at a larger loan, but is restricted by the rule that a member should be saving for thirteen weeks.

Jack Gorman (Derry Credit Union): Jack represented the 'old school' approach; loans should be based on savings and a member should be saving for thirteen weeks. It has worked well in the past and has served the members well over the years. Why change something that works well?

Keith Savage (Antrim Credit Union): Bringing his experience from another financial institution to bear on his credit union work, Keith represented a credit union prepared to look at larger loans based on the ability to repay and at a lower rate of interest to be more competitive, and that is prepared to lend for business purposes.

Tracey Quinn (Ardboe Credit Union): Tracey portrayed a credit union that looks after certain members, but possibly doesn't give equality of treatment to all members.

The loan applicants facing the Dragons on the evening were:

Pat McCallion (Ballymena Credit Union), Paul McCaughan (Larne Credit Union), Adrian Clarke (Causeway Credit Union) and Gearóid O'Neill (Ballinascreen Credit Union). Each made strong applications and stated their case well for amounts from £15,000 to £100,000.

Chapter 2 believes that when education takes place in an atmosphere of enjoyment, it becomes more effective and has lasting benefits for all credit unions and their members. It is hoped that the DVD that was made could be used as a starting point for discussion on procedures that credit unions will adopt to meet the new situation facing them with the changes in the rules due to come in after AGMs.

# 100 Credit Unions now offering Personal Micro Credit Scheme

## Credit Unions Across the Country Share their Insights on the 'It Makes Sense' Loan

100 credit unions across Ireland are now offering the Personal Micro-Credit scheme as increasing numbers turn away from moneylenders and demand for the loan rises. The initiative, known as the 'It Makes Sense' loan, was launched in 2016 by the Irish League of Credit Unions (ILCU) in partnership with the Citizens Information Board, MABS and the Social Finance Foundation, and is supported by the Government and Department of Social Protection. Loan applicants

can borrow between €100 and €2,000 and the maximum loan period is two years. The initiative is about providing an alternative to moneylenders and promoting financial inclusion. More information can be found at <http://itmakesenseloan.ie/> Below are some insights from credit unions across the country who are offering the It Makes Sense Loan to social welfare recipients in their local communities.

### **AUGHRIM STREET PARISH & DISTRICT CREDIT UNION:**

#### **Q. Why did you decide to join the initiative?**

**A.** We are based in a community which is badly affected by moneylenders. With the Personal Micro-Credit Scheme (PMC) we could help members who have no alternative but to resort to such companies that charge extraordinarily high interest rates to the financially excluded.

#### **Q. How easy did you find the signing up process?**

**A.** Pretty straightforward. After our Board approved entry to the initiative and the dedicated loan policy, we started the process to sign up with An Post. We began offering loans around 'back to school' and were also very busy with these loans at Christmas. We see this as an occasional loan for key events, such as Christmas and Communion time.

#### **Q. How satisfied are you with the loan performance of your PMC loan book?**

**A.** To date we have given out 128 PMC loans, most of these loans are repaid via the Household Budget. We would have 2% that we are concerned about.

#### **Q. Have you had any problems with borrowers cancelling deductions?**

**A.** No. There was a case where a member found work and was no longer in receipt of social welfare and we came to an alternative payment method.



*Aghrim Street Parish & District Credit Union Staff  
L to R: Kelly Clancy, Lorraine Gahan, Suzanne Harney*

#### **Q. Going live can create a lot of demand for the loan product, how did your credit union cope?**

**A.** The training and documentation

provided by the project team are very worthwhile. If we are unsure of eligibility under a scheme, we request assistance from the helpdesk. We are not afraid to



refuse loan applications - and at Christmas we set up an appointment book to manage demand. We would highly recommend scheduling appointments.

**Q. What is the main benefit so far from joining the initiative?**

**A.** This is a social initiative and not a big profit maker. However, we have increased our membership by 2.5% from PMC. We feel by serving these members, they will graduate to mainstream lending - the current PMC policy supports this transition.

**Q. Are there any disadvantages to the initiative?**

**A.** Apart from managing the demand at peak times and getting familiar with using the An Post Household Budget scheme (HB), not really. In very few cases, new members have expressed an entitlement to borrow - we always take the time to explain to the member when signing up that the loan decision will be based on affordability and not just the fact that they are in receipt of social welfare.

**Q. What is the best borrower comment you have heard?**

**A.** Most borrowers are extremely happy with the service, especially at Christmas. Overall feedback is delight that the member no longer has to use a high interest moneylender and can re-establish their financial standing with the credit union.

**Q. What would you say to credit unions who are not yet part of the initiative?**

**A.** We would encourage credit unions to sign up. It takes time to get familiar with how the HB system operates and you need to invest in training staff on new policies and procedures. However, the positives far outweigh the negatives!

**Q. What's been the biggest impact of PMC for your credit union?**

**A.** 75% of our members who have signed up for a PMC Loan are new to the credit union. Some thought that they would not be able to borrow from us. We are able to reach out to a section of our community who needed the credit union most. We believe that by being able to offer members a PMC loan, we have reminded the community what the credit union is about. We did very little promotion for this initiative and the majority of new members heard about the service from a friend.



**WEXFORD CREDIT UNION:**

**Q. You are a participating credit union since the pilot first launched. Why?**

**A.** This product works to grow our loan book in a low risk manner. It sits comfortably with the ethos of our Board to promote financial inclusion.

**Q. Are you satisfied with the performance of the PMC loans written?**

**A.** Yes. We have written almost 140 loans valued at €175,000. The level of default is well below our normal loan book.

**Q. How does PMC fit within your existing lending practices?**

**A.** This loan fits within our normal practices - we see PMC as simply offering another repayment method, but one that enables us to lend to those that are financially vulnerable and excluded. It demonstrates our commitment to our community.

**Q. Were there any teething problems as part of launching PMC in your credit union?**

**A.** Initial teething problems in the pilot ironed out quickly and we have blended this offering into our normal lending set-up. Once lending staff became familiar with the product and with the semi automation of the An Post payment files, the "It Makes Sense" loan has become a mainstream part of what we do.

**Q. How do you find the process with An Post and the Household Budget Scheme (HB)?**

**A.** I think the service that credit unions get from An Post is excellent. Although, repayments through the HB are not guaranteed, our experience shows that most members who sign up to repay their loan through the HB do not cancel. The An Post HB team are responsive to queries and the €0.25 fee per transaction is good value - as without continued access to the HB it is unlikely that we would have remained in the initiative. This deduction method reduces our risk and is also very convenient for the borrower.

**Q. How do you think borrowers view the initiative?**

**A.** There is no doubt that there is a market out there for the product. The recent

enhancement of facilitating a small savings element is beginning to filter through. The need to turnaround the loan in 24 working hours did not transpire for us - once we are engaged with the borrower the timing on the loan was not an issue.

**Q. Are there any downsides to the initiative?**

**A.** We frequently get calls from outside our common bond and from time to time, it can attract interest from a certain cohort that believe they are 'entitled' to the loan. Once staff became familiar with the process and who the policy is trying to help, it became easier to lend to the target market that the policy supports - those who are financially excluded and who rely on moneylenders as a source of credit.

**Q. What advice would you give a credit union coming on board?**

**A.** This is a loan and criteria must be met - principally having the capacity to repay. The credit union has the right to say no. Work with the project team to avail of training and best practice in particular in the early days of offering the loan. Talk to peer credit unions about their experiences. Use this as another offering within your product suite.

The essence of the 'It Makes Sense' offering is:

- Social welfare recipients
- Fast track membership (for non-members)
- No savings needed
- Default history does not necessarily rule individuals out - an ICB check is not mandatory
- Separate credit policy drafted with and acknowledged by the Registry of Credit Unions in the Central Bank
- Repayment via An Post's Household Budget Scheme (HB) or by standing order or direct debit
- Small savings amounts facilitated
- Final credit decision rests with the credit union
- [www.creditunion.ie/itmakesenseloans](http://www.creditunion.ie/itmakesenseloans)

**To sign up:  
Contact support team on dedicated help line:  
01 614 67 37  
Email: [Lisa.magee@afanite.com](mailto:Lisa.magee@afanite.com) or  
[Tracy.pelosi@afanite.com](mailto:Tracy.pelosi@afanite.com)**



# ATHLONE CREDIT UNION CELEBRATES 50th ANNIVERSARY

50 years ago a pioneering group of Athlone people prompted by the Chamber of Commerce had the vision to join a revolution that was sweeping Ireland at the time. They founded a community based member-owned co-operative; Athlone Credit Union. Eight years earlier, Ireland's first credit union had been established at Donore Avenue, Dublin, with a deposit of £7 in the first week. 50 years later it is possible to reflect on what that revolution achieved in Athlone and where it might go next.

## The early days of Athlone Credit Union

In early 1966 Athlone Chamber of Commerce was approached by a representative from CIE and Gentex with a view to establishing a credit union in Athlone. After months of fact finding and information gathering, a public meeting was called by the Chamber of Commerce for 25th November in the Prince of Wales Hotel. A letter was sent out to businesses, clubs and organisations in the town inviting them, together with co-workers, family and friends to attend. The meeting was chaired by Andrew O'Connor, President of Athlone Chamber of Commerce with Patrick Russell, Secretary of the Chamber and Michael O'Doherty, Field Officer of the Credit Union League of Ireland. The meeting was a great success.

This led to the inaugural meeting of Athlone Credit Union which took place on 2nd December 1966. At the next meeting on 9th December, the following names were registered as the founder members of Athlone Credit Union;

**Board of Directors** – Patrick Russell, President, Patrick Ralph, Vice President, Andrew Lyon, Treasurer, Capt. Leo Keenan, Secretary, Jim Whooley, Education Officer, M Keating, Publicity Officer and Joe Finn, Pat Morrissey, Brian McGrath and J Quirke.

**Credit Committee** – Patrick Campbell, Seamus Bleakley, Cecil Wheatley, Kitty Higgins and Thomas Burke.

**Supervisory Committee** – John Hardiman, Austin Kilbride and Jim Keane. The credit union had free use of the



*Athlone Credit Union Chairman Alan McNeice with Manager Catherine Egan and Anne Duffy, also of Athlone Credit Union, who honoured surviving members of the Jadotville Battle at the 50th anniversary celebrations*

offices of the Workers Union of Ireland over Foy's shop in Church Street. The opening hours were decided at 4-6pm on Saturday and 11.30am-1.30pm on Sunday. Lodgements were accepted by designated committee members. Loan applications could only be taken by a Credit Committee member during these hours.

## Growth of the credit union

In 1969, Eamon Ginnane was appointed as the first employee, followed in 1970 by the appointment of Liam O'Dalagh as first manager. By 1970 the credit union was in a position to purchase its own premises in Friary Lane. The move to the new premises enabled the extension of opening hours and also allowed the credit union to give St Francis Co-Op Housing Society free use of a room, and encouraged credit union members to avail of the society's services.

In 1996, the growth of the credit union required larger premises and a property in the historic Northgate Street was purchased, close to the site of the former Athlone Wollen Mills, now the Radisson Hotel. This purchase marked the 30th

anniversary of the opening of the credit union in Athlone. The new premises was officially opened on 8th June 1997 by Norman Murphy, President of the Irish League of Credit Unions, and Tom Price, President of Athlone Credit Union. By then, assets had grown from £8,341 in 1969 to €6.7 million in 1996. The next ten years showed huge growth and by 2006 assets had reached €435 million.

Today, Athlone Credit Union continues to grow, assets at the end of the current financial year reached €80 million, with an active membership in excess of 17,000 and a staff of 18.

## The mission of the Athlone pioneers

The pioneering group who founded Athlone Credit Union achieved extraordinary results for the town. For the first time in the history of Athlone, ordinary people had access to reasonable credit. With reasonable credit came all sorts of freedoms. The most immediately important would have been freedom from moneylenders. Then the freedom to manage their own finances in ways not previously possible. Next was the freedom to use their own savings and credit to





*Athlone Credit Union Chairman Alan MacNeice, with Manager Catherine Egan, ILCU President Brian McCrory and representatives of Athlone Credit Union who were honoured at the 50th celebrations*



*The Board of Athlone Credit Union. (Manager Catherine Egan absent from photo).*



a mobile phone app.

Some may ask how important is the credit union in a world so different from the 1960s? Today credit and financial services are much more commonly available than they were then. The credit union is routinely ranked as the most trusted of organisations. It is routinely ranked highest for customer service to members compared to other organisations that serve the public. That should be no surprise because in good times and bad everything credit unions do is always in the best interest of members.

The unfinished revolution of the 1966 Athlone pioneers is to provide all financial services needed by a member from cradle to grave, provided from within the community to the community. Athlone Credit Union is as important as ever because it can be trusted and because it puts members' interests first.

improve their lives.

The founders of Athlone Credit Union and the generations of volunteers and staff that came after them grew the credit union from small beginnings to where it is today. Within the first year the assets of the credit union grew to over £8,000. 50 years later there are over 17,000 members with savings and deposits of €65 million, over €27 million of which is on loan to members. This is the fundamental co-operative principle in action; members supporting each other

through both borrowing and lending.

Athlone Credit Union now has assets of €80 million with reserves of €14 million.

