

JAN - DEC 2018



# Year 2 evaluation of **money sorted** in d2n2

**Helping people to improve** their financial wellbeing across the region.



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- This evaluation report has been designed to review the year two performance of the Money Sorted in D2N2 project led by St Anns Advice Centre during 2018.
- The 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 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).
- The Money Sorted 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).
- The project is designed to improve the financial capability of participants. The focus on financial capability is centred on the aim to develop the financial skills and knowledge of participants.
- The need to develop financial capability 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 capability strategy.
- Throughout the second year of delivery it is evident that the project continues to support some very vulnerable and socially-isolated people to address and resolve issues related to their financial health and financial capability.
- Analysis of the profile of participants reveals that 57% of participants are dealing with unmanageable debt situations. 68% of participants disclosed that they have to borrow money to pay for food or necessary items. 46% of participants thought that their family life was completely stressful.
- Analysis of the profile of participants accessing the service also reveals that significant numbers of participants are facing wider social issues in addition to financial hardship. This can extend to poor mental health, learning difficulties, social isolation and poor educational attainment amongst other issues.
- Most participants accessing the service typically feel that they lack the necessary confidence, knowledge and skills to make informed financial decisions.
- Following the challenges experienced during the first year of service delivery, the Money Sorted project has re-profiled its targets to work with a revised figure of 1,950 participants over the lifetime of the project.
- The project has utilised the available underspend at the end of year one to build the capacity of the team of Personal Navigators. By the end of year two the size of the Personal Navigator team has increased from 17.5 Navigators to 21.6 Full Time Equivalents (FTEs).
- All the available evidence suggests that the productivity and performance of the project has improved significantly over the past twelve months and continues to improve. The established team of Personal Navigators who are now in post are a key part of this progress and should be commended.
- During the second year of service delivery the project worked with 751 new sign-ups. This represents an extra 281 sign-ups when compared with the total number of sign-ups at the end of Y1 which equated to 470.
- The increasing number of sign-ups onto the service is now placing a renewed emphasis on the need to manage the throughput of participants running through the service.
- Over the final year of service delivery it is critical that a consistent flow of participants complete their programme of support and exit the service in a timely manner. Ideally this should take place within six months after accessing the project, where possible, in order to help maintain manageable caseload sizes.



- Experience of service delivery reveals a range of external factors which influence the behaviours and attitudes of participants surrounding the development of financially-capable behaviours. Examples of some of these issues include limited financial awareness of young people leaving the school system, the normalisation of debt, the poverty premium, and the problematic link between mental health and debt.
- The experience of service delivery also reveals that for most unemployed or economically-inactive participants, financial hardship is often linked to a wider range of ongoing social problems. As a result it is extremely challenging for Personal Navigators to purely deliver financial-capability interventions without being requested to provide assistance in wider social concerns.
- As a recommendation for the future it is suggested that front-line personnel working with economically-inactive and unemployed people receive a core-skills induction which covers the typical range of social issues encountered to date.
- There is emerging evidence to suggest that recently-employed participants or participants who demonstrate some level of employability awareness are more likely to readily engage with and understand the financial capability aspects of service provision.
- The roll out of Universal Credit and the wider digitalisation of products and services is presenting significant difficulties for many participants who do not have the necessary expertise to navigate these emerging systems.
- The experience of delivering the service also reveals an element of participants estimated to be around 45% of the total caseload who are going to require longer-term support to effectively manage their financial affairs.
- The prevalence of indebtedness across the participant group reveals a future potential opportunity to integrate financial-capability work with debt advice. Personal Navigator surveys revealed the significant ‘value-added’ that can be achieved when Personal Navigator host organisations also employ a dedicated debt-advice worker.
- The Money Sorted project has established significant improvements in outcomes and outputs as described in section four of this evaluation. These include the development of personal and household budgets, reductions in the levels of stress and debt. In certain cases participants have also been able to secure increases in their income.
- Whilst an upward trajectory in the performance of the project has been achieved during the second year of service delivery, it is crucial that this momentum is maintained across the third year of service delivery if the overall project target to work with 1,950 participants is to be achieved.

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 area. The project is part of the Building Better Opportunities (BBO) programme. Building Better Opportunities is jointly 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 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, website: [www.fincap.org.uk](http://www.fincap.org.uk)**

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. The ultimate outcome of the 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. There is no upper age limit to receive support.

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 and Minority Ethnic (BAME) 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 two evaluation

The following resources have been used to compile the year two evaluation for the Money Sorted project.

- Available minutes from project meetings.
- Evaluator attendance at Personal Navigator forums.
- Evaluator attendance at project Steering Group meetings.
- BBO performance reporting submitted to the Big Lottery 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.
- Development of a Personal Navigator survey to canvass the experiences of front line personnel surrounding the delivery of the service.

- Discussions with St Anns Advice Group staff and management teams.
- Discussions with Project delivery partners and Personal Navigators.
- 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 and outputs

Target re-profiling

As part of the Money Sorted in D2N2 project plan St Anns Advice Group made a decision to increase their original targets to work with 2,500 participants across the course of the project from January 2017 to October 2019. This represented a significant increase on the original target to work with 1,950 participants as stipulated in the original project outline provided through the D2N2 Local Economic Partnership.

Given the complexities experienced during the first year of service delivery it became apparent that the inflated target to support 2,500 participants was a very ambitious one – given the intensity and diversity of needs experienced. Following a period of consultation with the Big Lottery Fund it was agreed that the project targets would be re-profiled to reflect the original expectation that the project would work with 1,950 participants



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.	<ul style="list-style-type: none"><li>• All have a Personal Financial Resilience Plan. 80% have developed personal/ household budgets with support of Personal Navigator.</li><li>• 80% report and demonstrate increased financial management skills and know where to get ongoing advice and support.</li><li>• Participants report increased confidence/ improved sense of well-being.</li></ul>
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.	<ul style="list-style-type: none"><li>• All have information on affordable, appropriate financial products.</li><li>• At least 70% have a transactional bank account with mainstream bank/ credit union.</li><li>• Participants who need affordable credit report knowing how to access it.</li></ul>
50% of participants report reductions in family stress related to financial problems, improved family finances and improved levels of family cohesion and well-being.	<ul style="list-style-type: none"><li>• Participants report reduced levels of family stress.</li><li>• Measurable increase in household income and reduction in debt.</li><li>• Participants report improvement in family life/ well-being.</li></ul>
Increased income and financial security to improve family spending power with a positive effect on the local economy/ community.	<ul style="list-style-type: none"><li>• Measureable increase in household income and reduced debt.</li><li>• Reductions in levels of family income going to high cost lenders.</li><li>• Participants report increased available income for spending in local shops/ businesses.</li></ul>

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

At the start of the first year of service delivery 14.5 Personal Navigator posts existed on the project.

Over the past two years of service delivery the project has invested significantly in the creation of additional Personal Navigator roles. By the 17th January 2019 a total of 22 Personal Navigators were employed on the project this included 21 full time roles and 1 part time role.

## The delivery partnership

The core delivery partnership is complemented by a number of specialist partners with the ability to provide good-practice support to ensure the project reaches, engages and works effectively and sensitively with specific vulnerable groups. This includes individuals faced with mental-health issues, disabilities, homelessness and refugees and migrant groups.

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 contained within the Money Sorted in D2N2 project 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 (Good practice partner – disability issues)
- Emmanuel House (Personal Navigator host organisation)

- 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 & good practice partner)
- Signpost to Polish Success (Eastern European communities good practice partner)
- South Derbyshire CAB (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)

## 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-capability-related issues. Courses are structured around the themes of personal finances, household finances and IT skills to support your finances.

## 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 type 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 and 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 of these themes.

### 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.

To implement the action plan St Anns Advice Group have engaged the partners in the sustainable development process and have outlined simple ways of saving energy, reducing waste, minimising travel and encouraging use of local suppliers. All partners have actively been involved in this process and where necessary have been supported to create or enhance their existing environmental policies.

### Equal opportunities, gender equality and diversity

Similarly the project is fully committed to promoting equal opportunities, gender equality, valuing diversity and tackling discrimination. The project has been keen 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.

Our 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, are able to 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.

### Participation and specialist partners

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.

To help ensure that the project is as inclusive as possible a number of specialist partners have also been engaged in the development of services. This includes involvement with Nottingham and Nottinghamshire Refugee Forum, Signpost to Polish Success and Disability Nottinghamshire – all of which help to ensure the project is able to reach, engage and work effectively and sensitively with vulnerable groups.

