

# **Chesterfield and North East Derbyshire Credit Union Limited (CNEDCU)**

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

## **Business Plan**

**October 2021 –  
September 2024**

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



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## 1. History of CNEDCU

Chesterfield & North-East Derbyshire Credit Union is a not-for-profit financial co-operative which provides a safe and responsible place for Members to save and borrow money. The aim of all Credit Unions is to encourage and support people to manage their money wisely and negate the need for usage of high interest loan providers, moneylenders, and loan sharks. Every Credit Union operates within a determined geographical area (Common Bond) and are standalone organisations. We are affiliated to Abcul (Association of British Credit Unions Limited) an organisation that represents most credit unions in the United Kingdom and provides valuable guidance and lobbying strengths.

The Bank of England published its annual United Kingdom statistical report (30/07/2021) for the year ended 30/09/2020 and highlighted the following reflecting the strength of the credit union sector.

Number of credit unions	240
Number of active members	1,355,630
Assets held.	£3.85 billion
Loans to Members.	£1.58 billion

CNEDCU was formed in 1998 and is well established in the local community.

As with high street banks and building societies CNEDCU is regulated and authorised by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA). Member savings are protected under 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 FCA Reference Number is 213954 and our company number is IP00537C. Your Local Community Bank was also accepted by the Regulator as a tag line. Derbyshire County Council is promoting the "Community Banks" in their information sheets and their website.

## 2. Current Position

Our Business Plan sets out the various targets and actions we are taking so we continue to be a sustainable organisation. Close liaison and working together with existing and future partners will be critical to this success. We believe that our targets and actions are realistic and achievable, but we also recognise that they are challenging given the current economic climate during and following the Covid-19 pandemic. Whilst within the period of this plan CNEDCU acknowledges that we shall continue to require financial support from Partners the Board of Directors are committed to CNEDCU being a successful, respected and financially sustainable credit union.

The Board, staff, and volunteers of CNEDCU work tirelessly in promoting our organisation ably supported by National and Local Government all of which highlights the requirement for CNEDCU services. CNEDCU is recognised by members and service providers as a key vehicle to assist with the social constraints facing the people of Chesterfield and North-East Derbyshire and following the extension of our Common Bond allows flexibility to operate throughout Derbyshire.

The financial and professional support from partner agencies (Chesterfield Borough Council, Derbyshire County Council, North-East Derbyshire District Council and Rykneld Homes) has been fundamental in providing a local community bank for the benefit of Members. These foundations equate to an organisation which is well placed to expand its current present financial landscape. Increases in the number of paid staff, the move to high street premises, the establishment of the Junior Savers Scheme and the continuing popularity of our Family Loan Scheme are evidence of CNEDCU's achievements.

Our Junior Savers Scheme is well supported by local schools with the joint aim of teaching children from an early age the value of money and how to budget. Close working relationships with both Co-op and Tesco have aided this growth and whose support we are very grateful for. Grant funding is used in supporting the Scheme and again we are grateful for this Partner support. Covid restrictions in the education sector have meant that our involvement has been diluted but as we move out of restrictions recontact with schools is taking place and has been met positively by the schools.

A tabled summary of our progress is highlighted below which evidences the growth of our Credit Union and equally supports the requirement in the local community for our services.

Year Ended September	Member Numbers	Members Shares Held	Loans Balance		Junior Savers Balances	
			No	£	£	
2017	3477	597376	1128	598050	43252	
2018	3944	591363	1189	616314	57471	
2019	4447	602800	1223	572629	64772	
2020	4634	692362	1186	528085	66254	
2021	4748	684753	1221	528858	59501	
Performance over Period %	36	14	6	(12)	37	

As a policy the Board in 2019 reduced our maximum loan from £6,000 to £4,000 due to increasing provisions being raised on loans above £4,000. This combined with a reduction in loan requests due to the pandemic contributed to a fall in loan balances. This position has now stabilised and with a gap identified in our lending portfolio a new product was launched to Member's midway through 2021 – the Personal Loan. The Board are actively seeking to increase the loan book but recognising the balance between Member needs and the sustainability of the Credit Union.

Overall, this has placed CNEDCU in a position where we can continue to grow to achieve our Mission, address our Vision and meet our Aims and Objectives, whilst maintaining our Values. Being financially sustainable 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.

A full copy of our accounts is available to Members and Partners upon request.