Generations of members have prospered with their credit union. In addition to the savings and loans available 50 years ago, members can now get a free financial check, get insurance, change currencies and use the bill pay service from the two branches in North Gate Street and Monksland. Members can access their accounts and transfer money electronically from a computer, or by using

# New Report Highlights Importance of Advertising & Marketing

A new report investigating the impact and importance of advertising and marketing to Irish companies contains a number of revelations that will be of importance to credit unions when considering their marketing and advertising campaigns for the year ahead.

The report, titled Marketing Multiplied, was carried out by Core Media, in conjunction with the Association of Advertisers in Ireland, and was written by Core Media's CEO Alan Cox together with well-known economists Jim Power and Chris Johns. The report presents in one location a survey of literature and research from all over the world and presents a robust case for the impact of marketing communications on national economies and brands, while giving guidance on how to improve the effectiveness of campaigns.

It found that every €1 invested in advertising results in €5.44 net Return on Investment (ROI). In addition to the ROI figure, the findings also state that the size of a brand has a major impact on the efficiency and effectiveness of marketing communications; "large brands have inherent advantages over smaller brands; they have higher penetration, better distribution, stronger range and pricing strategies that help to maintain and increase share."

## Brand success

Another finding which will be of importance to credit unions is that long-term marketing and advertising campaigns are far more effective than short term or ad hoc campaigns. Short-term marketing is on the rise and it is damaging the profitability of marketing. This shift has been caused by recession-driven urgency, in businesses, to build immediate sales and a belief among senior management that this will be achieved through short-term tactics (rather than long-term brand-building strategies). However, long-term



campaigns (those that are evaluated over periods of longer than six months) are around three times more efficient than short-term campaigns. Short-term initiatives are, in fact, more effective at driving transient sales effects, but they deliver weak long-term growth. Businesses need to employ both techniques, but in the correct proportion.

Furthermore, the report points out that emotionally-based campaigns outperform rationally-based campaigns; "they are significantly more profitable, they are better at generating awareness, they are stronger at creating differentiation and they form more durable memories in the minds of consumers."

## How the credit union's NAC fits in

The National Advertising Campaign (NAC), developed by the Communications Team of the Irish League of Credit Unions (ILCU), ensures that the long-term advertising campaign of We look at Things Differently for credit unions is effective, efficient and delivers an ROI. Not only does the advertising outreach entice and inform new and existing members about credit union loans, but also ensures that the

overall credit union brand is recognisable on both a local and national level.

As new creative was added to the campaign to help meet local marketing needs, more and more credit unions have been using the bespoke material, such as posters, leaflets, Facebook ads etc., and personalising for local needs - for which there is no design charge to NAC participating credit unions. An emerging trend in credit unions is to employ a local marketing professional or engage the services of a third party. To help you save on further investment in new materials why not use the tools of the NAC and save on costly design costs?

For credit unions to get more loan enquiries, people need to feel more confident to borrow from credit unions and the NAC is tapping into this emergent recovery narrative. The confident prospectors are targeted by adopting an approach that is attitudinal and motivational. "I want" versus "I need", "Emotional" versus "Rational".

Through the lens of the "Your Loan, Your Way" campaign, credit union loans are positioned differently to the rest of the market; Loans are not just available through the credit union, they are here



for people, not for profit. Credit unions concentrate on the reality of borrowing - loans are for real life events and purchases; THE "I can stop pretending I know DIY" LOAN. The seeds of borrowing motivation are being planted by instilling confidence in the target audience to borrow from the credit union by creating relatable bonds.

The campaign was developed to assist credit unions to deliver a national campaign which is visually strong enough to compete with the significant and increased spend of financial institutions in terms of advertising, marketing and point of sale material and that could be adapted easily for local activities.

By investing in creativity and delivering a long-term advertising campaign that is consistently on message, the NAC is a clear example of best practice in marketing and advertising in Ireland.

#### **Time for marketing in the boardroom**

The 'Marketing Multiplied' report also found that there is an absence of marketers from the Boardroom in Irish companies. Ireland is not the only country where this is an issue. In fact this is even a characteristic of boardrooms in the US, where marketing practices would be considered advanced. A 2016 study by Forbes magazine found that just 2.6% of 65,000 company directors had a managerial-level marketing background.

This problem could well be one of the contributing factors to the tendency to look at marketing budgets and campaigns as an expense, instead of an investment. This mind-set can be one of the biggest obstacles to real marketing and advertising success.

The report states that "Marketing tends not to be taken as seriously by corporate Boards as it should be. The reason for this has been the absence of quantified, credible evidence to



demonstrate how essential marketing is to the long-term growth and profitability of businesses."

In the digital age however, there are numerous ways to track the performance of marketing campaigns with the development of econometric models and data analytics. With the availability of quantifiable evidence on the effectiveness of marketing campaigns, the time for marketing representatives in the Boardroom is now.

#### **The credit union marketing challenge**

The challenge of growing the loan book is one which is faced by all credit unions. The NAC plays a key role in raising awareness of credit unions and encouraging people to borrow from their local or workplace credit union. The NAC is not meant to replace local activities but rather to supplement local activities. Acting alone, each credit union's 'voice' may be drowned out by large competitors. But together, the combined resources of credit unions can deliver a strong, forceful national message in an increasing marketing and competition space.

#### **TIPS FOR CREDIT UNIONS:**

- One of the most common questions asked when it comes to marketing is 'How do you know if it's working?' The answer is simpler than you think. Ask! At the counter, over the phone, via email, whether it's an enquiry for a loan, a new member signing up – how did they hear about you, have they seen the advertising? Two or three simple questions captured at that time, builds into a powerful measurement tool as the weeks and months progress.
- Track your data analytics from online/social media advertising, Google and website traffic. Do traffic and enquiries spike when you're advertising locally? Where does your website traffic come from?
- On average it is recommended that you should spend 60% of your budget on brand-building activity (long-term, broad reach, emotional) and 40% on sales activation (short-term, tightly targeted).
- Avail of the free NAC personalisation service for your local print/ web materials and tap into the advantages of a long term national advertising campaign.
- The NAC loan enquiry tool drives loan enquiries to participating credit unions. It is vital that your nominated email address is checked regularly and responded to promptly. Don't forget, if the enquirer is not yet a member, invite them to join. Do not leave the query unanswered. The development of this tool has significant potential for your credit union to directly follow up on hot leads that are actively looking for a loan within your local community.
- Assign Marketing to a staff member's core role and responsibilities - it doesn't always have to be the Manager! The person responsible for the ultimate delivery of your marketing plan should be empowered to do so, with the agreed decision making process outlined in your marketing plan.

# THE FUTURE OF MONEY

By Thomas Geoghegan

Ireland's brands are witnessing a hidden tipping point in new payment technologies, leaving them less time to adapt. The recent Irish launch of Google's Android Pay has focused our attention on new transaction technologies and begged us to ask what the future of payments and money holds for us in Ireland.

We are living through, perhaps, the biggest disruption to money in history. The internet, smartphones, social media and big data have made it possible to transform nearly any kind of data into currency, in turn creating radically new ways that consumers and businesses can transact, create and exchange value.

This rapidly changing space will transform all our lives prompting us to ask what is driving this disruption, how ready are we for the changes to come and what it will mean for consumers and brands? Core Media conducted a study to find out.



*New ways to pay*

## THREE TECH TRENDS DRIVING THE FUTURE OF MONEY

As a small, open country, three global trends are poised to reshape Ireland in a variety of ways.

### New ways to pay and transact

In future, it will be normal to use our smartphones to pay for most things. Mobile wallets like Apple Pay will replace contactless cards. Peer-to-peer (P2P) payment apps like Venmo and Snapcash, which allow people to send each other money directly, will largely replace cash. Internet-connected devices will be frequently used to trigger purchases, such as Amazon's Dash button that lets people buy shopping items at the touch of a button. It has been predicted that mobile wallet transactions in Europe will grow by 62% by 2021, and P2P payments in the US are poised to exceed \$86 billion by 2018.

### The emergence of virtual currencies alongside euros or dollars

Consumers are getting used to the idea of 'earning' from brands by converting their

data into 'virtual currencies' that will increasingly co-exist with euros or dollars. Starbucks' branded mobile wallet, which customers use to pay for their coffee, converts their loyalty into instant MyStarbucks Rewards which they can spend in-store. Lifestyle tracking is another evolving area for virtual currencies. Nike let fans use their health app data as currency to bid on exclusive Nike products. The idea of financial health tracking is picking up as 75% of US millennials say they track their finances carefully, and apps like Mint are already helping users track their 'financial fitness'.

### A future when banks exist but not how we know them

A recent PWC survey found 83% of Irish financial services managers believe financial institutions are at serious risk. We may be looking at something like a 'bonfire of the intermediaries' as many financial services and traditional banks are disrupted by financial tech start-ups who are more agile in meeting consumers' needs, and emerging technologies like 'blockchain'.





Generation-Z

## IRELAND'S APPETITE FOR DISRUPTION

Adoption of new technologies is largely driven by local factors. To understand Irish people's readiness to embrace these global trends, Core Media carried out a national survey among four generations of Irish people to find out - Generation-Z (born from 1995 onwards), Millennials (born 1985-94), Generation-X (born 1962-84) and Baby Boomers (born pre-1961).

As a nation, we found surprisingly high levels of openness to these technologies. 60% of people in Ireland believe we will become a cashless society, 63% would use new transaction technologies, and 77% would trust tech brands like Google or Apple to provide transaction services. These high figures emphasise how quickly these technologies could go mainstream in the near future.

But when we delved more deeply into the four generations, we found that while Millennials will be the first to adopt mobile wallets, if we are to understand the future's 'new normal', we need to look at their successors, Generation-Z, who bring a very different money mindset than their peers.

## WHO IS GENERATION-Z?

With the eldest turning 21 this year, Generation-Z will take on much greater significance as consumers in the coming years.

They are the first true digital natives – they don't remember a time without the internet, smartphones and social media. Used to moving fluidly across

devices, they expect convenience in all their interactions and quickly lose interest if this expectation is not met. They also have a more casual relationship with brands – to them a brand is something they use, not a logo.

For brands in Ireland to successfully adapt to money's future, banks and retailers need to keep in mind five key findings about Generation-Z:

- They are the most enthusiastic about a cashless future – 24% believe Ireland will be cashless in the next 15 years compared to 16% of Millennials
- They are most prepared for a cashless future – 75% would consider using new payment technologies compared to 66% of Millennials
- They are more trusting of a wider repertoire of tech brands to provide alternative banking services such as Apple, Google and Facebook, but also brands linked to their lifestyles like Snapchat
- They are significantly more comfortable with sharing personal data with finance brands – 49% of Generation-Z compared to 33% of Millennials

For this reason, our research unveiled a hidden tipping point. 42% of Millennials say they have used a new payment technology, but Generation-Z's greater enthusiasm and openness to doing things very differently suggests preparing for tomorrow's new normal means preparing for Generation-Z's needs now.

## HOW WILL THIS AFFECT BRANDS AND BANKS?

This generational shift will profoundly affect how brands and banks relate to Generation-Z and the products and services they offer to meet their emerging needs.

To prepare for the future, we need to keep a few important things in mind:

- Generation-Z's different mindset will force brands to focus on being as useful and 'frictionless' as possible – they will only adopt new services if they see tangible benefits or they solve real pain-points – this means tailoring to their different needs and wants.
- Moving first on new payment technologies will be a strong signal to Generation-Z to take notice and enable brands get an edge over their competition – banks and brands will be under pressure to keep pace with emerging technologies that Generation-Z will expect as standard.
- Banks and retailers will need to be where Generation-Z wants to pay - the gradual blurring of digital media channels and transaction channels in people's minds, for example through P2P payments like Snapcash, will prompt brands to think how these technologies interact in the context of their existing business and act as tools to create better customer experiences.
- The design of shops, banks and payment points will need to continually evolve as connected devices become more common, and online and offline worlds blur. Brands and banks will need to continually evolve the role of brick-and-mortar premises, perhaps having to choose between emphasising convenience or experience.
- Brands will be expected to prove they take customers' privacy and security very seriously or risk losing trust overnight; while Generation-Z and Millennials are the most open generations to sharing data, they are also highly protective of it, preferring to do it on their terms.

The future of money is complex and fast-changing, but filled with opportunity for those who prepare correctly for it.

*Thomas Geoghegan is Strategic Planner at Core Media, Ireland's largest media communications group.*

# Clonakilty Credit Union celebrates 50th anniversary

When Clonakilty Credit Union first opened its doors on the 4th October 1966, Ireland was a very different country. Jack Lynch was soon to become Taoiseach; RTE was in its infancy, broadcasting in black and white, and credit cards were unheard of. Many banks of the day were only interested in lending money to people who already had healthy accounts and the credit union offered a much-needed alternative. Donal O'Reilly, the first Honourable Secretary, said "Always remember the motto of a credit union is not for charity or profit, but for service to all its members."

In 50 years of serving the community, Clonakilty Credit Union has honoured Donal's words. As a result, membership has soared from just 172 at the end of the first year to almost 9,300 today. Chairperson Noreen Burke says the attraction of the credit union is the same in 2016 as it was 50 years ago; "People like the personal touch of the credit union because of the way banks treat them."

