



# Member Meet-up 2022

Online

Thursday 10 November





# Welcome and introductions

Louise Pryor, Chair

# Schedule

16.00	<b>Welcome and introductions</b> <i>Louise Pryor, Chair, Ecology Building Society</i>
16.05	<b>Sustainable lending in Practice</b> <i>Jeremy Kidwell, Ecology renovation borrower</i> <i>Bill Phelps, Founder member, Chapeltown Cohousing</i>
17.00	<b>Building our sustainable future</b> <i>Gareth Griffiths, Chief Executive</i>
17.25	<b>Ask the Directors</b> <i>Gareth Griffiths, Louise Pryor, Tim Morgan</i>
17.55	<b>Closing remarks</b> <i>Louise Pryor</i>



# Sustainable lending in practice

Jeremy Kidwell

*Ecology renovation borrower*





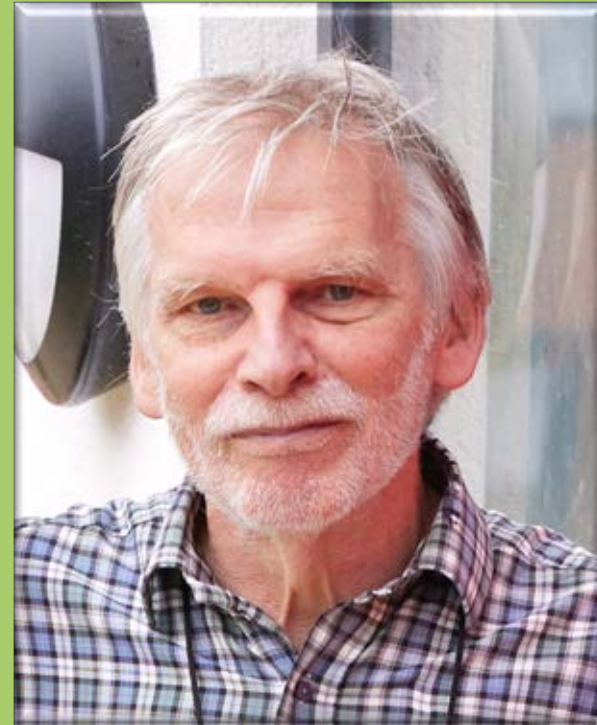


# Sustainable lending in practice

Bill Phelps

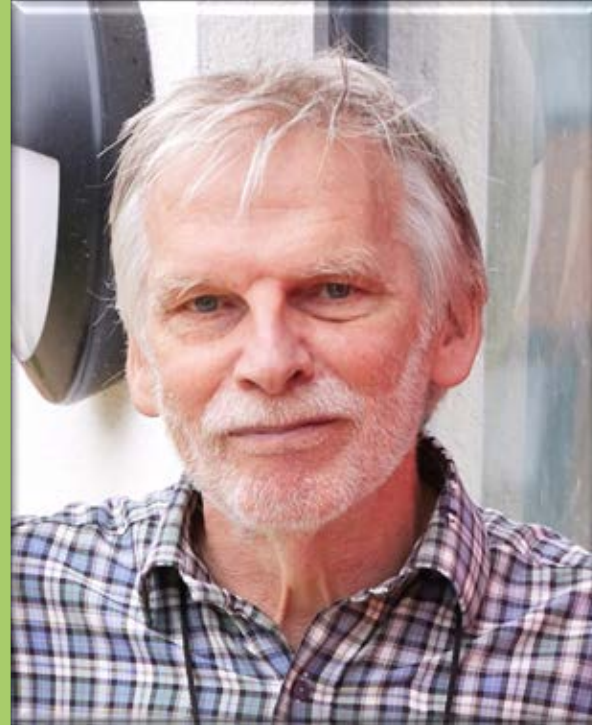
*Founder Member*

Chapelton Cohousing (ChaCo)





# Questions





# Building our sustainable future

Gareth Griffiths, Chief Executive



# A little bit about me

## My career history...



## My North Stars...



**Members**



**Colleagues**



**Family**



# What brought me to Ecology

## 1. Values Alignment...

A strong alignment to Ecology's values

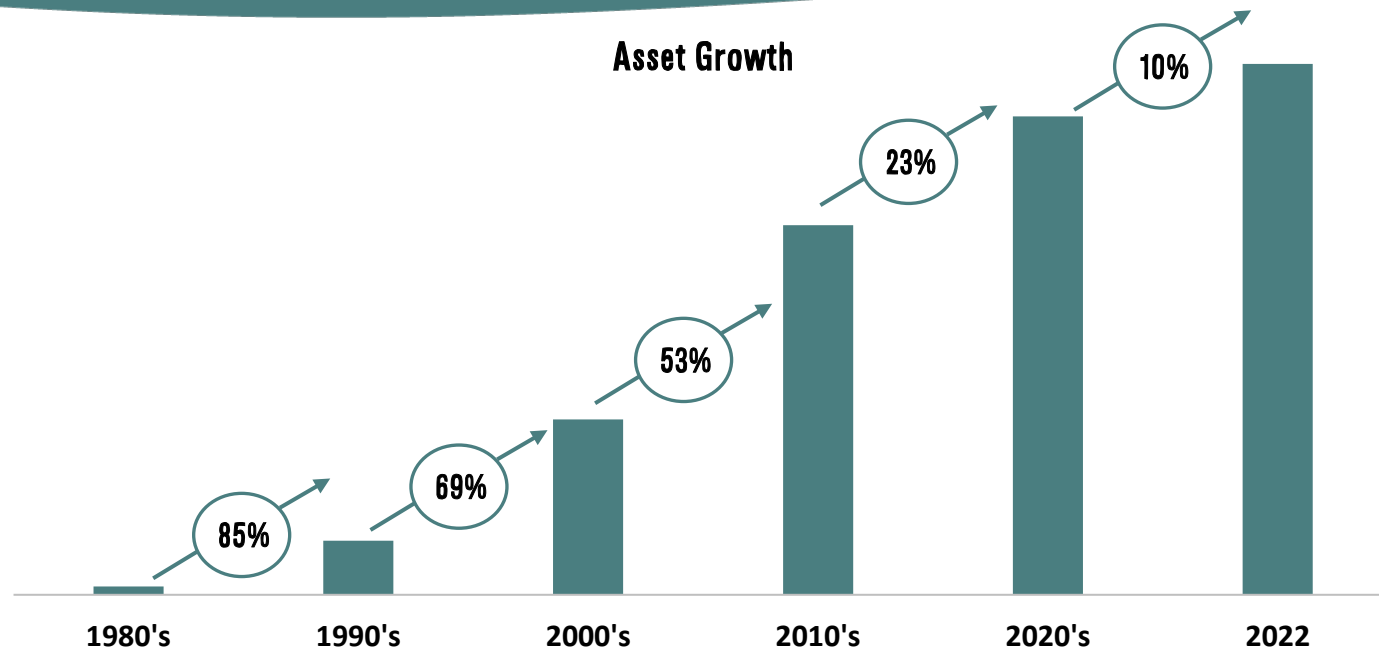
1	Fairness	Mine Ecology's	Fairness	1
2	Ambition		Openness	2
3	Decisiveness		Responsibility	3
4	Proactivity		Co-operation	4
5	Loyalty		Activism	5

## 3. Mutuality...

## 2. The Mission...



# How is your Society doing?



## Financial Performance:

- This will be a record year for profit for the Society, which has been a direct result of the record two years of witnessed of **impact lending**. This will allow us to retain **significant capital** which we redeploy as more **impact lending**
- We remain **well capitalised** (above regulatory minimums)
- Both are thanks to our savers and capital holders, who have provided Ecology with strong levels of **funding and capital**

## Impact:

- So far this year alone we have lent:
  - £4.61M to 22 retrofit projects
  - £33.94M to 199 self- and custom-build projects
  - £3.70M to 17 conversions

## Colleagues:

- In the last 12 months we have grown from 45 to 53 colleagues
- We will be introducing some additional roles and we will be at 60 colleagues by the end of the year
- This is so we can better serve the needs of our Members

# How is your Society doing?

## Exhibitions and shows

- Futurebuild (London)
- Homebuilding & Renovating Show (NEC and Harrogate)
- Build-It Live (Bicester)
- Passivhaus Trust conference (Exeter)

## Awards

- Best self-build lender
- Lifetime achievement award (Paul Ellis)

## Community

- Tree planting
- Co funded a community public access defibrillator near office
- Sponsored local charity run



Homebuilding  
& Renovating  
Show

November 4-6  
Harrogate Convention  
Centre



# Influence and agitation

- Sponsored NaCSBA Parliamentary Reception (May)
- Founding member of the UK chapter of PCAF (Partnership for Carbon Accounting Financials)
- Supporting various coalitions to influence the Government on net zero, retrofit and green finance
- Gave evidence to the House of Lords Environment and Climate Change Select Committee (March)





