

Chesterfield and North East Derbyshire Credit Union (CNEDCU)

Your Local Community Bank
run by local people to serve the
financial needs of communities in
Derbyshire

Business Plan

**October 2016 –
September 2019**

Chesterfield Credit Union Limited is Authorised by the Prudential Regulation Authority and regulated by the
Financial Conduct Authority and Prudential Regulation Authority. Reference Number 213954

**CHESTERFIELD & NORTH EAST
DERBYSHIRE CREDIT UNION**
Your Community Credit Union



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1. About Chesterfield & North East Derbyshire Credit Union (CNEDCU)

Chesterfield & North East Derbyshire Credit Union (CNEDCU) is a not-for-profit financial co-operative which provides a safe and responsible place to save and borrow at a low rate of interest. The aim of all Credit Unions is to encourage and support people to manage their money wisely and not get tempted to borrow from high interest lenders and even worse, from loan sharks.

As with most high street banks and building societies CNEDCU is regulated and authorised by the Prudential Regulation Authority and Financial Conduct Authority (FCA), which means that its members' money is completely safe and is also protected by the Financial Services Compensation Scheme (FSCS). CNEDCU's Common Bond (the licence from the FCA which identifies where CNEDCU can operate) was extended in June 2015 to enable it to accept anyone who lives or works in the county of Derbyshire as a member. CNEDCU's Reference Number is 213954. Your Local Community Bank was also accepted by the Regulator as a tag line. Derbyshire County Council are promoting the "Community Banks" in their information sheets and their Website.

2. Our Current Position

Our Business Plan sets out the various targets and profiles we need to meet to continue to be sustainable and broadly how we will go about achieving these. Close liaison and working together with existing and future partners will be critical to our success. We believe that our targets are realistic and achievable but we also recognise that they are challenging and that there is very little headroom for failure without having to go back to our supporters for further funding. Whilst this can't be ruled out the Board are committed to making CNEDCU a successful, respected and financially viable credit union.

Within the past five years the Board, staff and volunteers of CNEDCU have worked tirelessly to secure short-term funding in order to establish the foundations for a sustainable organisation, assisted by National and Local Government recognition of the need for credit union services. CNEDCU is recognised by members and service providers as a key vehicle to assist with the Social Reforms facing the people in Chesterfield and North East Derbyshire the extension of its Common Bond of course has the flexibility to work further afield.

The significant financial and professional support in recent years from partner agencies (in particular Chesterfield Borough Council, Derbyshire County Council, Derby & Derbyshire Primary Care Trust, North East Derbyshire District Council and Rykneld Homes) has been fundamental in achieving some impressive growth and in the transformation of the credit union into an organisation ready and able to expand in the present financial landscape. The increase in the number of paid staff, the move to high street premises, the establishment of the Junior Savers Scheme and the front-loading of the Family Loan Scheme (FLS) have been vital to CNEDCU's significant overall growth which is recognised in our Audited Accounts:

Year Ended	Members	Shares Value	Loans Balance	
September	No	£	No	£
2012*	704	188,506	212	166,480
2013	1,153	245,203	491	300,582
2014	1,870	335,134	800	490,959
2015	2,417	396,632	969	564,526
* Growth 2012-15		210%		339%

This has placed CNEDCU in a position where it can continue to grow in order to achieve its Mission, address its Vision and meet its Aims and Objectives, whilst maintaining its core Values. By meeting these Aims and Objectives we will have ensured financial sustainability and growth and improved our governance and operations. This will enable us to establish CNEDCU as a trusted, recognised brand within our local communities which provides a range of accessible financial products and services and supports the financial education of our members.

For more background information on CNEDCU and its past successes please refer to our Annual Report, which can be found at our website: www.cnedcu.co.uk.

