JAN - DEC 2019

Year 3 evaluation of money sorted in d2n2

Helping people to improve their financial wellbeing across the region.

Contents

Executive summary

- This evaluation report has been designed to review the performance of the Money Sorted project during the third year of service delivery (2019). The report also includes a wider review of how the project has evolved during the first three years of service delivery (2017-2019).
- The Money Sorted project is designed to assist economically inactive and unemployed individuals at risk of financial exclusion residing across Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) area.
- The project is designed to improve the financial capability and financial wellbeing of participants.
- The project is part of the Building Better Opportunities (BBO) programme which is jointly funded by the European Social Fund and the National Lottery Community Fund.
- Three Building Better Opportunities strands are actively operating across D2N2. In addition to Money Sorted a multiple-and-complex-needs strand is led by Framework Housing Association and employability strand led by Groundwork Greater Nottingham. All three lead organisations actively work together as part of the People's First Alliance (PFA).
- Across the D2N2 area the Building Better Opportunities programme is supported by the work of four Local Authority based BBO Stakeholder Managers. A complementary analysis on the initial impact of these roles can be found in the focus-on feature on BBO Stakeholder Managers within the evaluation report.
- The project is delivered through a network of Personnel Navigators. Each Navigator works with their participants to create a personal action plan known as a Financial Resilience plan (FRP).
- Over the past year the project has begun to build a talent pool of volunteer Money Mentors to assist Personal Navigators with participant progression. Further details on the development can be found in the focus-on feature on Money Mentors.
- The need to develop financial capability and financial wellbeing is a nationwide issue which is explained in more detail in section two of this evaluation as part of our introduction to the UK financial wellbeing strategy which was released at the start of 2020.
- Over the past year the project has made a renewed effort to increase the intake of economically inactive participants. By the end of the third year of service delivery 57.7% of participants accessing the project were unemployed and 43.3% were economically inactive.
- The educational attainment of participants is low with only 37.7% of participants completing their upper-secondary education.
- Personal Navigators continue to report back the on-going mental health concerns with participants accessing the project. Wider research published within the UK financial wellbeing strategy illustrates how individuals with mental health issues are more likely to be in debt or facing credit difficulties.
- Participants accessing the service typically feel that they lack the necessary confidence, knowledge and skills to make informed financial decisions.
- As a result, 65.2% of participants disclosed that they 'regularly' or 'sometimes' need to borrow money to pay for food or necessary items.
- 67% thought that they were living with unmanageable debt. This figure has increased by 10% over the past twelve months since the year two evaluation was completed.
- On average participants had £23.73 of disposable income to spend in shops and businesses each month when accessing the project at pre-survey stage.
- The project has slightly exceeded the original target of 1,950 sign-ups at the end of 2019. By the end of 2019 2,042 participants had signed up for the project. A total of 821 participants signed up for the project in 2019 – the best year to date for sign ups.

Executive summary

- The sensitive nature of the topic of money and financial circumstances continues to affect in part the issue of disengagement. Personal Navigators also report back that inappropriate referrals have some impact on disengagement. As at the end of 2019 the project had a disengagement rate of 31%. To help minimise the issue of disengagement the project has been looking at behavioural insights approaches in conjunction with the Public Health team at Derbyshire County Council. Please see the focus-on feature on the use of behavioural insights and disengagement for further details.
- By the end of 2019 it is clear the project has continued to overachieve on the agreed output targets of total participants, women participants, unemployed participants, participants over 50, disabled participants and participants from ethnic groups.
- By comparison the project has slightly underachieved in its ability to engage male participants and participants from economically inactive groups.
- The project has worked with 128 participants who have moved into employment or self-employment on leaving. Supporting analysis on how the project might potentially support more participants into employment can be found on the focus-on feature on employment & employability within the report.
- Across the first three years of service delivery 80.7% of participants established a household budget with their Personal Navigator. 78.7% of participants felt that they had improved their financial skills during their time on the project.
- A closer inspection of MAP tool data reveals further insights into the progression of participants. Comparing the pre-survey (entry) and post-survey (exit) data initially reveals at pre-survey that 67.1% of participants are living with an unmanageable debt situation. By post-survey exit stage this percentage has fallen significantly to 9.3%. The impact of indebtedness and it implications for future financial wellbeing is considered in greater detail in section five of this evaluation.
- Participants leaving the project, on average, have been able to boost their monthly disposable income from £23.73 to £77.29.
- The importance of the participant budget continues to grow. During 2019, spend on the participant budget reached £46,683. Popular areas of spend include participant travel costs and debt relief orders which collectively accounted for 50.7% of participant budget spending during the year.
- All participants accessing the Money Sorted project continue to have the opportunity to access short courses designed to build financial capability and enhance financial wellbeing. To date 775 guided-learning hours have been provided to 234 unique participants through the Workers Educational Association (WEA).
- Over the past twelve months the project has secured a three-year extension to work with a further 1,547 participants. The project is now due to conclude in September 2022.
- Whilst the level of need placed on the service remains very challenging it is clear that the project is providing much-needed support to help build the financial wellbeing of some of the most financially vulnerable people living across the D2N2 area.

Introduction to the Y3 evaluation of Money Sorted in D2N2

Financial wellbeing is good for individuals, communities, businesses and the economy. But poor financial wellbeing affects significant numbers of economically inactive and unemployed people residing across the D2N2 area.

Since 2017 the Money Sorted in D2N2 project has been working with some of the most financially vulnerable people living across the Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) area to help improve their financial wellbeing.

This evaluation report has been devised to review how the Money Sorted project has performed over the past twelve months alongside a broader review of how the project has performed over the past three years.

The report has been constructed to provide the reader with an insight into the complexities of working with individuals at risk of financial exclusion and has been structured into five key sections.

Section one provides an overview of the Money Sorted project. This includes information on the project-eligibility criteria, outcomes, outputs, delivery partnership and staffing structure. This information is complemented by insights into the typical range of interventions offered through the project.

Section two provides an insight into the wider context of the UK financial wellbeing strategy and its affinity with the Money Sorted project.

Section three provides an analysis on the profile of participants accessing the project. This includes a review of their specific needs and socio-economic profiles.

Section four provides a review of how the project has performed over the past twelve months of service delivery alongside a wider review of the past three years of service delivery.

Section five sets out the key learning and recommendations emanating from the project. This year this includes a core focus on the impact of debt on participants.

To help bring alive the human impact of the project four case studies have been included between each section of the evaluation to illustrate the journey of participants through the project.

Also included in the report are four specific 'focus on' features to help illustrate some of the developmental aspects of the project and the wider Building Better Opportunities (BBO) programme. These features include a focus on the role of Money Mentors, BBO Stakeholder Managers, employment & employability issues and the use of behavioural insights to reduce disengagement.

The evidence compiled throughout the evaluation illustrates the complex range of factors that influence the financial wellbeing of unemployed and economically inactive people. This information is included alongside an in-depth analysis of the performance of the project and the difference it is making to some of the most financially vulnerable people across the D2N2 region.

Further information on the Money Sorted project can be found online at https://moneysortedind2n2.org/

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SECTION ONE

An introduction to Money Sorted in D2N2

Service overview

Money Sorted in D2N2 has been established to support financially-excluded people residing across the Derby, Derbyshire, Nottingham and Nottinghamshire areas. The project is part of the Building Better Opportunities (BBO) programme which is match funded by the European Social Fund and the National Lottery Community Fund. Money Sorted in D2N2 represents one of three strands of BBO service provision operating across the D2N2 area. The other two strands are 'Towards Work' led by Groundwork Greater Nottingham and 'Opportunity and Change' led by Framework Housing Association. All three partners form part of the People's First Alliance – with a shared commitment to promote inclusion across D2N2.

The Money Sorted project offers a package of person-centred support through a range of bespoke interventions designed to enable people experiencing financial difficulties to take control, build confidence & resilience, tackle their problems and move out of poverty and exclusion.

The project has the ultimate aim to help individuals not only improve their financial circumstances but more importantly enhance their financial capability which in turn promotes their future financial wellbeing. Financial capability has been defined as follows in the Financial Capability strategy for the UK.

> **'Financial Capability means improving people's ability to manage money well, both day to day and through significant life events, and their ability to handle periods of financial difficulty. It will focus on developing people's financial skills and knowledge, and improving their attitudes and motivation. This, combined with an inclusive financial system, can help people achieve the best possible financial wellbeing.'**
>
> **Source: Financial Capability Strategy for UK (2018)**

At the start of 2020 the Money and Pensions Service (MaPs) have also released a UK financial wellbeing strategy which builds upon the principles of the financial capability strategy. More information on this development can be found in section two of this evaluation.

The role of the Personal Navigator

The delivery of the project is underpinned by a network of Personal Navigators working on a one-to-one basis with participants. The Personal Navigator role has been established to provide expertise around financial inclusion and financial capability issues. Each Personal Navigator provides support to assist participants to navigate through a range of challenging financial circumstances that they may be facing. This support is designed to help each participant review their current financial situation and discuss the possible options to move forward. Through a process of ongoing dialogue with their Personal Navigator, participants are supported to develop their skills, knowledge and confidence to help manage their financial affairs. Over the past two years the work of the Personal Navigators has been complemented by the introduction of two Support Assistants working in peripatetic roles designed to assist Personal Navigators with some of the administrational intensity of the BBO programme.

The ultimate outcome of the Money Sorted project is to help participants improve their financial capability to help achieve the best possible future financial wellbeing.

Project eligibility and access

Money Sorted in D2N2 has been designed to support unemployed or economically inactive people experiencing social exclusion and poverty who need financial inclusion support. The BBO guide to deliver European Funding advises that an unemployed participant is someone who is not actively working but is available for, and is actively seeking, work. By comparison the term economically inactive refers to individuals who are not available for work and are not currently seeking work. The project has been designed to target participants 'where they are' to provide bespoke support sensitive to local context and individual need.

Participants can include young people aged 15-18 years, however, this group must be in a Not in Education Employment or Training (NEET) status or at risk of becoming NEET. Over 2019 there was no upper age limit to receive support, however we understand this is currently under review and may change during the course of 2020.

The service has been established to respond to a diverse cross section of people who may be experiencing financial difficulties including men and women, Black Asian Minority Ethnic & Refugee (BAMER) individuals, young people and older people, people with mental-health challenges, people with disabilities, homeless people and other disadvantaged groups.

Every participant accessing the project is supported by their Personal Navigator to develop an action plan, focussed on how they can best improve their financial resilience. This is known as a Financial Resilience Plan (FRP). This plan is designed to be a key building block to start off the journey of putting people back in control of their financial health. Each plan is established to identify and tackle obstacles and challenges facing individuals. The plan includes sections on financial circumstances, financial capability, and wider life-factors. The plan is also designed to capture achievements and focus on goals, aspirations and ambitions – enabling participants to progress along a pathway to financial inclusion, and paid employment if this is their desired end outcome.

Sources of data used to compile this year three evaluation

The following resources have been used to compile the year three evaluation of the Money Sorted project.

- Available minutes from project meetings.
- Evaluator attendance at Personal Navigator forums.
- Evaluator attendance at project Steering Group meetings.
- Evaluator attendance at the Participants Forum.
- BBO performance reporting submitted to the National Lottery Community Fund by St Anns Advice Group.
- BBO Audit work undertaken by New Ground Consultancy.
- MAP tool data maintained by Toynbee Hall.
- Hanlon annex reports including Annex B progress report, Annex E outcome trends, Annex H participant entry form and Annex I participant progress form.
- Money Sorted delivery plan.
- On-going dialogue with the Personal Navigator team and delivery partners
- Discussions with St Anns Advice Group staff and management teams.
- Discussions with individual participants and in group sessions.

The evaluator would like to thank all Money Sorted project staff and wider stakeholders for their contributions to the evaluation.

Project objectives, targets and outputs

Over the past three years the project made a revised commitment to work with 1,950 participants as stipulated in the original project outline provided through the D2N2 Local Economic Partnership (LEP). This target was achieved and further details of the specific outputs and outcomes achieved through the project can be found in section four of this evaluation.

In 2019 the project also successfully secured an extension period to work with an additional 1,547 participants over the 2020-2022. The project is currently due to be officially concluded on 30th September 2022.

SECTION ONE

Four core outcomes

To provide a specific focus surrounding the nature of the interventions required by participants to improve their financial circumstances the Money Sorted project has been structured around four core outcomes linked to the following indicators as follows:

OUTCOME	INDICATOR OF CHANGE
80% of participants report being able to budget/ plan finances better and will achieve financial stability, overcome debt and maximise income as a result of improved financial management.	• All have a Personal Financial Resilience Plan. 80% have developed personal/ household budgets with support of Personal Navigator. • 80% report and demonstrate increased financial management skills and know where to get ongoing advice and support. • Participants report increased confidence/ improved sense of well-being.
65% report being able to know what to look for when choosing financial products, make informed choices about financial products and access the products that best suit their needs.	• All have information on affordable, appropriate financial products. • At least 70% have a transactional bank account with mainstream bank/credit union. • Participants who need affordable credit report knowing how to access it.
50% of participants report reductions in family stress related to financial problems, improved family finances and improved levels of family cohesion and well-being.	• Participants report reduced levels of family stress. • Measurable increase in household income and reduction in debt. • Participants report improvement in family life/ well-being.
Increased income and financial security to improve family spending power with a positive effect on the local economy/ community.	• Measureable increase in household income and reduced debt. • Reductions in levels of family income going to high-cost lenders. • Participants report increased available income for spending in local shops/ businesses.

Overview of delivery partnership and staffing structure

Money Sorted in D2N2 is led by St Anns Advice Group. The organisation is experienced in the management of successful partnership projects around the financial inclusion agenda in the area.

St Anns Advice Group are supported by a partnership of the key advice and financial support organisations in the D2N2 area. The partnership contains a diverse range of providers with a local presence and wide range of expertise and experience of working with a variety of vulnerable people, groups and communities across D2N2. Delivery Partners employ Personal Navigators to work with individual participants at local level across the diverse geography of the area. This includes a focus on the following areas:

- Urban deprivation in the inner-cities of Nottingham and Derby.
- The larger centres of population within the two counties of Derbyshire and Nottinghamshire e.g. Mansfield & Chesterfield.
- People in excluded rural areas e.g. High Peak.

Personal Navigator team

Over the past year a total of 22 Personal Navigators have been employed on the project this includes 21 full time roles and 1 part-time role. This equates to 21.6 full time equivalent roles (FTEs).

The delivery partnership

All Money Sorted partners are subject to a Partnership Agreement with St Anns Advice Group which sets out mutual roles, requirements and responsibilities.

The complete list of partners operating within the Money Sorted in D2N2 project during 2019 is listed below.

- St Anns Advice Group c/o Advice Nottingham (Lead Partner and Accountable Body, Personal Navigator host organisation).
- Derby Advice c/o Derby City Council (Personal Navigator host organisation).
- Derbyshire Districts CAB (Personal Navigator host organisation).
- Derbyshire Law Centre (Personal Navigator host organisation).
- Derbyshire Unemployed Workers Centre (Personal Navigator host organisation).
- Direct Help and Advice (DHA) (Personal Navigator host organisation).
- Disability Nottinghamshire (Disability specialist organisation – until October 2019).
- Emmanuel House (Personal Navigator host organisation – until December 2019).
- Hanlon Software Solutions (Provider of project database).
- Local Authorities – Derby City, Derbyshire, Nottingham & Nottinghamshire (Building Better Opportunities (BBO) Stakeholder Managers).
- Mansfield CAB (Personal Navigator host organisation).
- Nottinghamshire YMCA (Personal Navigator host organisation).
- Nottingham & Nottinghamshire Refugee Forum (Personal Navigator host organisation).
- Signpost to Polish Success (Eastern European communities good practice partner – until June 2019).
- Citizens Advice Mid-Mercia (Personal Navigator host organisation).
- Toynbee Hall (Specialist provider of MAP financial health assessment tool).
- Workers Educational Association (WEA) (Provider of adult-learning sessions around financial capability skills and accredited Money Mentor training).
- YMCA Derbyshire (Personal Navigator host organisation).

During the course of 2019 two good practice partners Disability Nottinghamshire and Signpost to Polish success left the partnership after fulfilling their contractual requirements to raise Navigator awareness of best practice to engage with disabled and Eastern European groups. Emmanuel House also left the delivery partnership following the retirement of their Personal Navigator.