# Nith Valley Community Land Trust



Credit: Tom Manley

Passivhaus-designed community build for affordable rent



# Broadhempston CLT



EPC A rated self-built CLT for shared ownership



# Open House Project



Cohousing conversion of listed farmstead near Sheffield

# Bunker Housing Co-op



Self-build modular homes, Brighton



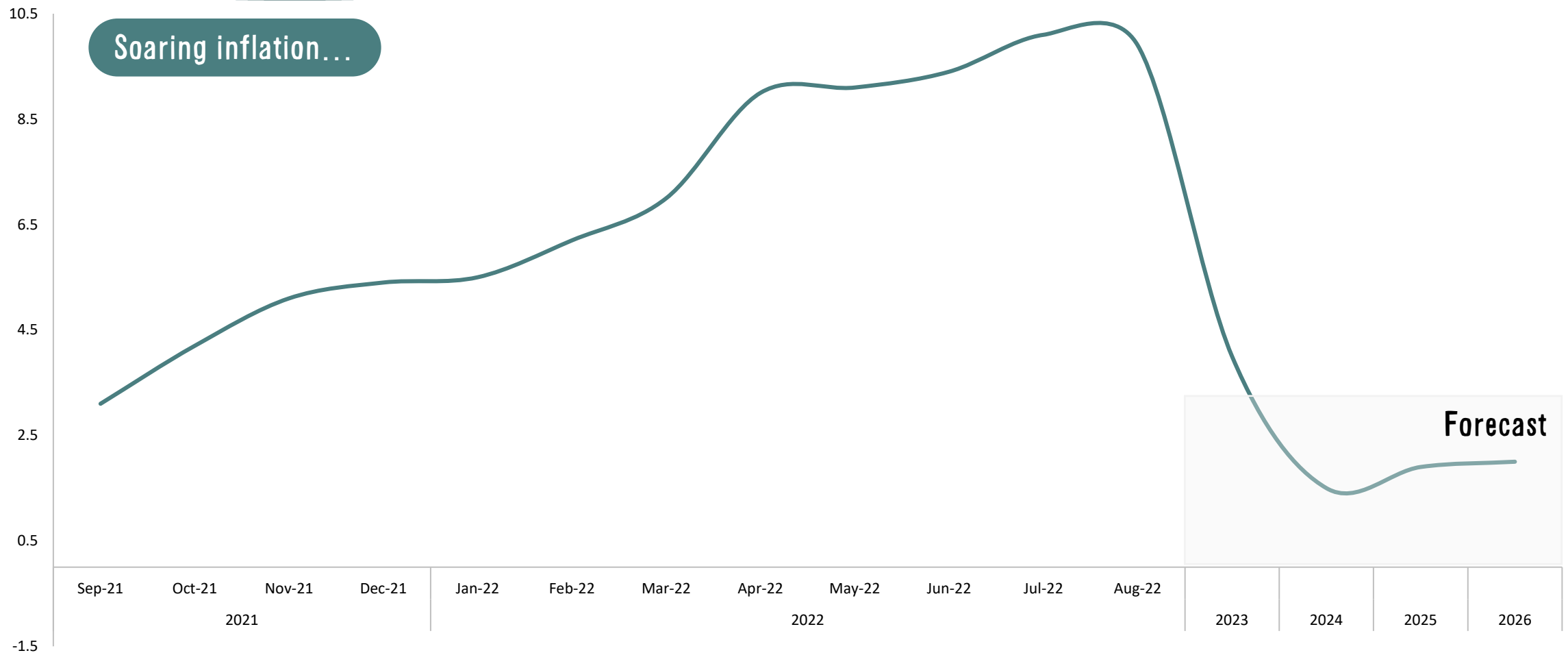
# Chapeltown Cohousing



Self-built affordable cohousing community in Leeds

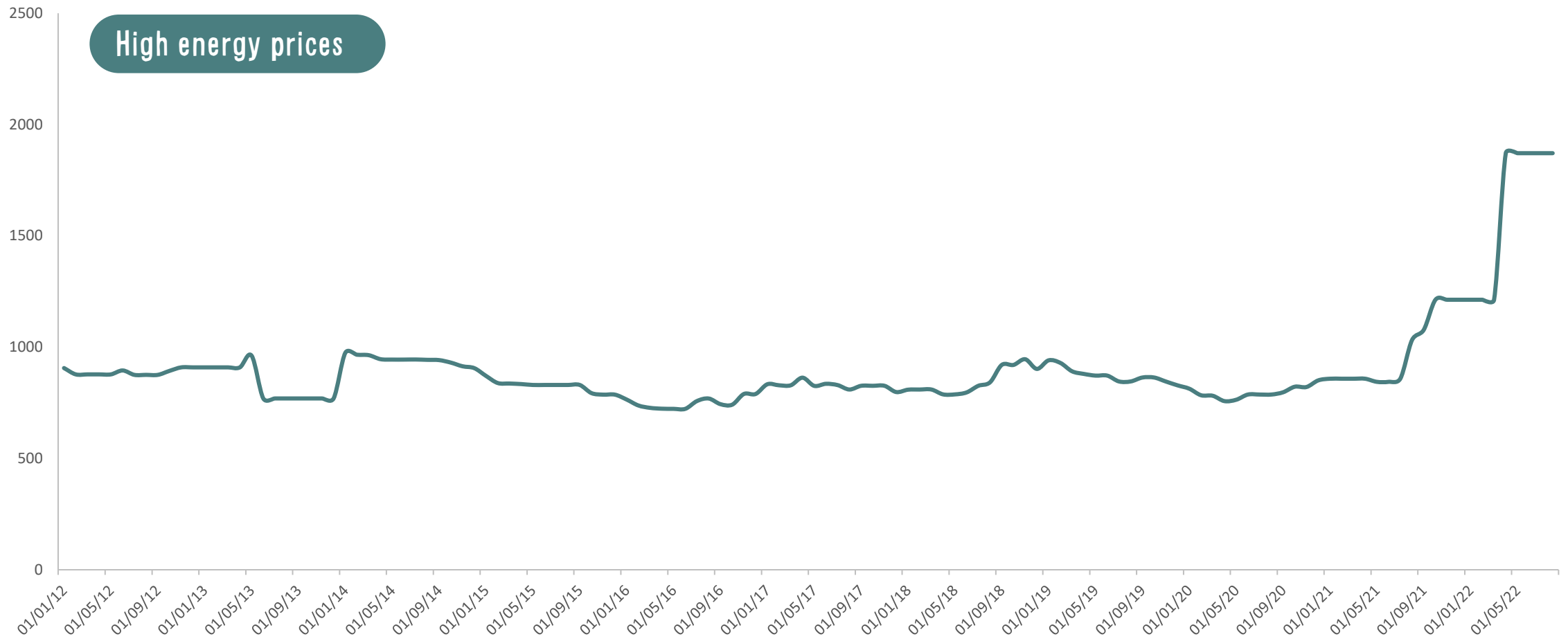