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 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.
- The Money Sorted project is part of the Building Better Opportunities (BBO) programme and is co-financed by the European Social Fund and Big Lottery 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.

## Yvonne's case study

Yvonne\* joined the Money Sorted project in March 2018 after experiencing significant financial difficulties and depression over the previous six months. As someone who has struggled with depression on a long-term basis, Yvonne liked to spend money to make her feel better. This habit in part meant that she built up £4,000 debt which she owed to family and friends. These difficulties came to a head for Yvonne after a period of ill health which meant that she had been unable to continue her self-employed work as a taxi driver. Naturally as a self-employed person Yvonne had been unable to access any sick pay from an employer and these difficulties had added to a prevailing sense of anxiety and depression about the future.

At the point of access into the project it was clear that Yvonne was struggling to function on a day-to-day basis. Whilst it became apparent that Yvonne had been able to make a successful claim for the Universal Credit it was a real struggle to live on £170 per month. This problem was compounded by bedroom-tax deductions of £50 per month. After initially engaging with her Personal Navigator it became clear that Yvonne was finding it very stressful to deal with the Universal Credit, which made her feeling like she was 'constantly fighting the system.' These difficulties were in turn exacerbating her anxiety and depression. Yvonne's life was further complicated by the fact that she did not have a working fridge, cooker or washing machine.

Through the process of working with her Personal Navigator, Yvonne has been carefully supported to consider how she budgets for the limited income which she receives. This has included consultation of price comparison websites to assess the most cost-effective energy tariffs. To help her monthly budgeting her council tax bill has been extended over 12 months rather than the usual 10 months. Further help has also been secured in the form of a successful application to the Severn Trent Big Difference scheme to reduce her water utility bills. Over this time Yvonne has also been supported to make applications to trust funds supplying white goods that she needs to live properly. To help boost her income, Yvonne has been able to attend work-capability assessment and complete the necessary questionnaires. This has resulted in an increased Universal Credit claim.

Through a series of changes to adjust her finances, Yvonne has been able to navigate through a difficult set of circumstances to help improve her mental health. To complement the support on offer through her Personal Navigator Yvonne has also been encouraged to access local mental health support services. Yvonne feels that regularly speaking to her Personal Navigator 'took a lot of the weight off my shoulders that I was feeling. My Navigator gave me a process that I could follow and has helped me to get into the habit of paying my bills early for things like energy, council tax and TV licence. This has helped me to save regularly to prepare to buy Christmas presents.'

To help prepare to return to work, Yvonne has successfully utilised the 'employment and training' budget attached to the Money Sorted project to cover the costs of the necessary DBS check required to resume work as a taxi driver. Throughout the duration of this journey the taxi business who Yvonne was contracting with have been really keen to see her return to work.

After a year out of work Yvonne successfully started a phased re-entry into her self-employment as a taxi driver in 2019.



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



# Understanding the context of the UK financial capability strategy and its relationship with the Money Sorted project.

## Introduction

Every year people residing across the D2N2 area make a range of decisions surrounding the way they utilise their financial resources. At its basic level this concerns how they manage their income and expenditure. For many individuals the process of 'making ends meet' each month is a struggle. For individuals accessing the Money Sorted service, who by default are unemployed or economically inactive, these difficulties can be particularly acute.

On a nationwide basis the issue of how we all manage our money has been well documented within the UK financial capability strategy. The strategy reveals that true extent of our difficulties in this area:

Millions of people in the UK struggle to make the most of their money; to budget effectively, plan for the future and make informed decisions. Around a third of the population [17 million] currently don't make a budget. 84% of UK adults do not read full terms and conditions when taking out financial products and one in six people struggle to identify the balance on their bank statement. Nearly half (48 percent) of adults across the UK admit to falling into debt as a direct result of their social lives. This kind of poor financial behaviour leads to stress and reduced quality of life, and prevents people from realising their goals. It is therefore a priority to build financial capability across the UK.

### UK financial capability strategy (2014)

Whilst the need to build financial capability across the UK is clearly evident a closer analysis of the UK financial capability strategy provides a number of insights into the complexities likely to affect any initiative to help individuals embrace financially capable behaviours.

Helping people to learn how to manage their money effectively and make good financial decisions given their particular circumstances requires a person-centred

approach. Projects working around the issue of financial capability like Money Sorted need to take into account an individual's personal capability in order to help them develop their financial capability. To put this another way it means that professionals need to take the time to understand the inner drivers of an individual's financial behaviour. In addition to this we also need to understand the external factors that may not be within an individual's control but also play a role to act as 'enablers' or 'inhibitors' affecting how some of their inner drivers are translated into behaviour.

An individual's internal financial capability has been considered within the UK financial capability outcomes framework (2014) as follows:

### Internal financial capability is made up of two key factors of 'ability' and 'mindset'.

**Ability**, which includes skills and knowledge.

- **Skills** include the cognitive or emotional skills people need to engage with financial management processes, including numeracy, literacy and problem solving abilities.
- **Knowledge** is defined as the knowledge and awareness required to effectively access financial markets and information sources, and to make good financial decisions appropriate to an individual's situation. It includes understanding financial products, concepts and services as well as people's understanding of their own financial situation.

**Mindset**, which includes attitudes and motivation.

- **Attitudes** are an expression of underlying beliefs that may influence behavioural intention. They include financial attitudes (e.g. about the value of saving for a rainy day) as well as more general attitudes that a person holds about themselves (e.g.confidence).

- **Motivation** refers to the conscious and unconscious brain processes or ways of thinking that direct and energise behaviour and include things like goals and aspirations.

In addition to these internal factors, the UK financial capability strategy also recognises that the situation is complicated by external factors which act as 'influencers' affecting behaviour and financial decision-making processes. The factors influencing external financial capability include connection, and positive and negative social influences.

### External financial capability is made up of connection, and positive and negative social influences

- Connection covers the ease and accessibility of financial products, services and information, and includes:
  - Physical access (e.g. geographic, technology-based, those relating to the built environment),
  - Social access (e.g. social networks which determine what kind of informal financial advice a person might be exposed to and therefore may affect levels of skills and knowledge),
  - Other access barriers (including those that might relate to a person's linguistic and cognitive ability or a physical or sensory impairment).
- Positive and negative influences include social norms, which are a key driver of mindset. For example, the normalisation of debt or commercial advertising which encourages a culture in which people feel they are defined by what they consume and buy. They also include more individual level influences such as the 'pester power' of children, or peer pressure to consume or save in a certain way.

Source: Financial capability strategy for the UK. Financial capability outcomes Framework (2014)

The framework goes on to consider the concept of financially-capable behaviours, which are defined as 'financial or monetary behaviours that a person exhibits at a particular point in time'. These behaviours are considered to be reflections of an individual's financial capability which are either constrained or enabled by an individual's financial means or pressures. Naturally, the financial behaviours that an individual possesses can also, in turn, enhance or diminish their financial means or intensify or relieve the impact of financial pressures.

