

1. Welcome and Introductions

Director's present: Manju Shahul Hameed (Chair), Catherine Black, Philip Butlin (Treasurer), Dilly Dokubo, Clive Fraser (Secretary), Carlla Kennedy, Naomi Martin, Ranil Perera, Steve Triner, Simon Wales (Vice-chair)

The Chair welcomed everyone to the meeting, which was again being held in unprecedented times which have affected all our lives since last February 2020.

Manju thanked ABCUL (the Association of British Credit Unions) with special mention to Jackie Littlewood for their continued support and assistance in running the virtual AGM.

It was noted that 54 members from across the 3 boroughs (Croydon, Merton, and Sutton) attended the beginning of the meeting, this was a new record.

Attendees were reminded that the meeting was being recorded and that handouts of all key documents can be downloaded from within the online virtual meeting portal (including Agenda, last year's accounts, Minutes from last year's AGM and a copy of the latest Newsletter).

Members present were invited to submit questions during the meeting via the Chat function and there would be opportunities to have questions for each main agenda item, plus a Q and A session would be held at the end.

The Chair stated that even during these difficult times some positive things have happened within CroydonPlus which will be covered in more detail later.

2. Quorum

The Chair confirmed that the AGM was quorate (with either 10% of total membership or at least 15 members in attendance).

3. Apologies for Absence

Apologies of absence were noted.

4. Minutes of the previous AGM held on 8th September 2020

These had been included in the papers available online and were also available via the CroydonPlus website. They were moved as a true record of the previous AGM by Simon Wales and seconded by Phil Butlin. The meeting accepted the minutes by electronic voting with 56% accepting the minutes and 44% abstaining or saying they had not been at the previous AGM. There were no matters arising.

5. Guest Speaker

The Chair welcomed John Haslam, ABCUL's Head of Member Engagement, as the guest speaker. John would be speaking about a Wider Perspective on the Credit Union movement in the UK.

With the pandemic, he said it would be easy to focus on negative issues but there were good reasons to be positive about the Credit Union movement and how it had risen to the challenges of 2020. First, by way of context, John referred to the international profile of Credit Unions and to 2 prominent leaders where the Movement was especially strong: Edward Filene in the USA and John Hume in Northern Ireland. John Hume had stressed how, prior to Credit Unions, people in poverty in Ireland simply could not borrow as banks would not help them. Key to the movement was the mutual loyalty of Credit Unions to their members and vice versa, based on the values of co-operation.

John advised that a recent survey to measure the impact of the pandemic has identified that:

- 53% of UK adults are displaying characteristics of vulnerability.
- This equates to an increase of 3 million since February 2020.
- 27.7 million adults are now more likely to suffer harm through poor decisions.

Internationally, there are about 85,400 Credit Unions, operating in across 6 continents, and in 118 countries: with about 274 million members (figures from the World Council of Credit Unions). The role of Credit Unions in the UK is less advanced, and they started here later than in other countries; ABCUL's mission is to promote a stronger, more high-profile Credit Union presence in the UK.

The experience of 2020 for Credit Unions has been that people are saving more and taking out fewer loans. There are obvious reasons for this trend (uncertainty, but also fewer opportunities to spend particularly during the most restrictive period of lockdown) which made sense for individual members. However, John reminded people that this meant less profitability for Credit Unions and thus fewer opportunities to grow and support more people, as interest on loans drives the ability of Credit Unions to offer more loans to more people. If Credit Unions have bigger reserves as a result of more members saving, and make fewer loans, reserves have to be invested in banks which offer much lower rates of interest, thus impacting on the Credit Union's profitability, though he reminded people that profitability was not an aim in itself for Credit Unions but instead the means to expand and offer more services to more people.

John mentioned several examples of how Credit Unions were responding the needs of their communities and members during the pandemic: these included.

- extended opening hours.
- making more support calls to vulnerable members.

- services focussed on key workers, such as interest free loans.
- liaising with local food banks to support those in greatest need.
- grants to charities supporting the most vulnerable in communities.

John suggested several ways in which individuals could in turn support their Credit Unions; including.

- Word of mouth recommendation of Credit Unions to friends, family, colleagues etc. who are looking for loans.
- Seeing the Credit Union as your lender of choice when borrowing money.
- Volunteering with the Credit Unions, e.g., by joining the Board, especially if you have specific skill sets, but also in a variety of other roles.

CUs are also able to offer services remotely where people unable/unwilling to go out.