### 3. Our Mission and Values

**Mission Statement:** To be a responsive financially sustainable organisation dedicated to improving the financial wellbeing of our Local Community.

To achieve our mission CNEDCU is committed to providing a broad range of financial products to the benefit of Members supported by volunteers and professional staff. Products will be administered in accordance with sound management practices to maintain the financial strength of the Credit Union.

The Board of Directors, Management, Staff and Volunteers of the Credit Union will always be consistently and professionally dedicated to the accomplishment of this mission.

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 through our office, our Website, App, 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. We will regularly seek views from Members both on our service and product range.
- **Inclusivity** – we will support all residents within Derbyshire who wish to use our services 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 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

The Office for National Statistics 2019 mid-term population estimates for Derbyshire (including Derby) are 1,053,316, with 205,753 residing in CNEDCU's historic target area of Chesterfield Borough and North-East Derbyshire District. Data produced by the Office of National Statistics estimated that the population of Chesterfield Borough stood at 104,900 in 2019.

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.

Six neighbourhoods in Chesterfield (9% of total neighbourhoods) fall within the 10% most deprived in England. Figures from 2011 recorded Chesterfield as having 23% of residents in rented social accommodation. Derbyshire had 15% and England 18%. Owner occupied was on a par with England figures at 63% although below the Derbyshire figure of 71%. Chesterfield residents with higher qualifications was 21% compared to Derbyshire at 24% and England 27%. Those with no qualifications recorded 27% locally, Derbyshire 26% and England at 22%. These figures help to highlight the need for a local Community Bank with the aim to support those who may be financially vulnerable or unable to apply for high street banking services.

The Welfare Reform Act 2012 continues to drive the biggest changes in the support system since its introduction, with changes affecting all who are of working age and in receipt of state 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 working closely with 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 ember numbers. As the full ramifications of Welfare Reform continue to evolve, we will continue to work with those organisations whose clients will be affected and will flex services and products as appropriate.

The Family Loan Scheme has been and continues to be extremely successful with CNEDCU seeing increased demand for on-line payments and access to savings accounts. Demand from new customer groups with their own needs, such as younger people, continues to drive further developments in products and services

These needs will guide our Aims and Objectives listed in section 5 and shape our service focus for 2021 to 2024.

## 5. Performance Indicators

In order **“to be a responsive financially sustainable organisation dedicated to improving the financial wellbeing of our local community”** the Board of Directors monitor several performance indicators ensuring we are on track in achieving our mission. Meeting most of the year monthly the Board are flexible both to investigate and put plans in place should these indicators fall outside of set parameters.

The Board have set the following performance indicators with purpose and benefits as follows. Performance is reported within the Board minutes which are sighted by our Auditors.

Performance Indicator	Purpose	Benefit
Operational income to be greater than 90% of total income. <b>Measured annually through Audited Annual Accounts.</b>	To help achieve our aim of being self-sufficient.	We do not have to rely on support from Partners or Benefactors.
Level of debt provisioning to be less than sector average. <b>Measured quarterly through Bank of England released reports.</b>	Comparison against sector especially given increased arrears due to economic and pandemic pressures.	Highlight an area that can impact greatly on financial performance.
How is our Service and Product offering? <b>Measured by planned annual questionnaire issued to Membership</b>	Barometer of customer service and gives Members an opportunity to suggest improvements and new services.	Basis of any changes to our processes together with potential new product development.
Completed loan applications once agreed by the Credit Committee and signed by the Member will be paid into the Members bank account the next working day. <b>Measured manually on loan application form and reported monthly in Managers Report.</b>	Improves customer service which may negate some Members seeking alternative providers.	Member receives loan funds earlier allowing utilisation of funds and CU starts to earn income at an earlier stage.

## 6. Delivering the Business Plan

### a) Products & Services

Our current list of products and services are listed below.

- **Savings**
  - **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 helps to instil good financial and budgeting habits in the next generation. We are currently investigating a pre-paid card for junior savers in partnership with Engage. Funds will be held on the card and allow junior savers to use the facility in shops etc. The product will not allow a junior to go overdrawn.
  - **Corporate and Charitable Savings:** Accounts for ethical investors seeking to help local community by allowing their secured deposits to 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 vary with product)**
  - **Loyalty Loan:** Loans to members who 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 rate 2% per month, dependent upon member payment history and savings. Minimum Amount £1000 and maximum £4000.
  - **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.
  - **Family Loan Scheme +:** Again, linked to receipt of Child Benefit a loan up to £600 for Members with good repayment record and ongoing income stream to enable repayments at higher levels. Current interest rate 3% per month.
  - **Payroll:** Lending to payroll deductions members. Full details upon request.