# Challenges ahead

# Headwinds we are facing



Source: ONS, Trading Economics and Deutsche Bank

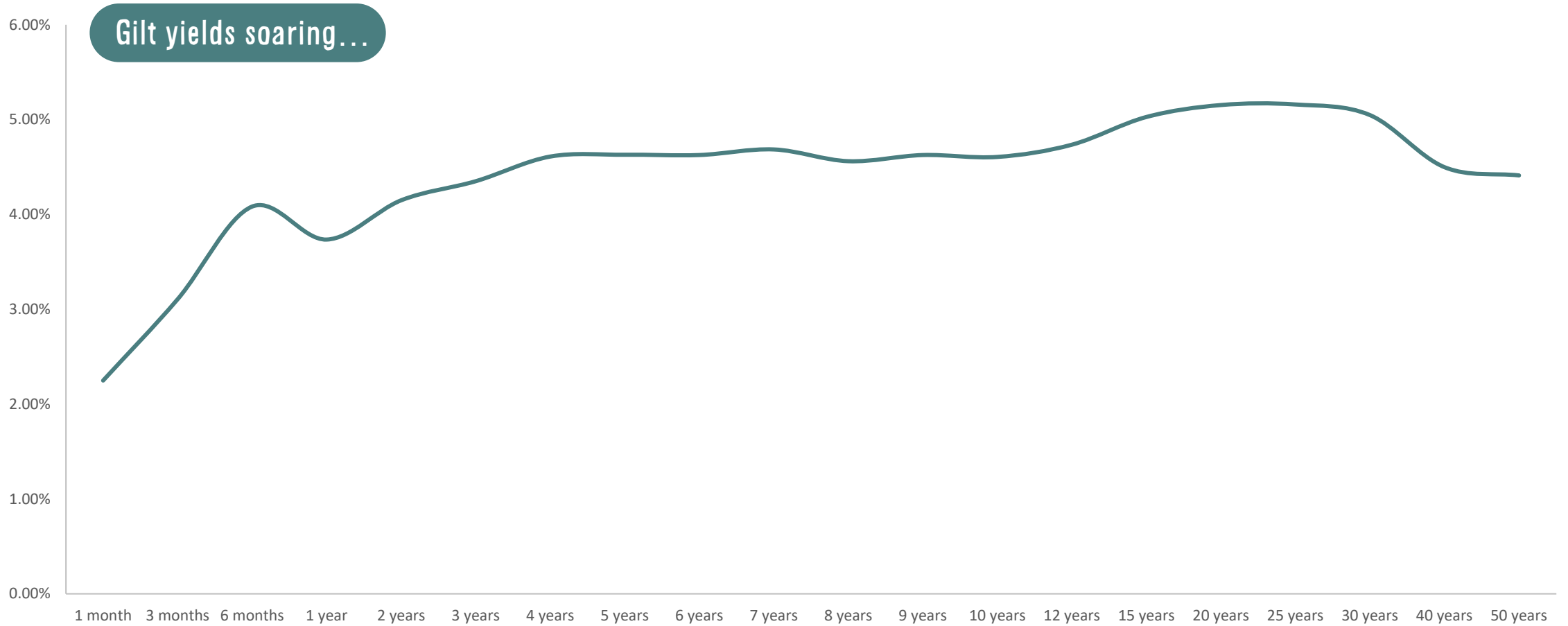
# Headwinds we are facing



Source: ONS and Statista

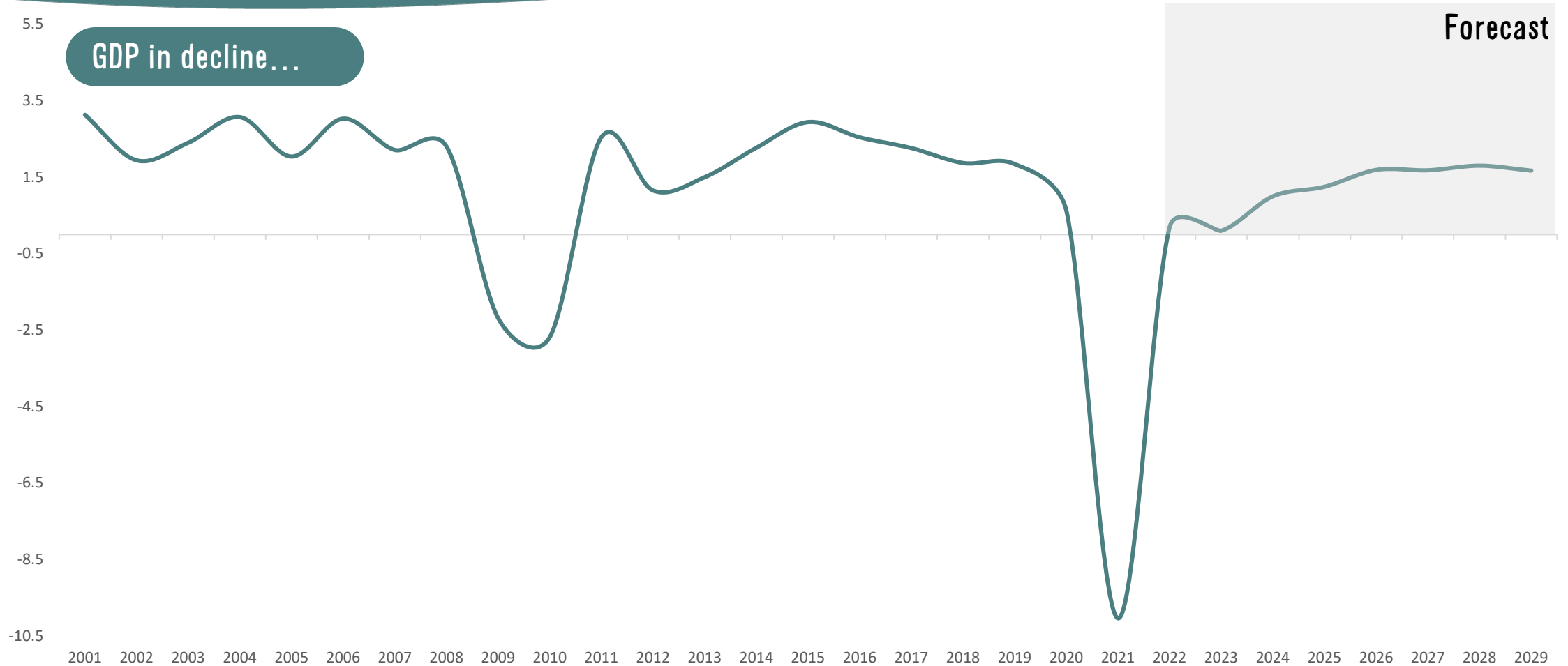


# Headwinds we are facing



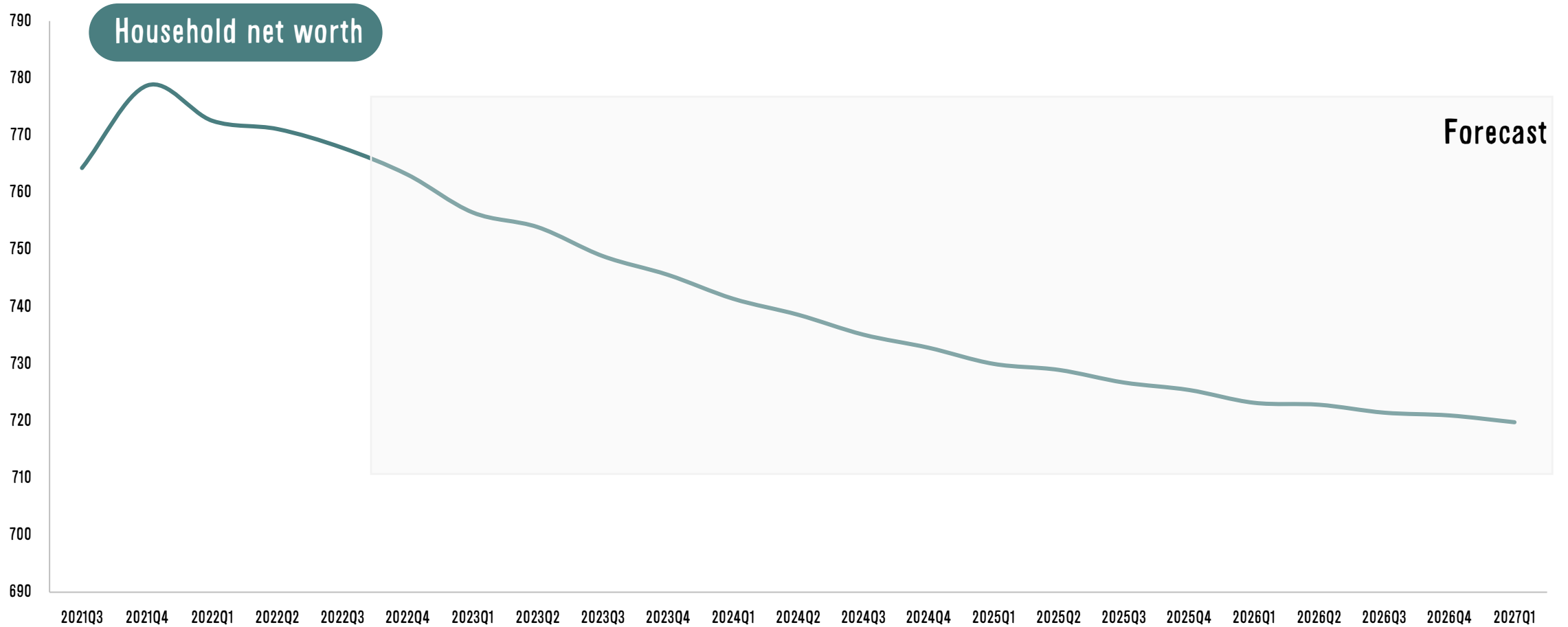
Source: Debt Management Office

# Headwinds we are facing



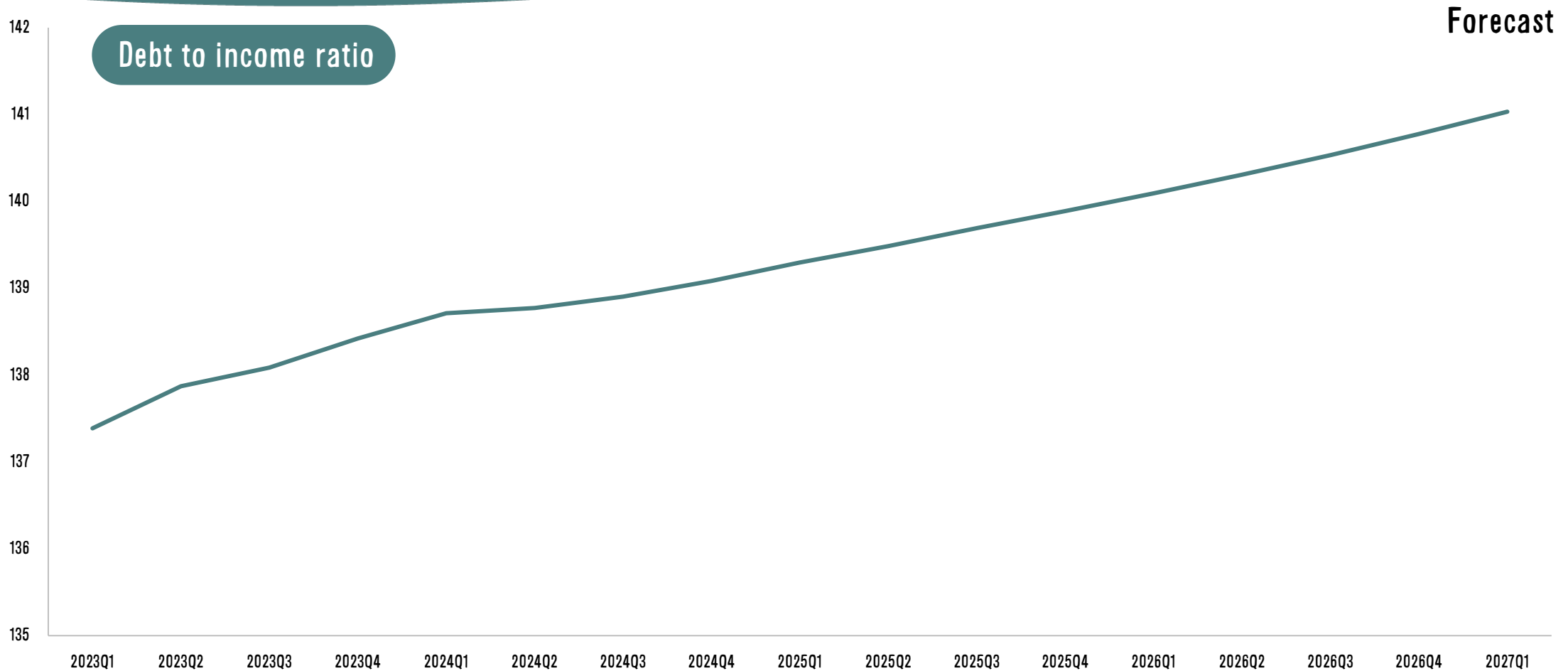
Source: Trading Economics, IBIS World and Deutshce Bank