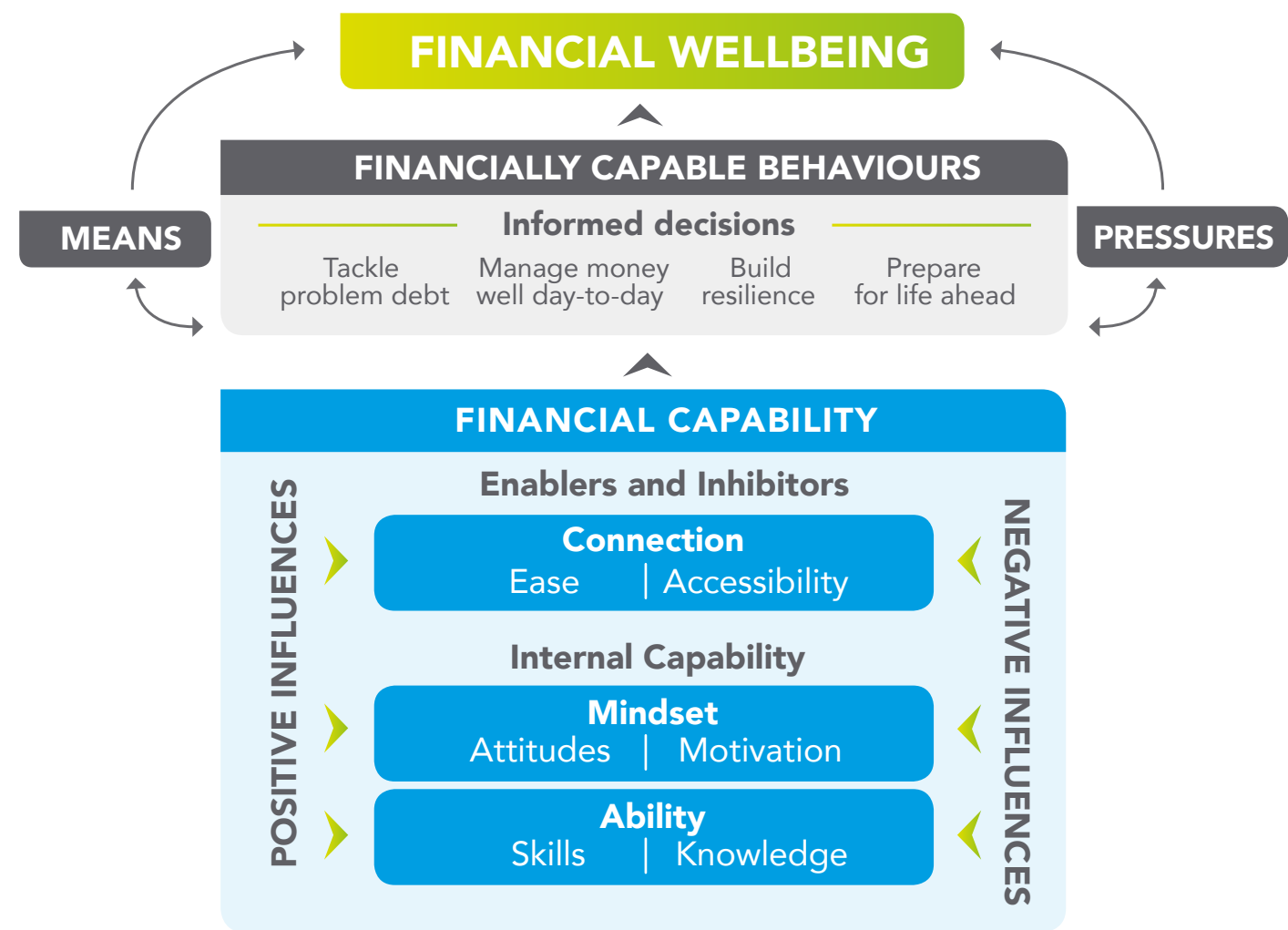
Financially capable behaviours are categorised into four key domains:

- Tackle problem debt – this relates only to those already in (or on the brink of) problem debt. Behaviours relating to this domain include seeking help and advice and taking steps to reduce their debt.
- Manage well day-to-day – this includes setting and sticking to a budget; keeping track of income and expenditure; maximising income; paying bills in full and on time; and shopping around for the best deals.
- Build resilience – this includes building a savings buffer for unexpected events; saving for short-to-medium-term planned expenses; and taking out appropriate insurance or other forms of protection.
- Prepare for life ahead – this includes saving for longer-term planned events and life goals; and making adequate provision for later life (including saving in a pension or making other provision for retirement, saving to meet health-related needs).

An individual's ability to make informed financial decisions cuts across and underpins each of these domains. The requirement to make informed decisions involves making use of appropriate knowledge, information and/or relevant, high-quality advice. The process therefore includes seeking advice and guidance where necessary.







Source: Financial capability strategy for the UK. Financial capability outcomes Framework (2014)

The issues presented with this model reflect very well the challenges faced by Personal Navigators working with participants accessing the Money Sorted service.

UK financial capability strategy – Five calls to action

To help provide a UK-wide focus to the financial capability priorities for the nation ‘five calls to action’ were released in November 2018 as part of the UK financial capability strategy.

The calls to action are designed to provide the necessary focus to help address the typical barriers to everyday financial capability. These calls to action set a strategic direction to help establish the five key building blocks of financial capability: savings, financial education, access to debt advice, retirement planning and use of credit.

To help provide the necessary focus for the strategy specific targets have been established against each of these five headings against a challenging December 2021 deadline.

Building block	Call to Action	2021 Ambition
Savings	10.7m adults don’t save regularly, and 11.5m have less than £100 in savings to fall back on. We want everyone to save money regularly.	We want 1 million more adults to be saving
Credit	9m adults often borrow to buy food or pay bills. We want to see a fall in the number of people relying on credit for everyday essentials.	We want 1 million fewer people relying on credit for everyday essentials
Debt advice	8.3m people are over-indebted but less than a quarter seek help. We want everyone who needs it to be able to get free and effective debt advice.	We want 500,000 more people a year to get free and effective debt advice
Retirement	22m working-age people say they don’t know enough to plan for their retirement. We want everyone to have the support they need to make informed decisions about their retirement.	We want 2 million more working-age adults to say they understand enough to make more informed decisions about their retirement
Financial education	Only 52% of 7-17 year olds said they receive some form of financial education in school, at home, or in other settings. We want all children and young people to have a meaningful financial education.	60% of 7-17 year olds receive meaningful financial education delivered in settings appropriate to their needs. We have a better understanding of financial education in early years and in supporting the transition to work

Source: Financial capability strategy for the UK. Financial capability outcomes Framework (2014)





## SECTION SUMMARY

- Financial capability is an issue which affects all adults living in the UK. As a nation we are not as financially capable as we need to be and this has a detrimental impact on our quality of life.
- The UK financial capability strategy provides a framework to explain that financially capable behaviour is driven by a range of internal and external factors.
- The internal factors affect our inner beliefs and value systems about how we manage our finances and can either act as 'inhibitors' or 'enablers' of financially capable behaviour.
- The external factors influencing financial capable behaviour are made up of connection, and positive and negative social influences.
- These influences are evident throughout the course of the Money Sorted project as Personal Navigators carry out interventions with participants.
- To provide a focus for the UK financial capability strategy from now until December 2021 'five calls' to action have been established to act as the key drivers to promote greater financial capability across the UK. The five calls to action are centred around: savings, credit, debt advice, retirement and financial education.
- Projects like Money Sorted have a significant potential contribution to make to the 'five calls to action' to help individuals develop financially capable behaviour and skills.



## Jane's case study

Jane\* initially accessed the Money Sorted project during September 2017. At the point of accessing the service Jane had recently divorced and was struggling with anxiety and depression. Jane was very concerned about how she would manage money in future and was keen to engage with the Money Sorted service to help her think through how she could better manage her financial situation.

The initial meetings between Jane and her Personal Navigator revealed how little confidence Jane had in her ability to manage money. With the support of her Personal Navigator Jane was able to successfully appeal an ESA welfare claim which had been held up with complications due to the sale of her home. After this issue had been resolved Jane received a backdated ESA payment, which she was worried about how to manage effectively.

Over the coming months Jane made significant progress working with her Personal Navigator to rebuild her confidence and enhance her financial capability skills. An early success story was achieved when Jane and her Personal Navigator used a price-comparison website to identify the best-possible deals for a new mobile-phone contract. This experience provided Jane with the confidence to start to use price-comparison websites as part of her everyday life.

As the interventions continued with her Personal Navigator, Jane talked more about developing the ability to separate out what she 'wants' compared with what she 'needs'. As a self-confessed 'impulse shopper' the opportunity to discuss the difference between 'wants' and 'needs' was helpful for Jane as she thought through her approach to managing money.

Through the process of working with her Personal Navigator Jane has now developed the confidence and skills to work with retailers to return items and request refunds for products and services which on reflection she does not actually need. This ability has been developed in part through work with her Personal Navigator who showed Jane how to secure a refund on an anti-virus subscription which had automatically renewed by accident. Through a simple phone call Jane was £50 better off and more importantly had gained further confidence that she can proactively manage her money!

Occasionally, Jane still can succumb to impulse shopping, particularly around her hobby for creative craft items. After arriving home from a recent shopping trip she decided that she no longer needed the craft items she had purchased and returned them to the shop for a full refund.

As time has gone on, Jane has grown in her ability to manage her finances. She now regularly completes a 'budget diary' and has proactively identified savings and changes she can make to her budget independently of her Personal Navigator. Similarly she now has on-line eBay and Amazon accounts to help her purchase products at the best possible prices and also sell any unwanted items that she may no longer need.

On reflection her Personal Navigator feels like Jane knew deep down what she needed to do to manage her money but she just needed someone to affirm her thinking, build her confidence and provide her with the skills to find 'value for money' deals online.