The typical range of interventions and support offered by Personal Navigators

Throughout the course of delivering the Money Sorted project it has become apparent that Personal Navigators are supporting participants in a range of different life circumstances to improve their financial health and financial capability. Whilst the participants accessing the service are affected by a diversity of need they all typically lack the necessary confidence and awareness about what they might do to improve their financial situation. Discussions with Personal Navigators and project case notes reveals that typical interventions and support are grouped around three headings – debt and benefits, financial capability or employability themes. These three distinct areas include the following types of interventions:

Debt and benefits

- Help participants to work with creditors to develop affordable repayment plans.
- Help to assist participants to access appropriate benefits or make benefit appeals.
- Help with tenancy sustainment issues to ensure participants do not become homeless or alternatively help with housing resettlement.
- Help participants to access specialist advice regarding bankruptcy or debt relief order options.
- Provision of advice surrounding priority and non-priority debts.
- Occasional help to support participants with multiple and complex needs to access alternative agencies for complementary support.

Financial capability

- Help to set up a bank account.
- Help to apply for missing forms of identification.
- Discussions about budgeting and helping participants to understand their total incomings/outgoings.
- Helping participants to consider the most appropriate payment dates particularly for priority debts.
- Equipping participants to use price comparison websites to reduce utility bills.
- Help to assist participants access funding for white goods or furniture.
- Workers Education Association (WEA) courses on financial wellbeing issues.

Employability

- Helping participants to access monies to apply for the professional licenses necessary to secure employment (see below).
- Onward discussion of volunteering and employment options.
- Job search support, interview support and CV preparation.

The impact of wider life changes

In addition to these three core themes it is also becoming apparent that many participants are experiencing financial difficulties that are closely connected to their wider life circumstances. Indeed one Personal Navigator advised that it is often a 'participant's change in circumstances' which triggers a referral into the service. Examples of wider life circumstances which have had an impact on participants financial health include:

- Anxiety or depression.
- Addictions.
- Divorce or relationship breakdown.
- Housing issues and tenancy support.
- Learning difficulties or disabilities.
- Loss and bereavement.
- Long-term health conditions or disabilities.
- Redundancy.
- The adverse impact of unexpected accidents or health conditions.

Participant budget

In the course of their work to support participants, Personal Navigators have the opportunity to access two types of participant budgets. This includes an 'intervention budget' and an 'employment and training for work' budget.

The intervention budget is valued at £200 per participant and its primary purpose is designed to help individuals achieve the targets within their action plan. Examples of intervention budget spend could include identification needs (to prove project eligibility), debt relief orders, financial capability course costs and travel costs for meetings.

By comparison the employment and training for work budget is designed to cover costs related to employment or training that will help someone to get employment. Again this budget has a total value of £200 per participant. Examples of budget spend could include workwear, haircuts, travel costs for course or interview, training costs.

Cross Cutting themes

All Money Sorted project activities are complemented by two cross-cutting themes that are fully integrated across the delivery of the project. These are: sustainable development, gender equality and equal opportunities. St Anns Advice Group, as the lead organisation for Money Sorted, have actively developed action plans for the project which embrace both themes.

This third year has seen significant progress on these two themes by Partners, Staff and Participants.

Sustainable development

Sustainable development is about meeting the needs of the present, without compromising the ability of future generations to meet their own needs. To respond to these challenges the project has developed an action plan which recognises the need to balance environmental, social and economic considerations when designing and delivering activities associated, not only with this project but with the all the services provided across the partnership.

St Anns Advice Group have an 'ongoing' action plan that covers environmental-impact reduction, waste minimisation, reducing energy consumption, reduce unfriendly travel and promotes green travel.

The project has continued to engage all partners with this issue and have initiated several workplace practices across the consortium to support actions within the overall plan.

Understanding and implementing good practices has permeated across the partnership and within each organisation to ensure that change is made by agencies, staff and participants.

Equal opportunities, gender equality and diversity

The project is fully committed to promoting equal opportunities, gender equality, valuing diversity and tackling discrimination. Throughout all activities the project aim is to embrace a person-centred and inclusive approach to equal opportunities that respects all participants and stakeholders by giving them real and significant involvement in how our project is managed and governed.

The projects gender equality and equal opportunities action plan sets out how the project is working to integrate and embed equalities and diversity within all aspects of service delivery. The delivery partnership is committed to the provision of services where all participants feel welcome and safe, can access and sustain involvement in the programme and have their needs understood and met. This is a critical part of the success of the project to ensure it helps participants to achieve their goals.

The projects work on equal opportunities was used as an example of good practice as part of a regional social inclusion workshop led by a local regional infrastructure organisation - One East Midlands.

Participation and specialist partners

Genuine and effective participant involvement is an essential part of the project delivery plan to help ensure the commitment to gender and equal opportunities action plan is maintained. The involvement of participants helps to enable everyone who needs the project to access it and to maximise the lasting positive impact on their lives and those of their families and communities.

To help the project benefit from the lived experiences of participants facing financial difficulties, regular Participant Forums are held across the region which are facilitated by Services for Empowerment and Advocacy (SEA). This is a key opportunity for participants to actively influence how the project works. To complement this process a Participant Ambassador role has been created within the project Steering Group to provide a direct link with the Participant Forum. Issues raised and or topics the forum has been asked to consider are fed back to partners through the Participant Ambassadors at the project Steering Group. The work of the Participant Forum and Participant Ambassadors is scheduled to continue over the extension period of the project.

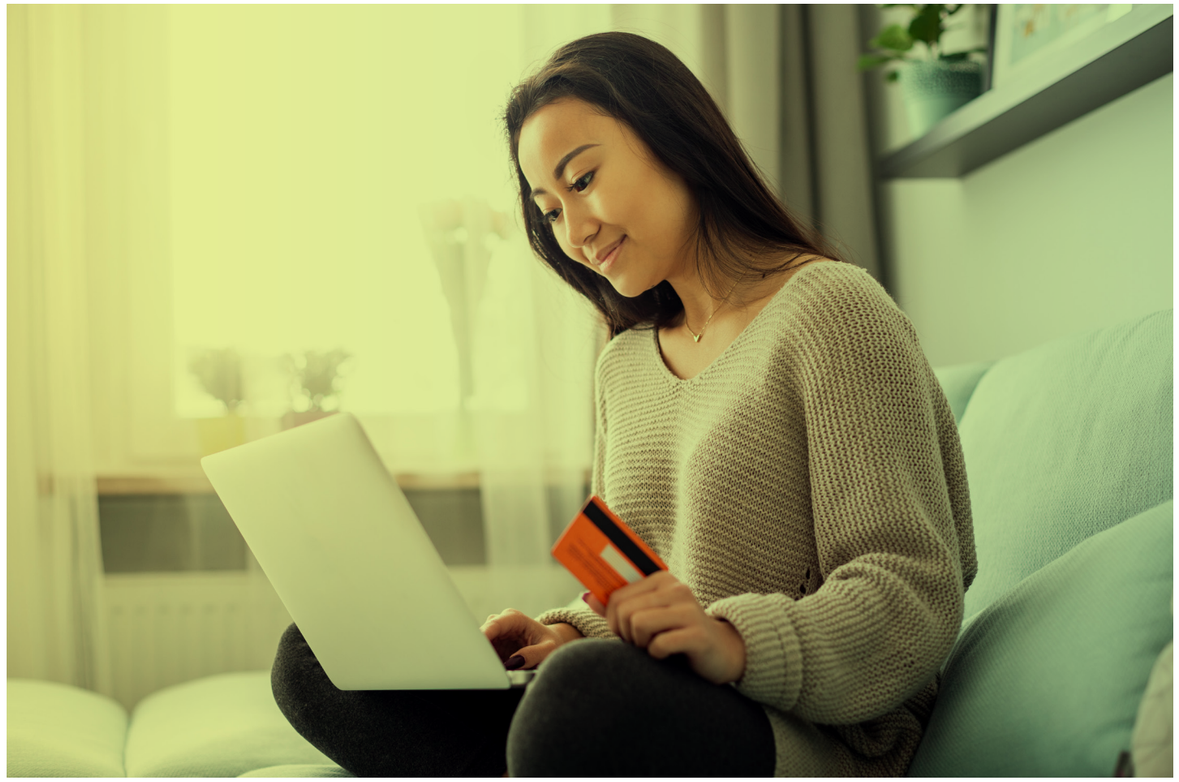
To help ensure that the project is as inclusive as possible several specialist partners were retained for part of 2019 to ensure the project is able to reach, engage and work effectively and sensitively with vulnerable groups. This includes Refugee Forum, Signpost to Polish Success and Disability Notts. The project has produced a 'disability etiquette guide' for Partners and ran several workshops across the D2N2 area to alert and inform partners on awareness protocols, legislative changes and general good practices within this field.

All cross-cutting action plans are actively reviewed by the project each quarter by a subgroup affiliated to the project steering group. Specific details of the cross-cutting action plans are available from St Anns Advice Group on request.

SECTION ONE

SECTION SUMMARY

- The Money Sorted in D2N2 project has been established to support individuals at risk of financial exclusion. The project is led by St Anns Advice Centre.
- The ultimate aim of the project is to assist economically inactive and unemployed individuals to develop their financial capability and financial wellbeing.
- The Money Sorted project is part of the Building Better Opportunities (BBO) programme and is co-financed by the European Social Fund and National Lottery Community Fund.
- Three Building Better Opportunities projects are actively operating across the D2N2. The lead organisations delivering multiple and complex needs strand (Framework Housing) and employability strand (Groundwork Greater Nottingham). All three lead organisations actively work together as part of the People's First Alliance (PFA).
- The Money Sorted project is delivered through a network of Personnel Navigators operating across the D2N2 area. Each Navigator works with their participants to create an action plan to define the nature of the interactions with the project. The plan is known as a Financial Resilience plan (FRP).
- Cross-cutting themes of sustainability, gender equality, equal opportunities and diversity have been embedded across the delivery partnership through a series of action plans which are reviewed on a quarterly basis.



Focus On

Money Mentors

To complement the support offered by Personal Navigators on the project, work has been underway over the past twelve months to develop a talent pool of volunteer Money Mentors.

Money Mentors are past participants of the Money Sorted project who wish to give some of their time and energy to support existing participants accessing the service.

All Money Mentors are volunteers who have fully completed their original action plans when they were previously accessing the project and have since gone on to complete an accredited mentoring qualification under the guidance of the Workers Educational Association (WEA).

Over the course of 2019 twelve past participants on the project have now successfully completed their accredited mentoring qualification.

The roles are designed to encourage, support and empower participants on the Money Sorted project to increase their skills, knowledge and confidence in dealing with money issues, using mentoring skills. Working in a close relationship with an assigned Personal Navigator, each Money Mentor follows their direction to support the achievement of the participant's Action Plan.

The roles have been devised as a valuable source of additional support to provide an additional listening ear to participants whilst encouraging each individual to recognise the progress they have made. The roles are not designed to provide specific advice which remains the remit of the Personal Navigator.

At the time of this report seven Money Mentors have been matched with a Personal Navigator. The early signs of this initiative suggest that the mentoring relationship can be mutually beneficial for both the participant and Mentor. The roles can also provide a valuable source of support for the Personal Navigators and help to boost the inclusive nature of the project. At a time when too many participants appear to be socially isolated the development of the Money Mentor roles could provide a source of additional value to enhance wellbeing and reduce isolation.

Whilst this potential exists it also evident that the Personal Navigators who have managed volunteers in the past are more assured in their ability to appropriately oversee the development of the Money Mentor roles. To help support the future development of this aspect of the project it is suggested that all Personal Navigators do receive core skills training on managing volunteers. Similarly, it is apparent that each Personal Navigator will need to make a considered judgement to appropriately match participants with available Mentors.

As this aspect of the project becomes established over the next year we will provide an update on progress in forthcoming evaluations.

> **'As a Money Mentor there is real power in the journey that we've been through. We are no longer frightened of money but have learned to respect it.'**

Zoe's case study

When Zoe was referred into the Money Sorted service via her local Job Centre in 2019 it was clear that she was living in very difficult circumstances and needed help with budgeting and debts.

Zoe had two children who were navigating the transition into adulthood with significant health conditions. Her daughter had cerebral palsy and mental health conditions and her teenage son had a brain cyst requiring frequent emergency trips to hospital.

Following the loss of her mother and brother, Zoe's bedroom was overrun with family belongings which prevented her from sleeping in the room. She was struggling with a heart condition and did not feel physically or mentally strong enough to deal with this situation and so was sleeping on the sofa in the living room.

At this time Zoe had two credit cards and had accumulated around £4,500 debt. Given that both Zoe's children had the potential to engage with Higher Education and university, Zoe was keen to avoid insolvency as she wanted to be able to access credit in the event that either child required further assistance.

As a result of this complex situation Zoe was unable to consider employment and was increasingly struggling with anxiety and sleep deprivation. Over a series of weeks she worked with her Personal Navigator to assess the extent of her debts. To move forward her Personal Navigator initially contacted all her creditors to discuss token gesture repayment plans. Working with her Personal Navigator it also became clear that Zoe had been affected by a significant loss of income associated with the end of her son's child tax credits.

A successful application was arranged to the Money Sorted intervention budget for a new bed for Zoe and support was arranged to help clear out the existing bedroom to allow Zoe to use it.

Following an on-going period of support, Zoe's debt has been reduced from £4,500 to around £500. Her budget now has £334 surplus income per month. Through the detailed review of her expenditure it has been possible to reduce her monthly outgoings by £650. This has been achieved through a combination of reduced debt repayments, switching utility providers, securing a water discount, an informed spending plan for shopping and her son leaving for university. Although Zoe's monthly income has actually dropped by £363 per month following the loss of tax credits, the net effect of all these changes is that Zoe now has over £300 surplus income per month.

Through the support on offer Zoe is now confident that she can use a budget sheet going forward to help maintain this level of financial stability. Zoe also says she now understands how to apply in future for schemes like the Severn Trent Big Difference Scheme and the Warm Homes discount scheme, if needed.

By the end of the time of the project it was clear that Zoe was benefitting significantly from the fact she could now sleep in her own bed. This has massively helped her concentration levels and ability to process complex information. Zoe has deeply appreciated the support offered through the service. In her own words she said.

> **'I'm so pleased you have been there for us!! Thank you… you been so patient.'**

The progress Zoe made during her time on the Money Sorted project was also noted by her Personal Navigator who commented that 'She was determined to ensure she managed her debt and maintained her home for her children. Many clients would have succumbed to debt relief orders and may have lost their tenancies when faced with the problems she has had.'

*This case study has been anonymised to protect participant confidentiality.

SECTION TWO

Understanding the context of the UK financial wellbeing strategy and its relationship with the Money Sorted project

Introducing the UK strategy for financial wellbeing 2020-2030

Since the year two evaluation of Money Sorted was completed in 2019 the Money and Pensions Service (MaPs) have released a UK strategy for financial wellbeing 2020-2030. The strategy recognises the on-going financial challenge facing many individuals living in the UK today.

Many of the nationwide trends featured within the strategy clearly resonate with the some of the difficulties experienced by participants using the Money Sorted project across the D2N2 area.

> **11.5m people have less than £100 in savings to fall back on. 9m people often borrow to buy food or pay for bills. 22m people say they don't know enough to plan for their retirement. And 5.3m children do not get a meaningful financial education.**
>
> **Source: UK financial wellbeing strategy (2020)**

The UK financial wellbeing strategy represents an important document with key implications for the development and delivery of the Money Sorted project.

The financial wellbeing strategy replaces the UK financial capability strategy which was officially released in 2015. In essence the learning from the previous development of the UK financial capability strategy has been embraced in the emerging UK financial wellbeing strategy. The key difference is that the new strategy considers the broader concept of 'financial wellbeing'. So what actually is financial wellbeing? The strategy defines this as:

> **Financial wellbeing is about feeling secure and in control. It is knowing that you can pay the bills today, can deal with the unexpected, and are on track for a healthy financial future. In short: confident and empowered.**
>
> **Source UK financial wellbeing strategy (2020)**

Throughout the strategy the connection is made that individuals who have good financial wellbeing are less stressed about money. This has positive implications for their work, relationships and health.