3. Our Mission, Vision & Values

Mission Statement: Working towards the financial inclusion of all throughout Derbyshire

To achieve this CNEDCU is committed to providing a broad range of innovative financial products supported by the dedicated service of volunteers and professional staff. These products will be administered in accordance with sound management practices to maintain the financial strength of the Credit Union. The Board of Directors, Management and Staff of the Credit Union hereby affirm that the efforts of CNEDCU will be consistently and professionally dedicated to the accomplishment of this mission, which establishes the foundations for our overall Vision:

Vision: CNEDCU will be a financially stable, innovative and responsive Credit Union, widely recognised and respected by members and partners for our ability to deliver a range of products which meet local need, the quality of our customer service and partnership working and our commitment to ensuring the financial inclusion of residents and workers across Derbyshire.

We are committed to the belief that everyone has the right to access affordable loans and savings opportunities which reward financial prudence. We will also help people to understand how to most effectively manage their finances to avoid financial hardship, thus ensuring more secure and sustainable households and communities. This commitment is underpinned in our core Values:

Values:

- **Accessibility** – we will ensure that our written materials will be clear and easy to understand and that our members can access our services in the most appropriate way, whether at our office, through our secure website or collection points hosted by our partners.
- **Confidentiality** – we will act with discretion to protect our members' privacy
- **Flexibility** – we will continually review and develop our products, services and methods of delivery to ensure that we meet the ever-changing needs of our members
- **Honesty** – we will be sincere and open in our support to members, providing frank advice and clearly explaining our interest rates
- **Inclusivity** – we will support all residents within Derbyshire who wish to use our services however we can, no-matter their personal circumstances and enable our members to have a say in how we operate
- **Impartiality** – we will provide fair and objective guidance and support to all of our members
- **Reliability** – we will provide a consistent and dependable service to our members and partners
- **Sustainability** – we will promote thrift and a savings culture to our members to help them maintain sustainable households, whilst we will ensure that we run on sound, ethical and financially sustainable principles through the use and control of members' savings for their mutual benefit

4. The Market: Local Need

The Office for National Statistics 2014 Mid-term population estimates for Derbyshire (including Derby) are 1,032,300, with 203,700 residing in CNEDCU's historic target area of Chesterfield Borough and North East Derbyshire District. In July 2007 the Financial Inclusion Taskforce reported on the difference between the demand for, and supply of affordable credit in each Local Authority area in Great Britain; 25 local authorities, including Chesterfield, were placed into red alert showing a serious need for that area, with a further 56, including North East Derbyshire, placed on Amber Alert, meaning a high but less urgent need to tackle the problem. Within our target population there remain numerous challenges for different age groups, including child and fuel poverty, unemployment, and reliance on household benefits. The Welfare Reform Act 2012 continues to drive the biggest changes in the benefits system since its history, with changes affecting all who are of working age and in receipt of key benefits such as JSA, DLA and housing benefits. Credit Unions are acknowledged as having the experience and services necessary to assist benefit claimants directly, through our core services of loans and savings, and of assisting those who deliver services such as District and County Council, Housing Associations, private landlords and community organisations. Our services and support will ensure continued financial inclusion and increase our member numbers. As the full ramifications of Welfare Reform are still unclear, we will continue to work with those organisations whose clients will be affected and will flex services and products as appropriate.

The increase in Family Loan Scheme uptake has seen a significant demand in payments, making the system of handwritten cheques an increasingly inefficient delivery approach Bank Transfers and E-cards are and will be promoted as an alternative access model. Increased demand for on-line payments and access to savings accounts is rising, as well as demand from new customer groups with their own particular needs, such as younger people.

These needs will guide our Aims and Objectives listed in section 5 and shape our service focus for 2017-19

5. Our Aims & Objectives

In order to achieve our vision and continue to be a viable and sustainable business our Aims and Objectives are set below, which, when achieved, form the backbone of CNEDCU's public identity as a well-known, respected, vibrant, and trusted Credit Union. Our Aims identify *what* we wish to accomplish, with our Objectives of *how* we intend to do this listed below. Where possible we have established SMART targets to enable us to measure the progress being made throughout the year and share the results of our efforts in our September Annual Report.

