

London Capital Credit Union Limited

Minutes of the Annual General Meeting of members

held at the UNISON Centre, 130 Euston Road, London NW1 2AY
on **Thursday 13th February 2020** at 7pm.

Present: One hundred and six members of the credit union and the following officers:

Directors: Helen Baron (President), Mark Badcock (Treasurer), Elisabetta Bertero, Paul Campy, Jonathan Colclough, Elaine Greaves, and Don Kehoe (Secretary).

Supervisory Committee: Gordon Brown, Brenda Cossio, John Davies, Eugene McCrohan.

CEO: Martin Groombridge, and many members of staff and Francois Jarrosson (Prospective Director)

1. Welcome and Apologies for Absence

The President, Helen Baron, drew the meeting to order at 19.00 and welcomed everyone to the meeting. The President advised that the meeting was quorate and so could proceed with the business on the agenda. It is the membership's opportunity to engage with the democracy of the credit union.

The President went through meeting housekeeping: phones set to silent, Health and Safety matters, confirmed no fire drill planned and exit procedures, locations of facilities including accessible toilets. She advised that the meeting would be photographed and recorded and anyone who did not want to be shown should speak to a volunteer or member of staff after the meeting which was scheduled for one hour.

2. To Note the Standing Orders (distributed at the meeting)

HB drew members attention to the meeting pack and the Standing Orders on orange sheets. These are the rules for the conduct of the meeting. It is essential to raise your hand if you want to speak, and wait for the microphone for those with hearing aids that rely on the room's hearing loop. There will be refreshments after the meeting when all present have the opportunity to discuss any individual queries with staff and board members.

The rules states that when the President stands no one else may speak.

The Standing Orders were **noted and accepted**.

Apologies for absence were received from Kathleen Egan, Michael Mlilo-Mabasa and many members by email.

3. Appointment of Tellers

HB invited the meeting to appoint Francois Jarrosson, and Eugene McCrohan and Gordon Brown from the supervisory committee as tellers if there is a need to count votes during the meeting which was **approved**.

4. Previous Minutes (available on the website and distributed at the meeting)

Minutes of the Previous AGM held on 14th February 2019

HB presented the minutes of the previous AGM which had already been reviewed by the board. The minutes were **agreed** as being an accurate record of the meeting and were signed by the President.

5. Board Report and Questions

The President introduced the board directors to give an overview of the credit union and the challenges we are facing this year.

HB: A general overview with graphs. The credit union has grown significantly over time but we have had to cut back our growth so we can manage the level of capital required by our Regulators. We are concentrating on increasing our Salary Savings Schemes with members' employers. We have expanded out Common Bond to allow us to welcome more members.

PC: New things in the last year. Multi-channel delivery of services; not just in the office but also website, the SmartPhone app and, of course, telephone. We have improved website use so you can sign forms electronically. Don't forget you can send "MyBalance" to 60060 to check your savings and loans. We are also part of the government Prize Saver Account scheme with monthly £5,000 prize. Unfortunately volunteers and staff are not eligible.

EG: Annual customer survey. Comments were shared from the survey. Members who had contributed to the survey were thanked.

EB: The process of the survey. Reply rate increased from 8% to 15% - please note there is a prize awarded £250 at random to someone who takes part in the survey. It is very important to have the survey so we can tell if you feel we are meeting our social objectives and we can demonstrate that to our partners like the local councils within our Common Bond. We do the survey every year so please take part next year.

HB: Accreditation and our social and community values. We were the first credit union to be awarded two of the top five stars Fairbanking ratings for our loan products. This year we have signed up as a founder member of the FairLife Charity commitment. We have a duty to look after the staff and signed up for the London Living Wage, and we have also signed up to the Women in Finance Charter and have 44% female board.

DK: Universal Credit. If you are eligible it is important to register for Universal Credit as soon as you can and not wait until your funds have run out as the clock only starts running after you have applied. Remember you can borrow from the government before your first UC payment is received but you will have to pay it back.

HB: Strategic Aims. Our biggest constraint or challenge is the regulatory capital requirements which continues to be difficult for us. As a result, we are more cautious in lending and retain a surplus to go towards building our reserves. We are looking for support from partners to build our regulatory capital with subordinated loans and deferred shares. We have lobbied for changes in the capital requirements and there is hope that the Regulators will review the rules. Bad debt has been a problem this year and we always try to help borrowers when they find they cannot repay with payment holidays or rescheduling the repayments over a longer term so the monthly amount is lower. However, it is important that borrowers contact us and work with us in that situation.

The board manages risk and the compliance of the credit union. We have certain compliance declarations to the AGM. We are in the depositor protection scheme, FSCS, and you are all covered up to £85,000 and would get your money returned within seven days. We provide data according to the rules known as Single Customer View or SCV. We have fidelity insurance. We undertake what are called "additional activities" in that we offer loans for more than £15,000 over savings. Our policies allow members to borrow a maximum of £20,000 over savings.

We actively maintain a register of key risks and review and adjust what we do regularly to mitigate risks. We run regular tests of the business continuity plan. Our main risks are maintaining regulatory capital, bad debt, cyber attack, key person risk.