The strategy makes it clear that our future focus as a nation should not solely be on empowering individuals to make effective financial decisions. A much broader approach is required to positively influence the underlying regulatory frameworks, ethical trading and empowerment of consumers. From the commentary provided within the strategy it is clear that when it comes to our financial wellbeing there needs to be a 'rebalancing of resources from crisis support to prevention'. The five key drivers of the UK financial wellbeing strategy can be found in the diagram overleaf.

The UK financial wellbeing strategy

	Financial Foundations	Nation of Savers	Credit Counts	Better Debt Advice	Future Focus
Who	Children, young people and their parents	Working-age 'struggling' and 'squeezed' people	People who often use credit for food and bills	People who need debt advice	All adults
Goal	National Goal **2m more** children and young people **getting a meaningful financial education.**	National Goal **2m more** working-age 'struggling' and 'squeezed' people **saving regularly.**	National Goal **2m fewer** people often **using credit for food & bills.**	National Goal **2m more** people **accessing debt advice.**	National Goal **5m more** people **understanding enough to plan for, and in, later life.**
Outcome	Children and young people will get a meaningful financial education so that they become adults able to make the most of their money and pensions.	People will get the savings habit, build cash reserves to help with short-term emergencies and have a clearer future focus in their financial lives.	More people will access affordable credit, and more people will make informed choices about borrowing.	People will access and receive high quality debt advice when they need it, because of stronger and earlier engagement, and because funding, supply and services more closely match need.	People will engage with their future and be empowered to make informed decisions for, and in, later life.

Cross-cutting lens: gender

Cross-cutting lens: mental health

Defining financial wellbeing – five priority measures to focus the strategy

To help deliver the strategy five key priority measures have been defined to help provide the necessary focus for what we should be doing as a nation of individuals to positively effect our financial wellbeing. The five key priority measures have been distilled from a list of 21 possible measures and have been placed into three individual categories of foundations, day-to-day decisions and looking ahead. A detailed excerpt of each of the five key priority measures is provided below:

	Foundations	Day-to-day			Looking ahead
Measure	Getting a meaningful financial education	Saving regularly	Managing credit	Accessing debt advice	Making good decisions about future wellbeing
	From our children, young people and parents research we are certain that we need to understand children's experiences both in school and at home. So our measure covers children who get the benefit of a meaningful financial education in either a school or home environment.	There is widespread agreement that saving is a good thing. There is also compelling evidence that people who have a savings habit are more likely to display other behaviours that we associate with financial wellbeing, regardless of the amount they save. The savings habit both increases resilience and increases the 'future focus' of savers.	The trade-offs associated with credit are sufficiently distinctive for it to need its own measure, although it does have clear links to decisions people make about savings. Our chosen measure is about *not* using credit for everyday essentials.	Most people in the UK are not over-indebted, but the problem still affects many millions of people and there is a large gap between those who need debt advice and those who get it. A more supportive and easier-to-access debt advice system can help people to resolve debt problems earlier.	Saving and putting aside money for later life are similar behaviours, but people can approach these tasks with different mindsets. They need to be measured separately. We have considered, and ruled out, measures of how much people have saved. These are very hard to gather. It is even harder to judge what is the 'right' amount for an individual.

From these key five priority measures it is clear that the Money Sorted project is best placed to impact the 'day-to-day decisions' and 'looking ahead' measures. These are all topics which regularly feature in the conversations between Personal Navigators and participants. Whilst it is crucial that young people in the schooling system also receive a meaningful financial education this is not something that the project can embrace given the existing eligibility criteria.

Cross-cutting lenses – vulnerability and inclusion

In order to make the strategy as inclusive as possible the cross-cutting lenses of vulnerability and inclusion have also been recognised. Again many of the themes referenced in this section of the strategy resonate with the experience of delivering the Money Sorted project. Physical and mental health, personal circumstance and digital-inclusion issues have all been evidenced in having some level of impact across the project. Through the person-centred nature of the project Personal Navigators continue to work with their participants to offer an inclusive approach with their individual financial resilience plans (FRPs).

Further contextual information on the cross-cutting lenses of vulnerability and inclusion are provided in the table below.

Vulnerability and inclusion examples

Key Statistics

1. Physical and mental health	16% of working-age adults have a disability One-quarter of adults in any year experience at least one mental health disorder
2. Personal circumstances	6.5m people are carers There are 792,000 young people aged 16–24 who are not in education, employment or training
3. Age	The number of people over the age of 85 is predicted to double in next 25 years
4. Financial crime	Almost one in five adults has been a victim of financial abuse
5. Gender	Women aged between 55 and 64 have just 37% of the median private pension wealth of men
6. Digital inclusion and capability	11.9m people don't have the basic digital skills for day-to-day life in the UK

The table above accords with the background of many of the participants accessing the Money Sorted project who in addition to challenging financial circumstances are blighted by a range of wider life factors.

SECTION SUMMARY

- As a nation, financial wellbeing is a struggle for many people living in the UK. 11.5m people have less than £100 in savings to fall back on. 9m people often borrow to buy food or pay for bills. 22m people say they don't know enough to plan for their retirement. And 5.3m children do not get a meaningful financial education. The UK financial wellbeing strategy sets out a ten-year plan 2020-2030 to respond to these challenges.
- Financial wellbeing is about feeling secure and in control. It is knowing that you can pay the bills today, can deal with the unexpected, and are on track for a healthy financial future. In short: confident and empowered.
- The UK financial wellbeing strategy is centred on five core areas
  - **Financial foundations** – Children and young people will get a meaningful financial education so that they become adults able to make the most of their money and pensions.
  - **Nation of Savers** – People will get the savings habit, build cash reserves to help with short-term emergencies and have a clearer future focus in their financial lives.
  - **Credit counts** – More people will access affordable credit, and more people will make informed choices about borrowing.
  - **Better debt advice** – People will access and receive high-quality debt advice when they need it, because of stronger and earlier engagement, and because funding, supply and services more closely match need.
  - **Future focus** – People will engage with their future and be empowered to make informed decisions for, and in, later life.
- Each of the five core areas is linked to five priority areas to help focus the strategy. These priority areas include getting a meaningful financial education, saving regularly, managing credit, getting access to debt advice and making good decisions about future financial wellbeing.
- The strategy also recognises that people currently in vulnerable circumstances are those who are especially susceptible to financial detriment for themselves or their family due to one or a combination of the following reasons: a personal characteristic such as gender, a serious mental health condition or cognitive impairment; the impact of a recent life event such as a bereavement; and a low level of skills needed for good financial capability.
- Projects like Money Sorted in D2N2 have a significant potential contribution to make to the five priority areas to help individuals enhance their financial wellbeing.
- A full copy of the UK financial wellbeing strategy can be downloaded from the Money and Pensions service website. www.moneyandpensionsservice.org.uk

Focus On

BBO Stakeholder Managers

As part of the original funding application to deliver the Building Better Opportunities (BBO) programme across the D2N2 area all three member organisations of the People's First Alliance (PFA) (Framework, Groundwork and St Ann's Advice Centre) made a commitment to invest in the concept of Local Authority Stakeholder Managers (LASMs). A total of four LASM roles were created each with a specific emphasis on a specific geographic areas of Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2).

From the outset the roles were specifically designed to help

- Raise the profile of BBO service provision at a Local Authority level.
- Support the appropriate referral of participants into relevant services.
- Build the strategic awareness of existing service provision in order to identify 'gaps' and 'duplication' in service provision and feedback to D2N2 Local Economic Partnership (LEP) to inform commissioning.
- Ensure wider learning from BBO service delivery is also factored into future commissioning intentions.

To help evaluate the impact of the LASM roles over the initial three years of service delivery a series of semi-structured interviews were held during the second half of 2019. These interviews involved Stakeholder Managers themselves and representatives from relevant Local Authorities, PFA member organisations, D2N2 Local Enterprise Partnership and the Chamber of Commerce.

Given the broad focus of the BBO strands on employment, multiple and complex needs and financial wellbeing issues the remit of interviews was designed to focus on how the LASMs roles had been evolving over the initial three years of service delivery across all three BBO strands including Opportunity & Change, Towards Work and Money Sorted.

From the discussions with the representatives from the individual BBO strands it was evident that each strand relates to the roles slightly differently. The geographical area and political context of each area has a major impact on the Stakeholder Manager's role, hence distinct differences in activity across D2N2.

Whilst the need to build referrals and build awareness of BBO provision was universally understood it was clear that individual strands had benefitted from the roles in different ways. Towards Work for example had found the roles valuable to establish data-sharing agreements with statutory partners to help build referrals, this varied across Local Authority areas.

Opportunity and Change had found the roles useful to assist staff gain trusted assessor status for Care Act assessments. Money Sorted by comparison had initially focussed LASM role on embedding financial resilience and financial capability with the strategic plans of Local Authorities across the region.

A key theme which did appear within all three discussions across the three BBO strands related to the evolving strategic nature of the LASM roles. All three partners felt that it was challenging to manage the operational requirements of an ESF programme and manage and appraise the range of potential activities that the LASMs could support. Instead the strategic direction required to inform the roles had often come from other influencers particularly the LEP and Local Authorities.

All three BBO strands did however recognise the value of the coordination function of the LASMs to help prepare for strategic presentations at the European Structural and Investment Fund (ESIF) board meetings.

From the perspective of Local Authorities, LEP and Chamber of Commerce representatives across the region the LASM roles were felt to have added value to raise awareness of BBO provision and associated inclusion issues. All Local Authority representatives felt that embedding the LASM roles within an economic development or employment and skills setting had provided an ideal starting point to commence the roles. This had to some extent helped to raise the awareness of social inclusion issues across the region particularly with employers and businesses. Indeed it was felt that the LASM roles had been a crucial driver behind the growth and success of the 'Recruiting Talent' events taking place across the region.

Focus On

Whilst the Employment and Skills and Economic Development facing nature of the roles had been of much value it was also recognised from a Money Sorted perspective that the project had an affinity with a much broader range of internal functions within the Local Authorities concerned. For example links with Welfare Rights, Housing and Social Care. Whilst this is the case the Money Sorted project has been able to benefit from Stakeholder Manager involvement. Notable examples include LASMs facilitating a collaboration with Public Health colleagues on the topic of behavioural insights (see Focus on Disengagements feature for further details). The project is also beginning to benefit from the close affinity that the LASMs have with the employment and skills agenda. In this respect LASM briefing sessions have taken place with Work Coaches (Towards Work) and a similar LASM briefing session is currently under development to raise awareness of employment and skills provision across the region that might benefit Money Sorted participants. LASMs provide details of progression opportunities to all Work Coaches and Personal Navigators to enable them to support their participants to progress.

As the roles have continued to evolve it has become apparent that it is challenging to contain the LASM function within a focussed BBO remit. The available evidence suggests that many of the value-adding initiatives led by LASMs have a cross-cutting, cross-sector theme. Representatives for the LEP evidently valued this aspect of the work of LASMs and felt that there was a growing role for the LASMs to support and inform commissioning and procurement opportunities given their awareness of the strategic landscape across the region.

Whilst the available evidence suggests that the LASM roles do add value the future legacy emanating from the roles remains a point of discussion. One respondent felt that attempts to assess the financial impact of the roles was 'challenging and elusive'. Whilst all the Local Authority representatives who were surveyed could see the value of the roles they were very uncertain about the ability of their Local Authority to make a continued financial investment into the roles after the completion of the BBO project.

Clearly, if a definite future legacy is to be established from the work of the LASMs there will be a requirement for further collaborative discussions between all key partners to help assess how the learning from the roles could be embedded within the region on a longer term basis.

Further information on the work of the Stakeholder Managers can be found on the Stakeholder Managers website at https://bbo-d2n2.org.uk/

Brian's case study

When Brian joined the project in autumn 2018 he was struggling with depression following the recent loss of his mother. Brian was very socially isolated having not worked for a number of years following a stressful period in a past job which led to a breakdown. In his own words

> **'I came to St Ann's Advice for a course of help in budgeting and claiming, because I was going broke way prematurely each fortnight. My Navigator has helped me through a lot'**

Since his mother had been a keen financial supporter of charities Brian liked to regularly make financial donations to charities to help deal with his grief and in some way honour the memory of his mother.

As a sensitive and thoughtful man Brian benefitted greatly from the support offered from his Personal Navigator to help him think through how he might develop a new approach to budgeting which would allow him to live within his current income.

Through a closer inspection of Brian's financial circumstances his Personal Navigator was able to quickly identify savings that halved one of his utility bills. This success was quickly followed up with the resolution of a long-standing debt associated with a student loan.

Brian has subsequently worked with his Personal Navigator to incorporate the inheritance from his mother's estate into his financial situation. This is something that Brian really appreciated. In his own words 'My Personal Navigator helped me a lot with the workings of accepting an inheritance into my benefits. What I could keep and what I had to let go. I know that if I was (alone) in the same circumstances that I would have folded more or less straight away'.

As work with Brian has continued it has become clear that he would benefit from on-going assistance to help manage his affairs and wellbeing. As a result his social-housing provider has been contacted to assess the possibility to provide a Housing Support Worker.

To help move forward Brian would ultimately like to get back into work and is currently exploring the potential to volunteer at his local veterinary practice as a stepping stone to help fulfil these longer-term ambitions. In his own words Brian feels that his Navigator has

'Helped me through a lot. I have appreciated the continued support. I have not been 'let-go' at any point and my Navigator has been very pro-active in helping me.'

*This case study has been anonymised to protect participant confidentiality.

SECTION THREE

Participant profiles

Understanding the profile of the participants accessing the Money Sorted project

Introduction

In this section of the evaluation we present details on the characteristics of participants accessing the Money Sorted project over the first three years of service delivery. The data has been compiled to help illustrate in greater detail the diverse range of demands placed on the service from participants residing across the D2N2 area.

For many of the participants accessing the service it is apparent that they are adversely affected by wider life factors and circumstances which have an impact on their financial capability and financial wellbeing.

What emerges from this analysis is a series of themes which reveal the diversity and complexity of the demand which any organisations will face when working with unemployed and economically inactive participants across the D2N2 area.

Information sources

To prepare this analysis we have interpreted the available project data held on available project systems alongside further qualitative and quantitative data collection exercises with participants and Personal Navigators over the past three years. In total four different sources of data have been used.

1. Contractual compliance data to meet the requirements of the Building Better Opportunities programme held on the Hanlon System.

2. The MAP tool data maintained by Toynbee Hall to help measure the financial wellbeing of participants at the point of entry into and exit from the project.

3. Participant feedback collated over the past twelve months including active participation activities coordinated through the Participants Forum.

4. On-going dialogue with Personal Navigators throughout the duration of the project.

Participant profile analysis – Overview

What does the available data tell us about participants accessing the Money Sorted project?

Basic demographic data

An assessment of the basic demographic data over the first three years of service delivery reveals the following situation. In terms of gender split 45% of participants are male and 55% are female.

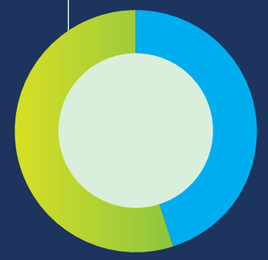
The mean average age of participants accessing the service equates to 43 years of age. The most popular age band of participants accessing the service equates to 25-34 age group with 24% of participants associated with this age band.