6. Reports

Chair's report

- The Chair highlighted the recent issues we have all had to experience through the COVID pandemic but advised things are improving lives hopefully return to normal.
- The Chair responded to some concerns raised by members regarding the impact of the recent reported financial issues experienced by Croydon Council. It was re-affirmed that Croydon Council and CroydonPlus Credit Union are two totally separate legal entities, and any financial difficulties will not impact the Credit Union or its members. However, the Chair did inform members that Croydon Council have just been awarded £120m capitalisation which has enabled the budget to be balanced and for Croydon to no longer be under Section 114.
- The Chair advised that over the past months CroydonPlus have observed the following:
 - An increase in requests for its services
 - Decrease in demand for lending (although this is not changing)
 - Small increase in membership
 - Increase is in the number of Shares (savings) held by members.
 - Increase in service requests from 'vulnerable' members meaning we are helping more members who are going through difficult times.

The Chair confirmed the introduced the current Board Members:

Chairperson: Manju Shahul-Hameed

Directors:

Catherine Black

Phil Butlin

Dilly Dokubo

Clive Fraser

Carlla Kennedy

Naomi Martin

Ranil Perera

Julia Pitt

John Tooze

Steve Triner

Simon Wales

Minute Taker: Peter Robinson (previously Jon Head)

A note of special thanks to Jon Head for his contribution to the Credit Union especially as minute taker for the Board. Jon has recently had to step down from this role.

Loan Purpose

The Chair presented that during the last financial year the purpose for loans taken out with the CroydonPlus are as follows:

- 29% Urgent Bills
- 23% Home Improvements
- 23% Holiday
- 5% Car
- 5% Debt Consolidation
- 4% Education and Childcare
- 3% Special Occasions (e.g. Birthday)
- 3 Electrical Equipment
- 3 Housing Deposits
- 2% Other

Where our Members Live

- 66% Croydon
- 12% Other (previously lived in Croydon, Sutton, or Merton)
- 11% Merton
- 11% Sutton

The Chair named and thanked every member of staff and all volunteers. She expressed the Board's appreciation for the leadership and support provided over a very challenging period by Peter Robinson, Operations Manager, and Michael Wilson, Chief Executive Officer.

<u>Staff:</u>	<u>Volunteers 2019-20</u>
Michael Wilson - Chief Exec Officer	Vilma Couthino
Peter Robinson – Manager	Jon Head
Ruby Begum – Croydon Council	Michael Jennett
Eniola Akinosho	Alexandra Lacerda
Annie Basse	Russell Makin
Hayden Brenen	Jentine Nelson
Robert Crofts	Lucidia Rodrigues
Chelsea Dash	
Emma Duncanson	
Kavitha Kumaresan	
Tai Lamard	
Steven Obigbesan	
Niyi Osilaja	
Steph Rees	
Tracy Wager	

The Chair shared one of the many examples of positive feedback provided by the members of CroydonPlus.

b. Treasurer's report

The Treasurer said 2019/20 was a challenging year both operationally and financially. Over the year a decrease in the number and value of loans taken was observed, however income did rise slightly, this was mainly due to the increased loans processed in the previous year.

Expenditure was broadly in line with budget, but lower than actual income resulting in a deficit for the year of £19,928 (£3,302 before charging £16,896 dividend to members paid during the year in respect of 2018/19). As a result of the deficit reserves fell to £333k (£353k in 2018/19), but these remain above the minimum level required by the regulator. The reserve ratio must be at least 5% and the current ratio, calculated in accordance with PRA rules is 7.57%. This is a reduction from 10.24% last year partly because of the reduction in reserves and partly because total assets have increased due to additional deposits from members, up by £1.1m during the year to just under £5m.

High Level Summary:

- Overall Deficit of £-19,928
- Total Reserves £332,571
- Revenue/Income £503,910
- Number of Loans 1,873
- Value of Loans £2,564,149
- Interest of Loans £442,576
- Expenditure £523,838
- Bad Debt Provisions £255,861
- Bad Debt Recovery £19,942

Income is up on 2018/19 due to a small increase in loan interest receivable (up from £427k to £443k – 4%) and because of additional income from the Government's furlough scheme and from the Illegal Money Lending Team.

The main reason for increased expenditure in the year is additional staff costs (up by £108k). This planned increase is to deal with the additional workloads arising from the growth in membership over the last few years.

There is also an increase in the cost of bad debts, up by £38k.

Outlook for 2020/21

The outlook for 2020/21 remains challenging. Despite the continuing impact of the pandemic, we need to increase the value of loans to members so that we can generate enough income to cover our costs and provide for adequate reserves.

Dividend for 2019/20

In the light of the deficit for the year and the ongoing difficult operating environment the Board is not recommending that a dividend is paid in respect of 2019/20.

c. Acceptance of the Financial Statement and Auditor's Report

The Treasurer confirmed that the Auditors had made an unqualified report, which was contained within the papers circulated and accepted and approved by the Board.

d. Supervisory Committee

Michael Jennet presented and advised that the work of the Committee had been affected by the Covid pandemic and he had been unable to visit the office for the majority of this time. However, he did advise that there are now three members on the Supervisory Committee and over the year they have looked at Credit Control, signed Loan Agreements and Year End Reporting.