At the end of the service Jane fed back to her Personal Navigator that the service had been really helpful to resolve her immediate financial issues and help steer her towards a better financial future. In Jane's own words

**'The Money Sorted service was helpful and informative and has definitely improved my confidence with money. My Personal Navigator was very patient with me and I appreciated the fact that all this support could be delivered in my own home.'**



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



Participant profiles

Understanding the profile of the participants accessing the Money Sorted project

In this section of the evaluation we present details on the characteristics of participants accessing the Money Sorted Service over the first two 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 health.

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 twelve months. 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. The development and execution of a Personal Navigator survey to capture the experience of front-line personnel involved in the day-to-day delivery of the service. Further information on the context of the Personal Navigator survey is available in the appendices of this report.

Participant profile analysis – Overview

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

The prepared analysis reveals a picture of a group of participants who are struggling to manage their financial affairs on a day-to-day basis. Typically participants have very little awareness of how they might navigate their existing financial difficulties which are often complicated by a diverse range of wider life factors. A closer analysis of available project data reveals some of the following factors affecting the delivery of the service:

- High prevalence levels of anxiety and depression
- High prevalence of long-term unemployment
- Poor levels of physical health
- High levels of disability
- Limited aspirations and limited employability awareness
- Learning difficulties and learning disabilities
- Low educational attainment
- Limited ability of participants to independently navigate the benefits system
- High levels of over indebtedness
- Lack of confidence and self-esteem
- A substantial proportion of participants are socially isolated or at risk of social isolation.

Through the delivery of the service over the past two years the following statistics have been compiled to help illustrate the profile of participants accessing the service.



participants are affected by a mental-health issue

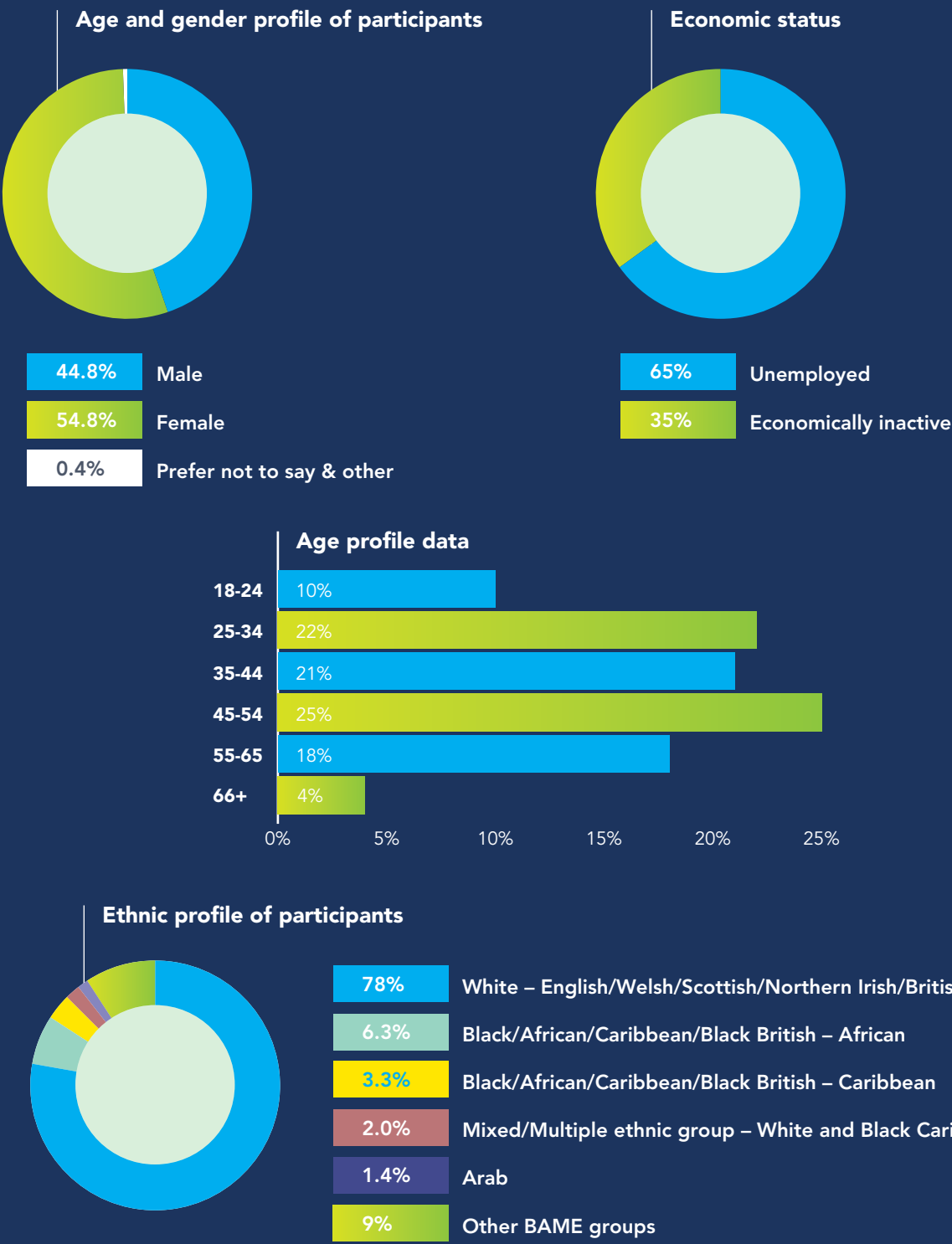
Basic demographic data

An assessment of the basic demographic data on participants accessing the service reveals that 44.8% of participants are male, 54.8% participants are female. The remaining 0.4% participants preferred not to advise a gender status.

The most popular age of participants accessing the service is 45-54 with 25% of participants accessing the service from this group. Age bands 25-34 accounted

for 22%, age band 35-44 accounted for 21%. By comparison age band 18-24 accounted for 10% and 66+ 4%.

Analysis of the ethnic profile of participants reveals that 78% of participants are white British with 22% of participants from BAME groups. The most popular BAME groups include Black/African/Caribbean/Black British – African 6.3% and Black/African/Caribbean/Black British – Caribbean 3.3%.





Participant educational attainment

A review of the available data on the educational attainment of participants accessing the project reveals that 40% of participants have not completed their secondary education. Only 36% have completed their upper secondary education and 7% have completed their tertiary education or equivalent A levels, A/S levels, or

NVQ level three. These trends are potentially concerning as there is a growing body of evidence to suggest that numeracy and financial capability are linked. To compound these challenges there is a significant cohort of participants who are affected by learning difficulties.

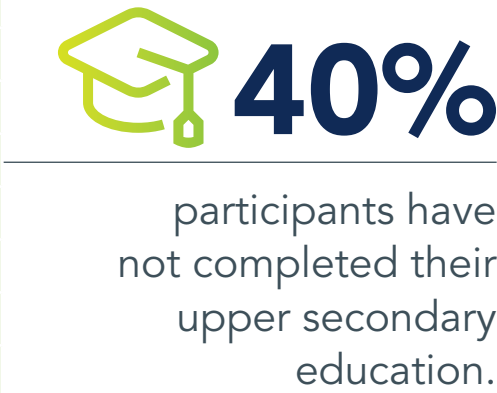


Participant household status and employment situation

A review of the available data on participants’ household situation reveals that 79% of participants live in jobless households. In total 63% of the participants on the project are unemployed or long-term unemployed with an average length of unemployment of 3.9 years. 44% of participants

lack basic skills and 11% are homeless or affected by housing exclusion. 23% live in jobless households with dependent children. By comparison 17% live in single households with dependent children.

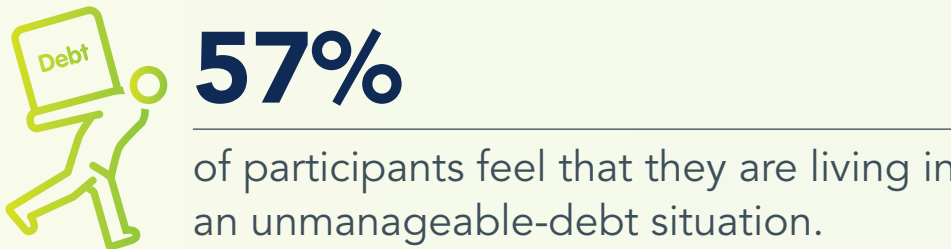
Status	%
Are unemployed or long-term unemployed (average 3.9 years)	63%
Lack basic skills	44%
Are homeless or affected by housing exclusion	11%
Live in jobless households	79%
Live in jobless households with dependent children	23%
Live in single households with dependent children	17%
Have a disability	54%
Are an offender or ex-offender	10%
Total	1320



Participant financial wellbeing data

A review of the available data on participants’ financial wellbeing held on the MAP tool system reveals 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. 81.2% of participants said that when it comes to managing their finances they

‘always struggle’ or ‘sometimes struggle’. Perhaps it is therefore unsurprising that 68% of participants are borrowing money to make ends meet and 57% of participants reported that they were living in a debt situation that was unmanageable. Consequently, 46.3% participants felt that their life was ‘completely stressful’.