Over the past twelve months the project has worked hard to attract more economically inactive participants. As a result of these endeavours the proportion of economically inactive participants has risen from 35% (at the end of Y2) to 42.3% at the end of Y3. By comparison the proportion of unemployed participants accessing the service has declined from 65% (end Y2) to 57.7% (end Y3)

Analysis of the ethnic profile of participants reveals that 79.4% of participants are white British. By comparison 20.6% of participant come from Black, Asian and minority ethnic profiles. The most popular Black Asian Minority Ethnic and Refugee (BAMER) groups include Black/African/Caribbean/Black British – African 5.6% and Black/African/Caribbean/Black British – Caribbean 3.0%

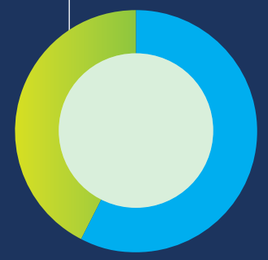
Basic demographic data

Gender profile



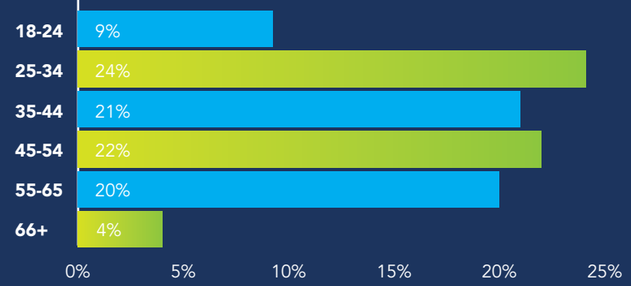
45%	Male
55%	Female

Economic status of participants

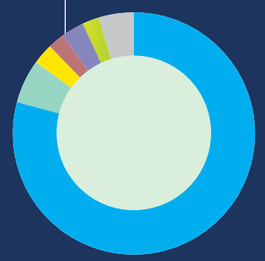


57.7%	Unemployed
42.3%	Economically inactive

Age profile data



Ethnic profile of participants



79.4%	White – English/Welsh/Scottish/Northern Irish/British
5.6%	Black/African/Caribbean/Black British – African
3.0%	Black/African/Caribbean/Black British – Caribbean
2.0%	Mixed/Multiple ethnic group – White and Black Caribbean
3.2%	Arab
2.3%	Asian/Asian British/Bangladeshi/Chinese/Indian/Pakistani
4.5%	other BAMER groups

SECTION THREE

Participant educational attainment

A review of the available data on educational attainment of participants accessing the project reveals that 37.7% have not completed their secondary education. A concerning 11.6% have not completed their primary or lower secondary education. 39.8% have completed their upper secondary education and 7.9% have completed their tertiary education or equivalent A levels, A/S levels or NVQ level three. Further details on the educational attainment of participants can be found in the table below.

17%

of participants have a learning difficulty or learning disability

Source: 2018 Personal Navigator survey

Highest level of educational attainment

	Numbers of participants	% Participants	% Cumulative
Does not have primary or lower secondary education	163	8.0%	8.0%
With primary education or equivalent	74	3.6%	11.6%
With lower secondary education or equivalent	533	26.1%	37.7%
With upper secondary education or equivalent	811	39.8%	77.5%
With tertiary education or equivalent	161	7.9%	85.4%
With post-secondary education or equivalent	298	14.6%	100.0%
Total	2040	100.0%	

37.7%

participants have not completed their secondary education.

The implications of low educational attainment on financial wellbeing.

Given the emerging link between numeracy and financial capability these trends are concerning. Research undertaken by the Money Advice Service 2017 reveals that:

> **Our modelling work has shown that numeracy is a driver of a number of measures of financial capability, including 'keeping up with bills' and 'savings frequency'. High numeracy is linked to a range of positive financially capable behaviours.**
>
> **Source: Money Advice Service Adult Numeracy and Financial Capability Survey 2017**

The significant numbers of participants who are not completing their secondary education has concerning implications for their future financial wellbeing. The educational trends are also concerning because of the significant numbers of participants who are completing their secondary education but are still getting into financial difficulties as they progress into adulthood. Many of the participants attending the Participants Forum have noted that these challenges reflect a deeper issue with the education system and its ability to adequately prepare young people to become financially literate.

Some of these issues were discussed during a participants forum held during 2019 where participants were asked to consider if they could go back in time what would they tell their 21-year-old self about managing money? Amongst the most telling response was the suggestion that:

> **'I now know how important it is to live on a budget and know how important it is to manage money. This should be taught at school, it is crucial it is taught from a young age.'**
>
> **Source: Money Sorted participant attending July 2019 Participants Forum**

Another compounding factor which leads to participants requiring the support of the project is the presence of learning difficulties or learning disabilities. We know from the 2018 Personal Navigator that these issues affected 17% of participants accessing the project.

Participant household status and employment situation

A review of the available data on participants' household situations reveals that by the end of the third year of service delivery 88.2% of participants were living in jobless households across the first three years of service delivery. Compared with this position at the end of the second year of service delivery it is clear that the proportion of participants living in jobless households has increased by 9.2% over the past twelve months.

With the exception of the percentage of participants who lack basic skills which has fallen from 44% to 42.9% all the other measures have increased, some significantly, over the past twelve months. The most noticeable increases relate to numbers of participants living in a jobless household with dependent children 7% and numbers of participants who have a disability 15.4%

67.1%

of participants feel that they are living in a debt situation that is unmanageable.

Status	Position at the end of Y2 (2018)	Position at the end of Y3 (2019)	Y3 – Y2 % variance
Lacks basic skills	44%	42.9%	-1.1%
Homeless or affected by housing exclusion	11%	11.8%	0.8%
Live in jobless household	79%	88.2%	9.2%
Live in jobless household with dependent children	23%	30.0%	7.0%
Live in single household with dependent children	17%	22.4%	5.4%
Offender or ex offender	10%	11.8%	1.8%
Has a disability	54%	69.4%	15.4%

Participant financial wellbeing data

A review of the available data on participants' financial wellbeing held on the MAP tool system continues to reveal a profile of participants who lack the necessary confidence, skills and knowledge to be able to make informed decisions about how they manage their financial affairs.

The MAP tool features a pre-survey which baselines the financial wellbeing of each participant. After each participant's financial resilience plan (action plan) is completed each participant completes a post survey form before they officially exit the project.

Analysis of pre-survey data across the first three years of service delivery reveals a situation whereby the majority of participants are facing significant financial difficulties, whilst at the same time facing a concerning deficit of knowledge and skills to help navigate through their existing financial difficulties.

82.6% of participants said that when it comes to managing their finances that they 'always struggle'. As a result it is perhaps not surprising to note that 71.2% of participants said that were 'not very confident' or 'not at all confident' about their financial future. Problem debt appears to be a recurring theme for many participants with 67.1% saying they were living in a debt situation which was unmanageable. This represents a 10% increase on the percentage of participants who felt they were living in an unmanageable debt situation when compared with the Y2 evaluation report.

A comparative review of MAP tool pre-survey data at the end of Y2 (2018) compared with the end Y3 (2019) can be found in the table overleaf.

71.2%

of participants said that they 'were not very confident' or 'not at all confident' about their financial future.

MAP tool pre-survey data		
Position at the end of Y2 (2018)	Position at the end of Y3 (2019)	MAP tool measure
81.2%	82.6%	said that when it comes to managing their finances that they 'always struggle' or 'sometimes struggle'.
74.4%	71.2%	said that they were 'not very confident' or 'not at all confident' about their financial future.
3.9%	3.3%	thought that they had a good knowledge about the different types of financial products available to them.
65.5%	63.3%	thought they were 'not very confident' or 'not at all confident' in their ability to identify financial products that would be most affordable and appropriate
68%	65.2%	'regularly borrow money' or 'sometimes borrow money' to buy food or pay for other necessary items because they have run short of money.
57.1%	67.1%	felt that they were living in a debt situation that was unmanageable 'I can't pay it off and still afford most or all essentials like food, housing and heating'.
46.3%	43%	completely agreed that they thought that their family/household life was stressful.
£23.95	£23.73	average amount of disposable income that participants had to spend in shops and businesses each month.

Source: MAP tool data maintained by Toynbee Hall

In the next section of the evaluation we will return to the MAP tool scores to review post survey scores of participants after they have completed all the actions contained within their financial resilience plans.

65.2%

of participants 'regularly borrow' money or 'sometimes borrow money' to buy food or other essential items.

SECTION THREE

Exploring the adverse relationship between mental health and debt

Working with both participants and Personal Navigators involved with the Money Sorted project, it is clear that the negative correlation between mental health and debt continues. As part of the year two evaluation of the project, Personal Navigators assessed that 77% of the participants on their caseload were affected by mental health issues affecting their ability to function on a day-to-day basis.

Nationally these challenges are also considered within the UK financial wellbeing strategy. The table below considers people with diagnosed mental ill-health are more likely to be over indebted and in significant financial difficulties. Moreover people experiencing mental health issues are also more likely to have missed debt repayment dates, be using short-term credit and experiencing emergency issues e.g. court summons.

People experiencing mental ill-health fare much worse with debt and credit.

Exploring the relationship between mental health, credit and debt

Have a diagnosed mental health problem		Rest of UK population
Are over-indebted	36%	11%
Missed payments in 3+ of last 6 months	27%	8%
Have used any form of short-term, high-cost credit in last 6 months	24%	8%
Have experienced emergency issues (e.g. court summons, bailiffs) in last 6 months	23%	6%

Source: UK financial wellbeing strategy 2020-2030

These trends reflect the situation of many participants at their point of access onto the project. Indeed the high levels of unmanageable debt often act as a driver for potential participants to search for some form of external support. This also accords with a longitudinal study into debt advice undertaken in 2016.

The fact that a negative relationship exists between debt and mental health provides an on-going challenge for many participants across the region experiencing financial difficulties. This is a theme which has also been identified in wider research on the link between debt and health.

'The declining mental and physical health of those in debt over an extended period of time presents a burden to health services; more than half of all participants were prescribed antidepressants at some point during the period of the study; time lost from work to deal with health problems or even to seek debt advice and deal with creditors comes at a cost to the economy.'

Source: Living with debt after advice. A longitudinal study of people on low incomes. (2016)

SECTION SUMMARY

By the end of year three the project had the following cumulative profile of participants.

- The participants accessing the project have a gender split of 45% male and 55% female
- The project has made a renewed effort to increase the intake of economically inactive participants. By the end of the third year of service delivery 57.7% participants accessing the project were unemployed and 43.3% were economically inactive. This has improved significantly on the situation at the end of the second year of service delivery where the split was 65% unemployed, 35% economically inactive.
- The mean average age of participants accessing the project is 43. The most popular age group of participants is 25-34 with 24% of the participants.
- 79.4% of participants accessing the project are from white british background with the remaining 20.6% from Black Asian Minority Ethnic and Refugee (BAMER) groups.
- The educational attainment of participants is low. 37.7% of participants have not completed their upper secondary education.
- The limited numbers of participants completing their secondary education is concerning since wider modelling work undertaken by the Money Advice service (2017) reveals the key link between numeracy and financially capable behaviour.
- Personal Navigators continue to report back the on-going mental health concerns with participants accessing the project. Wider research published within the UK financial wellbeing strategy illustrates how individuals with mental health issues are more likely to be in debt or facing credit difficulties.
- Participants accessing the service typically feel that they lack the necessary confidence, knowledge and skills to make informed financial decisions.
- As a result, 65.2% of participants disclosed that they 'regularly' or 'sometimes' need to borrow money to pay for food or necessary items.
- 67% thought that they were living with unmanageable debt. This figure has increased by 10% over the past twelve months since the year two evaluation was completed.
- 43% thought that their family life was completely stressful
- On average participants had £23.73 of disposable income to spend in shops and businesses each month when accessing the project at pre-survey stage.

The statistics presented in this chapter provide additional insights into the range of factors which have an impact on the financial capability of participants accessing the service.

36%

of people with a diagnosed mental health condition are over-indebted

Source: UK financial wellbeing strategy 2020-2030

Focus On

Using behavioural insights approaches to reduce disengagement

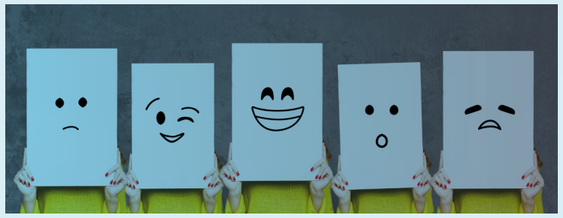
Throughout the delivery of the Money Sorted project it has become apparent that there has been an on-going challenge associated with the premature disengagement of participants midway through the provision of the service. By the end of year three a total of 463 participants had disengaged from the service and 1028 participants had officially exited the project which reflects a disengagement rate of 31%.

To help explore this situation from a behavioural-insights perspective the project engaged with a Clinical Psychologist, Jo Hall, from Derbyshire County Council. As a result of initial discussions between the Money Sorted project and Jo it was agreed that an initial focus group would be held with a small cohort of Personal Navigators to explore the underlying factors perceived to influence participant disengagement.

From the outset of the initial focus group a discussion took place about the sensitive nature of the services provided through the Money Sorted project. As one Personal Navigator observed

'it can be emotionally painful to admit we need help when it comes to our finances'.

As the discussions continued there was a clear sense that for many participants the topic of money is a difficult subject that can and does arouse a complex range of emotions. Indeed one Personal Navigator revealed the process of working through some participants' financial affairs had brought their participants to tears. The extent of these difficulties meant that it was not uncommon to be working with participants who were anxious, embarrassed, fearful or apathetic about their financial circumstances.



As the focus group continued it was considered that this array of negative emotions can be a key factor in their disengagement from the service. To take the focus group forward the group considered the principles of the Easy, Attractive, Social, Timely (EAST) behavioural insight model to help inform how services could be provided to influence positive behaviour change.

EASY – How can we make it easier for participants not to drop out?

ATTRACTIVE – How can we make sure it is desirable for participants to stay engaged?

SOCIAL – How can we harness the power of social norms to reduce participant drop out?

TIMELY – What timing factors can we change in order to reduce the chance of drop out?

The results of this initial focus group were presented and discussed at a Personal Navigators' meeting in early January 2020. This generated a range of different ideas and approaches for implementation. Whilst it is clear that there is no one single idea that will resolve the challenge of participant disengagement it is evident that the development of a range of behavioural insights provides the Personal Navigators with different techniques and approaches to help engage participants that might otherwise disengage at the first hurdle.

Nina's case study

When Nina accessed the Money Sorted service in March 2019 it was clear that she was very socially isolated and was struggling to function on a day-to-day basis. As an ex-offender Nina had never really developed the necessary knowledge and skills to manage her day-to-day financial affairs. As a result Nina had accrued significant debts and was continually struggling to find the money to pay all the incoming bills as they fell due.

These difficulties placed Nina in a cycle of recurring stress which added to a growing sense of anxiety and mental anguish. The continual financial firefighting meant that Nina lived with a growing sense of fear about the future to the extent that it became difficult to open the mail coming through the letterbox each day.

To help Nina move forward her Personal Navigator worked hard to gain her trust from the outset of the first meeting. Nina was reassured during the initial meetings that the service would work at a pace that she could cope with. Nina was supported to complete a budget planner to allow her to get a stronger understanding of her financial position. This approach was complemented by the development of a budget folder to log priority bills rather than risk losing the paperwork.

Nina's Personal Navigator next supported Nina to look at her utility arrangements. A closer inspection of her gas and electricity providers revealed that Nina had regularly been switching providers and making erratic payments. Her Personal Navigator discussed the importance of searching for good deals online and then making payments in line with an agreed contract. Her Personal Navigator also looked at her energy usage and provided advice on ways to reduce energy consumption for example not putting the heating on a timer and not having heating on during the night when she was sleeping.

A successful application was made to the Severn Trent Big Difference scheme to reduce water bills and a payment plan was established with the TV licencing authority. On-going negotiations with the local authority reached a conclusion when it was agreed that her council-tax debts would be cleared.

Throughout her time on the project Nina has been receptive to the support and guidance offered by her Personal Navigator and appreciated the opportunity to discuss her financial situation in her own home. In her own words Nina felt that

> **'the home visits have been invaluable to me as I have anxiety and to have them at home has helped me so much. My Personal Navigator has been very lovely and understanding and listened to my concerns and the goals I wanted to achieve. This has made a big difference to me and has got me back on track and understanding where I need to be with payments'.**

Since Nina completed the project she has been able to establish a savings account, something that would have looked unlikely at the start of the project. Through the consistent support of her Personal Navigator it has been possible for Nina to significantly reduce the stress that her finances were causing whilst at the same time equipping her with new financial skills and awareness for the future.

*This case study has been anonymised to protect participant confidentiality.

Review of the year three project performance

In this section of the evaluation we review how the Money Sorted project has performed during the third year of service delivery vs expected targets. As part of this review the overall performance of the project during the first three years of service delivery is also considered. The section includes a review of the following areas of performance:

- Review of year three 'sign-ups' targets vs actuals.
- Project extension targets 2020-2022.
- Referral routes.
- Project outcomes and outputs.
- Participant disengagements and exits.
- MAP tool pre-survey and post survey analysis.
- Understanding the extent of indebtedness across the project.
- 2019 Participant budget spend.
- Employment and employability issues.
- Financial capability training sessions for participants.
- Project spend vs budget.
- Project extension.