There was then a short break in proceedings where Hayden Brenen an employee of CroydonPlus performed some music.

7. Appointment of Auditor 2020/ 2021

The Board was recommending the reappointment of the existing auditors Hartley Fowler LLP. The Treasurer referred to the support offered to the Credit Union as one of the company's partners sits on and provides free advice to the Credit Union's Finance Committee. An electronic vote followed- 97% in favour, 3% against, so carried.

8. Elections

a. Election of Board of Directors

Four existing directors are due for re-election, Clive Fraser, John Tooze, Dilly Dokubo and Steve Triner. However, both Dilly and Steve have requested to not stand for re-election this year. Three members have applied and wish to stand for election to the Board, meaning CroydonPlus have 5 candidates for 4 Board spaces, therefore a contested election was required with all attendees invited to vote for only 4 of the 5 candidates. Candidates in attendance were asked to introduce themselves plus attendees had been given access to the candidate's nomination form providing further background information.

The results of the election were as follows:

Clive Fraser 86%
Enid Mollyneaux 75%
Daniel Ayeni 78%
John Tooze 61%
Ben Gadsby 53%

Clive, Enid, Daniel and John were therefore duly elected and welcomed to the Board.

9. Guest Speaker

Steve Triner an existing Board and the current CEO of Sutton Citizens Advice Bureau gave a similar talk to John Haslam looking at the current and future financial impacts of the COVID pandemic within London.

Looking ahead.....

The pandemic has exacerbated inequalities. Young people, renters and BAME people have experienced worse economic impacts than older people, home-owners and non-BAME people. Women have been impacted by school closures and working sectors such as hospitality that have been impacted by lockdowns etc.

The government has put in place a range of measures, some of which were extended in the budget but there are gaps.

Universal Credit and working tax credit uplift

The government, as part of its response to the Coronavirus pandemic, increased the *Universal Credit standard allowance and Working Tax Credit* by £20 per week, on top of the usual annual uprating. However, the government only legislated the increase as a temporary increase for one year.

The government is extending the temporary £20 per week increase to the universal credit standard allowance for a further six months, on top of the planned uprating and that the measure will apply to all new and existing universal credit claimants. In relation to the working tax credit uplift, the government is making a one-off payment of £500 to eligible claimants.

Other welfare benefit measures announced in the budget

In addition, the government has announced that -

- the higher universal credit surplus earnings threshold of £2,500 for universal credit claimants will be maintained for a further year until April 2022, when it will revert to £300
- the suspension of the universal credit minimum income floor for self-employed claimants will continue until the end of July 2021 and will be gradually reintroduced from August 2021.
- from April 2021, the period over which universal credit advances will be recovered will increase to 24 months, while the maximum rate at which deductions can be made from a universal credit award will reduce from 30% to 25% of the standard allowance.

Benefit Cap

The government has not made any changes to the benefit cap, despite a campaign from organisations such as CPAG, urging the government to scrap the cap. The benefit cap applies to many people and families of working age. In London, the benefit cap is:

£442.31 per week (£23,000 a year) if you are in a couple or a single parent and your children live with you.

£296.35 per week (£15,410 a year) if you are a single adult.

There are exemptions to the cap (someone in the family in receipt of disability benefit or sufficient earnings etc). People that lost their jobs due to C-19 who will be or have recently coming out of the *9-month grace period* will face hardship. This will have particular impact in London as although the cap amounts are higher in London, rents are much higher.

Furlough

The Coronavirus Job Retention Scheme has been extended until 30 September 2021

Furloughed employees will continue to receive up to 80% of their pay for hours not worked while the scheme continues:

- From July, the government will contribute 70% and employers will have to pay 10% for hours not worked.
- In August and September, the government will pay 60% and employers 20%.

Workers in the hospitality industry, retail and entertainment have been badly hit with job losses. These are the sectors which have seen the biggest impact from Covid restrictions. They also employ large numbers of young people, women and BAME people, who have borne the brunt of job losses. During the pandemic half the drop in the number of employees has been among the under-25s.

Most economists expect the unemployment rate (which counts how many people are able to work and want a job but can't find one) to continue rising in 2021. The Office for Budget Responsibility expects 2.2 million people to be unemployed at the end of the year, or 6.5% of all

workers. The number of unemployed is expected to fall in 2022 as the economy recovers from the crisis.

Court actions / eviction

Most evictions remain *paused until after 31 March 2021*. All section 21 evictions are on hold until after this date. People can only be evicted by court bailiffs before then in very limited circumstances. People will still need to attend a hearing if there is one.

Debt & Financial Resilience

The FCA concluded its FLS (*Financial Lives survey*) research in February 2020 and ran an extra survey in *October 2020* to understand the impact of the Covid-19 pandemic on the financial situation of consumers.