**81.2%** said that when it comes to managing their finances that they ‘always struggle’ or ‘sometimes struggle’.

**74.4%** said that they were ‘not very confident’ or ‘not at all confident’ about their financial future.

**3.9%** thought that they had a good knowledge about the different types of financial products available to them.

**65.5%** 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.

**68.0%** ‘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%** 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’.

**46.3%** thought that their family/household life was ‘completely stressful’.

**On average participants had £23.95 of disposable income to spend in shops and businesses each month.**





Complementary Personal Navigator survey data

To complement the existing data the project holds on participants we surveyed 16 Personal Navigators over the autumn of 2018 who had been employed on the project for at least six months. As part of this survey we asked a series of questions designed to profile the past and present caseload of participants accessing the service. This information revealed a number of additional insights into the situations of participants accessing the service. For example Personal Navigators assessed that 77% of the participants on their caseload were adversely affected by mental-health issues which affected their ability to function on a day-to-day basis e.g. anxiety and depression. A further 25% of participants were assessed to be suffering from more serious mental-health disorders e.g. suicidal thoughts. A further 17% of participants were felt to have learning disabilities or difficulties which had some impact on their financial capability. The Navigators also assessed that 38% of participants were socially isolated.

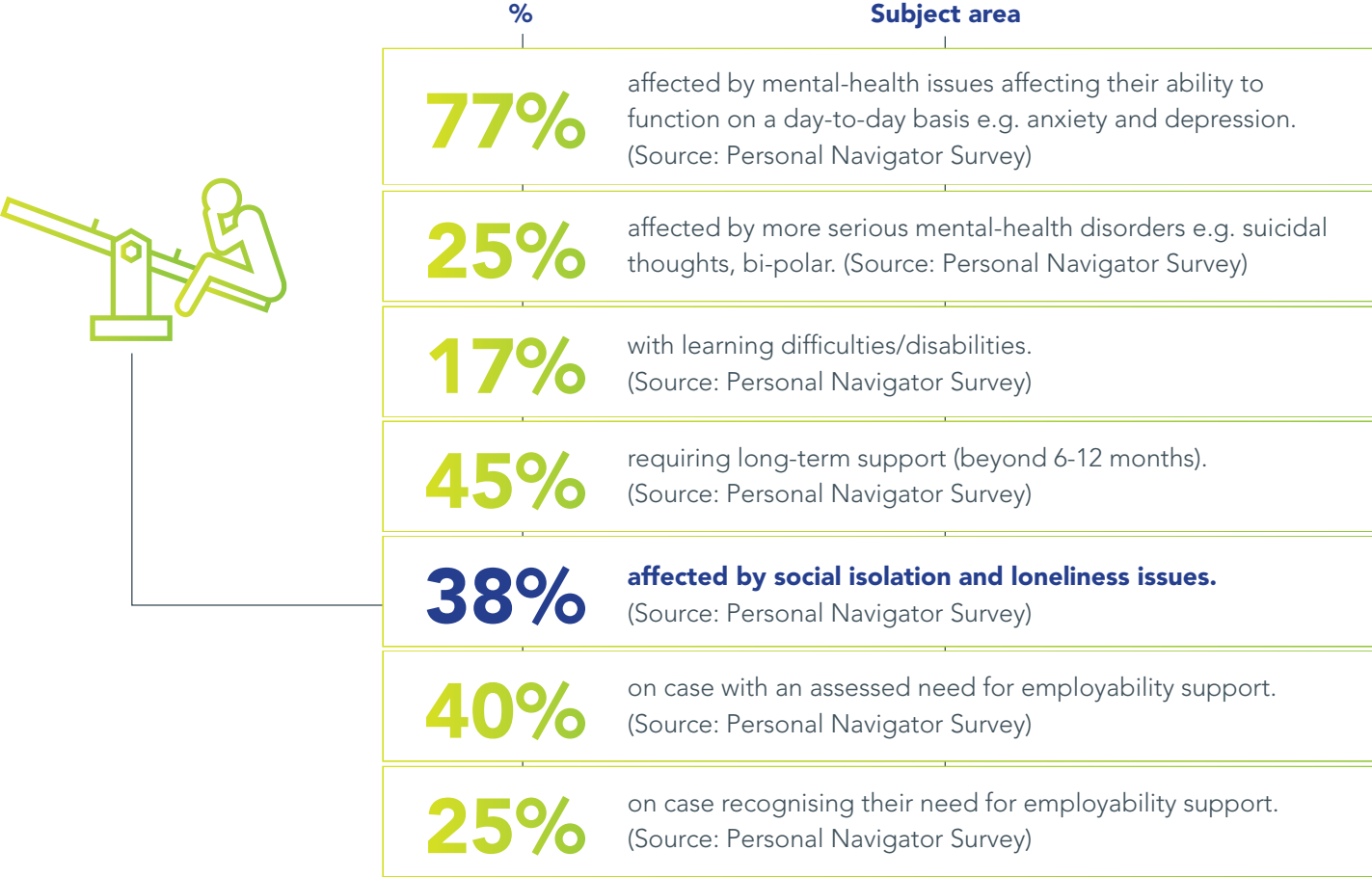
The Navigators surveyed felt that 40% of the participants on their caseload would benefit from some form of

employability support but only 25% of these participants recognised a need to receive employability support.

The emerging evidence would tend to suggest that poor financial capability and financial wellbeing seldom exists in isolation from wider social factors which influence a participant's life.

In addition to the data collated from the Personal Navigator survey also became clear that the financial circumstances facing participants have often been adversely affected by addictions, domestic violence, long-term health conditions and relationship breakdowns amongst a range of other issues.

The experience of delivering the project over the past two years has revealed the extent of the challenge to support participants within the original intended timescale of 6-12 months. In the experience of Personal Navigators surveyed, 45% of the participants on their caseloads require longer-term support beyond what the project is able to supply.



SECTION SUMMARY

- The participants accessing the project have a gender split of 44.8% male and 54.8% female.
- 65% participants accessing the project are unemployed and 35% are economically inactive.
- The most popular age group of participants is 45-54 with 25% of the participants.
- 78% of participants accessing the project are from white British background with the remaining 22% from BAME groups.
- A review of the participant profile data which is available reveals that the participants accessing the Money Sorted project are affected by a diverse range of life circumstances which potentially impact on their financial behaviour.
- As a result it is rare for participants to access the service to solely develop their financial capability.
- The educational attainment of participants is low with only 36% of participants completing their upper secondary education.
- High levels of mental-health issues are present (77%) which on occasion are linked to more serious and acute mental health disorders (25%).
- Participants accessing the service typically feel that they lack the necessary confidence, knowledge and skills to make informed financial decisions.
- As a result 68% of participants disclosed that they have to borrow money to pay for food or necessary items.
- 57% thought that they were living with unmanageable debt.
- 46% thought that their family life was completely stressful.
- Navigators felt that a significant number of participants do not necessarily recognise their need for employability support.
- 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.



  **45%**

participants require long term support beyond 6-12 months





## Duncan's case study

When Duncan\* joined the Money Sorted project in May 2018 he was experiencing significant financial hardship following the end of a difficult relationship. He was low on confidence and self-esteem and was struggling to come to terms with the end of a toxic relationship in which his partner had accrued over £10,000 debt. Not knowing where to turn, he had taken a decision to return home to live with his mother. From the initial contact with Duncan it became apparent that he had been subject to physical, mental and financial abuse. The full extent of the stress caused by these circumstances had meant that Duncan's general level of mental health had suffered and as a result he was unable to continue his managerial role with a local engineering company. These issues were compounded by his concerns about the welfare of his young son who continued to live with his ex-partner.

Although Duncan initially received mental health support from his employer it became clear that the extent of the difficulties experienced meant that he would not be returning to work without a sustained period of recovery. To help Duncan cope with the situation his Personal Navigator devised a personal action plan with Duncan to inform how he would address his personal financial difficulties whilst at the same time accessing wider mental health and counselling support.