Aims, Objectives and Measures	Position Sept 2016	Target by Sept 2017	Target by Sept 2018	Target by Sept 2019
Aim 1: Have strong strategic leadership that manages operations, costs and risks to ensure business sustainability and economical, efficient and effective services				
Be financially sustainable, funded through operational income rather than grant funding (by % of operational income)	100%	100%	100%	100%
Average interest rate earned > 2.5% per month	2.5%	> 2.5%	> 2.5%	> 2.5%
Develop a package of variable interest rates to encourage savers and borrowers top our business	Loyalty Loans at 2%/Month	TBA	TBA	TBA
Reduce the level of bad debt (by % of overall debt)	8%	6%	6%	6%
Identify which operating and decision making processes can be streamlined to ensure ordered, structured governance	-	Targeted Reviews	Targeted Reviews	Targeted Reviews
Develop the skills of our volunteers, staff and board members to enable them to provide a first class, professional, efficient, timely and friendly service to members and delivery partners	Skills audit undertaken	Skills audit reviewed & training delivered	Skills audit reviewed & training delivered	Skills audit reviewed & training delivered
Engage with local, regional and national organisations and partnerships as appropriate to harness opportunities and enable us to better support financial inclusion in our area	Review of meetings attended	All suitable networks engaged	All suitable networks engaged	All suitable networks engaged
Aim 2: Be client focused, developing a range of accessible products and services which meet members needs and enables a significant, sustained growth in membership				
Ensure a significant, sustained growth of our profile to the general public through targeted publicity, marketing, engagement and consultation	Ongoing	Ongoing	Ongoing	Ongoing
Increase the number of members using the pre-paid card (by % of members)	??	10%	20%	25%
Increase the number of loan applications completed on-line (as a % of all applications)	??	5%	10%	15%
Increase the number of new member applications completed on-line (as a % of all applications)	??	10%	10%	10%
Increase the number of members utilising the payroll deduction facility (members)	??	50	75	100
Aim 3: Provide a secure and attractive home for member's savings				
Increase the number of active members (membership numbers)	2,700	2,800	2,850	2,900
Increase the value of shares (as cash value)	500,000	£520,000	£540,000	£560,000
Pay an annual dividend on savings (at % interest)	0.5 - 1%	0.5 - 1%	0.5 - 1%	0.5 - 1%
Aim 4: Provide a range of timely, affordable loans at competitive rates				
Increase the value of loans (as cash value)	615,000	£625,000	£630,000	£635,000
Ensure that eligible loan applications are processed as quickly as possible (days)	7	7	7	7
Aim 5: Promote the training and education of members in the wise use of money and in the management of their household financial affairs				
Promote thrift by encouraging members to save including the continued development of the Junior Savers Scheme (number of schools engaged)	??	16	18	20

6. Delivering the Business Plan

a) Products & Services

Our current list of products and services is listed below along with those which are currently in development and due to commence shortly.

- **Savings (currently paying a 1% dividend on the average of the annual balance held)**
 - **Standard:** Our accounts for savers aged 16+
 - **Junior Savers Scheme (JSS):** A regular savings account operated in infant, junior and secondary schools for those 16 and under, which also helps to instil good financial and budgeting habits in the next generation. Following evaluation of our pilot JSS we recognise the need to develop the service further within local primary and secondary schools and will initially seek external funding to help to achieve this, at least until September 2016.
 - **Corporate and Charitable Savings:** Accounts for ethical investors seeking to help local community by allowing their secured deposits be loaned to credit union members
 - **Christmas Club:** A saving account that only allows members to make 2 withdrawals per year – in the summer months and at Christmas.