## VISION OF MONSIGNOR BARRETT

The arrival of credit unions in West Cork was down to the vision of Monsignor John Barrett PP who, during a visit to the USA with Bishop Lucey in 1959, was struck by the success of the credit union movement in less affluent communities. Monsignor Barrett and Fr Tom O'Riordan attended a meeting of the Clonakilty branch of Muintir Na Tíre on 8th October 1965, where it was agreed that a credit union would benefit the people of Clonakilty. A study group was formed to decide the structure and rules of the new credit union, and in August 1966 the first Board of Directors and a Supervisory Committee were elected. Tradition dictated that a priest act as President, so Fr Tom O'Riordan – then a curate at Mount Carmel – was appointed.

The credit union had a nomadic existence in the early years, operating variously from the Emmet Hotel, Charlie Cullinane's on Rossa Street, the Library and the Scout Hall before premises were bought on Kent Street in 1973. Next stop was Pearse Street before finally settling in their magnificent purpose-built home on Kent Street in December 2001, just before the currency switched to the Euro.



Clonakilty Credit Union's Therina O'Mahony, Martin Collins, Noreen Burke, Val O'Sullivan and Arran O'Driscoll with Lord Mayor Anthony McDermott preparing the time capsule



50th Anniversary Celebrations at Clonakilty Credit Union



The Time Capsule Plaque

## LOYAL MEMBERS

Kevin Mullen is a loyal member, who also remembers the early days, and joined the committee 40 years ago. "I borrowed over the years for anything and everything. Only for the credit union, we wouldn't have a third of what we have. For me the most important thing is the staff. They are the heart of it. They meet the public and help them every day and that's why people like to come in. They are the frontline and our members trust them. But that attitude must come from the top down."

## SHARES CLOSE TO €40 MILLION

Clonakilty Credit Union CEO Marie O'Leary took a temporary summer job with the credit union in 1991 and never left. "The credit union has seen vast changes since I first started working here, but the main focus has remained the same – the service that we give to our members. In 1991 we had a membership of 1,856 with a share balance of £1,831,885 and loans outstanding of £1,393,381. Today our shares are €39,942,119.46 and loans of €11,752,717.23 with membership standing at 9,277 and growing."

Clonakilty Credit Union has paid members a dividend and interest rebate every single year since 1966, bar one. The maximum loan permissible in 1966 was £100. Today, members can borrow up to €100,000 subject to terms and conditions. Members can be enrolled from birth, offering the entire family the opportunity to save and manage their finances.

## 50TH ANNIVERSARY CELEBRATIONS

A party was held on the 6th October 2016 to celebrate the 50th anniversary of Clonakilty Credit Union serving the community. The popular local radio station C103fm sent along a number of radio presenters, and there were competitions, music, face painting and refreshments. A very enjoyable day was had by everyone.

The credit union also buried a time capsule outside the building on the 30th December 2016. There was a great response to the call out for memorabilia to depict what life was like in Clonakilty in 2016. An iPhone, photos and newspapers were included. A plaque was also placed stating that the time capsule should be opened on the 30th December 2066.



# CLAIMS SETTLEMENT; WHAT YOU NEED TO KNOW FOR 2017

The total number of claims received by ECCU in 2016 was 23,803. This is the highest number of claims received in a year by ECCU. ECCU's claims processors settled all claims within 15 working days of receipt of all the necessary documentation, as per our Customer Charter.

## TAKING ADVANTAGE OF THE CLAIMS CHECKLIST

The main reason for delays in claim settlements is incomplete or missing information/ documentation.

To assist credit unions when making a claim, we have included an LPLS/DBI claims submission checklist on our claim form. The aim of this checklist is to avoid unnecessary delays.

## FOR ALL CLAIMS

All claims need to be accompanied by a fully completed ECCU claim form. Each claim must also be signed off by two authorised signatories on behalf of the credit union.

The information required includes (but is not limited to) the following:

- member's name
- member's date of birth
- last date worked
- date last in good health
- date of death/disability
- proof of death/disability
- date member joined the credit union.

## LOAN PROTECTION CLAIMS

### Death Claims

For deceased members who have met the loan protection guidelines and were insured at the time the loan was granted, a loan protection claim can be made. The following documents are required as evidence:

- Loan application & credit agreement/promissory note for loan outstanding at the date of death;
- ECCU Declaration/ Declaration of Health/ Member Declaration (where applicable);
- Loan statements showing the date the loan was granted, last paid and the balance at date of death;
- If the loan protection claim is for less than €500/£500 only loan statements at the date of death are required;
- Declaration of Own Use if the member was 80 or over when the loan was granted;
- For written-off loans you must also provide a loan statement which shows where the write-off occurred.

	2016	2015
Claims Received	23,803	22,412
Claims Processed	24,257	22,349
Claims Outstanding (at 31st Dec)	982	1,371

## Disability Claims

In the event that the submission relates to a disability claim, the submission should include specific and relevant information to that disability. This includes the nature of the disability, the date that the member believes they became totally and permanently disabled (TPD) from any occupation.

The following documents must also be provided when submitting a disability claim:

- Loan application & credit agreement/promissory note for loan outstanding at the date the member believes they became (TPD);
- ECCU Declaration/ Declaration of Health/ Member Declaration (where applicable);
- Loan statements showing the date the loan was granted, last paid and the balance at date the member believes they became TPD.

## Life Savings Claims

Credit unions submitting life savings claims are asked to fully complete the relevant section of the claim statement. All relevant share balances should be completed on the claim statement (including date of death, date last worked, date last in good health). It is important for the credit union to make sure that they have checked for the lowest insurable savings balance when providing details of the insured balances at ages 55, 60, 65 & 70.

- If the claim is under €500 only account statements at date of death are required;
- If the claim is over €500 account

statements showing the balances completed on the claim statement are required.

## Death Benefit Insurance Claims

Once a credit union has confirmed that a member meets the eligibility criteria for death benefit insurance, a claim can be submitted to ECCU. These claims should be accompanied by:

- Account statements at the date of death;
- For credit unions paying by operational expense but applying a local eligibility requirement e.g. min € /£200 in the account, relevant statements proving member was insured are required;
- For credit unions paying by deduction from dividend/savings, relevant statements proving member was insured are required;
- For credit unions paying by member pay, proof of payment is required.

## If you require assistance

If you require assistance in completing a claim, or have any questions relating to a claim you have submitted, please contact a member of our claims team on 01-6146719.

If your credit union requires training in relation to the completion of claims, LPLS roadshows will be held later in 2017. Alternatively, credit unions can contact Mark @ 087 1127429 or Aoibhinn @ 087 6399223 in the ILCU Insurance Services Department to arrange in-house training.

**We would like to thank you for your continued support and we look forward to continuing to help you in 2017.**

# SMART CUSOP signs-up with

## Direct Debit (DD)

CUSOP has over 110 credit unions using its electronic payments platform and over 50 are already using or planning to use direct debits to collect members' loan repayments. There are benefits of using direct debits, so we feature some information about the service in this spring edition of CU Focus.

In Northern Ireland (NI) the roll-out of direct debits will be a phase two of development, following on from the development of the credit transfer solution which has now been delivered. The focus here is on SEPA direct debits which have been rolled out to Republic of Ireland (ROI) credit unions.

"A direct debit is an instruction from a customer (Debtor) to their bank or payment services provider, authorising an organisation (Creditor) to collect variable or fixed amounts from their account, as long as the customer (Debtor) is given advance notice of the collection amounts and dates."

Source: Banking & Payments Federation Ireland.

## SEPA Direct Debit (SDD)

The Single Euro Payments Area (SEPA) is a European-wide initiative to standardise the way we make and process electronic payments in Euro. SEPA enables customers to make payments (direct debits, credit transfers (including standing orders)) to anyone located within the SEPA Zone. SEPA creates a fast, safe and efficient borderless payment system throughout the 34 SEPA countries for Euro denominated transactions. A SEPA Direct Debit (SDD) is the standard across Europe for the collection of funds between a debtor (payer) and the creditor (payee). Direct Debiting ensures a fast, efficient and accurate means of collecting payments to provide greater certainty.

## The SDD Core scheme in a nutshell

"The SDD Core scheme, like any other direct debit scheme, is based on the following concept: 'I request money from someone else, with their prior



approval, and credit it to myself'. The payer and the biller must each hold an account with a payment service provider (PSP) located within SEPA. The transfer of funds between the payer's PSP and the biller's PSP always takes place in the euro currency. The SDD Core allows a biller to collect funds from a payer's account, provided that a mandate has been granted by the payer to the biller. A mandate is authorised by the payer to authorise the biller to collect a payment and to instruct the payer's PSP to pay the agreed collections."

"The SDD Core scheme may be used for single (one-off) or reoccurring direct debit collections. The SDD Core scheme grants payers a 'no-questions-asked' refund right during the eight weeks following the debiting of a payer's account. During this time therefore, any funds collected via the SDD Core scheme will be credited back to the payer's account upon request." Source: European Payments Council.

## Direct Debit Originator – CUSOP Credit Unions

Direct Debit Originator enables credit unions to collect payments directly from their members' banks. This service is useful if the credit union

collects regular amounts, such as loan repayments from their members' bank accounts and CUSOP is aware that many credit unions find this method more efficient than standing order collections. By using CUSOP, direct debit transactions can be paid straight to or from members' accounts using their IBAN – international bank account number and by-passing the credit unions local bank. To be accepted into the SDD scheme, a credit union must have a sponsor such as Danske Bank, CUSOP's chosen provider.

## The Benefits of Direct Debiting

- Controlling cash flow timing.
- Cutting costs through automation.
- Reducing administration.
- Accounting efficiency and fast delivery.
- Maintaining records & reconciliations.
- Improving control and security.
- Greater flexibility and convenience.

If you are interested in more information about this service from CUSOP, or wish to be connected with a credit union already availing of it, please do not hesitate to contact CUSOP at 01 6146980.



# SMART CUSOP

signs-up with

## Antrim Credit Union Using CUSOP



Pictured (L-R); Andy McCombe, Danske Head of Transaction Services, Mr. Joe McLoughlin, Chairman, Antrim Credit Union, Michael Keegan, CEO, CUSOP (Payments), Thomas Cox, Director, ICECube.



Diarmuid Hanrahan, CUSOP (Payments) meeting with representatives of ICECube and some Fermanagh & Derry Credit Union's at Enniskillen CU in January.

## MPCAS – Members Personal Current Account Services

In November 2016, the Central Bank issued details on the 'MPCAS Additional Service approval process' for credit unions and subsequently wrote to all credit unions in December. This new MPCAS process allows credit unions to obtain approval for a member personal current account and member payment services (including debit cards). There are certain conditions attaching to the application process including operational standardisation and shared services facilities. CUSOP is commencing the application process with its participating credit unions to develop the MPCAS service and further details will issue as the application process develops.



## Contact CUSOP:

**CEO:** Michael Keegan  
**Phone:** +353 1 6146980  
**Email:** info@cusop.ie  
**Web:** www.cusop.ie

CUSOP (Payments) DAC t/a CUSOP is regulated by the Central Bank of Ireland. CUSOP also acts as a technical services provider in respect of the provision of Direct Debits, which is a non-regulated activity. CUSOP is a designated activity company and is registered in Ireland with a registered office at: 33-41 Lower Mount Street, Dublin 2. Registration No.: 502291. Directors: M. O'Neill, J. Mullen, N. Madden, J. O'Donovan, M. Keegan.



*Lauren Dolphin, winner of the 14 to 17 years category (Naomh Breandain Credit Union)*

## ALL IRELAND CREDIT UNION ART COMPETITION WINNERS ANNOUNCED

**The winners of the All Ireland Credit Union Art Competition were announced at a stunning prize-giving ceremony in Croke Park on Sunday February 12th. The competition is now in its 33rd year and continues to be hugely popular with children and adults alike. A massive 30,000 entries were received this year through 300 credit unions.**

Cash prizes were awarded to the winners by broadcasting legend Marty Whelan at the prize-giving ceremony, where the beautiful artworks were also exhibited and admired by the crowds in attendance. This year's theme 'Dreams are made of this....' was open to interpretation by each entrant. The theme aimed to give all entrants a wide-ranging scope to express their creativity and imagination and resulted in some visually stunning and dramatic entries.

Speaking at the awards ceremony and exhibition, Irish League of Credit Unions' (ILCU) President, Brian McCrory said "This competition brings together people of all ages from every corner of Ireland and is a celebration of their diversity and creativity. The ILCU will continue to

support and nurture the artistic development of young and old in our local communities with this fantastic annual event, which is truly representative of the credit union movement's spirit of community."

Mr McCrory continued "I am greatly impressed by the quality of the artwork on display at Croke Park. It has been very compelling to see how uniquely each of the artists interpreted the theme of Dreams. I would like to extend a huge congratulations to each and every artist that participated."

The judges for this year's competition were: Una Sealy, RHA Gallery and RTE's Painting the Nation, Ursula Retzlaff O'Connell, Artist, and John Walsh, Creative Director FOCUS Advertising.