# Headwinds we are facing



Source: ONS and Statista

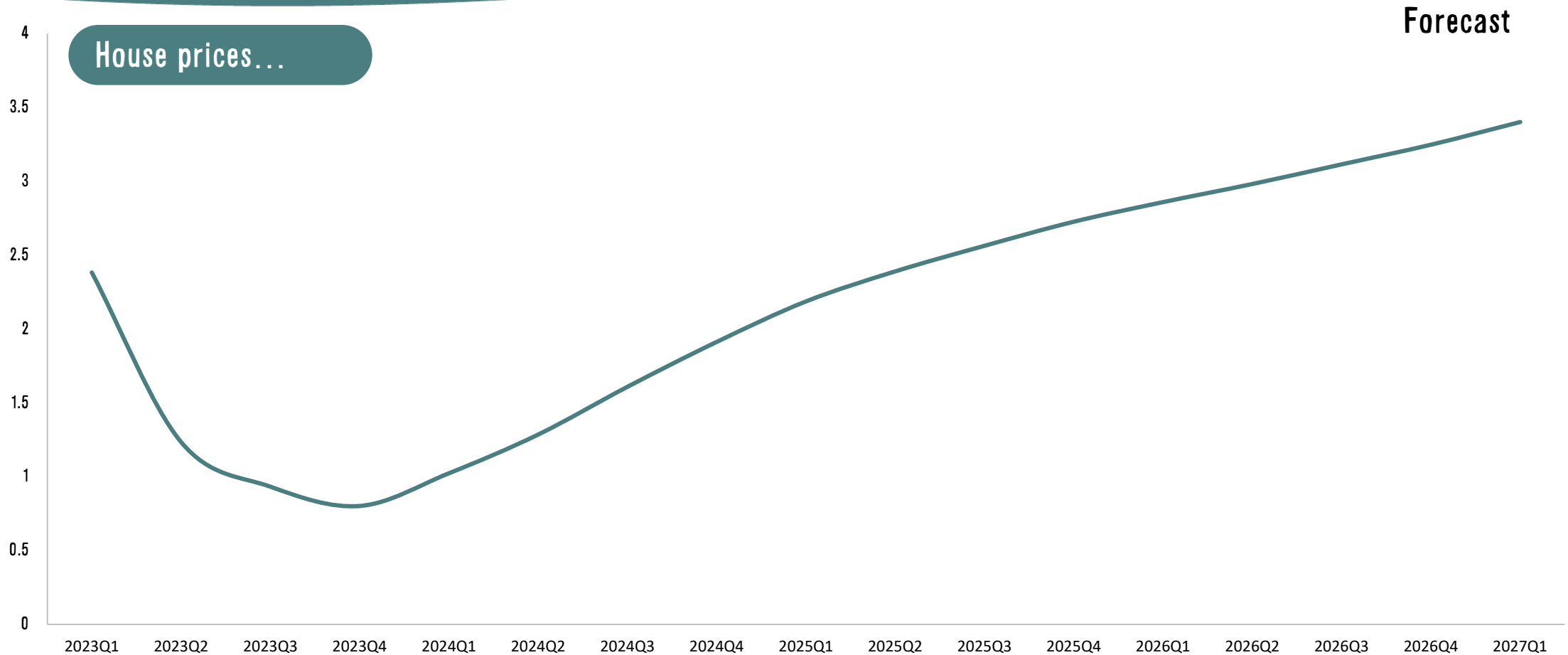
# Headwinds we are facing



Source: ONS and Statista

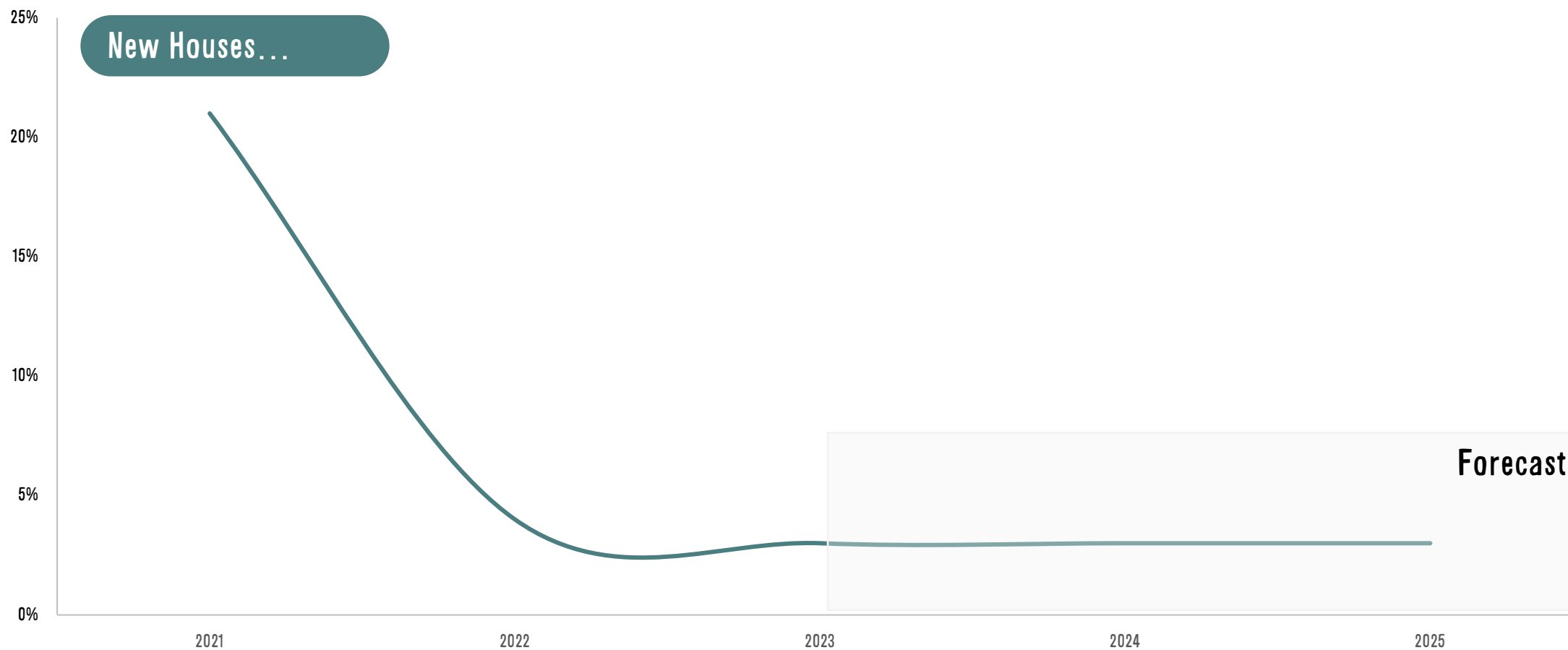


# Headwinds we are facing



Source: ONS

# Headwinds we are facing



Source: ONS

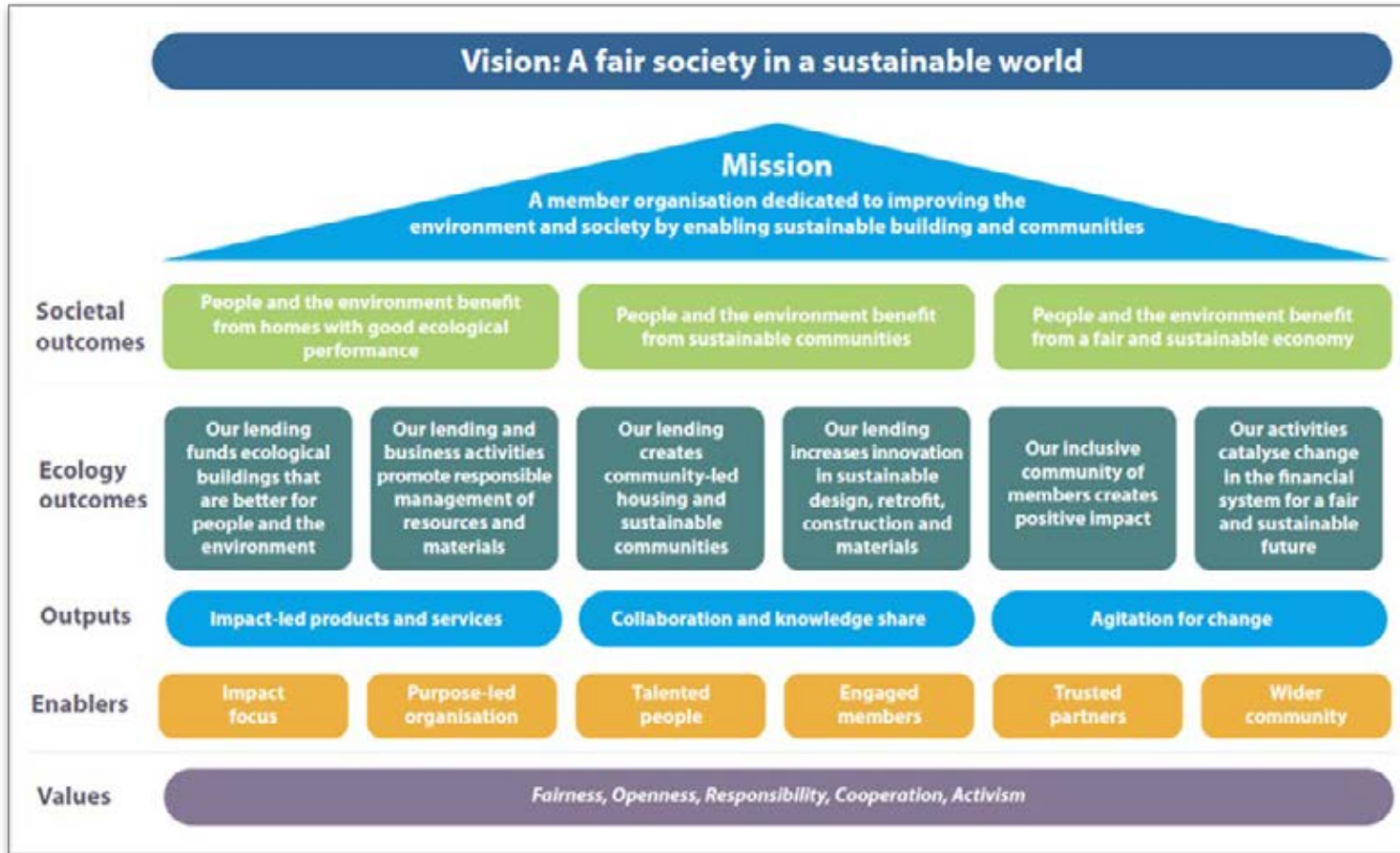
# Headwinds we are facing

Macro Economic Factor	Impact to Members		Impact to Ecology
	Savers	Borrowers	
High inflation	Eats in to real returns on interest	Eats in to disposable income	Cost of living increases for co-workers
High energy prices	Eats in to disposable income	Eats in to disposable income	Further emphasis required on Scope 1 & 2 emissions
High Bank of England Base Rate	Increases rate of return	Increases monthly payments	Balance between savers and borrowers