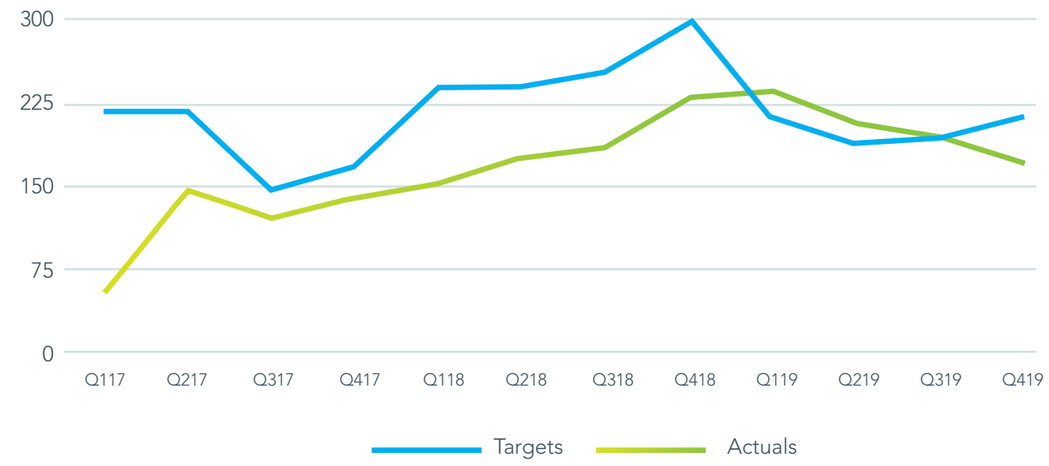
Throughout this section of the report we make an ongoing assessment of how the project is performing against contractual expectations. Where appropriate a complementary narrative has been developed to illustrate in greater detail the underlying factors affecting the performance of the project.

Review of year three sign-up targets vs actuals

An initial review of the year three sign ups reveals that 2019 was the most productive year in terms of the number of participants signing up for the project. A total number of 821 participants signed up for the project in 2019 which compares favourably with the 470 and 751 participants which signed up for the project in 2017 and 2018 respectively. The project has worked with a total of 2,042 participants which exceeds the original service specification target of 1,950.

Sign-up targets vs Actuals	2017	2018	2019				2019	Actual total at end 2019	End of project target
	Total	Total	Q119	Q219	Q319	Q419	Total		
Targets	752	1034	215	192	197	214	818		
Actuals	470	751	238	210	196	177	821	2,042	1,950

2017 - 2019 Project referral targets vs actuals



The project got off to a good start for the first quarter of 2019 with 238 sign ups – representing the largest quarter to date of participants accessing the project. For the first two quarters the project was able to overachieve on the number of actual sign ups vs target. Sign-ups in quarters 3 & 4 declined somewhat, however, the overall target to engage 1,950 participants was achieved before the end of the year. The decline in performance was due in part to the labour turnover of 7 Personal Navigators during the year. A total of 6 of these Personal Navigators left the project during the second half of 2019. Consultation of the exit dates of the outgoing Personal Navigators and start date of the replacement Personal Navigators reveals that the project lost 161 days through the time taken to recruit new Personal Navigators. The available evidence suggests that when Personal Navigators resign from their positions this places the service delivery organisations at a distinct disadvantage in their ability to keep pace with the project targets. Indeed two performance improvement plans (PIPs) which were initiated last year were associated with delivery partners who had fallen behind due to turnover of Personal Navigators.

The other contributory factor affecting the reduced level of sign ups in the second half of 2019 was the renewed emphasis on the need for Personal Navigators to reduce the size of their caseloads. This reduction in caseloads was deemed necessary in order to help maintain frequency of contact with participants and therefore help to reduce the risks of disengagements. This renewed emphasis is reflected in lower average caseload sizes across the Personal Navigator team. For example at the end of 2018 a total of 7 Personal Navigators had a caseload in excess of 40 participants and the average caseload size across the Personal Navigator team was 29.55. By the end of 2019 a total of 4 Personal Navigators were still maintaining caseloads in excess of 30 participants although the average caseload size across the project had reduced to 24.95.

Whilst the project has been able to increase the number of participant sign-ups over the past three years it is crucial that the overall case-load sizes remain at a manageable level in order to provide an effective size. A manageable caseload size has been deemed to be a maximum of 30 participants per full-time Personal Navigator.

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Project extension targets 2020 – 2022

Following successful discussions with the funder during 2019 the Money Sorted in D2N2 project has secured a three-year extension period running throughout 2020 until 30th September 2022.

An additional 1,547 participants are now scheduled to engage with the project over the extension period. Each full-time equivalent Personal Navigator employed on the project will have a quarterly target to sign up 10 new participants onto the project from 1st January 2020 until 31st September 2021. From the 1st October 2021 until 31st March 2022 Personal Navigators will have six months to work with existing participants before they exit the project.

Referral routes

A review of the known referral routes of participants accessing the service reveals that over 50% of referrals into the service come through two principle routes. The most popular route is represented by the Personal Navigator's host organisation. 31.3% of referrals come into the project in this way. Since the self-referral data label was added at the end of the year it has become increasingly clear how many participants self-refer into the project. At the end of Y3, 23.2% of participants accessing the project had self-referred. A further 10.9% of referrals come through Job Centre Plus. The remainder of referrals comprise a combination of social workers, housing-advice agencies, self-referral, children and families' teams, NHS and foodbanks. The 7.2% of referrals relating to 'other' are primarily matched to referral routes which did not previously have a referral route label during the first year of service delivery. This includes, for example, children and families' teams and the NHS.

- 31.3% Internal referral Personal Navigator Host organisation
- 23.2% Self-referral
- 10.9% Local Job Centre
- 6.2% Local Advice Centre
- 5.0% Local Authority Children & Families' team
- 4.7% Other Local Authority source
- 2.4% Local Authority Social Worker
- 2.4% NHS Healthcare professional
- 2.2% Friend or family member using the service
- 2.1% Local Authority Housing Team
- 1.2% Housing Advice Office
- 0.6% Foodbank
- 0.6% Local Authority Troubled families' team
- 0.1% BBO referral from Framework Housing Association
- 7.2% Other

Review of project outputs

The end of year three review of project outputs reveals that the project has worked with 2,040 participants. 45% of these participants were male and 55% were female. As a result of this breakdown the project has overachieved vs target on its ability to engage female participants and underachieved slightly on its ability to engage male participants.

Over the first three years of service delivery the project has found it much easier to engage unemployed participants primarily through relationships with Job Centre Plus. Indeed the project has worked with an extra 199 participants who were unemployed vs target.

By comparison the engagement with economically inactive participants has proven to be a bigger challenge. However, the project has been making progress to devise referral routes to boost engagement with economically inactive participants. As a result 437 economically inactive participants were engaged during Y3 service delivery.

This represents 50% of the total number of economically inactive referrals handled over the first three years of service delivery. Although the target figure of 975 economically inactive participants was missed by 109 participants the available evidence suggests that the project has started to build an upward trajectory in its ability to locate and engage economically inactive referrals.

By comparison the project continues to consistently overachieve in its ability to engage participants who are over 50 years of age or who have disabilities. Both of these measures indicate the level of need placed on the service from older people with long-term conditions or disabilities. For these individuals their options to boost their income or secure employment may be severely limited and the project provides a valuable service to help assess how they might improve their financial wellbeing to some extent.

Further details on the output performance of the project are detailed on the table below.

	Y1 (2017) total	Y2 (2018) total	Y3 (2019) total	Actual project outputs Y1-Y3	Target project outputs Y1-Y3	Variance: Actual outputs – Target outputs
Total number of participants	472	754	814	2040	1950	90
Number of men	226	331	351	908	975	- 67
Number of women	246	423	463	1132	975	157
Number who are unemployed, including long-term unemployed	308	489	377	1174	975	199
Number who are economically inactive, including not in education or training	164	265	437	866	975	- 109
Number who are over 50	131	233	246	610	309	301
Number with disabilities	313	513	590	1416	397	1019
Number from ethnic minorities	83	147	131	361	238	123

Participant exits and disengagements

At the end of the third year of service delivery it is clear that the project has had its busiest year of throughput of participants both in terms of exits and disengagements.

From the 1028 participants who had officially exited the programme over the first three years of service delivery 64.9% of these participants exited during the third year.

By comparison of the 463 participants who have disengaged from the service 56.6% were officially classed as disengaged during the third year of service delivery.

A detailed position of project exits over the first three years of the project can be found in the table below.

	2017	2018	2019	Totals
Exits	70	291	667	1028
% overall exits Y1-3	6.8%	28.3%	64.9%	
Disengagements	34	167	262	463
% overall disengagements Y1-3	7.3%	36.1%	56.6%	

The exit trends reflect the emerging situation at the end of Q4 2018 when at that point in time the project had just achieved its largest quarter of exits. These trends have continued throughout 2019 as the Personal Navigators have been working hard with participants to complete their action plans.

The £15 gift voucher system has continued to help encourage participants to officially sign off the project and complete all the associated paperwork.

The issue of participants disengaging from the service has also continued into 2019. A significant factor explaining this trend is linked to the drive to actively manage case-load sizes across the project during 2019. Inappropriate referrals have also been cited as another factor affecting this issue although on-going work has been taking place with referral agencies to address inappropriate referrals as they occur. The project also recognises that financial issues can be a source of embarrassment, fear and pain for many people which is often perceived to be a factor which influences the disengagement trends across the project. Indeed recent focus groups held with Personal Navigators have revealed their perceptions that significant numbers of participants may decide they are unable or unwilling to work through the circumstances and associated negative feelings that may have led to financial difficulties.

To help address these issues the project has recently engaged with a clinical psychologist to explore how behavioural insight approaches could assist the project. More information on this process is provided at the end of section three in a special focus on disengagement and behavioural insights.

Review of project outcomes

The delivery of the Money Sorted project is focussed around four participant outcomes which are monitored through the use of the MAP tool maintained by Toynbee Hall. The outcomes are as follows:

- 80% of participants will report being able to budget/plan finances better and will achieve financial stability, overcome debt and maximise income as a result of improved financial management skills.
- 65% of participants will report being able to know what to look for when choosing financial products, make informed choices about financial products and access the products that best suit their needs.
- 50% of participants will report reductions in family stress related to financial problems, improved family finances and improved levels of family cohesion and well-being.
- Increased income and financial security to improve family spending power with a positive effect on the local economy/community.

Over the course of the third year of service delivery it is clear that the project has made positive outcome gains compared with the first two years of service delivery. All outcome data is collected after participants have completed a 'post survey' associated with the MAP tool. Whilst many participants begin to make progress within the first three months of accessing the service it is evident that the full extent of this progression cannot be assessed until the post survey is completed. As a result of this phasing issue it should be remembered that at the end of 2019 there were 549 active participants engaging with the service who are expected to complete the MAP tool in due course.

For the year three evaluation report this phasing issue affects the measures associated with the number of Financial Resilience Plans (FRP) established. In past evaluations the presence of the FRP has been assessed as part of each participant's initial access onto the project. Following discussions with the BBO funding advisor the underlying monitoring systems have been adjusted to confirm the presence of an FRP as part of participants' exit from the project. For these reasons the total number of participants with a completed FRP at the end of year three appears to have declined to 665. This figure will begin to increase again across 2020 as more participants officially exit the project and the outcome measure associated with the FRP is updated accordingly.

Analysis of the wider project outcome performance across the first three years of service delivery also reveals the situation associated with the following outcome measures which have continued to improve over the past twelve months.

- 80.7% of participants have developed personal/household budgets with their Personal Navigator. The numbers of participants creating budgets with their Personal Navigator has risen substantially over the past twelve months. Given the use of budgets to help pinpoint opportunities for savings in expenditure this remains a crucial part of the service.
- 78.7% report increased financial management skills and know where to get ongoing financial advice and support. Through on-going dialogue with their Personal Navigators it is becoming clear that significant numbers of participants have built new skills and awareness to support their future financial management. Crucially participants have a greater awareness of where to go for further advice and support.
- 76.2% participants report improved confidence and sense of wellbeing. The available evidence suggests that the on-going dialogue with Personal Navigators helps participants to build a renewed sense of confidence and wellbeing as individual financial difficulties are identified and resolved.
- 73.2 % of participants have information on affordable, appropriate financial products. This figure has grown significantly over the past twelve months with 66% of the outcomes attached to this statistic being achieved in the third year of service delivery. Whilst improved information on affordable and appropriate financial products is encouraging to see, it is hard to assess the frequency with which participants apply this information to their decision-making processes after they have exited the service.
- 88.5% of participants have banks accounts with mainstream banks or a credit union. Where participants did not appear to have bank accounts established in their name in some instances it became apparent that were operating a bank account at arm's length through a family member.

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- 75.1% of participants have reported reduced levels of family stress. The available evidence continues to suggest that the project 'can' and 'does' help to reduce family stress. However, given that family stress is likely to be affected by a range of factors in the minds of participants, it is problematic to assume any correlated relationship between reductions in family stress linked with the impact of the project.
- 56.5 % of participants have had a measurable increase in household income and reduction in debt. Whilst this overall percentage has fallen from 62.3% exits at the end of year two it is clear that significant numbers of participants have been able to increase their income and reduce their levels of indebtedness.
- 62.3 % of participants report increased available income for spending in local shops and businesses.

By comparison the project continues to experience difficulties with the following three outcome measures:

- Only 1.95% of participants who need affordable credit know how to access it. Previous research into this trend with the Personal Navigators revealed tensions facing participants who have consistently demonstrated a poor ability to manage credit responsibly. Participants experiencing significant indebtedness may be unable or unwilling to consider future credit. Similarly Personal Navigators may also feel uncomfortable discussing affordable credit with individuals who have demonstrated little or no ability to manage credit effectively. To help address some of these concerns a collection of locally based Credit Unions made a series of presentations at a Personal Navigator Forum in 2019.
- Only 21.6% of participants reported improvements in family life/personal relationships and wellbeing. Research with Personal Navigators and participants would suggest that many participants may not naturally make an association between the progress they make on the project and how this impacts their family life/personal relationships and wellbeing. In this respect it was felt that there were too many other mitigating factors likely to affect potential improvements in family life, relationships and wellbeing.
- Only 2.24 % of participants have cited reductions in levels of family income going to high-cost lenders, e.g. payday loan companies/doorstep lenders. This measure would appear to be caught in a cycle of underperformance. The emerging evidence here suggests that there are a number of high cost lenders who are extremely adept at offering a timely, responsive and sociable approach to market their products and services. Given the ease of access and awareness of these solutions participants may not necessarily consider the long-term value for money aspects of these deals. A massive annual percentage rate (APR) may mean little to a participant interested in securing extra finance. By comparison affordable credit providers such as credit unions may not necessarily be as adept or as well resourced in the way that they market their products and services. This presents an on-going difficulty and temptation for cash-strapped individuals wishing to improve their financial position in the short term and long term.

Project Outcome 1	2017 Total	2018 Total	2019 Total	Overall outcome totals Y1-Y3	% official exits
All participants have a Financial Resilience Plan in place	471	748	665	1884	92.35%
80% of participants have developed personal/ household budgets with the support of their Personal Navigator	22	196	612	830	80.74%
80% of participants report and demonstrate increased financial-management skills and know where to get ongoing financial advice and support	41	237	532	810	78.79%
Participants report increased confidence/improved sense of wellbeing	49	227	508	784	76.26%

Project Outcome 2	2017 Total	2018 Total	2019 Total	Totals	% official exits
All participants have information on affordable, appropriate financial products	41	209	503	753	73.25%
70% of participants have bank accounts with mainstream banks or a credit union.	57	282	571	910	88.52%
70% of participants who need affordable credit knowing how to access it	4	4	12	20	1.95%

Project Outcome 3	2017 Total	2018 Total	2019 Total	Totals	% official exits
50% of participants reporting reduced levels of family stress	41	199	532	772	75.10%
50% of participants have a measurable increase in household income and reduction in debt.	35	195	351	581	56.52%
80% of participants report improvements in family life/personal relationships and wellbeing	16	45	162	223	21.69%

Project Outcome 4	2017 Total	2018 Total	2019 Total	Totals	% official exits
Reductions in levels of family income going to high-cost lenders, e.g. payday loan companies /doorstep lenders	1	5	17	23	2.24%
Participants report increased available income for spending in local shops and business	43	240	358	641	62.35%

MAP tool pre-survey and post-survey analysis

A comparative review of the Money Access and Participation (MAP) tool pre-survey and post-survey data reveals further interesting insights on the progression of participants through the project. The MAP tool pre-survey is in essence an entry or baseline survey designed to capture the intelligence on the financial wellbeing, knowledge and skills of participants.