Darragh Hunter-Kane, (Letterkenny Credit Union) Margaux Gilbourne, (Mallow Credit Union), Katie Collins (Tralee Credit Union) and Eoin Herlihy (Rathmore and District Credit Union) with their winning entries

ILCU President Brian McCrory and RTE's Marty Whelan join some of the winners as they showcase their art in Croke Park



## ART COMPETITION WINNERS GENERAL CATEGORY

Category	Name	Credit Union	Position
7 yrs & under	Margaux Gilbourne	Mallow	Winner
7 yrs & under	Benjamin O'Meara	Rathkeale and District	Runner Up
7 yrs & under	Lara du Plessis	Cooley	Merit
8 to 10 years	Clodagh McDonagh	Macroon	Winner
8 to 10 years	Ruby Gallagher	Cootehill	Runner Up
8 to 10 years	Laura Szymikowska	Kilrush	Merit
11 to 13 years	Eileen Novac	Tralee	Winner
11 to 13 years	Ariane Quinn	Kilkeel	Runner Up
11 to 13 years	Tolu Emmanuel	Cuchullain	Merit
14 to 17 years	Lauren Dolphin	Naomh Breandain	Winner
14 to 17 years	Hannah Wright	Rathmore and District	Runner Up
14 to 17 years	Aoibhinn Kinsella	Gorey	Joint Merit
14 to 17 years	John Carey	Cahir	Joint Merit
18 years & over	Katie Collins	Tralee	Winner
18 years & over	Yvonne Hickey	Greenhills	Runner Up
18 years & over	Lisa Power	Waterford	Merit



## SPECIAL CATEGORY

Category	Name	Credit Union	Position
7 yrs & under	Callum Bowes	Blackrock	Winner
7 yrs & under	Liam Grainger	Irvinestown	Runner Up
7 yrs & under	Orla O'Donoghue	Rathmore and District	Merit
8 to 10 years	Chloe Grennan	Cootehill	Winner
8 to 10 years	Adam Crowe	St. Francis	Runner Up
8 to 10 years	Darragh Hunter-Kerr	Letterkenny	Merit
11 to 13 years	Shannon Ward	Lurgan	Winner
11 to 13 years	Darragh Moran	Wexford	Runner Up
11 to 13 years	Roisin Cotter	Cahir	Merit-joint
11 to 13 years	Ewan McGoll	Antrim	Merit-joint
14 to 17 years	Ellen Mooney	Portadown	Winner
14 to 17 years	Eoin Herlihy	Rathmore and District	Runner Up
14 to 17 years	Zara Mason	M.P.C.C.	Merit
18 years & over	Sean McNamara	Mountmellick	Winner
18 years & over	James O'Shea	Killarney	Runner Up
18 years & over	Venus Reilly	Gorey	Merit
Group	Le Chéile Special Class	The Lough	Winner

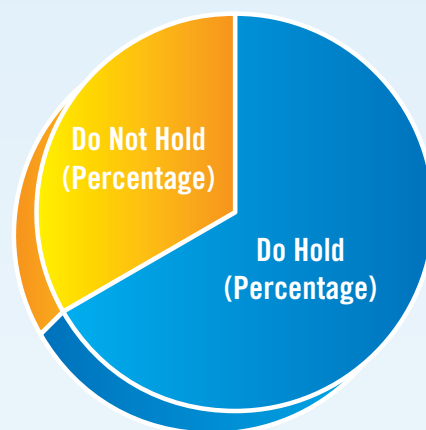
# Credit Union Qualifications Requirements & the Minimum Competency Code (ROI)

**Ongoing learning and development has been a cornerstone of the credit union movement since its inception, as evidenced by the study groups that formed the basis of the very first credit unions over half a century ago. In recent years credit union personnel have contributed great effort, resources and dedication in becoming knowledgeable and qualified with a proliferation of newly qualified credit union personnel.**

Much of this has been driven by a wish to better service our members and develop our personnel, but much is also due to external factors, in particular, the need to meet the Minimum Competency Code (MCC) requirements outlined by the Central Bank of Ireland (Republic of Ireland (ROI)).

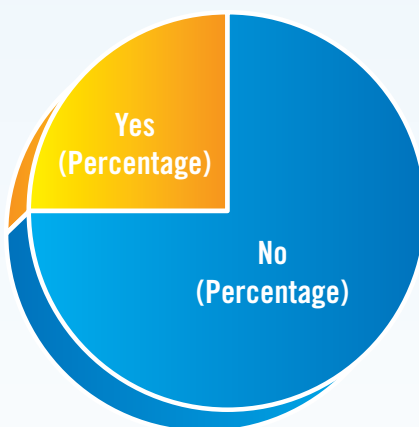
The Irish League of Credit Unions (ILCU) surveyed credit unions in ROI early in 2017 to see what they thought about the need for qualifications for the core credit union activity of lending, and in particular the extension of MCC requirements to core business and boards. The feedback is illuminating. 111 credit unions responded (representing 35% of all ROI credit unions) and the sample was representative of the entire credit union movement; including differing sizes, locations, and types (community and industrial). The ILCU therefore feels that this is an adequate response to extrapolate the full impact the proposed changes to MCC would have across the credit union movement.

Below are two of the main findings from this survey;



*And when we asked how many of your credit union's staff, who currently provide loans, currently hold an MCC Lending qualification?*

Of 84 credit unions who responded, 25% of staff, (from the 815 staff accounted for), were reported to not currently have an MCC qualification in lending.



*We asked do you believe that all staff currently providing loans should, going forward hold an MCC qualification to provide those loans?*

From 93 credit union responses, 66% thought yes they should.

In November, the Central Bank of Ireland issued a Consultation Paper (CP106) on the proposed extension of the Minimum Competency Code, 2011. Some of the main suggestions in this consultation paper were:

- The extension of a qualification requirement to all products offered by the credit union (currently only insurance products have a qualification requirement).
- A potentially challenging timeline for the deadline for gaining those qualifications.
- A proposal to add an "experience" requirement, in addition to a qualification, for persons selling a new product for the first time.
- Discussion on what competency requirement the boards of mortgage intermediaries should have.

The consultation paper also suggests that the MCC be placed on a more formal legal basis (from a Code to a Regulation) which,





in addition to a compulsory annual review of staff members development and experience needs, will result in a systemic shift in the learning and education environment for ROI credit unions.

## ILCU Responses to CP106

### A Regulatory Impact Analysis (RIA) is Required

Bearing in mind the very significant implications of what is being proposed, the ILCU strongly advocates that a Regulatory Impact Analysis be conducted to ascertain the impact on the credit union sector for some of the more far reaching elements of the consultation such as;

- the proposed extension of minimum competency requirements to core credit union products without grandfathering arrangements,
- the suggestion that credit union type “demand deposit” accounts be defined as “term accounts” which would result in the application of mandatory investments qualifications on a significant cohort of credit union personnel not previously under this requirement,
- the proposed extension of minimum competency requirements to non-executive, volunteer, non-remunerated boards of credit unions for the purpose of oversight of mortgages.

The purpose of an RIA is that it, in part, “helps to identify any possible side effects or hidden costs associated with regulation and to quantify the likely cost of compliance on the individual citizens or the business”<sup>1</sup>.

### Key Issues

- Clarity is required around the definition of “Term Deposits” so as to not capture under an Investment MCC product category for the first time those credit unions offering savings share sub-accounts to their members.

- Some form of recognition of relevant experience be provided to allow those with four years’ prior experience in consumer lending, (and if credit union share sub-accounts are to be classed as “term deposits”, then in savings and investments also), and such persons be allowed to continue these activities without a qualification requirement.
- Should the above recognition of experience not be considered then we would stress that credit union personnel be given sufficient time, (i.e. four years at minimum), to become qualified in core products of lending and savings on a once-off basis, in recognition that grandfathering was not offered to credit unions for core business areas.
- That the Central Bank of Ireland permits current credit union focused MCC recognised qualifications continue to meet credit union core competency going forward, and this should include the most widely obtained MCC qualifications in the movement – Pathways Diploma (and the ACCUP qualification which preceded it).
- That consideration be given to the practicalities of credit unions transitioning into mortgage products for the first time and that the proposed suggestions do not effectively block this important development to increase choice and bring competition to the mortgage market, through unattainable “experience” requirements. We suggest that the previous extensive lending experience built up in credit unions over the past sixty years be recognised as meeting the proposed experience requirement, thus providing for a cohort of personnel to oversee new entrants while qualifications become established in the sector.
- That the application of a mandatory qualification requirement on the entire board of a credit union considering offering mortgages is excessive and unnecessary, and that alternative means to establish competency be permitted, i.e. membership by all board members of a mortgage intermediary of a recognised CPD scheme.
- That the timing of application of any further Conduct of Business regulation (such as any roll out of the full Consumer Protection Code to full credit union core business) reflects the need to allow an adequate bedding-in of these proposed requirements.

### Education and Training for the MCC

The ILCU is redeveloping its Pathways offering to ensure that it remains relevant to credit union personnel and helps them fulfil both their current and ongoing general learning and specific MCC obligations. The key to this will be the creation of a more modular flexible offering so that modules can be taken as and when they are required, to meet the product categories offered by the credit union, be it housing loans and mortgages today, or future products such as pensions and investments in the future. In addition, the CU CPD scheme remains an important way to maintain product knowledge and qualification designations and ensure all CU CPD members remain up to date with their various obligations and requirements.

**For further questions on your MCC requirements, or questions on CP106, please contact Michael Mullen or Sharon Henvey in CU Learning and Development on 01 614 6731 or email [learning@creditunion.ie](mailto:learning@creditunion.ie)**

# How dynamic is your Board?

## Introduction

Research suggests that Board performance is strongly linked to the dynamics of the team. The challenges of business today require new perspectives and skills, however Boards often lack the ability to objectively evaluate their makeup, to determine if the right people with the right skills are at the helm to steer the credit union towards its strategic objectives. An example of this is a credit union that has decided that it needs a greater digital presence, but has no representation on the Board with the required knowledge and skillsets.

Ideally, the credit union must attract directors who can provide valuable strategic input on an individual basis, and fit into the team to ensure the right balance and chemistry is in place to achieve a dynamic that is greater than the sum of its parts.

There are parallels here from the world of sport where a team manager is required to build a team through recruiting players with the technical ability and character that will enhance the balance of the team, and that can collectively achieve the overall strategic objectives of the club. It is important to point out however, that in the world of professional sport, there is vast amounts of money and even then, this can prove to be a challenging task.

Below are some useful methods for both self-evaluation as a Board member and to evaluate the dynamic of the Board as a whole.

## Match board skillsets to the strategic plan

A good place to start is to look at your strategic plan, and ask yourself, if you had a blank page, what skillsets would your Board members need to have to oversee the delivery of this plan effectively? You may be pleasantly surprised to find that your current cohort of Board members possess all of the skills required.

This exercise may also identify skillset gaps that may prove to be a barrier for the Board. Is a training intervention required or is there an opportunity to recruit a new director with the required skills? The



Nomination Committee will play a key role in this area.

## The Importance of Board Behaviour

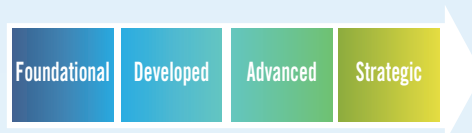
Dr Meredith Belbin originally identified nine **Belbin Team Roles** as part of a unique study of teams that took place at Henley Business School in 1969. The nine Belbin Team Roles are different behaviours identified that individuals display in a team. According to Belbin, for a team to be successful it needs to have access to each of the nine Belbin Team Roles.

The nine roles are:

1. Resource Manager	2. Teamworker	3. Co-ordinator
4. Plant	5. Monitor Evaluator	6. Specialist
7. Shaper	8. Implementer	9. Completer Finisher

In a study of what makes Boards more effective, published by Harvard Business

Review, it was found that Boards tend to progress along a four-phase continuum (shown below).



Essential to creating a high-performance Board is agreement and alignment at the outset on where the Board actually stands in this continuum and where it needs to be.

Foundational Boards at one end of the continuum tend to focus on compliance and play it safe. Strategic Boards at the other end, demonstrate high performance where directors take appropriate risk to make significant contributions and lasting impact on enterprise value. The study identified five “disrupters” that tend to hinder the progression of Boards toward high performance. These disrupters are:

1. **Lack of clarity** on the roles of individual directors and the Board as a whole.
2. **Poor process management** hinders effective Board preparation, meeting management, and communications.
3. **Lack of alignment and agreement on strategy** causes disinterest among Board members, who then simply default to tackling regulatory and compliance issues
4. **Poor team dynamics** fracture Boards and lead to power struggles.
5. **Board composition** is a serious impediment, if not done right.

Reflection on the effectiveness of the Board can take place as stand-alone sessions (an away day for example), or simply 10 minutes set aside at the end of each meeting where self-evaluation and self-reflection becomes part and parcel of the Board meeting.

Further information on the topics discussed in this article are available in the *Board Dynamics and Effectiveness – Tools and Techniques to Consider* guide available in the CU L&D Guides section of [www.culearn.ie](http://www.culearn.ie).