GDP in decline	This may lead to higher unemployment rates		Bad debts and write offs
Declining household net worth	Potential for decrease in savings balances to cope	Potential for increase in debt to cope	Constant monitoring of the balance sheet Maintaining our lending standards
Increasing debt to income ratio			
Decreasing house prices	No effect on savings per se	Self-Builder and Renovators may not be able to borrow as much	May require re-evaluation of lending criteria
Lower 'new build' numbers			Higher competition in the market

But we have a strong strategy...

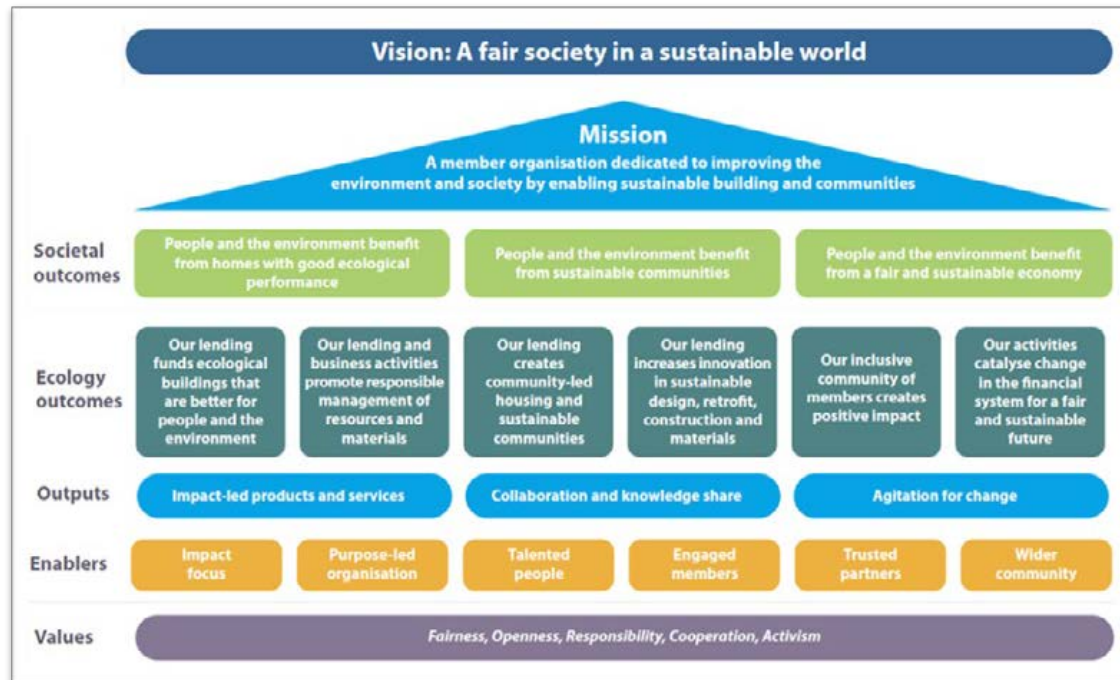


# 2030 Strategy Framework



# 2030 Strategy Framework

- Designed in 2020 on the basis of reducing emissions by 45% from 2010 levels by 2030.
- This approach also aligns with the net zero targets outlined in the 2015 Paris Climate Accord