- **Loans (interest rates are dependent upon the product)**
 - **Standard Loans:** Loans to members which have established a regular savings pattern and made within 5 working days of an eligible application being received (usually 2/3 days in practice). Variable interest between 2-3% per month, dependent upon member payment history and savings over £1,000.
 - **Family Loan Scheme:** A very popular instant loan of up to £500 charging 3% interest per month, paid to families or individuals in receipt of Child Benefit (which is paid directly to CNEDCU). The whole child benefit can be used to make the repayments, but a lesser amount is usually agreed with the member following a robust budgeting interview. The 'surplus' amount can then either be left in as savings, withdrawn weekly/monthly or split between savings and withdrawal.
 - **Corporate and Charitable Loans:** Loans to businesses and voluntary and community groups who are members of the credit union. Variable interest between 2-3% per month, dependent upon member payment history and savings over £1,000.
 - **Rent Direct Scheme:** Landlords will no longer be able to receive rent payments direct to them. The Universal Credit will see households receiving all benefits in one payment including housing benefit.
 - Variable interest between 2-3% per month, dependent upon member payment history and savings over £1,000.
 - **Council Community Loans:** Managed in a similar way to the FLS, these funds have been dedicated by Parish Councils who advise whether the loan is either for residents from their Parish or from the local District. The loans are for a maximum of £100 or £200 depending upon Parish.
 - **Chesterfield & North East Derbyshire Repossession Prevention Funds:** Administered on through referral from one of the respective Housing Options, an instant loan to specifically cover rent in advance or a bond.

- **Ease of Accessibility to Funds and Services**
 - **Budget accounts (Jam Jar Accounts):** To help members manage funds and budget for bills/expenses more effectively. Currently investigating developing a pilot with Rykneld Homes??.
 - **CredEcard:** a prepaid visa card for benefits/salaries to be loaded onto to assist with budgeting.
 - **Payroll Deduction Scheme:** Available to all members working through participating employers to direct savings to CNEDCU at time of wage/salary payment.
 - **On-line member applications ??.**
 - **On-line loan applications: ??.**

- **Service Development: Partnership Working and Customer Engagement**

We will seek to expand our product portfolio where appropriate and to the benefit of the business, for example the development of differential loan products, by working with others and our customers, e.g.:

 - Working with 2 other Derbyshire Credit Unions to develop a mutually agreed interest rate in order to provide consistency in incentivising payroll deduction across the County
 - Working directly with the DWP to benefit from expert marketing support, advice and funding, initially around increasing and attracting Tier 1 and 2 members
 - Maximising the opportunities from the recent Church of England campaign against payday lenders
 - Working with potential partners in promoting credit union services through their own networks (such as the NEDDC reception screen or dedicated DCC credit union signposting web-page)
 - Learning from other CU's through the CUEP project, trade association and regional forums

- Fostering mutually beneficial relations with the existing banking sector
- Adopting best practice from the 2015 Derbyshire County Council Scrutiny Review of Credit Unions.

Resources

In order to meet the business Aims and Objectives and deliver these products and services CNEDCU will seek to maximise the outcomes it can deliver from its available resources, which are its Human Resources, Physical Resources & Assets and Financial Resources. In parallel with this the Board and Manager will maintain a constant overview for additional resources, which primarily may be in the form of external grant funding or partnership working opportunities.

b) Human Resources

There are three core elements to CNEDCU's workforce: the Volunteers, Paid Staff and the Board; Appendix 1 shows the current organisation structure of the business. We also recognise the added value which many of our members and partners bring, whether it is helping to publicise and promote our services through word of mouth, giving customer feedback which helps us to improve our delivery and efficiency to meet their needs and expectations, or identifying other opportunities which we can harness.

