

Kent Savers Credit Union Limited – Chair’s statement – March 2020

I am pleased to address you as chair in what is Kent Saver’s 10th year of business. Normally, we would take a look back at key achievements and our evolution. As I write, however, the nation undergoes a lockdown to help reduce the impact of the coronavirus, Covid-19. Our immediate concern is for our members, communities and colleagues; we wish everyone to stay safe and well, and to look after each other.

With great foresight just ahead of the Covid-19 lockdown, our CEO, Catherine and her team did a tremendous job at short notice to mobilise themselves to continue to operate the business by working from home. It was a significant challenge to set up technical and system arrangements to make that happen, and I send sincere thanks to our systems provider, to Catherine and her team for all that they made happen. The result is that Kent Savers is open, we are pretty much running business-as-usual but our priority is on remaining a responsible lender and doing what we can to support our members as needed.

We have certainly come a long way since our beginnings in 2010. We now have more than 5,000 members and have been growing at a rate of approximately 1% per month. I explained last year that my aim for the coming period was to build processes and functionality within Kent Savers that allows us to grow sustainably, robustly, and in a way that satisfies all of our stakeholders, and to support our aim for 2019 of LEND MORE, LOSE LESS. Here’s what we achieved, at high level – my colleagues will provide more detail:

- **Governance:** in the last year, the Board completed its implementation of a robust governance framework, which is the backbone that supports our planned growth. It keeps us safe by helping us to identify risks, how to mitigate those, by having in place the right decision-making frameworks and generally assuring good board governance.
- **Colleagues:** we set out to leverage the diverse skills and experience within our Board to ‘work smart’, manage risk and to accelerate our business growth. We have:
 - a strong, fully functioning, stable Board with a great mix of experience across credit union, banking and consumer credit sectors, housing association, IT systems, corporate governance, compliance expertise.
 - a new Treasurer – Gavin - who will introduce himself shortly, and who is proving to be a great support to the Kent Savers team and with the many initiatives we are working on.
 - strengthened our project management capabilities through the addition of a skilled volunteer to help us navigate a key change to our systems in 2020 – more on that later.
 - retained the skills of a councillor serving in Canterbury, our Vice-Chair who has close connections to Ashford council and an active supporter of Citizens Advice Bureau in Folkestone & Hythe.
 - key individuals with long tenures at Kent Savers who form our Supervisory Committee and have the right experience to support us. I thank Russell and Martin for everything they do, and special thanks to Anthony Kamps who retired from this committee in December 2019.
 - created a new position of Revenue Manager – fulfilled by Louise, whose sole focus is on arrears and bad debt management. This came about after a full review of our bad & doubtful debt which led to us introducing an affordability led methodology, in line with regulatory guidelines.
- **Financials:** as a Board we review our key metrics each month, which Gavin will detail in his report. We continue to manage our income and revenues up, our costs to a minimum and seek ways to reach a point of financial surplus.
- **Systems and Decisioning:** as we grow, it is vital that our systems grow with us by providing the necessary controls and efficiencies; helping us to operate in an increasingly digital world (to serve customers who

prefer that channel) while retaining team bandwidth to support customers through traditional channels; to treat our members fairly, safeguarding their personal data and reporting their credit status updates accurately. We have embarked on the selection of a new member application and loan decisioning platform, to go live mid-2020. Catherine will outline this further. We are working hard to deliver this new system functionality on time, without incident and to meet our core objectives.

- **Business and Member relations:** with Catherine's skills and leveraging the Board's connections, we continue with a focussed programme to reach key businesses who might help us achieve Kent Savers' goals. We have taken steps to reengage dormant members, and to encourage other current members to maintain active involvement in Kent Savers. Catherine will outline our progress.
- **Responsibility:** we continue to take guidance and support from our trade body, to meet the requirements of our regulators (PRA and FCA) in both spirit and letter, to have a positive culture that is member focussed and does the right thing.

I extend my sincere thanks to volunteers and Board, the supervisory committee, our CEO and the Kent Savers team for their excellent, hard work in the last year. Following the Board's Strategy Day in January 2020, our focus for the coming year is on:

- **Growth** through scale, sustainability and quality, having the right pricing for the projected risk, and striving towards creating a surplus
- Identifying and implementing **operational efficiency** opportunities
- Effective **member engagement**, which includes having products that are needed and supportive
- Maintaining the **right governance**, risk management and controls framework
- Managing down our **bad debt** exposure

I look forward to a successful 2020 and to continuing to serve with you all.

With kind regards

Kathy Cox
Chair of Board