An analysis of the pre-survey data within section three of this evaluation revealed the extent of the financial difficulties facing participants at the point of access in the project. Significant numbers of participants at the point of entry onto the project felt overwhelmed by the extent of their financial worries. For example 82.6% participants felt that they 'always struggled' or 'sometimes struggled' with their finances. Similarly 67.1% felt that they were living in a debt situation that was unmanageable. A range of other measures built up a picture of participants who lack the necessary skills and confidence to navigate through challenging financial circumstances.

As each participant officially exits the project and completes the MAP tool post survey there is an opportunity to review their progression. Whilst the post survey does rely to some extent on the self-awareness of participants it is clear that the project 'can' and 'does' improve the financial wellbeing of participants.

Amongst the most revealing of the statistics compiled in the table below is the reduction in participants feeling that they are living in an unmanageable debt situation. This statistic falls from 67.1% to 9% and provides some reflection of the work that takes place to help indebted participants negotiate repayment plans, ensure they are claiming the right benefits or to make an application for a debt relief order (DRO).

Similarly the MAP tool data reveals that on average monthly disposable income increases from £23.73 to £77.29, an increase of £53.56.

Other measures reveal how much the confidence of participants is improved through work with their Personal Navigator. At pre-survey levels 71.2% said they were 'not very confident' or 'not at all confident about their financial future'. At post survey level a much lower figure of 16.9% of participants felt that they were 'not very confident' or 'not at all confident' about their financial future.

More analysis is required to understand the underlying factors which influence these emerging trends. Whilst the emerging picture presents a situation whereby participants appear to be improving their financial wellbeing it is not easily possible to understand how sustainable these improvements are in the medium to long-term.

Once the support of the Personal Navigator has been withdrawn it is possible that individual participants may make financial decisions which have an adverse impact on their financial wellbeing. Whilst all participants should in theory be aware of the local Advice Sector the pressures of day-to-day living may make it impractical to continually consult advice services every time a financial decision is required.

67.1%

participants felt that they were living in a unmanageable debt situation at the point of entry onto the project.

By the end of the project only **9%** of participants felt that they were living in a debt situation that was unmanageable.

On average participants had increased their disposable income by

£53.56

a month by the time they have exited the project

To understand the sustainability of this progression in greater detail it would be necessary to organise a longitudinal study of participants which is currently out of the scope for this evaluation.

Pre-survey data (Entry)	Post-survey data (Exit)	MAP tool measure
82.6%	34.5%	said that when it comes to managing their finances that they 'always struggle' or 'sometimes struggle'.
71.2%	16.9%	said that they were 'not very confident' or 'not at all confident' about their financial future.
3.3%	17.5%	thought that they had a good knowledge about the different types of financial products available to them.
63.3%	26.1%	thought they were 'not very confident' or 'not at all confident' in their ability to identify financial products that would be most affordable and appropriate
65.2%	27.4%	'regularly borrow money' or 'sometimes borrow money' to buy food or pay for other necessary items because they have run short of money.
67.1%	9.3%	felt that they were living in debt situation that was unmanageable 'I can't pay it off and still afford most or all essentials like food, housing and heating'.
42.6%	14.1%	Completely agreed that they thought that their family/household life was stressful.
£ 23.73	£ 77.29	On average participants had increased their disposable income by £53.56 a month by the time they exited the project.

Understanding the extent of indebtedness across the project

To help contribute to a deeper understanding of the extent of indebtedness across the project a random sample of 10% of all the available MAP tool records was compiled by the MAP tool provider, Toynbee Hall. The sample was constructed to understand how levels of participant indebtedness fluctuated from initial project entry (pre-survey) vs project exit (post survey). The sample revealed the following situation. From 125 records which were analysed the indebtedness had decreased for 84% of participants, indebtedness had stayed the same for 13.6% participants and had increased for 2.4% participants. Given the fluctuating nature of debt two further measures were assessed from within the sample. This included the highest level of debt identified during the participant's time on the project. The mean average value for this measure equated to £5,315. The second measure looked at the level of debt at the point of exit from the project this equated to £2,187. This represented an average reduction of debt of £3,128. The available evidence suggests that the project is typically able to support participants to reduce their debts through a variety of different measures including budgeting, income maximisation, creditor repayment plans, debt relief orders (DROs), Individual Voluntary Arrangements (IVAs) and in the most acute cases bankruptcy. A closer inspection of the situations where participant's debts remained the same or increased reveals further insights into some of the complexities of the project. Consultation with associated Personal Navigators on this topic revealed that a range of barriers had impinged on the ability of participants to implement effective plans to reduce or eradicate their debt burden.

- Indebtedness to family members which was not seen as a priority to repay.
- Addictions and mental health issues which impaired long-term decision making.
- Zero-hours based employment contracts with volatile income levels.
- Language barriers and cultural awareness issues linked to refugee communities.

Interestingly, the small number of participants whose debt had increased whilst on the project were all refugees. A closer inspection of these cases with the relevant Personal Navigator revealed the extent of difficulties faced by this group around numeracy and literacy issues. These issues were often compounded by a limited awareness of the implications of debt and associated rent arrears.

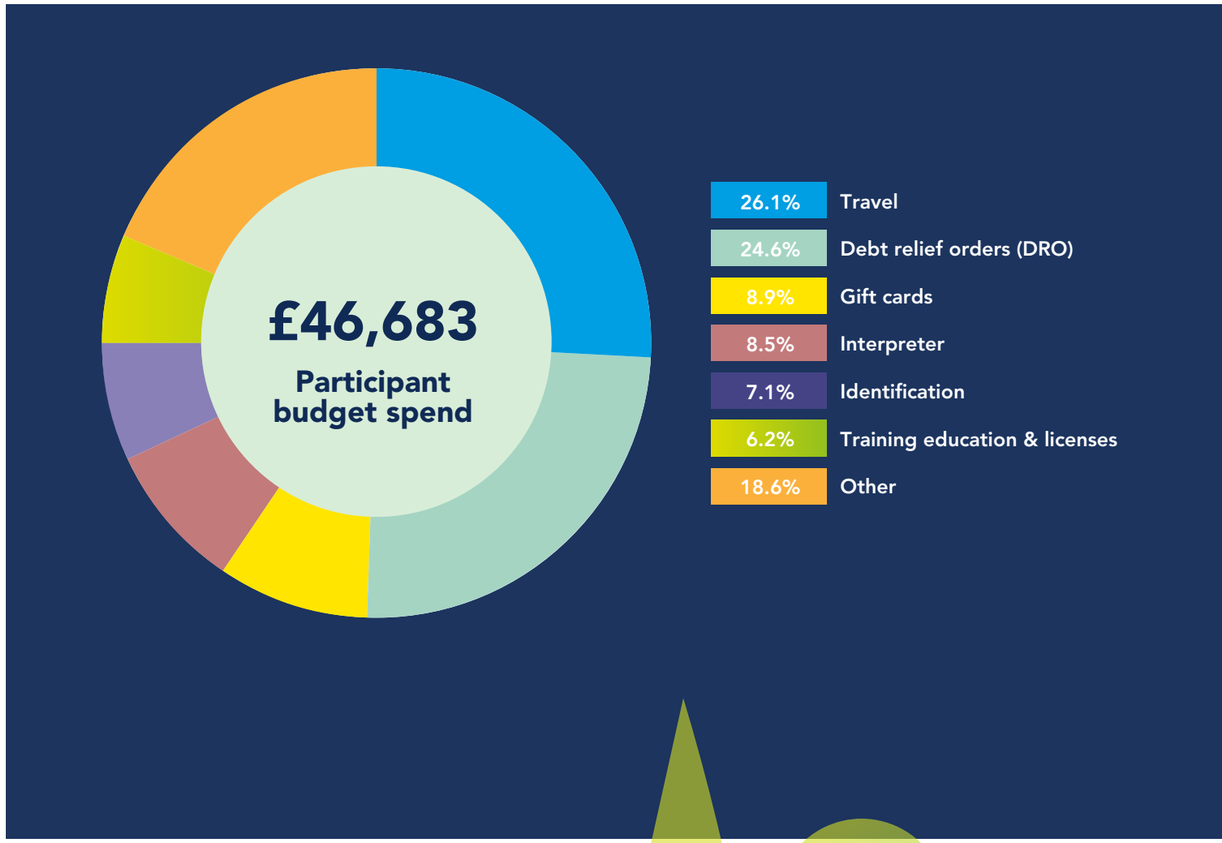
2019 Participant budget spend

The progression of participants through the project continues to be supported by the presence of a participant budget. The budget consists of a 'training and employment budget' and an 'intervention budget'. Over the past twelve months the budget has been utilised over 1,300 times to fund a variety of costs totalling £46,683. As the project has become established, participant budget spending has continued to grow. During 2019 participant budget spending exceeded the combined spending during 2017 (Y1) and 2018 (Y2) by £2,000.

A closer analysis of participant budget spend reveals the importance of some specific aspects of the project for participants:

- The budget helps participants meet a basic need to access transport. 26% or £12,178 of participant budget spend supports individuals to use public transport to make meetings with their Personal Navigator or attend job interviews they might otherwise struggle to afford.
- During 2019 the participant budget was utilised 121 times for the purposes of establishing a Debt Relief Order (DRO). The budget was used a further six times to support participants file for bankruptcy. £13,265 of the total participant budget spend is accounted for by Debt Relief Orders or bankruptcy.
- Gift cards have been utilised 274 times during 2019 as an incentive to reward participants to officially exit the project and account for 8.9% of spend.
- The budget has also been consistently utilised to fund interpreter costs for participants unable to speak English fluently. 8.5% of the total budget has been utilised for this purpose to help participants engage with the project.
- 7.1% of participant budget use is associated with replacement identification for participants in order to prove eligibility for the project.

The participant budget remains a crucial part of the project to help participants facing challenging financial circumstances to effectively engage with the project. At an individual participant level the evidence reveals the budget has also been used to help participants access appropriate training, education and licenses, access medical records, pay for clothing for interviews, access appropriate IT and necessary stationery items.



Employability and employment issues

The project has continued to support relatively small numbers of participants into employment, education and training outcomes. A more expansive analysis of employment outcomes and the associated potential to develop a diagnostic tool to help identify participants who could benefit from employability support please see the special focus on employment article which can be found at the end of section four of this evaluation.

Financial capability training sessions

Throughout the course of year three participants have been encouraged to attend a range of training courses which are designed to enhance the knowledge and skills of participants around a range of themes which have an impact on financial wellbeing. The sessions are designed to complement the financial capability interventions provided by the Personal Navigators and provide participants with the opportunity to develop skills, knowledge and behaviours to positively impact their financial capability.

Over the past three years, sessions have been delivered by the Workers Educational Association (WEA) across the D2N2 area. A total of 234 unique participants have accessed the courses. Over 775 hours of guided learning have been delivered across the a range of courses designed to support learning around the themes of personal finances, household finances and IT skills necessary to manage finances.

Throughout 2019 the following range of courses were delivered:

- Basic computer skills.
- Building confidence.
- Cooking on a budget.
- Debt awareness & comparing credit.
- Online computer skills.
- Planning on a budget & saving on bills.

These courses have generally been well received by participants attending them, although it can be challenging to assure some participants that they are not returning to a formal classroom environment. A telephone interview with WEA tutors revealed a number of insights in this respect and it was felt that many participants lacked the necessary confidence to engage with this aspect of the provision. This was felt in part to be linked to negative past experiences of mandated training courses established by the DWP. As a result participants were often initially reluctant to engage as one tutor observed:

> 'Getting participants into the classroom for the first session is often the first hurdle we have to overcome. Participants often have a range of social difficulties, learning difficulties or mental health issues that may had an adverse impact on their ability or willingness to engage.'

Source: WEA tutor delivering financial capability courses

In this respect it is crucial for Personal Navigators and WEA staff to work collectively to reassure and encourage participants who would benefit from a course. Where participants have plucked up the courage to attend a course the feedback received at the end of the session has been generally favourable as the table on the following page demonstrates.

WEA Course feedback Nov 2018 – Dec 2019	%
I learned something new about the course topic – % yes	**76%**
I enjoyed the course – % yes	**82%**
The course was presented in an easy and enjoyable way – % yes	**76%**
I would recommend the course to other students – % yes	**73%**
I would like to attend other courses – % yes	**74%**
Was the course useful – % yes	**97%**

Where participants have engaged effectively with the courses it is clear that the process of learning in a peer-group setting had established wider social connections that the participants valued. As one tutor observed:

> 'For some participants coming to a group and meeting others in the same position is invaluable. Often participants' support networks are lacking. Providing opportunities to rebuild some sense of social connection can be very valuable for the participants who come along.'

Source: WEA tutor delivering financial capability courses

Over the past year WEA have also been leading on the development of an accredited qualification to equip Money Sorted participants with the skills to become Money Mentors. A more detailed review of this development is available in a Focus on Money Mentors at the end of Section One of this report.

As the Money Sorted project continues into the extension period WEA plan to deliver 15 courses per quarter against a concentrated menu of five core courses on the following topics. Budgeting and saving, managing and avoiding debt, comparing credit, managing money using a computer, building confidence to manage your money.

Review of project spending vs budget

At the end of the third year of service delivery the project had spent a total amount of £2,729,995 against a total amount of grant funding received of £2,744,771 leaving an under spend of £14,776. The primary cause of the under spend is related to the variable nature of participant expenses.

Discussions regarding a possible extension to the project were concluded in 2019 and as result the service delivery of the project is set to be extended for an additional three years in until March 2022.

The last cohort of participant signing up for the project will take place in September 2021 to allow participants at least six months of support through their Personal Navigator. The extension equates to an additional £2,614,340 of funding for the project.

The project will officially be concluded on 30th September 2022.

SECTION FOUR

SECTION SUMMARY

- The Money Sorted project achieved its best level of sign-ups during 2019. 821 participants signed-up onto the project which exceeded the annual target by 3 participants. The strongest levels of sign-ups were achieved during the first two quarters of the year. Sign-ups during quarters three and four were affected by labour turnover of Personal Navigators and the need to reduce caseload sizes. The issue of labour turnover is one area of the project that would benefit from a closer inspection in the year ahead.
- By 31st December 2019 the project had signed up 2,042 participants vs the expected throughput of 1,950 participants originally stipulated within the BBO service specification.
- Throughout 2019 the second half of the year the project has maintained a renewed focus on the need to reduce caseload sizes. This reduction in caseloads was deemed necessary in order to help maintain frequency of contact with participants and therefore help to reduce the risks of disengagements. Across the course of the past twelve months the average Personal Navigator caseload size has fallen from 29.55 (2018) to 24.95(2019).
- The sensitive nature of the topic of money and financial circumstances continues to affect in part the issue of disengagement Personal Navigators also report back that inappropriate referrals have some impact on disengagement. As at the end of 2019 the project had a disengagement rate of 31%. The renewed emphasis on caseload management during 2019 has meant that 56% of the total disengagements to date took place in 2019. The project has begun to employ a behavioural insights approach in an attempt to reduce the prevalence of disengagement.
- By the end of 2019 it is clear project has typically overachieved on the agreed output targets of total participants, women participants, unemployed participants, participants over 50, disabled participants and participants from ethnic groups. The project has slightly underachieved in its ability to engage male participants and participants from economically inactive groups. This said engagement with economically inactive groups grew substantially during 2019. Indeed 50% of the economically inactive participants accessing the project have engaged within the last year.
- The MAP tool outcome measures across the first three years of service delivery continue to reveal the importance of the Financial Resilience Plan (FRP) as the cornerstone to commence service provision. Amongst the other notable measures at the end of Y3, 80.7% participant's have established a household budget with their Personal Navigator and 78.7% of participants felt that they had improved their financial skills and knew where to go for advice and support.
- By comparison the project continues to struggle with three outcomes measures. This includes knowing how to access affordable credit, improvements in family life and personal relationships and a reduction in income going to high-cost lenders.
- A closer inspection of MAP tool data reveals further insights into the progression of participants. Comparing the pre-survey (entry) and post-survey (exit) data initially reveals at pre-survey that 67.1% participants are living with an unmanageable debt situation. By the post-survey stage this percentage has fallen significantly to 9.3%. By comparison participants leaving the project, on average, have been able to boost their monthly disposable income from £23.73 to £77.29
- The importance of the participant budget continues to grow. During 2019 spend on the participant budget reached £46,683 – a figure which exceeded the combined spend across 2017 & 2018. Popular areas of spend include participant travel costs and debt relief order which collectively accounted for 50.7% of participant budget spending during 2019.
- All participants accessing the Money Sorted project continue to have the opportunity to access short courses designed to build financial capability and enhance financial wellbeing. To date 775 guided-learning hours have been provided to 234 unique participants.
- As the project continues into the three year extension period the available evidence suggests that performance and productivity continue to improve. Whilst the level of need placed on the service remains very challenging it is clear that the project is providing much needed help to some of the most financially vulnerable people across the D2N2 area. This help is undoubtedly needed to help significant numbers of people to navigate through difficult financial circumstances and establish new skills, approaches and knowledge to boost their future financial wellbeing.

