



AGM 2021 Chairman's Remarks

Usually when I write these remarks, I confine myself to the last full financial year, but this year I am sure than members would also like me to bring them up to date with events over COVID pandemic which have taken place up to the time of writing.

Little did I think last year when I sat down to write my annual report for the financial year ending on 30 September 2020, that NEFirst would be going through the year that it has proved to be for the Credit Union and for us all! I supposed that after a few weeks, we would find out that COVID, like SARS before it, would be something of a damp squib – a lot of fuss but which would not really affect us much at all. How wrong have I been proved to be!

The first half of the financial year 2019-2020 was a period of consolidation following the immense problems of the previous year; we had taken firm action to rebuild our reserves with the help of loans from Durham County Council and Gateshead Council, we were getting used to our smaller paid staff and were looking forward to moving office in Stanley. I did not imagine that we would still be looking forward to moving into our new office in Stanley a year later, but we really will move in shortly – and it will have been worth waiting for!

We were very busy in the run-up to Christmas 2019, with members withdrawing their savings and many of you applying for loans, and we expect a lull in activity after every Christmas, but that does not normally last all year long.

At the end of March, the first lockdown was announced, we got some advance notice and I was both surprised and truly delighted at how quickly Joanne, our Chief Operating Officer, with the support and assistance of Lorraine our Company Secretary and our staff, were able to make arrangements to allow the business to be carried on with people working from home within a week! Some staff had to be furloughed initially, but this turned out to be a fairly short-term measure, and the Credit Union has stayed open throughout the pandemic. I would like to pay tribute to our staff for all of the work that they have put into making sure that we were able to keep going throughout.

Of course, lockdowns have meant that our volunteer- staffed service points throughout the North East have had to close. Sometimes they closed because volunteers needed to shield others closed because their venues were closed but our volunteers really have tried their best to keep things going and I would like to thank them all. It is not clear when or even if some of these service points may be able to re-open, but we do get messages and emails from volunteers every so often, which is really encouraging because we can see what is going on and how volunteers are often able to help members with accessing services by telephone or over the internet. I would ask groups of volunteers who staff service points to have a think about what they would hope to do after lockdown and let us know so we can help and support them when re-opening becomes possible.

Over the last year the Credit Union's experience of COVID has not necessarily been what I expected. Many of us thought that demand for loans would go up, people would use up their savings to make up for falling incomes and as time went on we would see an increase in bad debt. In fact, what we saw was demand for loans fell sharply over spring and summer but then picked up, so we were very busy up to Christmas 2020. This was mainly because of the popularity of our Family Loans; which

parents repay from their child benefit. We have no doubt that we were able to help many families this year with these loans, but demand for our more conventional loans has been much lower than it has been for many years. At the same time, our members did not spend their way through their savings because savings in the Credit Union rose very strongly, peaking at £5.8 million in September. This suggests that either our members did not suffer as much of a reduction in income as I expected or that they were deciding to prioritise saving in case things got even worse! Some members did contact us saying that they were having trouble repaying loans because of COVID and we were able to assist all of them; other than that, we did not see a significant rise in bad debt this year.

I am sure that many of you will have noticed that our vibrant rebranding is well underway, but because of the lockdowns, you may not know that we have opened a new office in Gateshead and with the imminent opening of our new Stanley office, we will have two new high street branches which have been designed and fitted out with a modern feel and screens to manage COVID -19. They really do look fabulous! I would like to offer all of our thanks to the generosity of Gateshead Council, Durham County Council and Karbon Homes for making all of this possible.

We are also confident that we will be able to introduce the NEFirst SOAR app in April 2021, it would have been much earlier, however Covid -19 negatively impacted on delivery timescales for permissions etc. This is a really exciting project based around a smartphone/tablet etc. app which will allow you to access your savings, apply for loans and carry out your own transactions 24 hours a day, seven days a week. It will not be cheap to introduce but will allow us to offer our services more widely across the north east and allow us to offer our services to the growing number of people who expect to do their banking online.

I would like to thank everyone involved in the Credit Union for their work over this most difficult year, for their response to the pandemic, for keeping going where they could, and for waiting patiently when there was nothing else, they could do. Whatever our plans may be, no-one knows exactly what 2021 will bring, but let us all hope it allows us to introduce the SOAR app, re-open our service points and that 2021 brings in a new normal in which we can begin to enjoy our lives again!

Peter Mackie

Chairman