Duncan was supported to access specialist debt-advice services to inform him of the options to resolve the current debt situation experienced between himself and his ex-partner. Ongoing assistance was also provided to help Duncan access Universal Credit to help boost his current income.

As Duncan's confidence slowly recovered he was encouraged to consider how he might start to budget within his financial circumstances. As the situation regarding the custody of his son became clearer Duncan was supported to consider how to access child tax credits and child benefits.

Over a period of months Duncan's situation has stabilised significantly to the point where he has regained control of a difficult situation regarding his finances. This has had a positive impact on his mental health which has also improved and he has successfully applied for a similar managerial position within the same industry.

Duncan has hugely appreciated the support of his Personal Navigator to get through a turbulent time in his life and in his own words felt that

**'I could not have got through it without their support.'**

Following his employment Duncan has decided not to proceed with a debt relief order but instead use the earnings from his new job to repay his debts.



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

## Review of the year two project performance

In this section of the evaluation we review how the Money Sorted project has performed during its second year of operation against its expected targets. The section includes a review of the following areas of performance:

- Agreed re-profiling of 'sign-up' targets
- A review of year two 'sign-ups' targets vs actuals
- Referral routes
- Project outcomes and outputs
- Participant disengagements and exits
- Participant progression and participant budgets
- Employment and employability issues
- Financial capability training sessions for participants
- Project spend vs budget
- Year three productivity targets

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. The section is concluded with an appraisal of the ongoing performance conditions required during the third year of service delivery if Money Sorted in D2N2 is to achieve its re-profiled targets.

### Agreed re-profiling of 'sign-up' targets

At the end of the year one evaluation it was apparent that the project was finding it challenging to meet the original expectation that it would be possible to offer support to at least 2,500 participants over the duration of the three-year contract. All the available evidence collated during the first year of service delivery on the intensity of need across the D2N2 area revealed, with hindsight, that this would be a difficult target to achieve. The extent of indebtedness across the target client group, welfare claimant issues and emerging difficulties surrounding the implementation of

Universal Credit are examples of the wider complexities which have affected the delivery of the project. As a result of the difficulties experienced an agreement was reached with the BBO Funding Officer to reduce the contractual target back to the original expectation that the service would work with 1,950 participants across the course of the project.

### A review of Y2 'sign-ups' – targets vs actuals

Throughout the course of the second year of service delivery the Money Sorted project has encouragingly been able to increase the intake of participants accessing the project on a quarter by quarter basis. Underspend associated with the participant budget and the labour turnover of Personal Navigators during the first year of service has been utilised to consistently increase the number of Personal Navigators employed on the project from 17.5 at the end of year one to 21.6 FTE Personal Navigator posts by the end of year two.

Although the project has continued to find it challenging to meet its sign-up targets for each quarter, the project has worked with 751 new participants during year two compared with 470 participants accessing the service in year one. Clearly the caseload size is increasing. In total 1,221 participants have now accessed the project which leaves a remaining number 735 participant sign-ups to achieve during the third year of service delivery if the overall target of 1,950 participants is to be achieved.

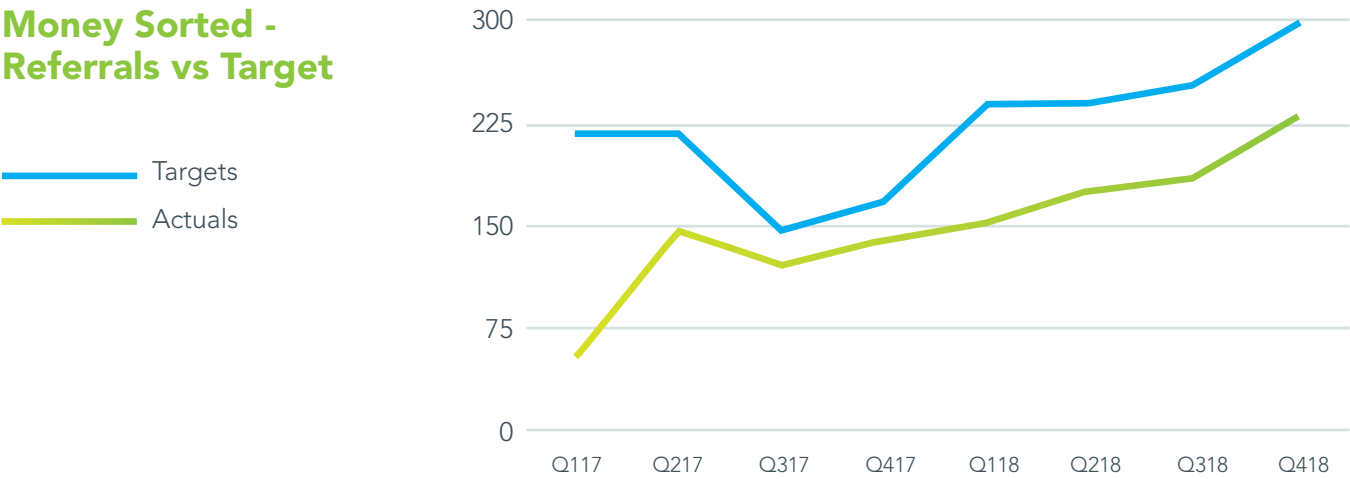
Although project sign-ups are growing it is evident that the project has generally struggled to keep pace with the target levels of sign-ups each quarter.

If this target is to be attained it will be crucial that the growth in sign-ups quarter on quarter is maintained. This is very much required in order to recoup the accumulated shortfalls of targets vs actuals which stood at 565 at the end of year two. From an encouraging perspective in the last quarter of 2018 the project achieved its best-ever level of sign-ups at 232. To ensure this growth continues, it will be critically important that labour turnover of Personal Navigators is kept to a minimum and ideally all 21.6 PNs are retained in post. The quarter-on-quarter growth in sign-ups can be seen in the table below and associated line graph.

Targets vs Actuals

Sign-up targets vs Actuals	2017				2018				Actual total	End of project target	Deficit
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Targets	218	218	148	168	240	240	255	299	1,221	1,956	- 735
Actuals	57	148	123	142	156	176	187	232			

Money Sorted - Referrals vs Target



Referral routes

A review of the known referral routes of participants accessing the service reveals that 40% of referrals come into the project through internal referrals within the Personal Navigators’ host organisation or the local advice sector. A further 16% of referrals come through local Job Centre Plus Offices. The remainder of referrals comprise a combination of social workers, housing advice agencies, self-referral, children and families’ team, NHS and foodbanks. The 20% of referrals relating to ‘other’ are 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.

Referral source table	%
Internal referral PN host	27.5%
Job Centre Plus	16.0%
Local Advice Sector	13.3%
LA Social Worker	5.2%
Housing Advice agencies	5.0%
Self-referral	4.2%
Friend or family member	2.9%
LA Children and families team	3.2%
NHS	1.4%
Foodbanks	1.2%
Other	20.1%

Review of project outputs

The end of year two review of project outputs reveals that the project has now worked with 1,221 participants in the initial two years of service delivery. Similar to the first year of service delivery the gender split is 55% female and 45% male. The figures again reveal that the project has a good capability to engage unemployed people against expected output levels. By comparison whilst the project has been able to engage an extra 264 economically-inactive participants in year two this still falls short of the overall target of 802 economically-inactive participants by 379. Whilst economically-inactive referral levels have increased from Y1 to Y2, it is evident that it is challenging to build a regular flow of these referrals into the project. This trend arguably occurs because there is no obvious single point of referral for economically-inactive participants like the Job Centre which attracts unemployed participants.

By comparison the project is overachieving its ability to engage participants who are over 50 years of age or who have disabilities. Notably the number of participants who are self-identifying with limiting life-long conditions or work-limiting conditions substantially exceeds the original target by 498.

The output performance of numbers of participants from ethnic minorities also tracks above the target output levels. In total 18% of project referrals have been received from ethnic groups. Further details of the output performance is detailed in the table overleaf.





Sub category	Total outputs by category Y1&Y2	Forecasted target at end Y2	Target – Actual Deficit/(Surplus)
Total number of participants	1221	1603	-382
Number of men	556	802	-246
Number of women	665	802	-137
Number who are unemployed, including long-term unemployed	798	802	-4
Number who are economically inactive, including not in education or training	423	802	-379
Number who are over 50	363	249	114
Number with disabilities	823	325	498
Number from ethnic minorities	230	202	28

Participant exits and disengagements

As the levels of participants referred into the project has grown throughout the second year of service delivery, there has been a renewed emphasis on the throughput and exit of participants through the project. The average caseload sizes throughout year two have been growing steadily with a small number of Personal Navigators having 50+ participants classed as ‘live’ on their caseload. To help progress participants through the project a complementary £15 gift voucher system has been implemented. The voucher is available to all participants who officially exit the project after completing their programme of support. This renewed emphasis of the need to exit participants completing their programme of support is beginning to have the desired effect with the largest single quarter of exits taking place in Q4 of 2018 with 160 exits.