Focus On

Employment & Employability

Over the past three years of service delivery the Money Sorted project has been able to support the following numbers of participants into education, employment or training opportunities.

Number who move into education or training on leaving	**44**
Number who move into employment, including self-employment, on leaving	**128**
Of these, the number who were unemployed when joining the project	**110**
Of these, the number who were economically inactive when joining the project	**18**
Number that were economically inactive move into job-searching on leaving	**28**

For some of the participants accessing the service, employment represents a viable option to potentially enhance their existing levels of income. For other participants, ill health, long-term conditions or disabilities makes employment an inappropriate course of action. Similarly, economically inactive participants may not be able to enter employment due to existing caring responsibilities or other concerns.

To help understand in greater detail the profile of the 128 participants on the project who have been able to secure an employment outcome some exploratory analysis has been undertaken. This analysis revealed a number of useful trends associated with participants securing an employment outcome detailed in the table below

Average age of participants securing an employment outcome *	**39.2 years**
Average age of participants – total project	**42.2 years**
Average length of time participants securing an employment outcome had been unemployed when accessing the project.	**24.49 months/2 years**
Average length of time participants had been unemployed (total project)	**43.69 months/3.6 years**

Where past employment history data is available at participant level the evidence would suggest that 97% of those participants securing employment outcomes have worked before.

The potential to pilot a diagnostic employability tool

Based on this analysis and discussions with project staff there is evidently potential to create a future diagnostic tool to focus support efforts of participants who are closest to the labour market.

The tool would be devised to highlight participants meeting the following criteria:

- Are currently unemployed.
- Have been employed within the last 30 months.
- Are aged between 18 and 54.

Such an approach would represent a first step in developing an intelligence-led approach to inform the future focus of employability support with the project.

The tool could be developed as a pilot approach to help identify and support participants who may benefit from employment support either through their Personal Navigator or a third-party provider linked to the project. To explore these themes, further discussions are currently underway to scope out the potential to create an employability pilot working with a small number of Personal Navigators and a local employment-support provider.

On average Money Sorted participants securing an employment outcome have been out of work for **two years.**

Helen's Case study

When Helen accessed the Money Sorted project in 2018 her local council had just taken out committal proceedings for a council tax bill she had not paid. At this time Helen had over £4,000 of debt which could not be written off since she already had a debt relief order in place associated with another debt.

Helen was also dealing with mobility issues, advanced diabetes and failing eyesight. To compound these difficulties Helen had built up large rent arrears on a two-bedroom flat which she shared with her adult son and learning-disabled nephew. The landlord had subsequently started eviction proceedings. Part of the challenge of managing Helen's finances at this time was associated with the big fluctuations in her income based on which family members were living with her. Given the extent of these difficulties Helen had quite severe depression and had stopped working a few months earlier.

To initiate Helen's action plan contact was made with a health professional to support Helen to complete a Debt and Mental Health Evidence Form (DMHEF) for presentation at a local court. In view of the evidence presented within the form the local authority decided to void much of the debt owed by Helen. Whilst this was an early success it was clear that Helen would need more support to help her understand how to prioritise her debts. At this time it was clear that Helen did not have the confidence or awareness that she could approach creditors to negotiate payment plans.

Through a series of months, Helen was supported to establish a budget which she would regularly review with her Personal Navigator. Her Personal Navigator also demonstrated how it was possible to negotiate with creditors to maintain payments. The DMHEF form was used to reduce most of Helen's non-priority debts which all helped to stabilise her finances.

During the course of her time on the project Helen was also supported to move into new lodgings. This provided the ideal opportunity to reduce utility bills through on-line price comparisons and an application to the Severn Trent Big Difference scheme. Further support was extended to ensure Helen was in receipt of the benefits she was entitled to.

As Helen's situation continued to improve she was supported to attend the WEA courses on confidence building, money management and money mentoring. These courses provided opportunities for Helen to meet new people, build new skills and confidence that would ultimately allow her to start volunteering as a receptionist at a local Advice Centre.

Reflecting on her own journey through the Money Sorted project, Helen commented that:

'I couldn't have managed any of this without the ongoing support of my Personal Navigator. I was in a state but with her commitment and the really helpful courses, my debts are under control, I feel much more in control of my money and my health has improved. I am looking forward to beginning work as a Money Mentor so I can help other people with problems like mine.'

Helen went onto to say that she has found it very helpful to receive support from a Personal Navigator who was willing to offer holistic support to talk through her family problems as they arose, as well as her money issues.

*This case study has been anonymised to protect participant confidentiality.

Summary of key learning and recommendations

Throughout the past three years of service delivery it has been clear that the Money Sorted project has consistently been working with a cohort of participants facing acute financial difficulties.

As we have presented in past evaluations, it is clear that participants are affected by a range of external factors that are largely outside the influence of the project. These factors include low educational attainment, learning difficulties, precarious employment, the poverty premium, universal credit, health and social-care issues and the increasing digitalisation of services. All the available evidence suggests that the compounding effect of many of these factors results in significant numbers of participants going into debt and needing to borrow money to pay for essential items.

As we saw in the last section of this evaluation 67% of participants feel like they are living in a debt situation which is unmanageable at the point of access onto the project. Similarly, 65% of participants report that they need to borrow money to pay for essential items either 'regularly' or 'sometimes'.

These challenges faced by unemployed and economically inactive people across the D2N2 region strike a chord with the UK financial wellbeing strategy. From the experience of delivering the project it is clear that large numbers of participants are not getting a meaningful financial education. Indeed, project data reveals 37.7% of participants are not completing their secondary education. Similarly too many participants find it difficult to save or manage their credit effectively. This often culminates in the need for specialist debt advice to resolve the financial pressures which have accumulated over a period of time.

The trends surrounding indebtedness and the underlying demand for debt advice are unlikely to change over the extension period of the project. Instead it can be reasonably expected that the demand for the service from participants in debt will continue.

Given that indebtedness represents a key challenge facing participants accessing the project it is important to understand the nature of this demand placed on the service and the challenges faced by participants and Personal Navigators.

A review of the impact of debt on participants

The stigma of debt

The experience of providing the Money Sorted service reveals that participants are often ashamed, embarrassed or guilty about the fact that they are in debt. As a result, indebted individuals may seek help as a last resort rather than a first course of action as soon as financial difficulties materialise. These feelings can be particularly acute within older participants as expressed in wider literature.

> **'For many, there is a shame, stigma or feeling of guilt associated with being over-indebted and they will therefore be more reluctant to reach out for help. '**
>
> **Source: Indebted lives the complexities of those in debt (2013)**

These opinions are perhaps informed in part by wider society. There is often an implied assumption across society that if an individual is in debt it is their fault. Indeed these societal themes were illustrated in the Guardian newspaper in 2019.

> **'Then there's the stigma of what taking on debt and not being able to escape it means about you: the personal failure it's assumed to signify.'**
>
> **Source: M Goodfellow, Guardian newspaper, 7th January 2019**

These negative pressures continually exert a requirement for the Personal Navigators to provide a supportive and non-judgemental environment in order to help indebted participants overcome difficult emotions and effectively engage with the service.

Building awareness that help is available to resolve the problem of debt

A complicating factor in the provision of the service is that not all individuals experiencing financial difficulties are aware that help is available to help them navigate through difficult financial circumstances. For those who do become aware of organisations working around the debt advice arena there is the wider issue of the underlying motivations of the provider organisations. Individuals facing debt challenges should be looking to charities and not-for-profit organisations for support as advocated by Money Saving Expert website.

> **'The aim is to find non-profit debt counselling help. In other words, a one-to-one session with someone paid to help you, not to make money out of you. Avoid any debt help or loan consolidation companies that advertise on TV or in some newspapers. Their job is to make money out of you, plain and simple. '**
>
> **Source: Money Saving Expert website (2020)**

To help indebted participants across the D2N2 area stand the best possible chance of resolving their debts it is crucial that the appropriate referral routes and signposting exists to ensure they can access the free, professional assistance they require. For this to happen it is critical that voluntary sector provision is effectively resourced so indebted individuals have the opportunity to manage their existing debts without encountering the additional financial burden of substantial debt advice fees at a time when they can least afford it.

The on-going impact of the poverty premium

The challenge that indebted individuals face to find free professional debt advice is symptomatic of the wider difficulties faced by this group. All the evidence suggests that there is a range of financial products and services that have been intentionally established to appeal to some of the least financially resilient people across the UK.

Work by University of Bristol (2017) entitled 'The Poverty premium: When low income households pay more for essential goods and services' reveals the extent of these issues. When the poverty premium is in force, products and services are often packaged and marketed to appeal to individuals in financial difficulties with solutions that appear to help but in reality only exacerbate the extent of their financial difficulties. This is problematic when many of the individuals attracted to these products and services lack the basic financial capability to assess if the product or service on offer represents a good deal. Similarly, there are no obvious apparent 'trust signals' to make it easier for individuals to assess the underlying ethical basis or value of the product or service on offer. In short it is a minefield that indebted or low-income individuals have to navigate, often without the necessary financial knowledge and skills to do so.

Improving the access and affordability of financial products for those in financial difficulties

The challenge of the poverty premium in the UK represents a wider issue that we have across the nation: namely we do not have an appropriate, ethical range of financial products and services to support individuals who are financially vulnerable. A 2016 research study into debt advice led by the University of Warwick also references the extent of the challenges facing individuals trying to rebuild their lives after being in debt.

> **'Financial resilience was hard to achieve even for people who became debt-free. There is a clear need for new financial products that meet the needs of people who can save small amounts on an irregular basis, in order to build a safety-net of savings.'**
>
> **Source: Living with debt after advice. Atfield et al (2016)**

These issues overlap with the UK financial wellbeing strategy and the need to ethically evolve a more dynamic approach to the provision of products and services. As the Chair of the Money and Pensions service comments in the UK financial wellbeing strategy:

> **'In short, we believe system changes are just as important as building people's individual capability. They are key to the success of this strategy. Changing products, services and regulations can all improve the fundamentals of financial wellbeing. '**
>
> **Source: H.Sants, UK financial wellbeing strategy (2020)**

Clearly, there is a regional and national challenge to think through what could be done to make it easier for individuals to access and understand financial products that will effectively help them to build future financial resilience.

Social isolation and debt

As part of the wider impact of debt it has become clear that many participants accessing the project are facing significant social isolation. In the worst cases a Personal Navigator visit may represent the only meaningful contact that some participants have with the outside world each week. As part of the year two evaluation, Personal Navigators assessed that 38% of participants were affected by social isolation and loneliness issues. These issues become more pronounced when individuals are in debt and do not possess the necessary financial resources which may be required to support social networks. This is a nationwide issue and not one limited to the Money Sorted project as observed by the University of Warwick study into debt (2016).

> **'Strong social networks prevent isolation, which is otherwise a key contributor to declining mental health. But many of those in debt reported a falling away of these support systems. Shame and embarrassment about being in debt contributed to a gradual decline in social networks, a loss of the support such networks can provide, and a growing feeling of not being able to participate, of not being able to live a 'normal' life – some things matter greatly, like not being able to afford to go out, not having nice clothes, not wanting to invite friends to an increasingly shabby house. '**
>
> **Source: Living with debt after advice. Atfield et al (2016)**

The extent of social isolation across the project does present a challenge to the delivery of the service and also reveals a major limitation of what the project can reasonably achieve. Whilst the service 'can' and 'does' improve financial wellbeing, it is evident that many participants are still socially isolated at the point of exiting the service. Whilst there are options for participants to engage with the Participants Forum or become a Money Mentor during the service and after they have exited the project it is clear that these options are will not be suitable for everyone. Although the project was never intended to tackle social isolation it is becoming clear that further thought is required by policy makers and commissioners as to how participants could be assisted to build effective social networks alongside the necessary financial wellbeing interventions.

Schools and education

Analysing the available evidence surrounding the circumstances leading up to participants getting into debt reveals that a wider range of factors can adversely affect the accumulation of debt. To some extent changes of circumstances, poor health, low income, financial mismanagement and unexpected expenses can all be contributory factors. What is becoming clear from the delivery of the service is that too many participants do not, with hindsight, feel that the life skills associated with sound financial management are taught at school. Nobody plans to get into debt and it is clear that indebtedness represents a shock to many participants that they are uncertain how to resolve. For example, too many participants do not recognise the possibility that they can approach their creditors to agree workable repayment plans. National research reveals that indeed 'more than 40% of people do not feel able to talk to their creditors about their debt problems' (Source indebted lives report, Money Advice Service 2013). Arguably the 40% figure understates the reality of Money Sorted participants where it is fairly typical to say that most participants would not understand that they have the opportunity to negotiate and agree realistic repayment plans. All the available evidence suggests that more could be done to explore and embed good financial wellbeing practices within the school curriculums to help mitigate against some of the future life risks of debt. Indeed this is an issue which has been discussed at Personal Navigator forums and has also been featured within national indebtedness case studies developed by the Royal Society of Public Health:

> **'I became very vulnerable to debt – a key issue for me firstly was never being taught the value of money as a child, and so having to learn it the hard way as an adult.'**
>
> **Source: Life on debt row, Royal Society of Public Health (2018)**

The wider characteristics of becoming debt free

Whilst indebtedness remains a key challenge facing the delivery of the project it is clear that the work of the Personal Navigators does have a significant impact on participants. By the point of exit from the project only 9.3% of participants felt that they were living in a debt situation that was unmanageable 'I can't pay it off and still afford most or all essentials like food, housing and heating.' This represents a fall of 57.8% who felt that their debts were unmanageable at the point of entry into the service.

Where the pressure of debt has been reduced or resolved it is clear that the work of Personal Navigators has often been concentrated in the following areas:

- Assisting participants to budget.
- Assisting participants to contact creditors to discuss, negotiate and agree workable repayment plans.
- Supporting participants to apply for utility discount schemes such as the Warm Homes discount.
- Supporting Applications for debt relief orders (DROs) or in a small number of cases filing for bankruptcy.
- Helping participants to maximise income either through benefit checks/applications or support to re-enter the labour market.

Wider research undertaken by the University of Warwick also reveals interesting evidence on the wider circumstances of participants dealing with debt compiled through a longitudinal study. The most significant factors to become debt free include:

> **'The most significant characteristics associated with being debt-free were being in employment, not having young children and being in good physical and mental health.'**
>
> **Source: Living with debt after advice. Atfield et al (2016)**

Allied to the factors above it was also felt that it was important that participants 'have strong family networks'. The research also illustrated that the journey out of debt is rarely a gradual process and that changes in circumstances e.g. finding a new job, receiving an inheritance, new partner or selling off possessions, were key factors associated with becoming debt free.

As the Money Sorted project continues into the extension period more research is required to understand the range of journeys that participants take to resolve or reduce their indebtedness as part of the wider quest to build financial wellbeing.