# Ballinasloe Credit Union celebrates 50 years serving the community

Ballinasloe Credit Union was founded in 1967 and has come a long way since then. Its success today is an everlasting testament to the lives of the founding members, volunteers, directors & supervisors whose vision and commitment laid the foundations for the community and credit union that is in place in 2017. Between March and December 2017 the credit union will undertake a series of promotional and celebratory activities to mark this milestone.

## BALLINASLOE CREDIT UNION TODAY

Total Membership: 18,000  
Assets: In excess of €97 million  
Savings: Over €84 million  
Loans: in excess of €37 million  
Staff: 21

## BALLINASLOE CREDIT UNION IN ITS INFANCY

The First AGM of Ballinasloe Credit Union took place on the 24th April 1967 in Creagh National School. The following June, volunteers started collecting members' savings in a room at the rear of Ballinasloe Town Hall. The first monies on that occasion were collected in a margarine box. On June 14th 1967, the first loan was granted to a member for £100 to buy a shop refrigerator. In total in 1967, 40 loans with a value of £1,015 were granted by the credit union.

The credit union guidebook first published by Nora Herlihy in 1962 (see image) was used as a point of reference throughout the infancy of Ballinasloe Credit Union, and the guide resides on display in the Boardroom to this day.

One of the founding members of the credit union, Liam Kelly, continues to serve as a Director on the current Board. Liam served as Secretary of the Ballinasloe Credit Union for over a quarter of a century, and has been dedicated to serving the credit union cause at local, national and international level.

## MILESTONES

In September 1977, the Board of Ballinasloe Credit Union agreed to purchase Carty's in River Street for £16,400 and the



credit union office remained there until 1996, when the new office opened on Main Street.

In December 1978 the Board of Ballinasloe Credit Union agreed to increase the common bond and as a result, the common bond now extends into counties Galway, Roscommon and Offaly. Anyone living or working within a 15 mile radius of Ballinasloe is welcome to join the credit union.

In May 1981 Maureen Greham became the credit union's first employee.

In 1987 €1,000,000 in shares is reached for the first time.

In 1995, the current Manager of Ballinasloe Credit Union Noel Madden (a former Irish League of Credit Union Director) was appointed Manager.

In 1996 the 10,000th member joined Ballinasloe Credit Union.

In 1998, the credit union launched a social fund to support community projects. To date, in excess of €700,000 has been donated to local groups and committees in the common bond.

In 1999, Ballinasloe Credit Union launched the members' car draw. Paddy Ruane from Menlough became the first car draw winner. Between 1999 & 2016 there were 72 car winners and hundreds of members won various cash prizes



In March 2000, the membership of Ballinasloe Credit Union reached 15,000.

In October 2001, Ballinasloe Credit Union broke through the €25 million share barrier.

By June 2003 the €50 million share barrier was broken.

## BALLINASLOE CREDIT UNION AND COMMUNITY DEVELOPMENT

Ballinasloe Area Community Development Ltd. was set up by bodies representing sections of the community in the town of Ballinasloe in 1999.

BACD Ltd. is an all embracing development company with a remit for community. Through its enterprise and technology centre the company has provided incubation units for entrepreneurs and premises for service businesses. BACD houses 17 companies at its enterprise centre and provides 65 jobs. Ballinasloe Credit Union is proud to be a part of this great community organisation.

Through its own sponsorship of local events, donations to community groups and grants from the social fund, Ballinasloe Credit Union has assisted many local community groups and organisations. It has distributed in excess of €820,000 in grant sponsorship since 2000.



CREDIT UNION COMPLIANCE CENTRE

# CUECC Data Protection Event

## **Over 230 delegates were in attendance at Croke Park to learn how they can prepare for the General Data Protection Regulation (GDPR) due to come into force in 2018.**

The Credit Union Compliance Centre (CUECC) is committed to supporting its credit unions in preparing for up-stream compliance requirements. Coming down the line for credit unions is the introduction of the GDPR in May 2018; which represents the most significant and wide-ranging overhaul of data protection requirements in the last decade.

To this end, the CUECC held a GDPR Working Group event for all affiliated credit unions in the iconic home of GAA - Croke Park on Wednesday 25th January. Ed Farrell, Irish League of Credit Unions (ILCU) CEO, commenced the proceedings by welcoming the 230 delegates, invited guests and speakers. In his speech, Mr Farrell recognised the pressure being felt by credit unions recently due to the introduction of a wide array of new regulations and underlined the commitment of the ILCU to continue its work to ensure new regulation is both proportionate and appropriate for credit unions. He also highlighted the role the ILCU plays in supporting credit unions to implement an effective compliance programme through the CUECC, commenting "Today is a perfect example of how valuable cooperation in compliance and risk management can be for credit unions. As these functions continue to increase in importance, the League is firmly committed to further enhancing the supports and reach of the Credit Union Compliance Centre." The CEO concluded his speech by introducing Dale Sunderland, Deputy Commissioner within the Office of the Data Protection Commissioner (ODPC), to deliver the opening address.

The Deputy Commissioner outlined the work currently being undertaken by the ODPC to prepare for the transposition of the GDPR into Irish legislation by May 2018. He also highlighted a number of specific areas

of data protection compliance which the ODPC will prioritise in its inspections of firms over the coming months.

The Data Protection Working Group continued with seven presentations from leading experts in data protection covering a range of compliance areas related to the GDPR. Denis Kelleher, Senior Legal Counsel in the Central Bank of Ireland spoke on some of the challenges facing data controllers in interpreting their legal obligations when processing data. Marianne Matthews from Millett & Matthews Solicitors provided compliance officers with practical guidance on responding to a data access request. This presentation included a recommended nine stage procedure for data controllers to implement to ensure access requests are dealt with correctly.

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**The CUECC is uniquely positioned to facilitate these productive compliance forums for senior officers to effectively deal with emerging issues such as the GDPR.**

The next speaker Davinia Brennan, an Associate and Knowledge Lawyer with A&L Goodbody, provided practical advice to credit unions on how to prepare should they

be subject to a data audit by the ODPC. In addition to giving tips on the audit process itself, she advised on a number of simple steps which can be taken by a credit union to greatly improve their engagement with the ODPC. The final session of the Working Group was presented by Gavin D'Alton, Senior Manager at BSI Espion. Drawing on his extensive cyber security experience from working with a range of firms, Gavin provided a practical framework for credit unions to analyse and better protect its data. This framework involved four stages – identify, classify, comply and secure.

Another highlight from the day was the announcement by Sharon Farrell, Compliance Advisor, that the CUECC will be producing a suite of supports for its subscribing credit unions to assist in implementing the GDPR. Since the Working Group, the CUECC has issued its first GDPR support – a template for data breach notifications.

Feedback from the 230 delegates was extremely positive. Many of the credit union compliance officers, managers and risk management officers in attendance praised the quality of speakers as well as the timeliness and relevance of the content covered throughout the day. Speaking after the event Kevin Loughnane, Head of Risk & Compliance, stated "The CUECC Team is pleased with the success of today's Data Protection Working Group, which has been the culmination of extensive planning and coordination over the last number of months. The CUECC is uniquely positioned to facilitate these productive compliance forums for senior officers to effectively deal with emerging issues such as the GDPR. I would like to thank each of the speakers for the consistently high standard of presentations delivered throughout the day. I would also like to thank the many delegates in attendance at this Data Protection Working Group and look forward to seeing them again at the CUECC Annual Conference 2017 in October."



# 10 KEY CHANGES

## Coming for Credit Unions under the GDPR

1. **A “right to be forgotten”:** when an individual no longer wants their data to be processed, and provided no legitimate basis for processing it exists, the data may be deleted. This centres around protecting and empowering individuals, and not about deleting the past.
2. **Explicit consent:** data processing may only occur with explicit consent unless certain conditions exist. Such consent must be freely given, specific, informed and constitute a definite indication of the data subject’s wish to, either by a statement or by a clear positive action, agree to the processing of his or her personal data.
3. **Easier access to data:** individuals will have more information on how their data is processed and data controllers will need to facilitate greater transparency in the processing of same. A “right to data portability” will make it easier for individuals to transfer personal data between service providers coupled with a right to object to certain data processing activities and to decisions taken by automated processes.
4. **Security monitoring/disclosure to third party authorities:** in the event of a data breach, data controllers must notify the competent authority without undue delay and, where feasible, no later than 72 hours after being aware of the breach, unless the breach is unlikely to result in a high risk to individuals’ rights and freedoms.
5. **Data protection by design and by default:** data controllers will be required to execute a Privacy Impact Assessment (a “PIA”) where the processing of personal data is likely to involve high risk to the privacy rights of individuals. Data protection safeguards must now be built into products and services from inception and privacy-friendly default settings will be the norm e.g. on social networks and mobile apps.
6. **Breach notification and increased sanctions:** fines of up to 4% of annual worldwide turnover (in the case of a company) may be imposed for intentional or negligent breach of certain obligations in the GDPR.
7. **Data classification:** the definition of sensitive data has been extended to include genetic data and biometric data.
8. **Children and online services:** children under 13 years of age cannot consent to the processing of their personal data in relation to online services. For children between the ages of 13 and 15 inclusive, an organisation must seek parental consent for the processing of their personal data. Member states can opt to reduce this threshold, though it is not permitted to go below 13 years of age.
9. **Evidence of compliance:** one of the key themes of the GDPR is accountability. This heralds a major change and requires organisations, including credit unions, to be proactive in embracing same. Credit unions must demonstrate what policies and procedures are in place and also how they monitor ongoing compliance with the GDPR.
10. **Data protection officers:** In certain circumstances data controllers and processors must appoint a Data Protection Officer (“DPO”). This is provided that (i) processing is carried out by a public authority (ii) the core activities of the controller or processor consist of processing which, by its nature, scope or purposes, requires regular and systematic monitoring of data subjects on a large scale or (iii) the core activities consist of processing on a large scale of special categories of data.



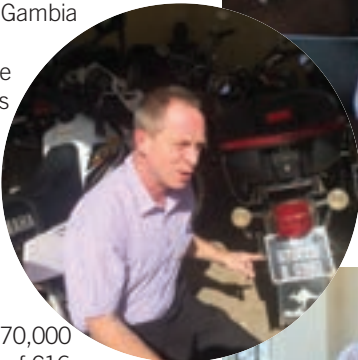
Data protection is one in a range of compliance areas that the CUCC is currently providing support on to 150 credit unions. For more information on the CUCC Risk and Compliance Advisory Services, please visit [www.cucc.ie](http://www.cucc.ie) or contact [compliance@creditunion.ie](mailto:compliance@creditunion.ie)



# Focus On: The Gambia Credit Union Movement

**Until the 1980s when it collapsed, there had been a strong cooperative movement in The Gambia. In 1992, the Irish League of Credit Unions (ILCU) Foundation started to support The Gambia to rebuild their credit union movement based on modern principles. The Gambia can be considered one of the ILCU Foundation's many success stories thanks to Irish credit union contributions.**

Alan Moore, ILCU Foundation General Manager, says that there are two things he has seen as a result of our work in The Gambia: "The power of partnership – Irish credit unions working with Gambian counterparts to build a credit union movement is an incredible thing to witness. Also the huge impact the credit union movement has had in The Gambia over the past 20 years; the number of people who have access to savings and loans has skyrocketed, which has helped bring them out of poverty using the same model we have been using for the past 50 years in Ireland."



Today, there are over 70 credit unions, with around 70,000 members and total savings of €16 million. Given that the average Gambian household has up to 10 people in it, credit union membership supports up to 700,000 people, which is close to 50% of the population.

The Foundation piloted a coaching programme to The Gambia in 2016, whereby four Irish credit union senior staff, Sabrina Woods, CEO of Connolly CIE Credit Union, Liam McCullagh, Manager of Camlin Credit Union, Louise Shields, Compliance Manager at St. Anthony's and Claddagh Credit Union, and Pat Morrissey, Business Development & Marketing Manager at Synergy Credit Union, volunteered their technical expertise to their Gambian counterparts.

The coaching programme is in keeping with three of the operating principles of the Irish credit union movement: ongoing education; cooperation among cooperatives; and international social responsibility. Both Sabrina and Pat had intended to travel to The Gambia with two new coaches in February 2017, but, unfortunately, due to circumstances in The Gambia, this programme has been postponed until later in the year.

The current emphasis of the Irish credit union support is on rural areas, which are still



*Credit-union membership has given access to savings and loans and essentially empowered people. Circle: The Gambian Teachers' Union Cooperative Credit Union branded motor bikes.*



*Gambian Coaching Programme 2016 Participants*

underdeveloped. Financial literacy programmes, group lending with a strong focus on the participation of women, and agricultural lending are key areas for continued development. Furthermore, the Foundation is exploring how the use of new mobile technology can enable rural development by bringing financial services to remote areas which, up to now, have struggled due to lack of roads and physical infrastructure.

The Gambian Teachers' Union Cooperative

Credit Union (GIUCCU) received training as part of the 2016 Foundation coaching programme

Teachers in The Gambia get paid roughly €14 per week and usually live away from their families. The family unit is very important in The Gambia and teachers may be based more than 50 km from their family and live up to 10 km from the school where they teach. Walking to their school could take an hour or more and they would arrive dusty, tired and hot, impacting on their ability to teach.





