

## **Kent Savers Annual General Meeting 2022**

### **Business Development Report 2022**

I have been with Kent savers for six months, starting at a time when the team were re-entering the office having been through, two lockdowns within a pandemic of which we have never experienced before and hopefully will never experience again. Whilst we are still seeing the effects of COVID the country is returning to its new normal, however, the impact on our credit union is still being felt. We continue to see increasing membership and loan book with our focus being on smaller emergency loans to young families who require emergency funding primarily written against their child benefit payments. Writing a loan against child benefit does not guarantee the repayment, however it does decrease the likelihood of default, enabling us to provide funding to those most in need and those who are financially excluded from the mainstream products so many of us can easily apply for. We continue to see many loan applications with a 50% approval rate showing the hard work the team put into working with the borrowers to get them over the line.

I'd like to extend my thanks to our membership for their continued support of our credit union. A newcomer myself to the credit union space my background being investment banking then subsequently landlord/tenant technology, credit unions perhaps are not the most obvious of charitable or community driven causes. However, the work the team do on your behalf on a daily basis makes an incredible difference especially during the difficult times we have faced with the pandemic and now the energy crisis, where so many families are faced with less coming in than is going out.

Now more than ever it is critical our credit union sustains support from our partners, and this is where I will be working to ensure we build new support networks and enhance existing ones to reach more people in deprived marginalised communities who, as already mentioned, simply do not have access to financial products through no fault of their own. Giving them the chance to have exposure to basic credit or even a bank account enabling the ability to build up their credit history and achieve financial stability.

However, sadly, there is a more sinister side to this industry in the form of loan sharking. I've worked closely with Maidstone council, loan shark victim support charities and the illegal money laundering department to learn more about loan sharking and I'm shocked at the many forms it takes. From

school mothers in the playground to medical consultants, this year has seen a number of loan sharks in many shocking forms face prosecution. A small loan of £50 can turn in to £1000s in repayments not to mention the intimidation and potential violence that can be involved. It is truly an evil exploitation of people at their most vulnerable. I feel that community finance providers and credit unions such as Kent Savers are overlooked as key solutions to these horrific problems. The generosity of members placing their savings or making their borrowings from credit unions such as ours really can make a difference to the communities that we support. Last year many local councils in Kent showed their support through grant making. I am working with those councils this year to provide continued support and potentially structure loan programmes to help those with spiralling debt problems. I will be working closely with people in the appropriate departments to ensure they fully understand the products and the help that credit unions can offer to the right people at certain trigger points before they make difficult financial decisions.

### **Partnership outreach programme**

Having spent six months finding my feet within the credit union space and understanding the impact and footprint Kent Savers has within Kent and Bexley, my key focus is now to expand the reach and exposure of Kent Savers to deprived communities. I will be doing this by developing and executing the partnership outreach programme. This programme will infiltrate businesses, associations, charities, churches, councils and organisations within our communities where the people who need our products and simply do not know we exist are embedded. This may take many forms, not only those in emergency need but those in need of financial education and planning in its most basic form of saving. Housing associations are a prime example. Kent includes over 90,000 social housing homes with many thousands of tenants. 17% of social renters are living without an essential item (a washing machine, cooker, fridge or freezer) and this can cause them to pay a significant 'poverty premium' amounting to over £1000 a year to complete basic household tasks. Going without can also lead to serious detriments to physical and mental health and wellbeing. Housing officers within housing associations are on the front line of understanding when someone is in financial need and potentially vulnerable to high interest lending or worse taking steps towards loan sharks.

Implementing structured training plans for Kent Savers to deliver solutions within financial inclusion teams in housing associations can offer solutions to vulnerable tenants, before they make financial decisions which could get them into spiralling debts or endanger them with illegal lending. I plan to engage with housing associations and ensure they have full training on how to refer people at the key trigger points. This is just the start; it is not only about offering financial support at critical points, financial education is also vital. We will engage with social tenants through the housing associations

providing financial education in formats that suit the user such as email newsletters, social media, and webinars. Partnering with organisations such as Moneyhelper.org to help us provide content and tools which will assist people to make better financial decisions, ensuring they know the choices that are available to them which may not be as obvious as the mass marketed high interest options.

### **IT and online systems**

We continue to use our new front end system and app Incuto with our back-office system Progress and have implemented improvements this year to the communication between those systems specifically around withdrawals, increasing efficiencies within our administration teams. Our fantastic new website was launched at the beginning of last year and it complements social media campaigns and the new weekly newsletters aimed at promoting financial education and money saving tips. The coming year will see more social media engagement and an effort at creating interesting ways of promoting financial control and stability to complement the partnership outreach programme.

### **Credit Control and Team Changes**

Congratulations to Mary Anum who has been promoted to Financial and Operations Director. Part of the focus in the last few months has been credit control. Credit control continues to be an important part of our daily work and unfortunately, we have seen both part time members of staff who control this function move on this year. We have hired a replacement to encompass both roles, the new hire will spend more time in the office enabling them to work closer with our administration, lending, and management team. I have looked at several technical options to help us streamline the process and we have implemented increased functions and processes within the back-office system Progress to assist with efficiencies and reporting.

Finally, this year saw the exit of the previous CEO Catherine Parker. I'd like to thank the entire team and the Board for their continued support in the running and the growth of our credit union. We have some fantastic plans for the coming year, and I look forward to executing them enabling us to reach into the communities within our common bond to support financial resilience where it is needed most.

Adam Male

Director