A review of the operational learning influencing delivery of the service

In addition to learning about the external factors that exert an influence on the delivery of the project it is clear that a significant amount of operational learning has taken place over the past three years. This learning has implications for the project extension period and agencies working around the financial wellbeing agenda in D2N2 and beyond.

Disposable income and debt

Significant numbers of participants accessing the project have very low levels of disposable income, and as we have seen in the preceding analysis, large numbers of participants have been adversely affected by debt. Therefore two key indicators to help assess the impact of the project are disposable income and debt. In this respect it can be seen that disposable income of participants at entry (pre-survey) and exit (post survey) has grown from £23.73 to £77.29. Similarly a debt analysis sample exercise presented within section five of this evaluation suggests that levels of debt typically decline for 84% of participants accessing the project. The mean average figure for the highest level of debt identified whilst participants are on the project equates to £5,315. By comparison the mean average level of debt at the point of exit from the project equates to £2,187 reflecting an average debt reduction of £3,128.

Access to debt advice networks and expertise

Given the high prevalence of debt across the project it is clear that Personal Navigators are increasingly expected to have appropriate access to Debt Advice expertise and networks. Over the past year 121 debt relief orders have been employed to help participants resolve problem debt situations. Unfortunately, local debt advice services continue to face a situation where demand outstrips supply. For example, this has been particularly challenging for St Anns Advice Centre where there has been a 50% reduction in debt advice funding since 2017. As a result the project continues to utilise national provision including Step Change and National Debtline to support participants in debt.

Labour turnover of Personal Navigators

Whilst the project has been able to achieve year-on-year productivity gains in terms of both numbers of participants accessing and exiting the service, it is clear that performance has been impacted by labour turnover of Personal Navigators. During 2019 the labour turnover of Personal Navigators equated to 32% of the total Navigator base. Put another way, this is broadly equivalent to one third of the workforce departing the project last year. Although the individual reasons for Personal Navigators leaving the project are varied it is clear that labour turnover does have an impact on project performance. As referenced in section four of this evaluation, the project lost 161 days last year associated with the time taken to recruit and appoint replacement Personal Navigators. Further work is required in this area to assess what could be done to improve the retention of Personal Navigators.

Disengagement and behavioural insights

Given the sensitive nature of money and financial wellbeing it is perhaps unsurprising that some participants are reluctant to engage with the service and confront a range of negative emotions and difficult circumstances associated with their financial wellbeing. The available evidence suggests not all participants find it easy to review their finances at a detailed level with their Personal Navigator. Whilst some participants are supported to navigate through adverse circumstances and feelings it is also clear that significant numbers of participants choose to disengage from the service prematurely. Whilst regular contact between Personal Navigators and their participants is crucial to build up the necessary trust and rapport to support onward progress it has also become apparent that the topic of behavioural insights has a significant potential contribution to make to this agenda. Initial work has taken place in conjunction with Public Health teams at Derbyshire County Council and a small team of Personal Navigators on the topic of behavioural insights and disengagement. To help embed a behavioural insights approach across the project, it is recommended good practice is regularly captured and shared at Personal Navigator meetings over the next year of service delivery.

Demographic analysis – economic status

Throughout the course of the project it is evident that it is easier to locate and engage unemployed participants vs economically inactive participants. Whilst available Job Centre Plus offices provide a consistent flow of referrals, there is no obvious single gateway for referrals for economically inactive participants. Whilst this is the case it is evident that Personal Navigators have been able to adjust their approach to engage more economically inactive participants over the past twelve months. Indeed 50% of economically inactive referrals handled over the course of the project were received during the third year of service delivery. If this upward trajectory can continue over the next twelve months the project should be in a position where the 50% split of unemployed and economically inactive participants is achieved.

Access to affordable credit and avoidance of high cost lenders

Whilst the issue of high-cost credit and dubious lending practices remain in the media it is evident that the project struggles to collate the appropriate data to illustrate the extent of the issue. Further analysis is required to help assess why the measures associated with high-cost credit appear to be so low. Emerging evidence suggests that high-cost lenders are more adept at marketing their products and services in an accessible way when compared to alternative forms of affordable credit.

Similarly, further work is required to make more participants aware of affordable-credit options such as credit unions. Whilst a number of local credit unions made a presentation at the autumn 2019 Personal Navigator meeting it is as yet unclear how this will impact on the MAP tools measures around participant awareness of affordable credit. As a default position it is suggested that all participants exiting the project are briefed on the principles of credit unions and receive literature regarding the details of their local credit union. This would empower participants to have a broader awareness of ethical credit providers in the event that they should need further credit in the future. Whilst further credit may not be immediately necessary or appropriate at the point of exit from the project it is ultimately the responsibility of a local credit union to decide whether a participant is credit worthy.

Financial wellbeing and employability

As the focus on employment & employability section of this evaluation revealed there are some interesting trends beginning to emerge surrounding the profile of participants securing employment outcomes. Not all participants need or require employability support however there is potential to develop a diagnostics tool to help identify those participants who may benefit from this type of support. To help explore the link between financial wellbeing and employability it is suggested that a small pilot project is established working with a small number of Personal Navigators and an employability provider to enhance this area of service provision. Similarly, Stakeholder Managers are well placed to support the project with an on-going flow of intelligence on appropriate employability events and training opportunities.

Social isolation and loneliness of participants

Through the delivery of the project it is clear that significant numbers of participants are socially isolated and lonely. These problems are particularly acute when the participants are facing long-term conditions or disabilities and have little realistic opportunity to re-enter the labour market. Whilst some participants may benefit from Money Mentoring opportunities or involvement with the Participants Forum it is clear that others would benefit from some form of structured activity to boost future wellbeing and reduce social isolation once the project has concluded.

Money Mentors

Following the accreditation of the first cohorts of qualified Money Mentors during 2019, further work will be required to assess how this part of the project performs over the next twelve months. The early indications are that all the Money Mentors appreciated the opportunity to gain an accreditation qualification with the Workers Education Association (WEA). There is some evidence to suggest that the Personal Navigator team would benefit from some good practice guidance in managing volunteers. Further learning is expected to be acquired to support the development of the Money Mentoring opportunities over the next twelve months. The roles have the potential to harness the lived experience of past participants to assist the delivery of the project.

Services for Empowerment and Advocacy (SEA) Participant Forums

Over the past year the participants forum has met four times to discuss a range of different issues regarding financial wellbeing. Discussions and agenda items at recent forums have included:

- How do you choose which financial products and services you will use?
- What would you tell your 21-year-old self about managing money?
- Why do participants disengage from the project and what can we do to encourage participants to engage?

These discussions have proven to be helpful to contribute to a deeper understanding of how a range of participants relate to the project. The Forum continues to be a useful source of intelligence to understand the underlying trends contained within the project data.

Impact of the Support Assistant roles

Over the past year the work of the two Support Assistants has proven to be an invaluable boost to the project by absorbing some of the administrative intensity of the Building Better Opportunities programme. This in turn has released more time for the Personal Navigator team to conduct casework with participants. Whilst the overall impact of the Support Assistant roles is difficult to quantify, the feedback received from Personal Navigators suggests that they have been a valuable addition to the project team.

Final reflections on the project extension period

As the project moves into a three year extension period it is clear that the Personal Navigators continue to work with some of the most financially excluded individuals across the D2N2 area. The evidence suggests that across the D2N2 area the service is relatively unique in its ability to work on a one-to-one basis with participants over a six-month period to improve their financial wellbeing.

Over the past three years of service delivery, it is clear that the project has found the operating landscape very challenging. Participants seldom present at the point of access with one clear financial issue to resolve. The Personal Navigators are regularly left in a situation where they are piecing together a 'jigsaw puzzle' of different life circumstances which have led their participants into their current financial circumstances.

Whilst this is the case it is clear that the project has grown in its ability year on year to work with more and more participants at risk of financial exclusion. As the case studies in this evaluation report demonstrate there is no neat one-size-fits-all approach to service provision that will meet all the participants needs. Instead a patient, nurturing, empathetic approach is required from the outset in order to help define the key action points to document within the financial resilience plan.

To help maintain these gains it is crucial that the project continues to invest in the Personal Navigator team who are the 'engine room' of the project. In this respect it is clear that optimum caseload sizes need to be maintained at a maximum of 30 participants in order to provide the ideal conditions where a regular rapport can be established to effectively engage participants. Similarly, a renewed emphasis needs to take place to boost the retention rates of Personal Navigators. Analysis of Y3 productivity statistics reveals that the most productive quarters were also those where labour turnover was at a minimum. If these objectives can be achieved then the project should be able to work with an additional 1,547 participants across the extension period. This represents a referral target of 10 participants per quarter for each full time Personal Navigator between now and 31st September 2021.

What is unclear at the time of releasing this evaluation is the long-term impact of the coronavirus pandemic. At the current time of writing it has been necessary for the UK government to enforce a state of lockdown across the country to reduce the transmission of the virus. This likely to have an impact of the delivery of the Money Sorted project with Personal Navigators having to meet with participants via the internet or over the telephone. This is less than ideal for many participants who were already socially isolated before the start of the pandemic. The available evidence at the time of releasing this report suggests that demand for the project is likely to increase significantly after the lockdown measures are eventually relaxed. Ultimately, the true impact of these challenges will become clearer as the year progresses.

Whilst these challenges exist it is clear that the project continues to accumulate additional learning to help inform the development of financial wellbeing support services across the D2N2 area. The work around behavioural insights & disengagement, employment & employability and the Money Mentors are just three examples of this. These insights will help to contribute to a body of evidence of 'what works' to help inform future policy and commissioning plans to develop the financial wellbeing of economically inactive and unemployed people across the D2N2 region and beyond.

SECTION SUMMARY

- The on-going experience of delivering the service reveals a range of external factors which continue to adversely affect the financial wellbeing of participants. These are typically factors outside the control the Money Sorted project.
- These influences include low educational attainment, learning difficulties, precarious employment, the poverty premium, universal credit, health and social care issues and the increasing digitalisation of services.
- All the available evidence suggests that the compounding effect of many of these factors results in significant numbers of participants going into debt and needing to borrow money to pay for essential items.
- Indebted individuals across the D2N2 and beyond face a range of significant challenges on the journey to become debt free. These include the stigmatisation of debt, uncertainty surrounding the professional landscape for debt advice and who is able to help and the on-going challenge of the poverty premium. As wider research reveals the issue of debt is a complex situation which breeds poor mental health and increasing levels of social isolation.
- Education attainment in particular numeracy and literacy is often a key issue affecting the financial wellbeing of participants. Indeed emerging evidence suggests that many participants feel that their childhood education did not adequately prepare them for the financial challenges that they would face in adulthood.
- Significant Personal Navigator support is extended on the project each year to help participants reduce their levels of indebtedness. The typical interventions provided to participants include budgeting, creditor repayment plans, applications to utility discount schemes, applications for debt relief orders or filing for bankruptcy or help to maximise income either through benefit checks or support to re-enter the labour market.
- Wider research undertaken by the University of Warwick reveals the long-term characteristics associated with being debt free. They include being in employment, not having young children, being physically and mentally well and having access to strong family networks.
- A brief review of the operational learning from the delivery of service reveals that the project has been able to reduce average participants levels of indebtedness from £5,315 to £2,187. The project has also been able to increase monthly disposable income levels from £23.73 to £77.29.
- The high levels of indebtedness across the region means that the local debt advice sector is placed in a situation where demand outstrips supply. More research is required to understand the range of different indebtedness journeys that participants make through the project.
- The project has been adversely affected by a significant 32% labour turnover of Personal Navigators over the past year. The project has lost 161 days to recruit and employ replacement Personal Navigators. Further work is required to improve the retention of Navigators.
- Given the sensitive nature of financial wellbeing issues the project requires participants to work through adverse financial circumstances with their Personal Navigator. This can prove to be a difficult exercise which can raise uncomfortable feelings which in certain circumstances lead to the premature disengagement of participants. To help mitigate against these risks the project has been developing behavioural insight approaches to help inform different techniques to support participants to engage. This work has been supported by the Derbyshire County Council Public Health Team.
- The project has improved its ability to engage economically inactive participants. If the current trends continue over the next twelve months then it is possible that the project could achieved a balanced split of 50% economically inactive participants and 50% unemployed participants.

- Further work is required across the project to effectively evidence improvements in participant access to affordable credit and reductions in the use of high-cost lenders. This includes a review of underlying data collection systems and project exit procedures.
- There is potential scope to implement a diagnostic tool to help identify participants who would potentially benefit from employability support at the point of access onto the project. Whilst not all participants require employability support there is a potential to trial different ways of working with an employability provider and the BBO Stakeholder Managers to enhance this area of the project.
- The project continues to work with some of the most socially isolated people living across the D2N2 area. Whilst the project is designed to boost financial wellbeing many participants are still facing significant social isolation at the point of exit from the project. Whilst the Money Mentors and Participants Forum can help to an extent, social isolation remains a significant challenge. This is something for commissioners and policy makers to consider in the design of future projects working around the financial wellbeing agenda.
- The project has now officially implemented a team of accredited volunteer Money Mentors. All Money Mentors are past participants with a desire to support existing participants as they progress through the project.
- The productivity of the project has continued to improve over the last three years to the extent that the original service specification target to work with 1,950 participants was passed in Q4 2019. A significant amount of operational and strategic learning has been achieved over this time culminating in a three-year extension to the project working with an additional 1,547 participants. Given the improvements in productivity over the past three years this should be an achievable target if the current trajectories can be continued and a committed team of Personal Navigators can be retained in post.
- The future developments surrounding disengagement & behavioural insights, employability and the Money Mentors should also provide an additional source of valuable learning to inform 'what works' when designing projects to support the financial wellbeing of unemployed and economically inactive participants.
- Whilst the level of need placed on the service remains very challenging it is clear that the project is providing much needed support to help some of the most financially vulnerable people across the D2N2 area. This is undoubtedly needed to help significant numbers of people to navigate through difficult financial circumstances and establish new skills, approaches and knowledge to boost their future financial wellbeing.

Michelle's case study

When Michelle accessed the Money Sorted service at the end of 2018 it was clear that she was really struggling to manage her household finances following a recent divorce. At the weekends Michelle would collect her children from her ex-partner and would feel an overwhelming need to spoil them with products and services to ensure they enjoyed the time they spent together.

Michelle has a long history of mental-health difficulties and was really worried about how she would cope with her future finances when she accessed the service. Many of these difficulties can be traced back to two family suicides when Michelle was growing up. The fear of getting into debt was a real concern which was compounded by a sense of guilt of her health condition and how it impacted on her children. To help make things up to the children Michelle liked to spoil them during the weekends with special TV and Gaming packages. Whilst Michelle recognised the need to make some life changes to avoid getting into debt she was really unsure how to go about this. As a result her confidence was at a low ebb which contributed to the low self-esteem and poor mental health.

Working with her Personal Navigator over a period of months Michelle was supported to consider how best to establish a viable household budget. Through a deeper inspection of Michelle's financial behaviours it became clear that she was susceptible to over-spending on her credit card and then would panic, settling bills in full before she had time to consider due dates. Her Personal Navigator worked hard to understand all Michelle's spending habits and concerns in order to establish a sustainable way forward. This work was complemented by a successful application for a discretionary housing payment. This application was backdated and provided Michelle with a significant financial boost.

Throughout a series of meetings her Personal Navigator identified sustainable spending habits that did not involve the use of credit cards. Given the importance of her children Michelle was supported to identify free activities that her children could take part in. This has really helped to reduce the sense of pressure to spend unsustainable amounts of money on her children. As part of her time on the project Michelle was also supported to attend cooking on a budget workshops provided through the Money Sorted project. This has helped to fuel a new passion for using on-line food blogs like Jack Monroe www.cookingonabootstrap.com

Crucially, Michelle was also supported to establish two bank accounts to help underpin her financial stability. One account was established to maintain direct debits and standing orders for bills and a second account for other spending. The thinking behind this being that if Michelle had a relapse her key bills would not be affected.

Moving forward Michelle has also been able to establish a savings plan to help prepare for insurance payments and Christmas presents.

Since accessing the Money Sorted project Michelle has made amazing progress to the extent that she has been able to study for her Maths GCSE at a local college. She hopes to begin volunteering as a teaching assistant in the near future, with a view to gaining employment in this field long term.

*This case study has been anonymised to protect participant confidentiality.

Notes

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