Strong alignment to the UN SDGs – with 2030 dates



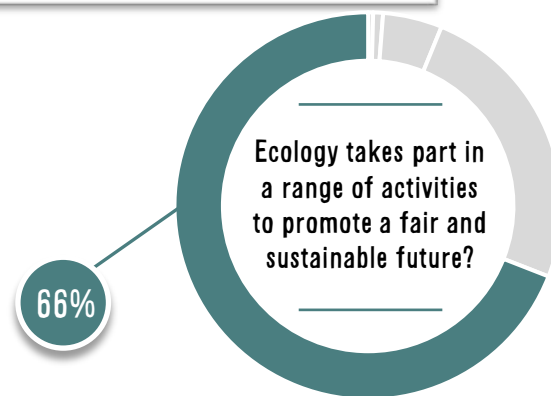
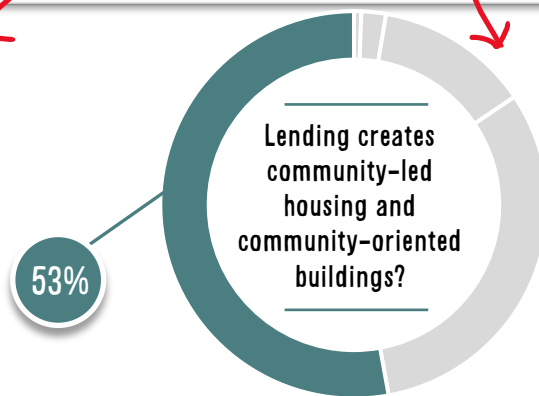
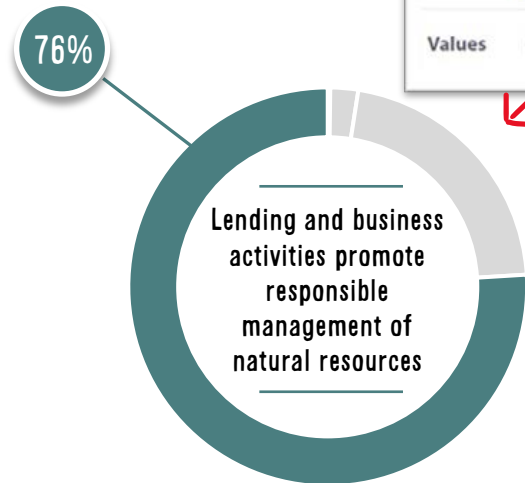
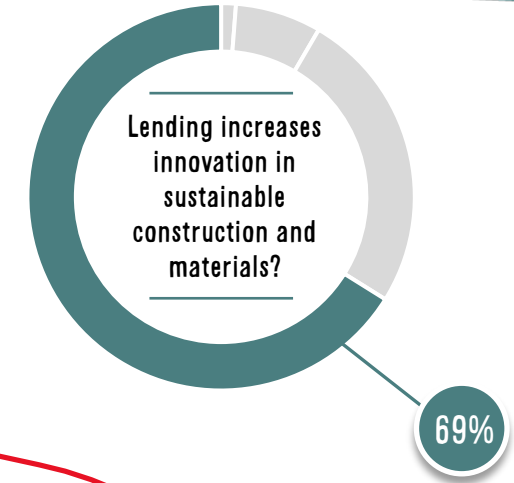
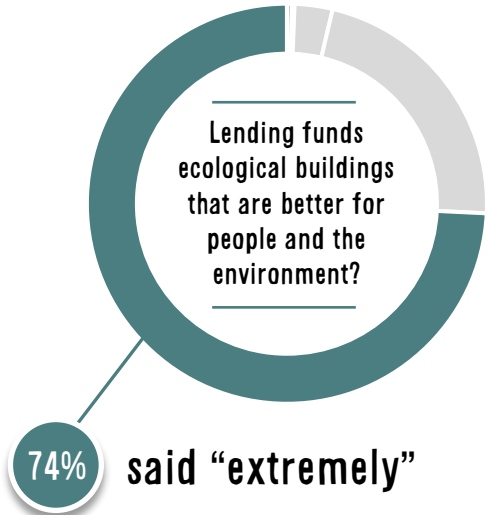
Collaboratively authored:

- 750 Members
- Colleagues across Ecology

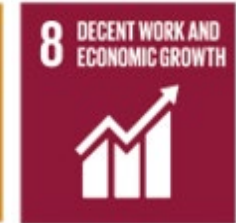


# 2030 Strategy Framework – Member Led

How important to you...



# 2030 Strategy Framework – UN SDGs



# Turning strategy in to action





# We need to invest for the long term

## Delivering 'impact led P&S' Outputs:

To do this we need to invest to become part 'product' led and part 'Public Relations' led organisation.

## What does investment look like:

- Adding to our skills by working with a selected **PR Agency** and **Digital Media Buying agencies**
- Adding additional capacity and capability to **Marketing** and a new **Product Team**
- **Impact P&S = someone's day job**

Impact-led products and services



## Being an 'agitator for change':

To do this we need to ensure that we truly are a 'Mission' led organisation:

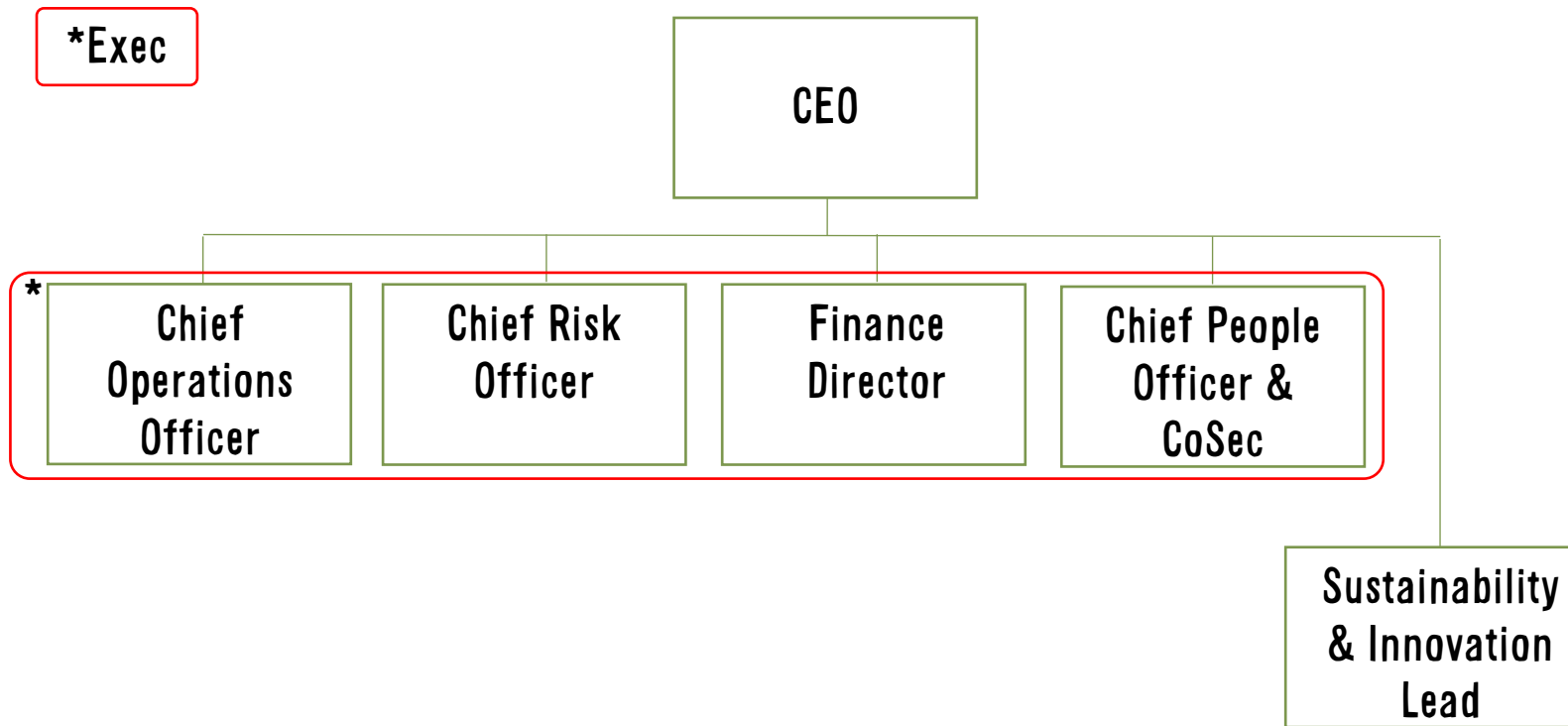
"A member organisations dedicated to improving the environment and society by enabling sustainable building and communities"