	2017	Q118	Q218	Q318	Q418	Totals
Exits	68	35	57	49	160	369
Disengagements	33	36	24	50	59	202



From the 571 participant who had officially exited the project by end Q4 2018, 202 of these participants had disengaged leaving a disengagement rate of 35%. Although it is difficult to assess the precise reasons associated with each disengagement the wider evidence suggests that the disengagement rate are linked to the following factors:

- Reluctance of participants to continue to engage with the project once an initial ‘crisis’ situation has been resolved.
- Misunderstandings and misconceptions of participants surrounding what the project can reasonably achieve in terms of boosting income.
- Inappropriate referrals from partner agencies.
- Chaotic lifestyles of some participants and the associated reluctance of participants to reappraise their lifestyle choices and spending habits.
- The difficulty in exiting vulnerable participants with an ongoing stream of unmet support needs.
- Large caseload numbers maintained by Personal Navigators making it difficult to maintain regular contact with individual participants.

As the project continues into the third year of service delivery there will be an ongoing need to maximise the engagement of participants and carefully manage the exit of participants once the original targets in the financial resilience plan have been met.



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 second year of service delivery it is clear that the project has made positive outcome gains compared with the first year 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 2018 there were 650 active participants engaging with the service who are expected to complete the MAP tool in due course.

## SECTION FOUR

Analysis of the project outcome performance across the first two years of service delivery reveals the following situation and trends associated with the following outcome measures which have experienced an improved performance over the past twelve months.

- 99.8% of participants have completed the required Financial Resilience Plan (FRP) with their Personal Navigator. As expected the FRP acts as the starting point of service provision to define the action plans that participants will be working through with their Personal Navigator.
- 59% of participants have developed personal/household budgets with their Personal Navigator.
- 75.3% report increased financial management skills and know where to get ongoing financial advice and support.
- 67.8% of participants have information on appropriate financial products.
- 91.9% of participants have bank accounts with mainstream banks or a credit union.
- 65% of participants have reported reduced levels of family stress.
- 62.3% have a measurable increase in household income and reduction in debt.
- 76.7% of participants report increased available income for spending in local shops and businesses.

As the project progresses it has become clear that the full extent of a participant's indebtedness is not fully apparent at the point of entry onto the service. Either participants are not fully aware of their situation or are embarrassed to disclose the full extent of their difficulties before a necessary sense of trust has been established with their Personal Navigator. For these reasons discussions are currently underway with the MAP tool owners, Toynbee Hall, to assess how the fluctuations in the levels of known debt could be actively monitored as participants progress through the project.

By comparison the project is experiencing difficulties associated with the following three outcome measures:

- Only 2.2% of participants who need affordable credit know how to access it. The Personal Navigator survey reveals that part of the under-performance in this area was perceived to be linked to the tensions facing Personal Navigators when working with participants who have consistently demonstrated a poor ability to manage credit responsibly.
- Only 16.5% of participants reported improvements in family life/personal relationships and wellbeing. Again the development of the Personal Navigator survey would suggest that 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.
- Only 1.6% of participants have cited reductions in levels of family income going to high cost lenders, e.g. payday loan companies/doorstep lenders. This would appear to be a low level of prevalence of high-cost lending use, however, there have been a number of concerns raised in relation to the monitoring of this outcome as follows.
- There is a perception that participants may not always understand that a 'high-cost lender' does not have to be a payday lender. In reality a high-cost lender could also be associated to credit-card debt.
- The stigma and embarrassment associated with exploitation from high-cost lenders may also be a contributory factor why this measure is so low.
- Concerns have also been raised about the underlying wording of the question on the MAP tool linked to this outcome. The question concerned made reference to the access of high-cost credit in the 'last month' which with hindsight was now felt to lead to misunderstandings from participants. As a result of the above concerns the wording of the question is currently being revised in conjunction with Toynbee Hall to make it easier to understand.

Project Outcome 1	2017 Total	2018 Total	% exits
All participants have a Financial Resilience Plan in place	471	748	99.8%
80% of participants have developed personal/household budgets with the support of their Personal Navigator	22	196	59.1%
80% of participants report and demonstrate increased financial management skills and know where to get ongoing financial advice and support	41	237	75.3%
Participants report increased confidence/improved sense of wellbeing	49	227	74.8%



Project Outcome 2	2017 Total	2018 Total	% exits
All participants have information on affordable, appropriate financial products	41	209	67.8%
70% of participants have bank accounts with mainstream banks or a credit union	57	282	91.9%
70% of participants who need affordable credit know how to access it	4	4	2.2%



Project Outcome 3	2017 Total	2018 Total	% exits
50% of participants report reduced levels of family stress	41	199	65.0%
50% of participants have a measurable increase in household income and reduction in debt	35	195	62.3%
80% of participants report improvements in family life/personal relationships and well-being	16	45	16.5%

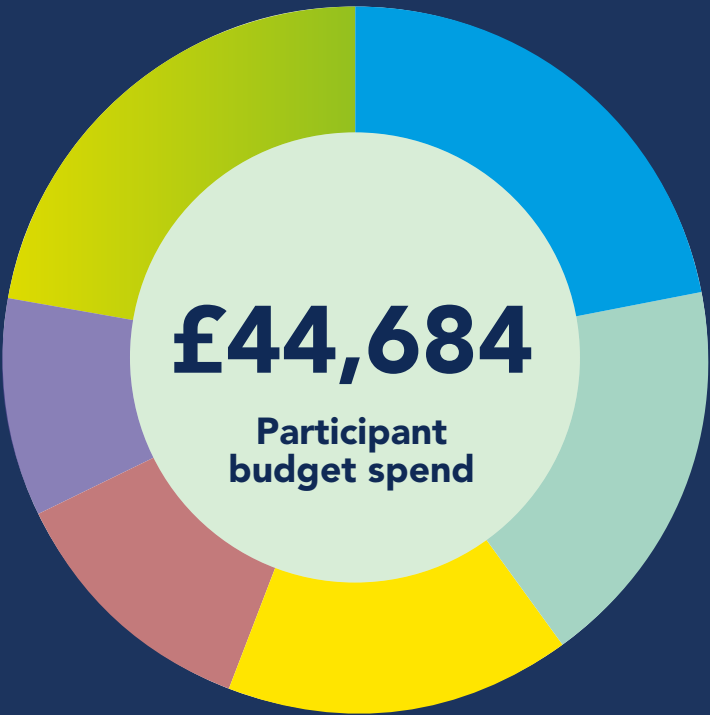


Project Outcome 4	2017 Total	2018 Total	% exits
Reductions in levels of family income going to high-cost lenders, e.g. payday loan companies/doorstep lenders	1	5	1.6%
Participants report increased available income for spending in local shops and business	43	240	76.7%



Participant budget spend

The progression of participants has consistently been supported over the first two years of service delivery through the presence of a participant budget facility. The budget consists of a ‘training and employment budget’ and an ‘intervention budget’. Over this time the budget has been utilised over 1,000 times to fund a variety of costs totalling £44,684. The most popular items of spend include debt-relief orders, interpreter costs and travel costs. The budget typically helps participants to access the project and resolve individual barriers that could affect their future employability, costs of employment operating licences, interview clothes and interpreter costs to access WEA courses.



22%	Debt Relief Order (DRO)
18%	Interpreter costs to access WEA courses
16%	Participant travel costs
12%	Other (Assessments, medical records, equipment)
10%	Identification and applications
22%	Other

Employability and employment issues

Over the duration of the project it is becoming clear that a number of individuals have been able to develop their employability and seek employment opportunities as a result of the progress made during their time on the project. In these instances a closer inspection of the available evidence reveals that these individuals have been facing financial crisis and require immediate assistance to resolve debt issues, tenancies and income problems – often as a result of redundancy. As the Personal Navigator works with the participant to resolve acute financial difficulties then these participants have a greater freedom to develop their employability.