According to the October survey, there are now *27.7 million adults in the UK with characteristics of financial vulnerability* such as poor health, low financial resilience, or recent negative life events. Having one of these characteristics means that these consumers are at greater risk of financial harm.

This figure is up 15% since the FCA completed its FLS in February, when 24 million displayed characteristics of vulnerability. The Director of Consumer and Retail Policy at the FCA has said: 'The pain is not being shared equally with a *higher-than-average proportion of younger and BAME adults becoming vulnerable since March*. It is likely the picture will have got worse since we conducted the survey.

Report from the FCA's Insight – by end of July 2020, the earnings of BAME workers had dropped by an average of 14% (from the February level) whereas earnings of white workers had dropped by 5%. BAME millennials are / were 47% more likely to be on a zero-hours contract.

Food prices

Global food prices have risen steeply after first seeing a slump during the pandemic, prompting fears of widespread food poverty in the months to come.

According to the Food and Agriculture Organisation (FAO) of the United Nations' Food Price Index (FFPI), global prices rose for the ninth consecutive month in February, reaching its highest level of growth since July 2014.

Bloomberg reports that prices for commodities such as oil and grains are being driven up by expectations for a "roaring 20s" post-Covid economic recovery, as well as "ultra-loose monetary policies".

The impact in London

Universal Credit claimants have almost doubled since March 2020 across GB but have increased further and more rapidly in London than in any other area. London started the pandemic with a relatively low proportion of its working age residents claiming UC but this has risen to more than one in six – similar to the proportions in the North East and North West.

Just over a third of Londoners said that the pandemic had *not* had a financial impact on their households throughout the last year and one in ten adults reported being better off financially as a result of the pandemic, particularly those in higher income groups.

More households with lower income have been struggling due to the pandemic – this didn't ease during the summer but has increased during the current restrictions.

In November, 21% of Londoners who were renting said that their financial situation was quite or very difficult – compared with only 3% of owners. 13% of renters were not up to date with rent, compared with 4% of owners. 26% of renters were behind on their household bills compared with 3% of owners. The FCA report reveals the impact the measures to help mortgage borrowers have helped with one in six (17% or 3.2m) mortgage holders having taken up a mortgage payment deferral and four in ten (40%) of them reporting they would have struggled a lot without such measures.

Young Londoners aged 16-29 are around twice as likely to say their financial position is difficult, compared to those aged 30-49 – 16% v 7%

Sutton has one of the [lowest rates of furlough in London](#). Higher proportions of employees are on furlough in Croydon and Merton but North London boroughs tend to have the highest rates of workers on furlough.

Croydon has had a [relatively high percentage point increase](#) in people claiming benefits as unemployed, but lower rates in Merton with one of the smallest increases being in Sutton

Experience of Citizens Advice Sutton

We had more welfare benefit enquiries in the two months January – February this year, then we did in April – May 2020.

We had more debt enquiries in the two months January – February this year, then we did in April to May 2020.

We had more employment enquiries at the beginning of the pandemic – April – May than we did in January to February.

(Small) Reasons to be cheerful

According to the FCA, *48% of adults have not been affected financially by Covid-19, and 14% have actually seen an improvement in their financial situation.*

Breathing space

Comes into force on 4th May.

A standard breathing space is available to anyone with problem debt. It gives them legal protections from creditor action for up to 60 days. The protections include pausing most enforcement action and contact from creditors and freezing most interest and charges on their debts.

A mental health crisis breathing space is only available to someone who is receiving mental health crisis treatment and it has some stronger protections. It lasts as long as the person's mental health crisis treatment, plus 30 days (no matter how long the crisis treatment lasts).

Kickstart!

funding to employers to create job placements for 16 to 24 year olds on Universal Credit. The Kickstart Scheme provides funding to create new job placements for 16 to 24 year olds on Universal Credit who are at risk of long term unemployment. Employers of all sizes can apply for funding which covers:

- 100% of the [National Minimum Wage](#) (or the [National Living Wage](#) depending on the age of the participant) for 25 hours per week for a total of 6 months
- associated [employer National Insurance contributions](#)
- employer minimum automatic enrolment contributions

Employers can spread the start date of the job placements up until the end of December 2021. Further funding is available for training and support so that young people on the scheme can get a job in the future.

10. Q&A

The panel and guests were invited to respond to a number of questions raised throughout the evening. Please see separate Q&A spreadsheet for further details.

11. Any Other Business

None had been notified in advance, but the Chair invited any other comments/issues to be raised. None were raised other than thank you.

12. Closing Comments

The Chair thanked all members and everyone involved for what had been very successful meeting. With special mention to Michael and Peter for organisation the event, Jackie and John from ABCUL for assisting with hosting the event, John and Steve for their presentations and Hayden for his musical performance.

Meeting closed @ 8.35pm