## What does investment look like:

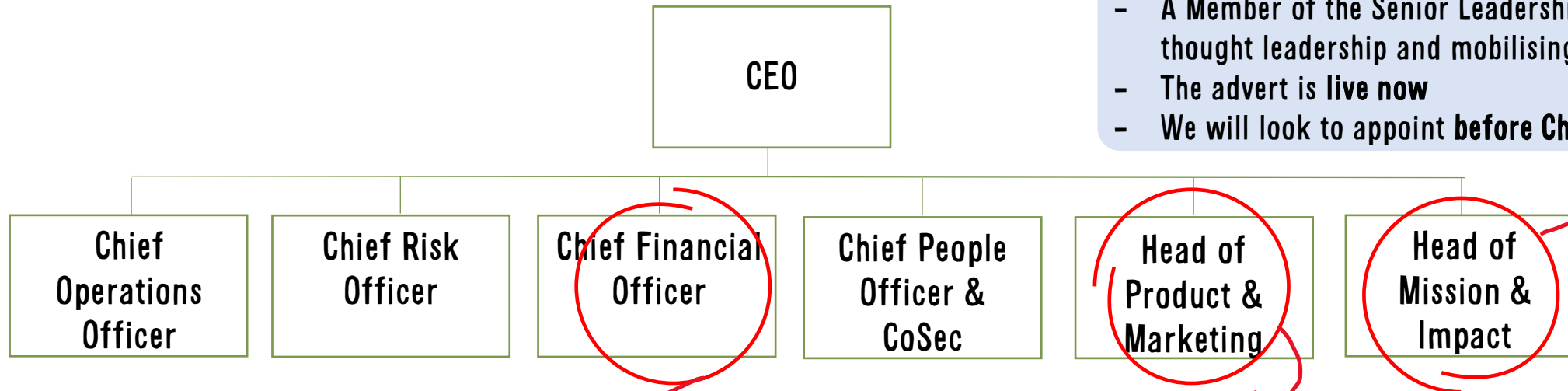
- Thought leadership + action
- Product & Services working 'hand-in-glove' with Mission & Impact
- What views do we represent as a Member led organisation?

Agitation for change

# Growing our capabilities – Current Structure



# Growing our capabilities – SLT



## Agitation: Head of Mission & Impact:

- A Member of the Senior Leadership Team responsible for thought leadership and mobilising action
- The advert is **live now**
- We will look to appoint **before Christmas**

## Strategic Finance Function: CFO:

- We are undertaking a rigorous **Market-Wide** search of talent
- This helps us to run a transparent process to recruit a Board Director
- We will look to appoint **before Christmas**

## Impact-Led: Head of Product & Marketing:

- A Member of the Senior Leadership Team responsible for all our activity to drive Ecology's Brand and Products
- The advert is **live now**
- We will look to appoint **before Christmas**



# What are we doing to deliver the mission?

# Delivering Change



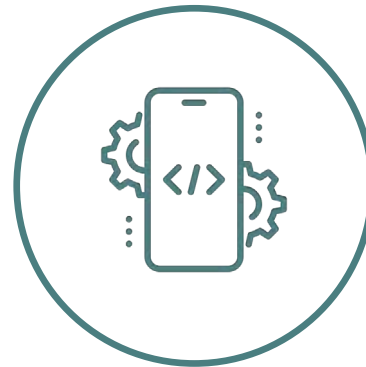
**Agitation**



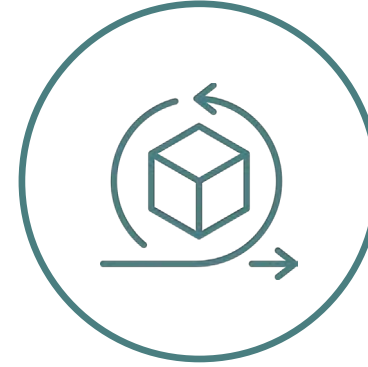
**Attitudes**



**Fair Return**



**Accessibility**



**Product  
Development**



**Ecology  
Colleagues**

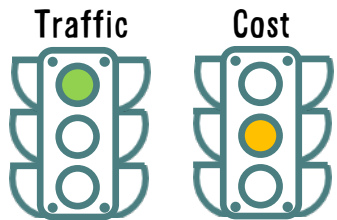
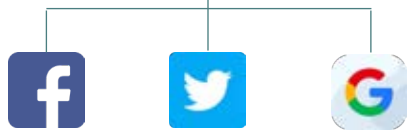
Enhanced impact reporting in the Annual Reports

Publication of Net Zero Targets and Plans

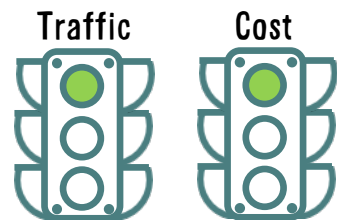
# Agitate for change



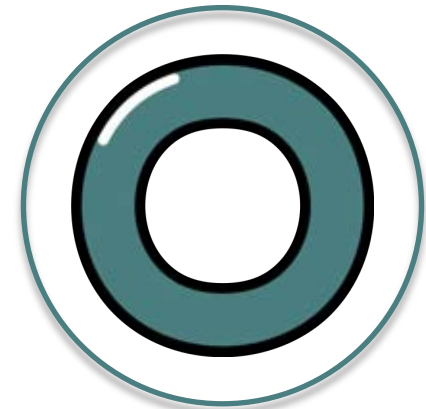
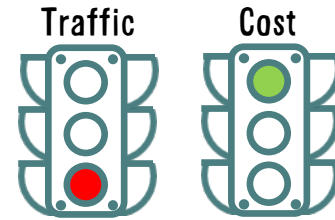
Paid  
(Ads)



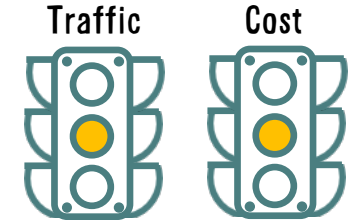
Earned



Shared



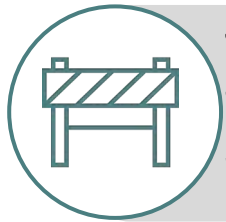
Owned  
(Channels)



Looks Like

Effectiveness v's Cost

# Member attitudes



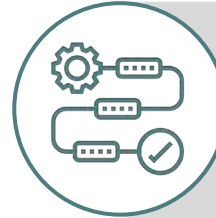
## The Objective:

To identify the motivators and barriers for using Ecology Building Society



## Why:

This information will be key to build on our understanding of the 2020 survey



## How:

An online survey sent to all our members

How does Ecology serve its members and potential members in an ever changing world?

## The data collected by survey is likely to include:

- Attitudes towards ethical purchasing
- Attitudes towards banking and finance
- Purchasing behaviours
- Demographic details
- Reasons for banking with Ecology (members)
- Awareness of Ecology (potential members)

## What might this influence:

- Additional product development
- Channels which we serve you in
- Where we agitate for change
- How we agitate for change

# A fair return



Market*		Ecology	
Instant Access:	1.19%	Instant Access:	<b>2.25%</b> +1.06%
1 Year Fixed Rate:	3.49%	1 Year Fixed Rate:	-
No Notice ISA:	1.30%	No Notice ISA:	<b>2.70%</b> +1.40%
1 Year Fixed ISA:	3.13%	1 Year Fixed ISA:	-

\*as of 7 Nov

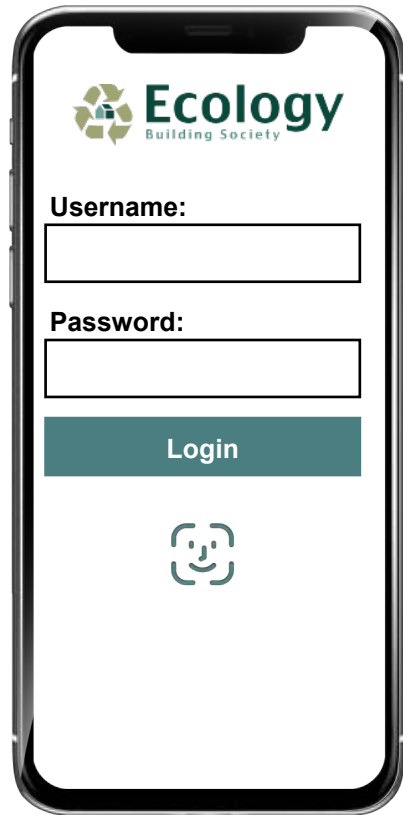
Savers

Market		Ecology	
2 Year Fixed:	6.44%	Ecology SVR*:	5.49%
5 Year Fixed:	6.27%	Max C-Change:	1.50%
10 Year Fixed:	5.60%	Min Rate:	3.99%