• Board

The CNEDCU Board meets monthly and focuses on the strategic planning of businesses. It consists of ten members who bring a wealth of experience from the private, public and voluntary and community sector from a range of backgrounds including: finance, funding, organisation and project management, housing, working with vulnerable people, training and partnership working. Some Board Members have also undertaken training on issues specific to credit unions (e.g. money laundering) to ensure that CNEDCU fulfils its duties in accordance with statutory expectations. Most Board Members have a responsibility for at least one of the following areas:

- Chair
- Vice Chair
- Treasurer
- Secretary
- Compliance
- Complaints
- Data Protection
- Money Laundering

Having "portfolio" responsibilities enables workload to be more appropriately managed and specific focus to be directed to ensure that the following duties and approaches to working are undertaken:

• Executive skills	• Implementation of Board strategy	• Training
• Strategic focus skills	• Customer issues, including complaints and satisfaction	• Financial management
• Entrepreneurship	• Logistics and management issues	• Management of Consortia and Partnership arrangements
• Community based representation	• Service points	• Establishing policies and procedures
• Customer representative – preferably somebody who has experience of taking out the kind of loans that the Credit Union offers	• Product development and implementation	

Should the current Board identify weaknesses in any of these issues, training will be sought, or if appropriate new Board Members sought who possess the appropriate skills and experience.

To enable the Board to maintain focus on both strategic planning as well as more operational issues related to product implementation and customer satisfaction, it will investigate the development of a separate operational group free to focus more time on such issues and enable the Board to work more efficiently and effectively rather than spreading its focus and time commitments too thinly. A clearer definition of the two groups work, and the make-up of each group needs to be discussed further but in order to maximise the experience gained by those working at the front-line of delivery, the operational group should include members of staff and key volunteers. This will help us to better realise the potential of partnership working with delivery partners such as housing associations etc.

- **Paid Staff & Volunteers**

Besides the Manager, the majority of Paid Staff and Volunteers are part time; there are currently 25 volunteers and 7 paid staff, who between them have a wealth of experience in either volunteering with or being employed with all having over two years' experience. Staff are motivated with a good professional attitude and understanding of the credit union business and are keen to see the success of the business as a whole; harnessing this experience is therefore important to the future shaping of services, as alluded to in the previous section. The relationship with management is open, honest and staff feel that they can have a say in the way they carry out their day to day duties and that they can have influence over the success or failure in aspects of the business.

Many of the paid staff and volunteers work on areas of specialism, for example cashiers, debt recovery, the Junior Saver's Scheme and the Supervisory Committee and collectively have developed skills in social marketing, demand management and working at high volume with a range of different products. This has enabled CNEDCU to learn much more about the levels of support needed by families in our area.

The financial forecasts attached to this plan, show that with the increase in membership, staff resources will need to increase and this will alleviate any new pressures that these initiatives and changes will bring to and show the value management places on them. To re-emphasise this value, greater effort will be made to establish and review individual development plans so that individuals can better understand their longer term prospects within the business and learning and development opportunities can be identified. This will go some way to mitigating the risk that by not undertaking the reviews people may become unmotivated or decide to leave and help with the internal succession planning of the business.

c) Physical Resources & Assets

In recent years we have significantly invested in our physical resources and assets. Although mindful of cost, we have implemented the following to ensure that we are a progressive and responsive organisation:

- **ICT Infrastructure:** In 2015 we upgraded to a fully networked office ICT system and continue to develop provision from our website. We work closely with our software provider (Kesho, using the Curtains Too SQL programme running on Lenovo servers) to ensure that our services are efficient for internal operations to enable us to provide an effective service to our members. We are now in a position to be able to offer on-line applications for membership and loans as well as forecast loan repayment levels.
- **Office Infrastructure:** We moved into our new office on Soresby Street, Chesterfield in May 2014 to increase our high street presence and accessibility. In mid-2015 we agreed to extend our back-room facility to improve office efficiency by enabling as many volunteers willing to support delivery to attend, therefore helping to develop and expand new services such as the Junior Savers Scheme. In addition to our main office, there is a facility for members to make deposits at Clay Cross Housing Office and North Wingfield Community Resource Centre.
- **Communication & Marketing:** In addition to our website we produce leaflets, posters and written information on our services tailored to the audience, whether it is members of the public, service providers, delivery partners or our funders. To raise and maintain the profile of CNEDCU we attend and engage with a number of meetings and events, whether it is formal presentations to Councillors, having a stall at community events or networking with other agencies in networks to address financial exclusion. Our Secretary attends the East Midland's Credit Union Forum, Board Members engage with Financial action and Advice Derbyshire (FAAD) and the Derbyshire Anti-Poverty Group, whilst the Manager, staff and volunteers engage with other more localised networks; it is to the credit of those involved that good working relationships have been established, enabling us to identify and harness new opportunities.