## FOUNDATION AWARDED NEW EAST AFRICA 4-YEAR PROJECT



*Meskerm Yeman, a member of her local credit union in Ethiopia, who borrowed two loans to help her start up a small dressmaking business.*

Once again, the International Fund for Agricultural Development (IFAD) has chosen the ILCU Foundation as one of its partners for a new Eastern and Southern Africa project. The project will initially focus on building the national Apex bodies for the credit-union movements in Ethiopia, Tanzania and Malawi.

It aims to improve sustainable access to a variety of financial products and

services for vulnerable rural populations through financial cooperatives. There will be a particular focus on innovation, including technology such as mobile banking, and knowledge-sharing between countries. The Foundation, due to its Ethiopian technical expertise, will initially be responsible for the Ethiopian part of the project, but may take on specific tasks in Tanzania and Malawi.



*Members' Savings Box in The Gambia, promoting secure savings*

## REMINDER: STILL TIME TO SEND YOUR 2016 VOLUNTARY CONTRIBUTION!

This is a gentle reminder to all credit unions who have not yet sent us their 2016 voluntary contribution – there is still time to make a direct financial contribution to the Foundation.

To the approximately 180 credit unions and their members who already contributed in 2016 to the Foundation's work in providing safe, strong and secure credit unions in the developing

world, MANY, MANY THANKS!  
 Please send any contribution by EFT to ILCU International Development Foundation Ltd; IBAN: IE95 BOFI 9002 0111 4154 20; BIC: BOFIE2D  
 With your continued support in 2017, we will be able to continue and expand our vital work,  
 Alan Moore,  
 ILCU General Manager



*Importance of mobile technology in The Gambia.*



*Gambian coaches, Liam McCullagh, Camlin Credit Union and Pat Morrissey, Synergy Credit Union with their Gambian counterparts in 2015.*

GTUCCU purchased motor bikes in bulk from China at a discounted price and allowed teachers to borrow from them to pay for the bikes and pay back the loan through salary deductions. In that way, teachers could arrive at school fresh, imparting a good impression on their pupils. Furthermore, as teachers in The Gambia work short days, having motor bikes meant that they had a means to transport goods, so many set up small businesses (such as selling agricultural produce, timber, etc.) to create extra income. This transport and extra income increased the status of the teacher in the eyes of the pupils and, it could be said, led to better learning outcomes.

The motorbikes are branded by the GTUCCU, therefore the number plates are easily recognisable and are waved straight through at police checkpoints (of which there are many). This is a great promotional tool for the credit union and for the credit union movement as a whole.

The GTUCCU is now doing the same thing with loans for tablets. This has improved and will improve the knowledge base of the teachers as they can receive teaching updates and also keep abreast of national and international affairs. This is very important as previously, in some schools, pupils had access to tablets or computers at home and tended to know more about national affairs and news than their teachers.

**Want to hear more news from the ILCU Foundation?**  
 Email your name to [ocooke@creditunion.ie](mailto:ocooke@creditunion.ie) with the word E-ZINE in the subject line to join our mailing list.



# ILCU Foundation Completes Ethiopian Credit Union Project, October 2016



**Just over two years ago, the ILCU Foundation was selected by the Ethiopian Government's Federal Cooperative Agency (FCA) and the International Fund for Agricultural Development (IFAD – a United Nations' agency) to deliver an exclusive two-year "twinning" project to develop credit unions in Ethiopia.**

The Savings and Credit Cooperative Movement in Ethiopia (SACCO is what credit unions are called there) has grown in the last ten years to become one of the largest providers of financial services in the country in terms of users. It is now providing financial services to every level of Ethiopian society at a lower cost than microfinance institutions, due to its self-help ethos.

In Ethiopia, more than 85% of the population live in rural areas and access to financial services is scarce. The ILCU Foundation/FCA project aimed to increase the income and assets of over half a million poor rural households, in particular women, through enhanced access to affordable and

flexible financial services – mainly savings and loans facilities.

The project, which started in January 2014, came to a conclusion in late 2016, with the finalisation of the Roadmap for the Development of the Savings and Credit Cooperative Movement in Ethiopia. The twinning arrangement with the FCA allowed for the development of an understanding of the Ethiopian SACCO movement and informed this roadmap. The full set of technical resources created over the life of the project were presented at a closing ceremony on 24th October, 2016, in Addis Abba in Ethiopia by Isabelle Kidney, technical advisor for the ILCU Foundation.



*Being members of a credit union allows these Ethiopian farmers obtain loans to buy seeds and equipment, which, in turn, gives them money to feed and educate their children.*

## COMMON TERMS USED BY THE ILCU FOUNDATION

<b>TNA</b>	Training Needs Assessment conducted in eight regions (consultation involved 92 individual interviews, 16 focus group discussions and 61 survey forms completed and submitted)
<b>TDP</b>	Training Development Plan including structure, curriculum & staffing development (developed with input from training officers from 8 regions)
<b>Status</b>	Status of the Rural Credit union (RuSACCO) Sector Report field researched and compiled (144 directly interviewed (individually or in groups in 8 regions) and 9 workshops (approximately 160 participants))
<b>WS</b>	Workshop on Status Report of the RuSACCO Sector Report examining implications for roadmap (24 workshop participants)
<b>IT</b>	Assessment of Information and Telecommunications Infrastructure for MIS IT System Procurement
<b>Reg.</b>	Appraisal of the regulatory environment in preparation for the development of a regulatory manual
<b>MR</b>	Market research on financial product development in three regions, (99 credit union members interviewed in 3 regions)
<b>Links</b>	Research on linkages between credit unions and other financial service providers (20 industry leaders interviewed)
<b>RM I</b>	Development of draft roadmap (RM1) and consultation with Regional Cooperative Promotion Bureaus in 4 regions and with the FCA (involving consultation with 22 key personnel)
<b>RM II</b>	Development of final roadmap (RM2) for FCA technical committee review



# Get to Know the Institute of Credit Co-Operative Administration

**The Institute of Credit Co-operative Administration is a professional body for credit unions and credit union personnel. It was founded in 1976, and its objectives include:**

- To preserve and develop within its members a true sense of the philosophy of credit union.
- To develop among its members a professional standing in credit union administration similar to that of other professional bodies.
- To educate its members in all aspects of credit union administration by fostering and providing facilities for education, running seminars and education programmes.

Membership is open to all credit union personnel, with a small membership fee, payable each year.

Contact can be made with any of our Board members about our upcoming events.

The Institute is primarily an education forum for its members. Seminars are held twice a year, in the spring and autumn, and cover many and varied topics of interest to all credit union personnel.

As with all of the credit union seminars run by the Institute, the weekend includes a programme of social events where we welcome and invite the attendance of spouses or partners. The youth of the movement is also invited to participate and contribute in all seminars. This encourages networking between credit unions, and is very popular with delegates, as the sharing of information and experiences is a vital part of education and co-operation. Members remain in contact between seminars, exchanging points of view etc., throughout the year.

Some presentations at previous seminars included:

- Credit Union Corporate Governance; Boards & Directors Roles, Duties, Obligations & Operational Responsibilities.
- Strategic Management; Credit union in an Environment of Rationalisation & Change.
- Lending Practices; Delinquency Control, Liquidity, and Asset Risk Management.
- HR issues and all topics relevant to ensure the smooth running and control of credit unions.



Contact can be made with any of our Board members about our events.

Liam McCullagh, (President) [liam\\_mccullagh@hotmail.com](mailto:liam_mccullagh@hotmail.com)

Elizabeth Donnelly,  
(Secretary) [elizabethdonnelly510@btinternet.com](mailto:elizabethdonnelly510@btinternet.com)

Pat Coughlan, (Treasurer) [coughlanpat@hotmail.com](mailto:coughlanpat@hotmail.com)

Bernie Morrissey [Bernie@enniscorthyku.ie](mailto:Bernie@enniscorthyku.ie)

Mary Catney [marycatney@yahoo.com](mailto:marycatney@yahoo.com)

Anne Ford [aforde03@eircom.net](mailto:aforde03@eircom.net)

Rosaleen Bradley [rosaleen@newingtoncu.co.uk](mailto:rosaleen@newingtoncu.co.uk)

Joe Devine [jpdevine3@gmail.com](mailto:jpdevine3@gmail.com)

**INSTITUTE OF CREDIT CO-OPERATIVE ADMINISTRATION.  
I.C.C.A.**

# HR NETWORK INFORMATION SESSION

Offering you the opportunity to meet other credit union people dealing with HR issues and situations; share best practice, learn from the experts, and gain skills which will help you recruit, retain, manage and motivate staff effectively.

Further to feedback received from the HR Network Forum we organised a number of Regional HR Information Sessions.

The dates and venues for these HR Information Sessions were as follows:

Feb 27th	Cookstown	Glenavon House Hotel
Feb 28th	Sligo	Radisson
March 2nd	Dublin	Clarion Liffey Valley
March 6th	Limerick	Castletroy Park Hotel
March 7th	Cork	Rochestown Park Hotel
March 9th	Kilkenny	Newpark Hotel
March 10th	Athlone	Hodson Bay Hotel

The sessions were held during the afternoon as they were aimed at the manager/employee who deals directly with HR issues. The sessions were from 2.00pm to 5.30pm and the areas covered were

as a result of feedback from the HR Network Forum, in addition to requests which came directly from credit unions.

Topics Included;

- Grievance & Disciplinary Procedures
- Retirement – with a focus on changes in legislation
- Recruitment & Selection
- Contracts of Employment – with an emphasis on the renewal of Fixed Term Contracts
- Absence Management – with a focus on Work Related Stress illness

The sessions concluded with open forums to deal with queries on the above, or with any other HR related issues. If you have any further queries, concerns or indeed suggestions, please do not hesitate to contact the HR Department.

## PROBATIONARY PERIOD

**The HR Department frequently receives queries from credit unions in relation to probationary periods and their respective entitlements and responsibilities, please find below some points which must be taken into account when dealing with probationary period for new employees.**

Contracts of Employment can allow for probationary periods and these may be extended for a period of time. The ILCU Contract states that the probationary period is usually six months and can be extended for a further three months (nine months in total) following review meetings and discussions with the employee. The purpose of a probationary period is to see how an employee is getting on in the job; whether they are a right fit for the role, and whether they are suitably qualified for same. It also gives the employee an opportunity to ensure the role is as expressed during the recruitment process and that they are a good fit to the credit union. If it is felt that things are not working out with this new employee, the credit union will then seek to let the

employee go either during or at the end of the probationary period.

There is a misconception that employees on probationary periods can be dismissed easily once they are still within the probationary period. However, any credit union must still have regard to fair procedures and the principles of natural justice if the only option open to them is to terminate the employment of the employee on probation.

### **The contract of employment**

The contract must be worded clearly as to the following:

- The fact that the credit union has a Probationary Period must be clearly detailed;
- The ability of the employer to dismiss the employee at the end of the probationary period must be stated;
- The probationary period should be clearly defined. If the employer feels that they may wish to seek to extend the period, this should be provided for in the contract;

- The notice period during the probationary period should also be specified.

### **Probationary Period Policy & Procedure**

As with all other HR issues the ILCU would advise the credit union to have a Probation Policy in place which deals with:

- The issues of performance, conduct and suitability for the role and which notes how matters will be handled during the probationary period.
- It should also provide for regular reviews and feedback to the employee. (The credit union should retain all notes of such reviews and feedback).
- The policy should be similar to a Disciplinary Procedure and follow the Code of Practice on Grievance and Disciplinary Procedures and the principles of natural justice and fair procedures.
- This policy ought to be incorporated into the employment contract and a written acknowledgement of having received and understood same ought to be received from the employee.



# RECENT CHANGES IN EMPLOYMENT LEGISLATION REPUBLIC OF IRELAND

## REPUBLIC OF IRELAND

### Minimum Wage Act, Ireland 2017

Under SI 516/2016 of the National Minimum Wage Act, 2000, the Minimum Wage in the Republic of Ireland increased to €9.25 an hour on 1st January 2017.

The previous minimum wage rate in 2016 was €9.15 an hour but there are lower rates for younger and less experienced workers.

These are the hourly minimum rates of pay that apply in Ireland from January 1st 2017

- Experienced adult worker – €9.25 per hour
- Over 19 and less than 2 years since first job – €8.33 per hour
- Over 18 and less than 1 years since began first job – €7.40 per hour
- Aged under 18 – €6.48 per hour

(An experienced adult worker – for the purposes of the National Minimum Wage Act – is an employee who has an employment of any kind in any 2 years over the age of 18).

For example: A 19 year old gets his first job on June 1st 2017 – he is entitled to €7.40 an hour. He won't be entitled to €8.33 an hour until June 1st 2018 – the first anniversary of his first job. He won't be entitled to €9.25 an hour until June 1st 2019 – the second anniversary of his first job. It doesn't matter how long he worked in each job or if there were gaps in employment.

### Paternity Leave and Benefit Act, 2016

Paternity Leave – As of 1st September 2016 the Paternity and Benefits Bill will allow a period of two weeks paid paternity leave within the first 26 weeks following the birth of a child. The Department of Social Protection will provide paid paternity benefit of €230 per week for the two weeks of paternity leave. Credit unions will also have the option of providing a further top-up to the father's regular salary - if they choose to do so.