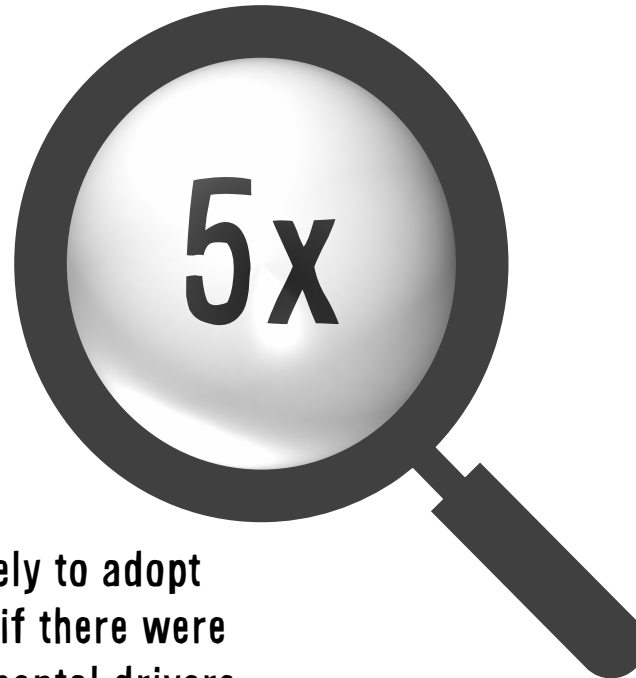
\*as of 1 Nov

Borrowers

# How you access Ecology



69% of Members surveyed aged 65 + own a smartphone



More likely to adopt an 'app' if there were environmental drivers

## Key Feature Requirements:

- Life stage dictated functionality requirements with money management appealing to < 60 year olds
- Importance of basic banking features including biometric login
- Ability to apply for a savings account is important
- Carbon footprint management tools important to 16-24 year-olds, decreasing with age and least important to senior elderly
- 56% ranked security their biggest concern



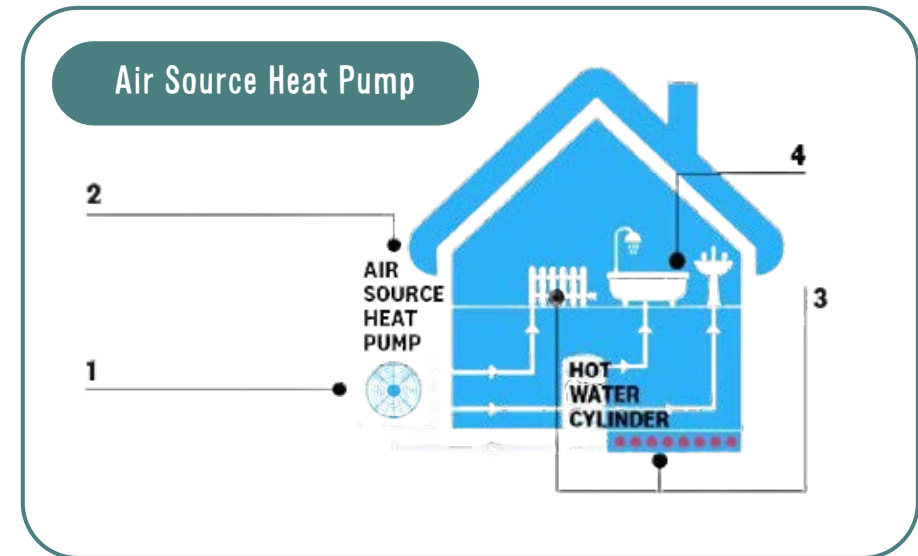
# Product Development – Heat Pump initiative



- Takes heat from the ground to heat a home into a wet heating system
- Pump takes ambient heat from ground and increases temperature
- Can provide heat to the home and hot water

## Ecology's support:

- Cashback of £500 for Air Source Heat Pump
- Cashback of £1,000 for Ground Source Heat Pump



- Takes air from outside and feeds into wet heating system
- Heat lower than conventional boilers so heating time longer
- Require large surface area – such as underfloor heating
- Can provide heat to the home and hot water

# Product Development – MMC



## Ecology's support:

- Work with approved MMC suppliers
- Offer 2 Mortgage products:
  - Arrears based (i.e. on completion of works)
  - Advanced stage to help fund borrowers with lower levels of capital

MMC is a collective term to describe alternative construction practices.

Off-site, factory production of the component parts of properties is a common characteristic of MMC.

This includes ready-made walls, floors, roofs and entire rooms, which can be transported to their end destination for assembly, often in a matter of hours.

## Why do MMC?

The construction lifecycle is much quicker and uses more sustainable materials

MMC properties are proven to have a higher energy efficiency

Reduced CO<sup>2</sup> through transportation and construction wastage

# Silsden Head Office





# Silsden Head Office



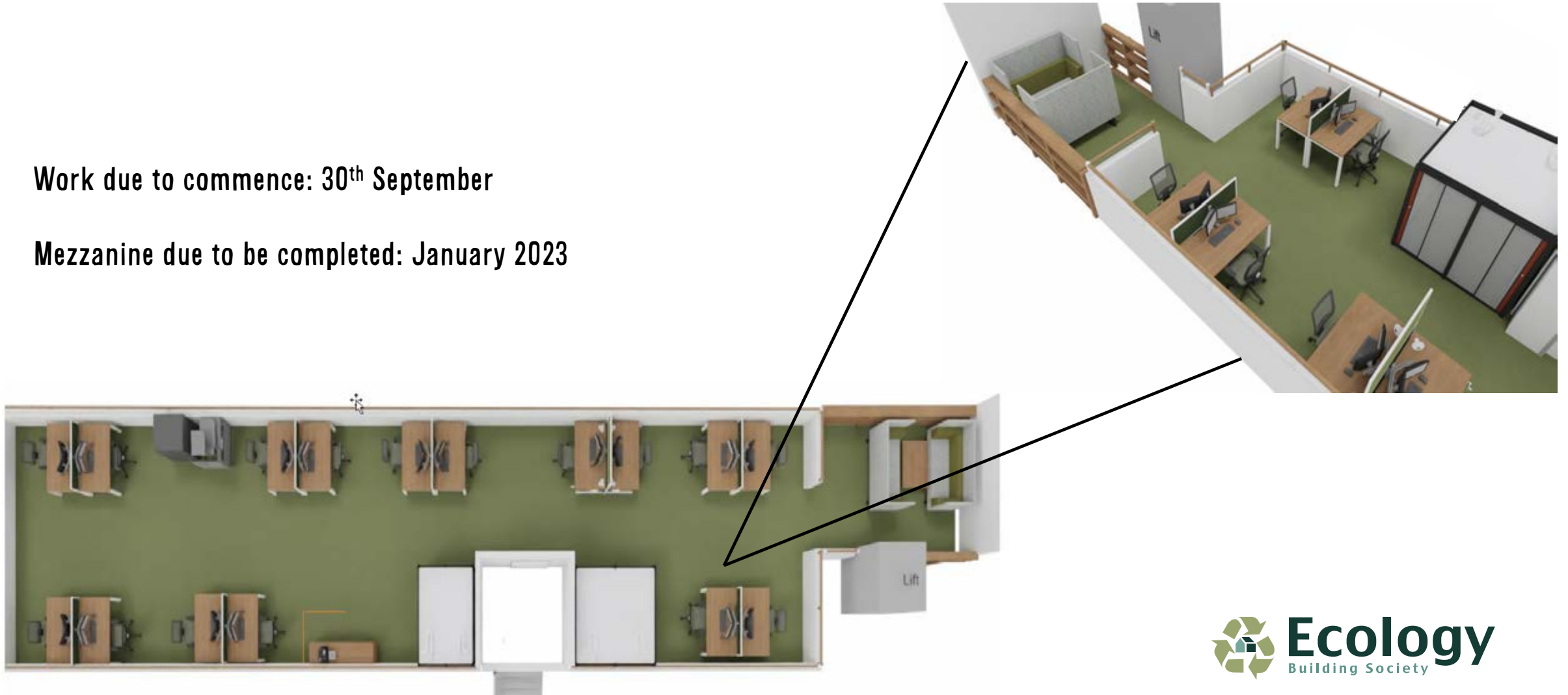


# Silsden Head Office



**Work due to commence: 30<sup>th</sup> September**

**Mezzanine due to be completed: January 2023**



# Ecology colleagues



**Cost-of-living increases** have been given to all colleagues to help support them during this difficult time.

This is a picture from our recent offsite where we discussed our **strategy and plans**.

We look forward to **servicing and hearing from you – our Members**.

# Ask the Directors



Gareth Griffiths  
Chief Executive



Louise Pryor  
Chair



Tim Morgan  
Director

# Closing comments

**Thank you for participating!**

**Look out for an email inviting you to feedback on today's event**