- **Personal Loan:** For new and existing Members who are no longer in receipt of Child Benefit but can support a loan through other income including other benefits. Maximum loan £1000. Savings history not a requirement at application.
  - **Council Community Loans:** Managed funds which have been provided by Parish Councils who advise whether the loan is for residents from their Parish or from the local District. The loans are for a maximum of £200 depending upon Parish policy.
  - **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.
  - **Wheels to Work Scheme:** Details on application.
- **Ease of Accessibility to Funds and Services**
    - **Budget accounts** to help members manage funds and budget for bills/expenses more effectively.
    - **Engage card:** a prepaid debit 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**
    - **App available to all Members** enables communication and applications for our services.
  - **Service Development: Partnership Working and Customer Engagement**

We will seek to expand our product portfolio where appropriate and to the benefit of the business and Members. CNEDCU has been called “one of the area’s best kept secrets”. Plans to spread this good news will be by;

- Building upon the success for our “out-reach” facility at Holme Hall aimed at “Stop the Loan Shark” scheme. Staveley and Matlock have been identified as communities we plan to increase our presence.
- 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 webpage)
- Fostering mutually beneficial relations with the existing banking sector
- Adopting best practice from the 2015 Derbyshire County Council Scrutiny Review of Credit Unions.

## b) Resources

### ● 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 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 or identifying other opportunities which we can harness.

### ● Board of Directors

The CNEDCU Board meets monthly and focuses on the strategic planning of businesses. The Board consists of currently seven directors (all are Members) who bring a wealth of experience from the private, public, voluntary and community sectors. Their backgrounds include finance, local councillor with Chesterfield Borough Council, housing, associations, the volunteer sector, insurance, and business ownership. Several Board Members have undertaken training on issues specific to the sector and specifically regulatory requirements e.g., money laundering to ensure that CNEDCU fulfils its duties in accordance with statutory expectations. Board Members have a responsibility for at least one of the following areas.

Financial Performance Reporting

Whistle Blowing

Money Laundering Regulations

Code of Conduct

Management Mapping

Regulatory Reporting, FCA and PRA as examples.

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:

<ul style="list-style-type: none"> <li>Executive skills</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of Board strategy</li> </ul>	<ul style="list-style-type: none"> <li>Training</li> </ul>
<ul style="list-style-type: none"> <li>Strategic focus skills</li> </ul>	<ul style="list-style-type: none"> <li>Customer issues, including complaints and satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Financial management</li> </ul>
<ul style="list-style-type: none"> <li>Entrepreneurship</li> </ul>	<ul style="list-style-type: none"> <li>Logistics and management issues</li> </ul>	<ul style="list-style-type: none"> <li>Management of Consortia and Partnership arrangements</li> </ul>
<ul style="list-style-type: none"> <li>Community based representation</li> </ul>	<ul style="list-style-type: none"> <li>Service points</li> </ul>	<ul style="list-style-type: none"> <li>Establishing policies and procedures</li> </ul>
<ul style="list-style-type: none"> <li>Customer representative – preferably somebody who has experience of taking out the kind of loans that the Credit Union offers to be co-opted onto the Board</li> </ul>	<ul style="list-style-type: none"> <li>Product development and implementation</li> </ul>	

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

The Board are open to applications from prospective Directors.

• **Staff & Volunteers**

The Manager and Assistant Manager are full time employees of CNEDCU with the remaining six members of staff working flexible part time hours. In addition, we are lucky to have volunteers who give their time freely to aid the operation of the credit union and provide services to Members. Volunteers operate on a flexible part time basis with hours varying. We are fortunate to have an experienced workforce with some volunteers being with CNEDCU since formation.

Staff are motivated with an excellent professional attitude and understanding of the credit union business. 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 of the business.

Many of the paid staff and volunteers work on areas of specialism including debt advice, relationships in the education sector and regulatory requirements within the sector. This has enabled CNEDCU to provide the support required by families in our area.