## NORTHERN IRELAND

### The National Minimum Wage (Amendment) (No. 2) Regulations, 2016

These regulations amend the National Minimum Wage Regulations 2015 and



came into force on 1st October 2016. The changes are as follows:

- Workers who are aged 21 years or over (but not yet aged 25 years) – from €6.70 to €6.95 per hour.
- Workers who are aged 18 years or over (but not yet aged 21 years) – from £5.30 to £5.55 per hour.
- Workers who are under the age of 18 years – from £3.87 to £4.00 per hour

If you have an issue relating to bullying and/or harassment, or indeed any HR issue please do not hesitate to contact the HR Department, the contact details are:

Direct line: Margaret Davern  
HR Adviser  
+353 1 6146974  
Email: mdavern@creditunion.ie  
Mobile: +353 87 1468939

Maura Behan  
HR Executive  
+353 1 6146941  
mbehan@creditunion.ie

## Carlow District Credit Union Sponsors January Charity Run

On January 29th, Carlow District Credit Union was once again the main sponsor of the third annual Charlie Curran Memorial Run. The annual charity event took place in Carlow town in aid of The Irish Heart Foundation and Heart Children Ireland. The event is chip timed and entrants could choose between a 5k, 10k route or the Kids Dash – an event especially for younger runners. New to the event this year was a team category where people could enter in teams of four for the 5k distance.

Over the last two years, the event has attracted over 800 participants and raised €8,500 for charities.

The run was organised by Charlie Curran in memory of his dad Charlie Curran Snr who passed away at the age of 52 having suffered a heart attack. Charlie's chosen charities, Heart Children Ireland and the Irish Heart Foundation, will resonate with many who have been affected by heart issues either directly or through family and friends.



The launch of the Charlie Curran memorial run in Carlow Credit Union

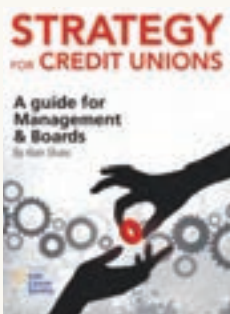
"The credit union supports local business and families and to have them supporting the event is a major boost" said Charlie.

Carlow District Credit Union also established a Staff Charity Fund in 2008

which has donated over €10,000 to chosen charities including Ronald McDonald House, Crumlin Hospital, Simon Community, Focus Ireland, Irish Guide Dogs, Laura Lynn House and Eist Cancer Support Group Carlow.

## Strategy for Credit Unions Book Published

Senior Business and Loan Manager at St Jarlath's Credit Union, Alan Shaw, has published a book titled *Strategy for Credit Unions, A Guide for Management and Boards*. The unique



book was written for the benefit of Board directors and all credit union personnel.

Speaking about his book, Mr Shaw said "I know that every credit union is genuinely working on securing the best future for its members. And I really want to see that each credit union has access to all the tools and guidance for developing the strategy most appropriate for growth and sustainability."

"Having worked in finance abroad, built and operated my own retail business in Ireland, and now part of a hugely successful credit union in the west, I felt obliged to share what I know

from experience coupled with what I learned academically."

*Strategy for Credit Unions* is for credit unions of all sizes looking to build and sustain their business model for the future. It is also about the importance of both short and long term planning, succession planning and guidance for the successful integration of strategic plans with the involvement of all team members.

This book will offer guidance for a better understanding of the wider implications of strategic thinking. It addresses not only the 'why' but also provides a structure for the 'how'.

*Strategy for Credit Unions* by Alan Shaw is available to buy now on Amazon. The proceeds of this book are being donated to the Irish Cancer Society.

## Glenamaddy Credit Union Wins Prestigious Awards for Credit Union Excellence

Glenamaddy Credit Union has received major awards under the International Credit Union Leadership Development and Education Foundation (ICULDEF.org).

The awards were achieved in the category which generally comprises Britain and Ireland, and were granted as a result of a thorough assessment and examination of all the activities of Glenamaddy Credit Union, which serves over 4,000 people in Glenamaddy, Glinsk and Williamstown in East Galway.

Glenamaddy Credit Union won the Filene award for 'Excellence in Use of Media' and was also awarded second place in the "Achieving Business Growth from Own Resources", which acknowledged the over 30% prudent growth in its loan book.

The credit union was furthermore highly commended and awarded third place in the "Juvenile Depository Scheme", for its efforts to encourage and attract juveniles to become savers.

CEO John Murphy said that the awards were an outstanding achievement; "I am delighted that such an esteemed International organisation has identified the areas of performance excellence in Glenamaddy Credit Union and has



honoured us with these prestigious awards."

"It is a welcome acknowledgement for the hard work and endeavour by our staff, board of directors and our volunteers together with the wonderful trust and support we get from our loyal members."

Representatives from the credit union attended the Gala Presentation in London where they met fellow award winners from all over the world.

The ICULDEF was established to assess and reward areas of performance excellence in the entire worldwide credit union movement.



## Charleville Credit Union pays tribute to the late Joe Lambert

Charleville Credit Union is mourning the recent passing of Joe Lambert, a dear friend and one of the founding members of the credit union. Joe, who was an outstanding community activist, was instrumental in establishing the Charleville branch after hearing a broadcast on Radio Eireann of an interview with Nora Herlihy. After contacting Ms Herlihy and setting up a feasibility study, Joe co-founded the credit union in 1963. Charleville was one of the first credit unions to open in Co. Cork.

At the time, the credit union was going to be called St Joseph's, as the credit union was founded on March 1st, the feast day of St Joseph. However another founding member, Fr Kenneally, told Joe that they could not go ahead with this name; "You see I am Joe Kennelly and you are Joe Lambert. It would be Joe's or the Two Joe's Credit Union. Let's just call it Charleville Credit Union."

A minute's silence was recently held for Joe at the Charleville Credit Union Board meeting where this, and other anecdotes were remembered. His great legacy continues to live on in Charleville and sincere sympathy is extended to his family, many friends and relatives.



Joe Lambert with Charleville Credit Union Chairperson Pat Savage at the credit union's 50th anniversary celebrations.

## Bantry Credit Union supports self-help groups at home and abroad



**Bantry Credit Union has made donations of €3,000 to community groups and initiatives in line with the credit union co-operative and self-help philosophy.**

The first of the donations, which were made as part of the credit union's 50th anniversary celebrations, was given to the Church Renovation Committee of the parish of Muintir Bhaire which is contributing to renovation work on three churches in Durus, Kiltrohane and Rosnacaheragh.

The second donation was made to the St Francis of Assisi School for Abled and Disabled children in

Tanzania, Africa. The school has over 260 students, including many with albinism, blindness and low vision. The school puts an emphasis on teaching all of the children together.

Bantry Credit Union made a donation of €3,000 to both of these charities to aid them financially and also to support their self-help and co-operative spirit.

## Enniscorthy Credit Union sponsors youth mental health booklet



Enniscorthy Credit Union was recently delighted to lend support to a fantastic youth mental health initiative by students from Coláiste Bríde. The second level students spent more than a year researching and working on a booklet titled I Am Worth It. The initiative arose after a mental health booklet was distributed in their school which, while being highly informative, had been created for a different county and did not list any contact details for local services in their own county of Wexford. The students took it upon themselves to create a booklet tailored specifically for teens and young people in Wexford. The title 'I am Worth It'

stands for 'Wexford Offers Reliable Teenage Help'. Enniscorthy Credit Union was more than happy to support this great work by covering the costs of printing for the booklet, which amounted to €3,125. The booklet is being distributed to more than 13,000 students in every post-primary school in Wexford.

Minister of State for Mental Health and Older People, Helen McEntee TD, joined the students for the official launch of their booklet which has been greeted with huge praise from across the county. Enniscorthy Credit Union's Emma Redmond was in attendance at the event to present the Coláiste Bríde student council with the sponsorship cheque.

## Ballincollig Credit Union lends support to First Responder Scheme

A life-saving first responder scheme is being rolled out in one of the biggest towns in Cork this year with the support of Ballincollig Credit Union. The voluntary group, the Ballincollig Community First Responder group, will be an asset to the National Ambulance Service, with the help of the donation of an automated external defibrillator (AED) by Ballincollig Credit Union.

This will aid the group in responding to cardiac emergencies in the town and its surrounding area. Commenting on the initiative, IT and Marketing officer with Ballincollig Credit Union, Mark Horgan, said the credit union was very happy to support such a vitally important community initiative.

“The marketing committee here at Ballincollig Credit Union meet regularly and part of our remit is to allocate sponsorship to various clubs, charities and organisations. In 2016, we received a sponsorship request for the newly formed



Ballincollig First Responders. The request was for funds to aid the group in achieving their goals and aspirations for the community. Following a review of the application, the marketing committee agreed that this was a very worthwhile project and a great initiative for Ballincollig and surrounding areas. Bearing in mind

that Ballincollig Credit Union is a community based co-operative, we felt that sponsorship of an AED would be of huge benefit to the community. Unfortunately AEDs are expensive, but we felt that if even one life was saved by the use of this AED, then it will have paid for itself.”

## Tipperary Credit Union celebrates Members' Day



Tipperary Credit Union's Members' Day is the highlight of the events calendar and it was no different this year. The festive spirit was high as members turned out in their droves to celebrate the day and were treated to Christmas carols by the St Joseph's National Primary School choir and a visit from Santa.

Tipp Mid-West radio brought their usual festive cheer and charm as the

broadcast live from the credit union, while four members won brand new cars on the day. There were also winners of hampers, vouchers and much more and a delicious spread for everyone who attended.

The Liam McCarthy Cup and the Irish Press Cup Minor were on display in all their glory too. Tipperary Credit Union will be keeping its fingers crossed for next year!

## Chapter 15 honours delegates with long-service awards



Chapter 15 recently held their now annual presentation ceremony for retiring delegates who have served Chapter loyally, and made a significant contribution to its success in recent times. The event was held in the Athlone Springs Hotel in December.

The awards ceremony was facilitated by Gerry Thompson, Chapter Liaison Officer, and the awards were presented by the Chair of Chapter 15, Paul D'Arcy from Birr Credit Union. Chapter 15 would like to congratulate all

recipients for their long and loyal service and extend sincere thanks to their partners who accompanied them on the night.

Some of the recipients are pictured in the accompanying image and include, in the front row, Mary Fox, Kinnegad & District, Willie Ward, Mullingar and Marcella McDonald, Kinnegad & District. They are joined by current delegate Seamus McLoughlin, Mullingar, Paul D'Arcy, Chairman Chapter 15 and Margaret Egan, Secretary Chapter 15.



## New Ross Credit Union donates over €18,000 to local hospital

**New Ross Credit Union recently presented a cheque for €18,610 to The Community Hospital New Ross, to go towards their new build and refurbishment fund. The money was paid out of the expenses of New Ross Credit Union, as voted by members at AGM and €1 per member was put aside.**

The presentation was made to Frances Ryan, Chairperson of New Ross Community Hospital, who thanked the credit union Board and members for their magnificent gesture to New Ross Community Hospital.

Ms Ryan commented that New Ross Credit Union had been a great supporter and friend of the hospital throughout the years. She said "It is this trust and support from the community that gives all involved in delivering the services provided by the hospital the encouragement to continue, develop and improve."

Ms Ryan also wished New Ross Credit Union and its members a very bright future and looked forward to their continuing support.



## Chapter 5 welcomes Minister Heather Humphreys

**Chapter 5 was honoured to welcome Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs, Heather Humphreys TD, to address delegates at a recent monthly Chapter meeting.**

The meeting was held in The Westenra Arms Hotel, Monaghan and was hosted by Monaghan Credit Union. There was a strong attendance from credit unions in Chapter 5 and the Irish League of Credit Unions was represented by ILCU Vice President Charles Murphy, CEO Ed Farrell and ILCU Liaison Officer Pat Fay.

Minister Humphreys addressed the meeting and a wide ranging discussion ensued. Credit union delegates and ILCU representatives raised topics such as credit unions lending to SMEs, and the provision of funding for social housing by credit unions. On lending for social housing, the ILCU's proposal is in response to government policy, set out in Social Housing Strategy 2020. In this regard the ILCU is responding to



community need and government policy, and the Minister was reminded that the ILCU is looking at government to deliver on commitments made to credit unions before the election. Particularly the movement is looking for delivery on commitments made in the Programme for Partnership.

A number of Chapters have now invited Ministers in their area to meetings and it is proving to be a very successful and worthwhile initiative.

## St Canice's Credit Union Supports Jordan's Communication



**St Canice's Credit Union were delighted to recently support the purchase of a communication device for a 15 year old boy who has been non-verbal since birth. Jordan McHugh, who is from Kilkenny, has been unable to communicate verbally with his family and those around him as a result of a range of complex medical conditions from birth.**

Jordan recently trialed a new communication aid and for the first time was able to communicate with his family, his teachers and his classmates. The device itself costs over €5,000 (device, software, installation) so Jordan's father, Rob, set up a Go Fund Me online campaign to raise the money needed, to not only purchase the

device but keep it updated and to become trained in the best ways to use it.