d) Financial Resources

The Three Year Financial Plan for the business is detailed in Appendix 2 and identifies the positive financial trajectory which the business is following. Grant support is falling away and the Board will review the JSS during 2017 to assess if it can still be supported without outside support.

In recent time we have done much to build the financial foundations which have enabled us to pay a dividend to savers, move to and expand high street premises and upgrade our ICT infrastructure, including:

- We have secured or are close to securing much of the necessary short-term funding
- Government support and financial backing for the credit union movement
- Needed and supported by local authorities, and others to address issues of welfare reform and financial exclusion, recognised in their Corporate Plans and major strategies (such as the Derbyshire Anti-Poverty Strategy and Health & Well-Being Strategy for Derbyshire).

We recognise that we have limited resources in order to easily achieve our aspirations, whilst external expectations from partners and funders can place significant demands on our time which may result in pressure on staff and finances.

Profitability will be improved by increasing our critical mass through growth but other areas we intend to pursue to improve our financial position include:

- reviewing and extending level of fees e.g. joining fee other fees
- being more proactive in investing unused capital
- recovering costs of services e.g. credit checks
- reducing cost of bad debts including introducing payments by debit card, reviewing debt collection methods and organisations, working written off debt harder.
- continuing to review all areas of cost including staff, accommodation, IT, telephony and printing etc.
- Seeking external funds to support projects and equipment purchase

7. Risks, Mitigation & Contingency Plans

Within the past year we have made significant improvements in seven key areas:

1. Increase in critical mass
2. Make the most of our near to high street presence
3. Response to Welfare Reform
4. Improve profitability
5. Interest rates
6. Governance
7. Product development and accessibility through CUEP

We are therefore confident that if we achieve our targets we can become financially sustainable and be able to provide a range of competitive and quality products and services which are tailored to meeting the needs of our customer base. We accept that the targets are challenging but with the support of partners (including the Local Authorities, statutory service providers, the government and local communities) and the commitment of the Board, staff and volunteers we are confident that they can be met.

Appendix 3 details our SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis undertaken at the CNEDCU Away Day Board held on 20th April 2015. Our Strengths and how we will harness opportunities have been addressed within the appropriate sections of this Business Plan.

By considering the Threats from the SWOT analysis we have identified the key risks to the business, which are identified in Appendix 4. We do not believe that any risk is both highly likely to occur with a highly detrimental impact and have considered approaches to mitigate all risks no matter their likelihood or impact. We feel that we have the appropriate infrastructure in place in order to mitigate against these risks and ensure the successful development of CNEDCU through the delivery of this Business Plan.

We will continually monitor and evaluate our performance but if we reach a point where we don't believe we can be successful with our current business model our next steps would be as follows:

1. Review the services provided to establish whether refocus is required, cutting non-core or loss-making services as appropriate
2. Explore whether we can revert to a volunteer based business
3. Inform & discuss with the Regulators
4. Talk to other Credit Unions about possible merger
5. Talk to interested parties who may be prepared to take over the credit union responsibilities
6. Start administration proceedings for the business to cease to trade

With the management infrastructure in place we believe that we would only have to go as far as stage 1 on this list in order to ensure that the business would remain solvent and delivering core services.

The CNEDCU Business Plan will be reviewed in mid-2017 to inform the focus and priorities for the October 2017 to September 2018 Business Plan.