We continue to train staff looking at cover in all roles for absence or retirement. Succession planning is important given the relatively small number of staff compared to the tasks being undertaken. An annual appraisal of staff roles and job cover is undertaken by the Manager and where required additional training or additional staff, or volunteers are sort. Opportunity is given to existing staff and volunteers when new roles become available.

The Manager and Assistant Manager will always welcome role applications from volunteers. All paid rolls are advertised

We have at all times followed guidelines on working from home during the pandemic with staff and volunteer welfare paramount in our flexible approach. Members have been understanding in our approach with service levels continuing at the highest standard possible. We also have close working ties with several adjoining Credit Unions.

**The Supervisory Committee** is an independent committee who review processes and regulations within the Credit Union. We are actively seeking participants to this Committee which has ben depleted during the pandemic.

**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:



- **IT Infrastructure:** In 2015 we upgraded to a fully networked office IT system and continue to develop provision for our Website. We work closely with our software provider to ensure that our services are efficient for internal operations to enable us to provide an effective service to our members. We continually investigate IT solutions to improve our day-to-day operating systems and have recently upgraded to fibre optic wi-fi improving response times for Members.
- During Q2 of 2021 we commenced implementation of an App service for members through Viva. This is a proven service with Viva working with several other credit unions locally. Several App providers were interviewed with consideration given to the level of service from the provider, costing exercise which included initial and ongoing costs, future development potential. With Viva's experience in the credit union sector including our own originated feedback from current credit union users of the service they have been appointed to take this important service forward. The App is a significant step forward for CNEDCU and will allow Members to apply for loans, download requested information, apply to withdraw savings etc as well as providing several additional services which we are working closely with Viva in developing. The App development follows valuable feedback from Members provided in 2018/19 where the service was high on their list of delivery requests. During the period when our office has been closed due to the pandemic most loan applications have been completed via technology which has been greeted favourably by Members. The Viva App will take this further forward reducing the time currently taken both to credit savings into Member accounts but also in the crediting of loans to accounts.
- **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. Due to continued growth we also now rent additional adjoining office space (02/2019) which is utilised for storage and additional interviewing space if required. Some internal work was also undertaken during 2019 to increase interviewing facilities during busy periods.
- **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 in several 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 manager attends the quarterly East Midland's Credit Union Forum and is now a member of the forum leadership. The Manager, staff and volunteers also 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. Attendance of ABCUL webinars keeps staff and directors up to date on the sector.

## d) Financial Resources

The Three-Year Financial Plan for the business is detailed in Appendix 4 and identifies the financial trajectory which the business is following.

In recent times we have done much to build the financial foundations which have enabled us to move to and expand high street premises, upgrade our IT infrastructure and invest in an app.

We recognise that we have limited resources, so every capital decision is thoroughly investigated, and resultant spends proven to be of benefit to the Membership of CNEDCU.

The Board consider that the full extent of Covid-19 has not yet fully impacted on the Credit Union with the area of Member debt failure yet to fully feed through. In the financial years 2019/20 and 2020/21 we have seen the combination of income and cost pressures but with close monitoring and actions taken where required CNEDCU has reported surpluses in both years. The three-year financial plan projects a continuation of similar surpluses.

CNEDCU are required to report to the Bank of England on a quarterly basis with regards our capital and liquidity positions. Set ratios are applied within the Credit Union sector and we can report that CNEDCU have adequately met these requirements and projections indicate that we shall continue to do so.

## 7. Risks, Mitigation & Contingency Plans

Within the past year we have made enhancements in the following key areas:

1. Our flexibility in providing excellent customer service combining office and home working.
2. Job rotation and cover during periods of illness and resignation.
3. Availability of membership contact through social media and app.
4. Structured approach and contact with members who are in financial difficulty.

We are therefore confident that if we achieve our targets, we can become more 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 members. We accept that the targets are challenging but with the support of partners, membership and the commitment of the Board, staff, and volunteers we are confident that they can be met.

Appendix 1 details our SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis undertaken.

By considering the Threats from the SWOT analysis we have identified the key risks to the business, which are identified in Appendix 2. We consider that we have the appropriate infrastructure in place to reduce 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 continue with our 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 current management infrastructure in place and based on our balance sheet strength we believe that we would only have to go as far as stage 1 on this list to ensure that the business would remain solvent and delivering core services.