The President invited questions from the floor

A member recommended Prof Elsthorne's investigation of Universal Credit to the meeting. A member asked where the credit union invested and commented that he had experienced a delay in the phone being answered

A member asked why all members are automatically enrolled in Prize Saver Scheme, can members help in getting their employers in Salary Saving Scheme, what community based investments the board is looking at.

The President responded. The credit union's funds are mainly used to make affordable loans to other members. By law we cannot invest in most kinds of investment opportunities so maintain balances with UK banks. We serve the community by offering corporate accounts to clubs and charities. We apologise if we do not answer phone promptly but we have improved the website and App and if you cannot get through please send an email or leave a message and we will get back to you. We cannot automatically enrol you on the account which is a Treasury restriction and the Treasury sponsor the scheme. We would like to see our members winning and would enrol everyone. We welcome anyone working with us to set up a Salary Saving Scheme with their employer – please speak to a staff member after the meeting or call the office.

6. Loans Panel Report

JC: Lending and loans report. Members save with the credit union and we then use that money to lend to other members and charge an interest rate on it. That interest covers our costs like staff, computers, rent etc. and what is left over is our surplus. The figures and graphs in the annual report were spoken to.

JC invited questions

A member asked what concrete steps have been taken to control bad debt

A member asked will interest rate costs on loans go up because of bad debt.

A member asked if there are any plans for credit union to become a mortgage provider

The detailed procedural changes for controlling bad debt are an operational issue for the CEO but the policy changes have involved looking at the loan book and changes to how soon a member can borrow and how much an initial loan can be.

There are no current discussions to increase rates on loans.

There are regulatory barriers for credit unions providing mortgages but we do offer higher loans to home owners for renovations and such like.

The Board report in the annual report was **received** and **accepted**.

7. Financial Statements for the Year Ended 30th September 2019

The President introduced MB our Treasurer who spoke to the financial statements.

We finished the year with a small loss. We feel this was because of the regulatory capital issues we had to restrict lending and led to a loss of interest income. The increase in bad debt is again disappointing.

The Treasurer offered to take any questions on the Accounts, but none were raised.

The financial statements were **received** and **accepted** by all present.

8. Dividend and Rebate of Interest for the Year 2018-2019

HB: As there was no surplus this year we are unable to recommend a distribution, but we should pay 1.0% interest to Young Savers for the coming year.

In summary the proposal is:

- a) No dividend on savings during the year
- b) No rebate on loan interest paid during the year
- c) Interest of 1% to be paid on Young Savers' savings during the year

The recommendation was accepted and **agreed** by all

The President reported that the Young Savers interest agreed was not paid out last year so we will pay two years interest this year.

9. Appointment of Auditors

Alexander Sloan have been auditors for three years now.

The auditors Alexander Sloan were **confirmed** for next year unanimously

10. Supervisory Committee Report and Questions

JD: The work of the Supervisory Committee. This year the Supervisory Committee did a lot of work to ensure the credit union was compliant with the law and policy particularly the requirements of the General Data Protection Regulation (GDPR).

Supervisory Committee are always looking to recruit new members. If interested, please get in touch at the office. The committee acts on behalf of the interests and security of members. The committee undertakes regular monthly and ad hoc checks on a sample of data held by the credit union. The Supervisory report is delivered to the board each month. There were no major concerns this year.

JD invited questions

There was one question if there was additional work for the Supervisory Committee arising from the fraud the committee had experienced. Checking had meant a lot more effort going into looking at non-paying loans over a few months.

The Supervisory Committee Report was **received** and **accepted**.

11. Election of Officers (election statements circulated at the meeting)

a) Election of Directors

The President reported that three candidates for election accepted by the Nominations Committee had their election statements in the pack: Mark Badcock, Jon Colclough and Don Kehoe

b) Election of Supervisory Committee Members

There was one candidate for election to Supervisory Committee accepted by the Nominations Committee and her election statement was in the pack: Brenda Cossio-Nunez.

All the nominees spoke in favour of their application.

As this was an uncontested election it was **agreed** by all to dispense with the usual election process and elect all candidates together by an open vote.

Mark Badcock, Jon Colclough and Don Kehoe were **elected** as Directors with all in favour
Brenda Cossio-Nunez was **elected** as Supervisor with all in favour.

12. Rule Change

The rule change intention is to extend Common Bond to all employees of businesses which have a base in our Common Bond. The businesses are Royal National Orthopaedic Hospital NHS Trust, Burtons Biscuits, Dorchester Collection and Continuity of Care Services. The formal motion was submitted to the AGM which would form the basis for the submission to the FCA, our registrar and regulator, with the secretary authorised to adjust the wording to meet FCA precise requirements.

The Motion was **approved** by all in favour.

13. Close of Meeting

The President thanked Unison for the use of their premises for the meeting. She thanked all the credit union’s supporters; the local councils of Islington and Haringey had been particularly helpful, many housing associations, the cooperative bank, Lloyds Bank Group Foundation, the Church Network, and all our unpaid volunteers, including supervisory committee and the board. She thanked the staff for their service over the year, and the international interns who have worked with us in the last year.

All items of business having been completed, the President thanked all those members present for attending, invited all present to join the board and staff for refreshments and closed the meeting at 8.05pm

Signed by the chair of the subsequent AGM, held on (date)

..... (Signature)
(Name)