

CHESTERFIELD AND NORTH EAST DERBYSHIRE CREDIT UNION

REPORT ON BUSINESS PLAN 2021 – 2024

INTRODUCTION

As part of good corporate governance and the need to comply with the regulator (Financial Conduct Authority – FCA) the board of the Credit Union prepare and approve a three year plan each autumn. The plan shows continued support for members through loans and savings and growth of the popular Family Loan Scheme (FLS) introduced in 2012. Following on from the success of this product we introduced the FLS + in February 2018, with help from the three local authorities.

Our Credit Union has been able to maintain its core products throughout the pandemic, whilst introducing our new personal loan to support further. The exception of not being able to go into the schools and promote or take savings from the children, as part of the Junior Savers programme.

OUTLINE OF THE PLAN

The following table shows the historical growth of the main activities of the Credit Union.

Year Ended	Members	Shares Value	Loans Balance		Junior Savers	
September	No	£	No	£	No	£
2014	1,870	335,134	800	490,959	209	6795
2015	2,417	396,632	969	564,256	394	15,902
2016	2,738	506,731	1,446	608,129	647	31,126
2017	3,695	640,310	1,128	598,050	922	43,252
2018	3,994	591,363	1,189	616,314	1,086	57,741
2019	4,160	603,440	1,226	607,250	1,215	64,772
2020	4634	692,362	1186	528,085	1092	66,254
2021	4748	684,753	1221	528,858	1092	59,501

It is acknowledged that growth in new members, share value and members loans has slowed down which was expected however the board and myself continue to look at other options to continue our growth in the future.

The Junior Savers Scheme remains one of the largest in the country and is supported by one local authority grant. The board consider that the lessons learnt by the savers and in some cases their parents is worthy of continued support although in the short term this will put the Credit Union into deficit. This action could not have been taken a few years ago, but with audited reserves of over £187,000 it is a low risk whilst other income streams are developed.

The main areas of development are listed below:

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 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 and junior schools for those 11 and under, which also helps to instil good financial and budgeting habits in the next generation.
- 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. Over 90% of those who participate in this, now make regular savings and we have noticed a marked change in financial planning and behaviour*
- Family Loan Scheme +: Now running where £650 can be offered to members with good repayment record and ongoing income stream to enable repayments at higher levels. They must have repaid there previous FLS in full before being considered
- 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 through referral from one of the respective LA Housing Teams, an instant loan to specifically cover rent in advance or a bond.
- Ease of Accessibility to Funds and Services
- Engage card: 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