Three Year Financial Plan – Appendix 2

SWOT Analysis – Strengths, Weaknesses, Opportunities, Threats – Appendix 3

Our SWOT analysis undertaken at the CNEDCU Away Day Board held earlier in 2016 identified the following:

a) STRENGTHS

- we are known for our strong ethical approach, founded in community and social purpose.
- we are established in Chesterfield and North East Derbyshire (nice, clear footprint) and have the ability to operate across Derbyshire
- we have the basis for strong partnerships with County, Borough and District Councils, Housing Associations – potential clients who deliver community based objectives
- there is an overall need for the products we can offer
- we have people with passion and energy throughout the organisation
- our balance sheet is cash rich (though resource poor)

b) WEAKNESSES

- we have limited resources
- we lack the finance to promote ourselves
- we don't offer enough competitive products (interest rates too high)
- we have not yet realised the full potential of partnership working with the housing associations etc.
- we are being pulled in too many directions for our resources
- our offering to "payroll" deduction members are poor
- no clear marketing strategy
- social media presence
- lack of volunteers from colleges and universities
- board membership does not reflect the sex and ethnicity of our members

c) OPPORTUNITIES

- potential support from Housing Associations, Local Government and Utilities for products and services that will help their customers better manage their money and protect their own income stream
- high level of demand for borrowing as demonstrated by the success of pay day, door to door, illegal lenders etc.
- potential demand and synergies from the introduction of universal credit, particularly relating to the needs of Housing Associations and other landlords
- we can extend our member base to include public and private sector including small businesses
- partnerships with banks and other institutions particularly those tasked with helping the financially excluded

d) THREATS

- competition from other Credit Unions
- lack of awareness of CNEDCU from potential members
- competition from housing associations and large employers setting up their own Credit Union/ schemes
- competition from organisations such as Wonga, Provident etc.
- due diligence issues – governance and constitutional issues need to be reviewed
- human resources and staff/volunteer training
- Curtains software no longer supported

Risk Analysis – Appendix 4

What is the Risk?	Likelihood	Impact	Mitigation
Business Plan targets are not met	Medium	High	Continual monitoring of all targets, identifying where there may be a shortfall and addressing in a timely manner
We run out of funds	Medium	High	Continually reviewing financial performance and liaising with potential supporters. Reserves continue to increase
Due diligence issues: governance & constitutional issues	Medium	Medium	Will be reviewed by the Board and Supervisory Committee on an ongoing basis to ensure that all policies and procedures are fit for purpose
Competition from other Credit Unions/ Community Banks	Medium	Medium	Ongoing publicity to raise awareness and development of accessible attractive products delivered efficiently
Lack of awareness of CNEDCU from potential members	Medium	Medium	Publicity and promotion will be undertaken through press releases, website, leaflets and attendance at events as well as through harnessing the communications facilities of partner agencies
Key staff/volunteers leave	Medium	Medium	Succession plan and training to be identified for internal recruitment. Advertise posts as appropriate if external recruitment necessary
Board members leave	Medium	Medium	Succession plan and training to be identified; appropriate individuals sought through external advertising/networking if necessary to fill skills gaps
Internal resources not able to meet the challenges	Low	High	Good communication, ongoing support and commitment from Board, management and members. Recognition & acceptance that this is the only way for us to achieve sustainability
Loan Interest Rates are unattractive and Loan Book reduces	Low	High	Communicate the alternative rates being charged to unsecured borrowers of less than £1,000
CURTAINS Software no Longer supported	Low	High	Research other software providers. Impact would be short term
Competition from housing associations and large employers setting up their own Credit Union/schemes	Low	Medium	The efforts needed to establish credit unions and community banks, as well as flexible capital make this unlikely; CNEDCU will work in partnership with these organisations to provide the service on their behalf
Lack of support from Local Authorities etc.	Low	Low	Good communication, involvement and engaging their client base. Becoming integral to their Welfare Reform response and tackling financial exclusion
Competition from organisations such as Wonga, Provident etc.	Low	Low	National negative publicity of payday lenders is often now accompanied by signposting to credit unions, helping to raise awareness and enquiries