St Canice's Credit Union was delighted to support Jordan's Go Fund Me campaign on behalf of their members. The campaign was a great success, as the community and businesses in Kilkenny lent their support also. As a result Jordan's parents plan to use extra money raised to buy stands needed to support the communication aid and invest in some extra training so Jordan can reach his full potential.

If you would like to support Jordan you can do so on the Go Fund Me webpage <https://www.gofundme.com/jordan-s-communication-device-etc>

# Legislative Update



## Assisted Decision-Making (Capacity) Act 2015

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The Assisted Decision-Making (Capacity) Act 2015 (hereinafter referred to as 'the Act') was signed into law on the 30th December 2015. It repeals the Lunacy Regulation (Ireland) Act 1871 and also reforms the law on Enduring Powers of Attorney.

The Act contains a number of provisions that aim to empower persons who may require assistance making decisions at certain times. It represents a move away from what may be described as a paternalistic approach, whereby third parties determine what is in the best interests of an individual. The Act provides that, where possible, the "will and preferences" of the individual should be taken into consideration when making decisions that will impact on them.

It is expressly stated within the Act that a person's capacity is to be "constructed functionally", this means that a person's capacity is assessed based on their understanding of a particular decision at a particular time. According to the Act, the fact that a person lacks capacity in respect of a decision at a particular time does not prevent him or her from being regarded as having capacity to make decisions on the same matter at another time. Assessment of capacity is **time specific** and **issue specific**. The onus is on the assessor's to determine capacity.

**There is a statutory presumption of capacity unless there is clear evidence to the contrary.**

When a person has capacity under

the Act they may appoint:

- An attorney under an Enduring Power of Attorney
- A Designated Healthcare representative
- A Decision making assistant (to assist with decisions)
- A Co-Decision –Maker (to jointly make decisions)

The Act establishes a new body, the Decision Support Service (DSS), the Director of the DSS will review applications to ensure that the statutory criteria have been met and that the proposed Attorney /decision maker is a suitable person to carry out the requisite functions.

The Act will bring an end to the ward of court system and there will be an automatic review of those presently under wardship. The Act also reforms the Enduring Power of Attorney by introducing changes to prevent abuse by the attorney. The most significant change for attorneys under the Act is that once the Enduring Power of attorney comes into effect there will be reporting obligations to the Director of the DSS with which attorneys must comply. Of note to credit unions will be an increase in requests for information on accounts, an attorney under the new Act will be obliged to submit a schedule of the donor/members assets and projected statement of income and expenditure within three months of registration.

Credit unions should be aware that until the commencement of part 7 of the Act, Enduring Powers of Attorney will continue to be created under the provisions of the Powers of Attorney

Act 1996 and the 1996 Act will continue to apply to them, even if they come into effect i.e. are registered after the commencement of the Act. In effect this means that the Enduring Powers of Attorney seen by credit unions to date will be acceptable until part 7 of the Act has commenced.

Credit unions when dealing with Attorneys ought to ensure that the Enduring Power of Attorney has been correctly completed, duly signed and filed with the High Court. When the new Act is fully commenced the filing will be in the Circuit Court.

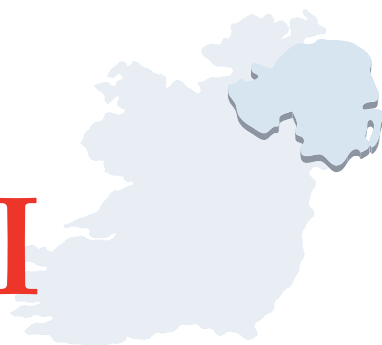
One of the most frequent queries to the Irish League of Credit Unions (ILCU) Legal Department is on how to assist or give support to vulnerable members. Assessing vulnerability can be a difficult task, if in doubt, attempting to circumvent the transaction might be the best solution. Another solution might be to encourage members to think ahead and plan ahead and put in place an Enduring Power of Attorney, or appoint a Decision Making assistant or Co-Decision maker.

The Legal Department is available to answer any queries you may have on the above, the Assisted Decision-Making (Capacity) Act 2015, and to generally answer any queries that may arise pertaining to vulnerable members. The Legal Department has prepared a document, Guidelines on Supporting Vulnerable Members, which can be accessed on the members' area of [www.creditunion.ie](http://www.creditunion.ie)



# Legislative Update

NI



## Brexit – Article 50 ruling, parliamentary process and the Great Repeal Bill

On the 24th January 2016, the United Kingdom (UK) Government lost its appeal at the UK Supreme Court in a case relating to whether it had the unilateral power to proceed with triggering Article 50. In a landmark constitutional law ruling, the Supreme Court held (by a majority of 8 to 3) that the UK Government could not trigger Article 50 of the Treaty on the European Union without an Act of Parliament authorising it to do so. The Supreme Court unanimously ruled that devolved administrations including Northern Ireland did not need to be consulted and did not have a right to veto Article 50. A draft bill was introduced for its first and second reading on 1st February 2017 and at the time of writing was due to go before committee stage.

On 2nd February 2017, the UK Government published a white paper (a government report giving information or proposals on an issue) titled *“The United Kingdom’s Exit from, and New Partnership with, the European Union.”* One of the areas set out in the document concerns maintenance of the Common Travel Area between Ireland and the UK. It remains to be seen how the UK government’s determination to leave the EU and the customs union will avoid anything other than likely administrative burdens and potential hard borders between the North and South in some format. Much more detail will be required to ensure that the UK Government’s aim *“to find a practical solution that keeps the border as seamless and frictionless as possible”* is realised.

In October 2016, the UK Government announced that it will introduce a ‘Great Repeal Bill’ before the UK Parliament and this is expected to feature in the Queen’s speech in May 2017. The bill will seek to repeal the European Communities Act 1972. The Bill’s second purpose will be to

preserve and convert into domestic law the whole body of EU law applying to the UK at the time it leaves the EU (to the extent it has not already been implemented domestically) and avoid the potential of a legislative vacuum once EU law ceases to apply.

The huge task ahead of the UK Government was set out in November 2016 when the House of Commons Library stated that it *“estimated that 13.2% of UK primary and secondary legislation enacted between 1993 and 2004 was EU related. The review of all EU-related legislation, as well as that which will be transposed by the Great Repeal Bill, makes this potentially one of the largest legislative projects ever undertaken in the UK.”*

On 16th January 2017, the House of Commons Library reinforced the mammoth task ahead stating that *“According to data on the EU’s Eur-Lex database, there are at present around 19,000 EU legislative acts in force. These are mainly directives, regulations, decisions and external agreements, but they include a range of other instruments.”*

### **Northern Ireland Assembly and Elections**

New elections to the Northern Ireland Assembly will now take place on the 2nd March. There will be a reduction in the number of MLAs in any future NI Assembly from 108 to 90.

### **Raising of deposit protection limit to £85,000 from 30 January 2017**

On Monday 16th January 2017, the Prudential Regulation Authority (PRA) published a Policy Statement and updated Supervisory Statement with accompanying rules which resets the deposit protection limit at £85,000 from Monday 30th January 2017. There is a

five month transitional to implement the necessary systems and disclosure requirements. The PRA requires credit unions to make all changes required to implement the new deposit limit as soon as practicable after the 30th January 2017 and in any event on or before the 30th June 2017.

### **Changes to personal insolvency laws from 1st December 2016**

Amendments came into force from the 1st December 2016 to insolvency laws in Northern Ireland to bring the levels into parity with the insolvency law in England and Wales.

### **Bankruptcy**

The Insolvency (Northern Ireland) Order 1989 (Amendment) Order (Northern Ireland) 2016 increases the level at which a creditor can petition for an individual to be made bankrupt from £750 to £5,000.

### **Debt Relief Orders**

The Insolvency (Monetary Limits) (Amendment) Order (Northern Ireland) 2016 raises the limits on the level of debt (from £15,000 to £20,000) and the total assets which an individual can own (from £300 to £1,000) to be eligible for a Debt Relief Order.

# The Domestic Economy

**The Central Bank estimates that Irish GDP grew by 4.5% in 2016 but is predicting that growth will fall to 3.3% in 2017. This represents a downward revision of 0.3% relative to their previous forecasts and is mainly reflecting a weaker outlook for net exports. Domestic demand is set to remain the main growth driver in the short to medium term and following an estimated increase of 3.9% in 2016, the Central Bank expects domestic demand to grow by 3.3% in 2017.**

Consumer spending, although growing strongly in 2016, has been somewhat weaker than might have been expected, given the strength of indicators such as retail sales, consumer sentiment and labour market developments. The latest Central Bank forecasts contain a small downward revision to the estimate for consumer spending to 3.4% in 2016. This year, growth in consumer spending, while slowing to about 2.5%, has been revised upwards compared to the previous forecast. This reflects, in part, the more robust outlook for employment, and earnings. Consumption is forecast to increase by 2% in 2018.

Consumer prices, as measured by the Consumer Price Index (CPI) were unchanged on average last year. Exchange rate appreciation replaced energy as the main source of deflation in the second half of the year as the sharp appreciation of the euro/sterling exchange rate quickly passed through to consumer prices. A modest rebound in inflation to about 0.8% in CPI terms is forecast by the Central Bank for 2017, reflecting both

higher energy prices and a partial reversal of the previous exchange rate appreciation. A further modest increase in CPI inflation to about 1.1% is projected by the Central Bank for 2018.

This year, and in 2018, external risks are mainly related to Brexit. The main channels through which the effects of Brexit will be felt include trade via weaker foreign demand, foreign direct investment and the labour market. Since last July, the Central Banks forecasts have incorporated an adjustment for these negative impacts and projected GDP growth would be about 0.6% and 0.2% lower in 2017 and 2018, respectively, relative to a no-Brexit baseline. Nevertheless, the terms of the eventual exit agreement and, in the interim, the potential for greater pessimism relating to it, constitute a significant downside risk to the Irish economy.

## **Demand**

Growth in the economy is expected to be mainly driven by domestic sources in the short to medium term. The Central Bank is projecting domestic demand to grow by 3.3% in 2017 and by 2.9% in 2018. This builds on a likely robust outturn for 2016 (estimated growth in the region of 3.9%). The strength in underlying demand is expected to result in further sustained gains in employment across the economy given the strong linkages between the two series.

## **Consumption**

Personal consumption expenditure is forecast by the Central Bank to remain a key driver of growth, with growth of 2.55% in 2017 and 2.0% in 2018 respectively. This follows estimated growth of 3.4% in 2016. This outlook would see per-capita consumption levels in 2018 closing to







**LABOUR MARKET**  
The performance of the Irish labour market was exceptionally strong in 2016 with estimated employment growth of 2.8%

within 2 percentage points of their pre-crisis (2007) peak, having declined by 12% between 2007 and 2013. The forecast for consumption is supported by a favourable outlook for incomes and employment. In 2016, the strength in consumer spending was evident in a number of indicators. Retail sales grew by 6.3% in the first 11 months of last year, helped by robust car sales. Excluding the latter, retail sales were up by 4.7% over the same period, although retail sales growth slowed appreciably in the third quarter, the latest data points to a rebound in the final quarter of the year despite the fact that sentiment indicators have softened somewhat. Consumption data in the Quarterly National Accounts (QNA) in 2016 were volatile with a weak second quarter more than offset by strong first and third quarters.

#### **The Labour Market**

The performance of the Irish labour market was exceptionally strong in 2016 with estimated employment growth of 2.8% – the strongest rate of increase since 2007. This translates into an additional 55,000 persons at

work. Job gains were broad based with particularly strong gains in industry (including construction) and most services sectors. The unemployment rate continued on its steady decline – falling to 7.2% in December and averaging 8% for the year (down from 9.4% in 2015). Annual employment growth is expected to moderate to 2.2% in 2017 and 1.6% in 2018. Still, this should see an additional 77,000 persons at work over the two years 2017 and 2018 and, at the end of the period, numbers in employment are set to reach 2.1 million. The Central Bank expects the unemployment rate to average 6.9% in 2017 and 6.1% in 2018.

#### **Pay**

Wages are projected by the Central Bank to increase at an annual rate of around 2.3% in each of the years 2016 to 2018. Two forces are at work here. While there are clear signs of rising wage demands in the context of strong employment growth, this could be negated somewhat by the low inflation environment and significant external risks.

#### **Residential Property**

Residential property prices increased by 8.6% in November 2016 on an annual basis. Property price growth strengthened in the second half of 2016. From July to November, prices have risen by 7.3% on average in comparison to 5.4% for the first six months of the year. While this pickup is most pronounced for prices excluding Dublin, which are increasing at rates above 10%, inflation in Dublin has also gathered pace. With existing supply constraints and incentives that will increase demand, property price inflation is unlikely to moderate significantly in the short term.

On the supply side, 11,797 houses were completed in first ten months of 2016. This represents a 17.4% increase on the same period in 2015. Through the first three quarters of 2016, planning permissions were granted for 12,046 units, a 33% increase on the same period in 2015. A large part of this increase is centred on the Dublin region although other areas, such as the South-West, have also seen significant rises.



# consultant

[noun: person who provides expert advice in a professional manner]

**Moore Stephens: consultants by definition**

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