The CNEDCU Business Plan will be reviewed in Q3 2022 to ensure the focus and priorities for the October 2021 to September 2024 period remain appropriate. We shall during our annual "Staff Day" involve staff and volunteers in the 2022 Business Plan process.

Board of Directors  
Chesterfield and North-East Derbyshire Credit Union Limited.

## Appendix 1 - SWOT Analysis

### STRENGTHS

- we are known for our strong ethical approach, founded on community and social enterprise.
- we are established in Chesterfield and North-East Derbyshire and can operate across all of Derbyshire
- we have 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 offer
- we have experienced people with passion and energy throughout the organisation
- our Family Loan Scheme products are well established and provide strong income for the business
- members of Abcul who provide excellent support and advice
- we have strong capital and liquidity ratios.

### WEAKNESSES

- we have limited asset resources
- we do not offer competitive loans products compared to the High Street banks primarily due to our different market positions.
- we have not yet realised the full potential of partnership working with the housing associations etc.
- our offering to “payroll” deduction members requires investment
- board membership does not reflect the sex and ethnicity of our members
- our Marketing activity is weak
- response times to member requests i.e., saving withdrawals, require automation
- need to increase staffing we can call on in case of need.
- Information for new Members requires streamlining.

### 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. Investigate other geographical areas within our Bond to reduce this demand.
- potential demand and synergies from the introduction of universal credit, particularly relating to the needs of Housing Associations and other landlords
- roll out of the Viva app to members.
- partnerships with banks and other institutions particularly those tasked with helping the financially excluded
- possible future apprenticeship to be considered
- development of new products to bridge gaps in our current offering.

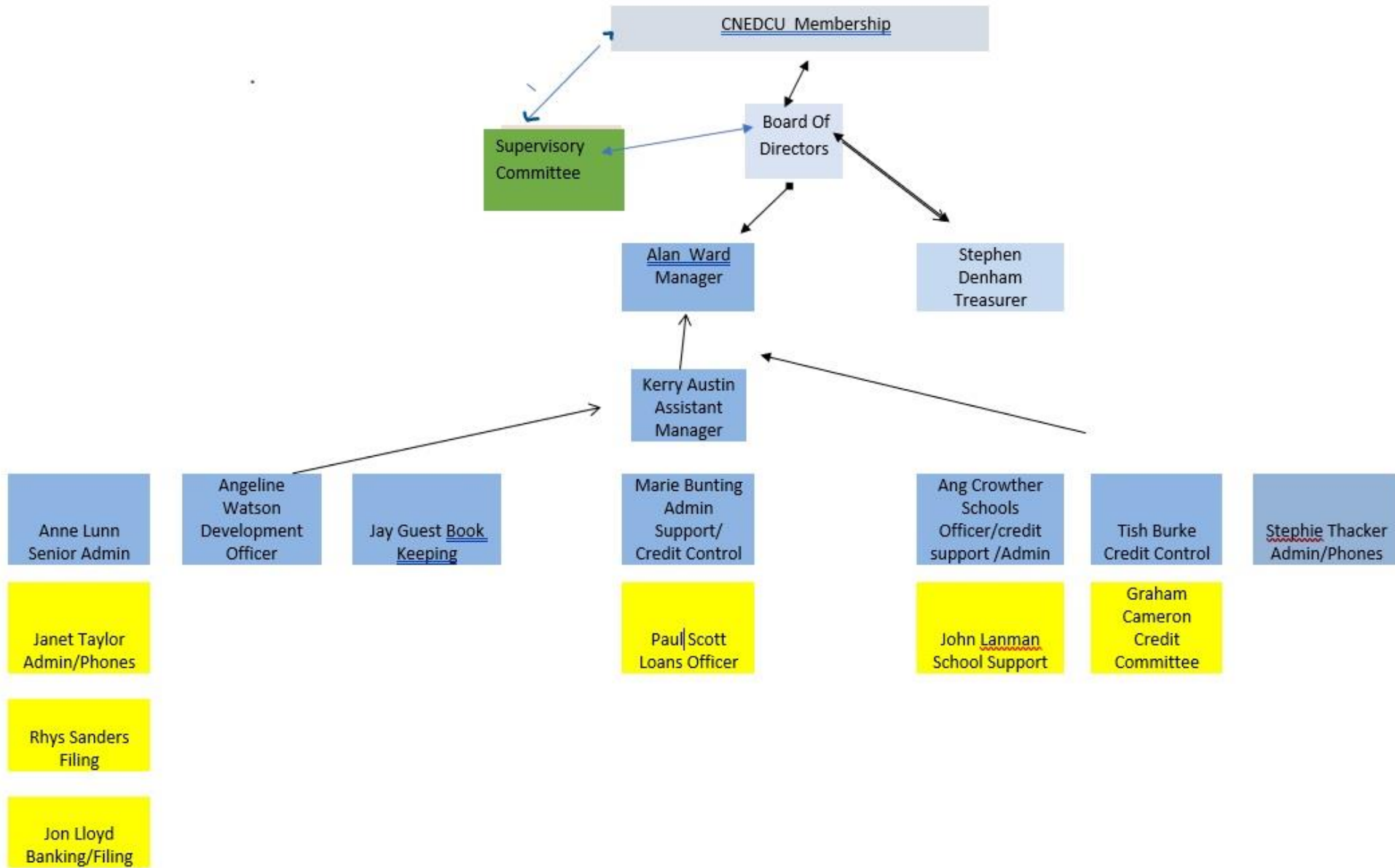
### THREATS

- competition from organisations providing same day loan facilities
- due diligence issues – governance and constitutional issues require regular updating with failure to adhere subject to fines
- loss of key member(s) of staff.
- impact of covid on local economy in turn impacting on loan defaults/bad debts/income.
- Majority of income from the Family Loan Scheme product
- majority of Members on low income or benefits so increase in cost of living has significant impact on ability to service debt.

## Appendix 2 - Risk Analysis

What is the Risk?	Likelihood	Impact	Mitigation /Action(s)
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 are unable to meet capital and liquidity ratios set by the FCA	Low	High	Monitoring of monthly management accounts by the Board with reporting of ratios. Notification to the FCA if ratios not met.
Due diligence issues: governance & constitutional issues	Medium	High	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	Medium	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.	Medium	Medium	Good communication, involvement and engaging their client base. Becoming integral to their Welfare Reform response and tackling financial exclusion
Competition from high interest lenders.	Low	Low	National negative publicity of payday lenders is often now accompanied by signposting to credit unions, helping to raise awareness and enquiries

### Appendix 3. Staffing Structure



**APPENDIX 4**

**Chesterfield and North East Derbyshire Credit Union Ltd**

	Projected Position 2020/2021	Position £	Year 2021/2022	Year 2022/2023	Year 2023/2024
			£	£	£
<b>INCOME</b>					
<b>Entrance/Service Fees</b>		900	1000	1050	1100
<b>Interest on Loans:</b>					
L1 Loans		3750	3600	4000	4000
L2 Loans		28000	29000	30000	31000
FLS		69000	71000	73000	75000
FLS +		89000	91500	94000	96000
Personal Loans		500	1700	1500	2000
<b>Grants:</b>					
CBC					
DCC			15000	7500	6000
NEDDC Housing Options					
Other		13000			
<b>Bank Interest</b>		500	700	500	500
<b>Bad Debts Recovered</b>		7500	6000	7500	7500
<b>Donations</b>					
<b>Sundry Income</b>		850			
<b>Total Income</b>		213000	219500	219050	223100

**EXPENDITURE****Staff Costs:**

Staff costs including NI, Pensions and other related Insurances.	130000	133000	135000	137000
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**Premises Costs**

Rents, rates, utilities, insurances and equipment.	37000	36000	36000	36000
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**Audit & Professional Fees**

Accountant, Fidelity Bond, Insurance etc	11000	5000	6000	6000
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ABCUL	2300	2500	2500	2750
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Printing and Postage	1500	1500	1500	1500
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Viva	6000	7500	7500	8000
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Bad and Doubtful Debts	17000	24000	24000	24000
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Legal and Professionals	1500	2450	1000	1000
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Depreciation	600	550	500	500
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Bank charges	4600	5000	4000	4000
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Other Expenses	1000	1000	1000	1000
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<b>TOTAL EXPENDITURE</b>	<b>212500</b>	<b>218500</b>	<b>219000</b>	<b>221750</b>
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Surplus/(Deficit)	500	1000	50	1350
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Dividend to Members	0	0	0	0
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Surplus/(Deficit)      After Dividend	500	1000	50	1350
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