When a participant has been recently unemployed and has experienced financial hardship as a result of their unemployment the emerging evidence suggests that

these participants have a clearer frame of reference for ‘employment as an attainable lifestyle’. Recently-employed participants already have a good appreciation of what it means to be employable and in certain instances are able to commence the job-search process with limited support from the Personal Navigator. By comparison a more intensive employability and employment support service would be required for participants who would be classified as long-term unemployed.

The numbers of participants securing employment and employability-related outcomes by the end of year two are detailed below. NB employment outcomes related to training can only be measured if they are not associated with Building Better Opportunities funded provision.

Number of participants who move into education or training on leaving	14
Number who move into employment including self-employment, on leaving	47
Of these, the number who were unemployed when joining the project	39
Of these the number who were economically inactive when joining the project	8
Number that were economically inactive who move into job-searching on leaving	8

As the project progresses into its third year of service delivery it is necessary to report that Nottingham and Nottinghamshire Futures (NNF) decided not to enter the delivery partnership as a funded partner during the second year of service delivery.

Instead Money Sorted participants can still be signposted onto the NNF core service provision to receive employability support as and when required.





## Financial capability training sessions

Throughout the course of year two participants have been encouraged to attend a range of training courses which are designed to enhance the knowledge of skills of participants around a range of themes which have an impact on financial capability. 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.

These sessions have primarily been delivered by the Workers Educational Association (WEA) across the D2N2 area with 145 unique participants now accessing the courses. Over 482 hours of guided learning have now been delivered to participants across the following range of courses.

### Personal Finances

- Universal Credit
- Debt Awareness
- Comparing Credit
- How to Open a Bank Account

### Household Finances

- Introduction to Tenancy
- Saving on Bills
- Cooking on a Budget
- Planning a Budget
- Building Confidence

### Supporting your Finances with IT Skills

- Basic Computer Skills
- Online Computer Skills
- Selling Items Online
- Microsoft Word Skills
- Microsoft Excel Skills

The most popular courses include cooking on a budget, planning on a budget and building confidence.

The WEA sessions have also been complemented by the provision of the Money Talks course delivered by Nottingham Community Housing Association (NCHA). The Money Talks course lasts the duration of a day and focus on a range of financial capability issues which include:

- Budgeting and spending
- How to save money and reduce energy usage
- Interpreting information on bills, statements and contracts
- Short-term and long-term debt and high-risk money lending
- Operating bank accounts and banking products

The Money Talks course has been delivered 5 times to 49 Money Sorted participants. The course provides another valuable opportunity for participants to develop their skills, knowledge and behaviours to positively impact their financial capability.

## Review of project spending vs budget

At the end of year two the project has spent £1,643,387 against an expected budget of £1,659,289 leaving a surplus of £15,902. Throughout the course of the second year of service delivery the underspend at the end of year one of £157,041 has subsequently been utilised to employ four additional Personal Navigators. Similarly the underspend has also been used to fund two Support Assistant roles designed to relieve some of the compliance requirements placed on Personal Navigators.

## Year 3 productivity targets

At the start of the third year the Money Sorted project needs to engage an additional 735 participants by 31st October 2019 if it is to achieve the re-profiled targets. Over the past twelve months Navigators have been tasked with the target to manage 15 new referrals per quarter. This has often proven to be a challenging number to reach. Given the increasing numbers of Personal Navigators employed by the project a reduced target number of 10 referrals per Personal Navigator for Q1, Q2, Q3 and 5 referrals for the remainder of Q4 has been established. Whilst this remains a challenging target it should also be very achievable if the Personal Navigator team stays intact for the duration of the project. Based on the second year of service delivery it is clear that significant productivity gains are now being achieved from the increased capacity, consistency and experience of the team of Navigators.

### SECTION SUMMARY

- Following the challenges experienced during the first year of service delivery the Money Sorted project has re-profiled its targets to work with a revised figure of 1,950 participants over the lifetime of the project.
- The project has utilised the available underspend associated with participant allowances and the high-labour turnover of Personal Navigators leaving the project during year one. By the end of year two the size of the Personal Navigator team has increased from 17.5 Navigators to 21.6 FTE Personal Navigators.
- All the available evidence suggests that the productivity and performance of the project has improved significantly over the past twelve months and continues to improve. In particular the growth in sign-ups is encouraging. The established team of Personal Navigators who are now in post are a key part of this progress and should be commended.
- During the second year of service delivery the project worked with 751 new sign-ups. This represents an extra 281 sign-ups when compared with the total number of sign-ups at the end of Y1 which equated to 470. During the final quarter of 2018 the project achieved its highest number of sign-ups at 232.
- The increasing number of sign-ups onto the service is now placing a renewed emphasis on the need to manage the throughput of participants running through the service. During the last quarter of 2018 the project was able to exit 160 participants – the single largest number of exits so far. A participant exit voucher has been established to assist with this process.
- Over the final year of service delivery it is critical that a consistent flow of participants complete their programme of support and exit the service in a timely manner. Ideally this should take place within six months after accessing the project, however, it is evident that some participants may require up to a year on the project. If this consistent flow of exits can be established then this will help mitigate against the build-up of large caseloads with the increased risks of participant disengagements.
- Throughout the second year of delivery it is evident that the project continues to support some very vulnerable and socially-isolated people to address and resolve issues related to their financial health and financial capability.



## Linda's case study

When Linda\* accessed the Money Sorted service in July 2018 she was coming to terms with a £12k debt. As someone who had always been sensible with money and never got into difficulties before she was at a very low ebb in her life. Two long-term health conditions had meant that she had been unable to continue her employment in a local catering business. Despite all her best efforts to maintain her employment at the end of every day Linda would return from work exhausted from the debilitating effects of chronic arthritis and fibromyalgia. Eventually she was made redundant.

Following redundancy, Linda decided to launch a business selling beauty and skincare products. She hoped that the flexibility of self-employment would help her manage her long-term health conditions through the opportunity to regulate her hours according to her health. At first this was a refreshing change. However, over a period of time it became clear that the business was struggling. Linda felt that a bigger product range would help to attract more customers and so she duly continued to invest in more stock on her credit cards. Unfortunately, the expected custom did not materialise and Linda was left in a position where she was unable to afford to pay for her daily living expenses and as result other debts started to accrue (council tax, business rents, utilities) etc.

The final straw came when she called a debt charity who advised her that the business was not viable and that it should be closed. Following this phone call Linda was advised to contact her local Citizens Advice Bureau (CAB). Following an initial meeting with CAB, Linda was quickly referred onto the Money Sorted service and began to have regular meetings with her Personal Navigator. Linda says that 'at the time I was frightened to death to open the door to deal with debtors. I felt suicidal. My Navigator was very reassuring and kept telling me everything was going to be ok.'

Through the discussions I had with my Personal Navigator I was able to apply for a Debt Relief Order (DRO) through the insolvency service to resolve all my debts. Linda's Navigator talked her through the process of working with creditors and as the individual creditor agreements came through, Linda felt a huge sense of relief. In her own word she felt that her debt had become like 'a massive mountain that I could never have got around or over.'

Looking back Linda feels that the

**'project has taught me not to be afraid of money. You do need to be careful and don't borrow money unless you know you can pay it back. But people should know that help is out there if they get into debt.'**

Linda hopes to use her experience of the project as a volunteer Money Mentor to help other participants to overcome their financial worries.



## Summary of key learning and recommendations

Throughout the second year of the project it is evident that service delivery continues to be influenced by a number of factors which are largely outside the control of the project. This includes for example emerging government policy, societal attitudes towards money, increases in the cost of living, low incomes and the increasing digitalisation of products and services.

Throughout the process of delivering the service over the last two years there has been emerging learning about the context required to implement effective interventions to meaningfully assist participants to develop their financial well-being and capability. The project has implemented a number of operational changes over this time to help develop the service provision on offer to effectively respond to the challenges facing participants in financial difficulties.

In this section of the evaluation we offer some reflections on the key challenges facing the project in its endeavours to deliver financial capability interventions to unemployed and economically-inactive people. We also consider the learning emanating from the operational delivery of the project and make some future recommendations for discussion around research and development opportunities to inform the development of future projects working with groups at risk of financial exclusion.

### A review of the external pressures which influence service delivery

#### Educational attainment and awareness of financial capability

From the work of the project to support young people it is evident that too many young people leaving the education system do not possess the necessary financial capability to effectively function in a consumer society. We cannot assume that all parents can and do impart appropriate and practical advice to help their children navigate the financial- decision making processes that they will be exposed to throughout their lives.

Discussions in conjunction with the younger participants accessing the service reveals that young people often lack the basic awareness of financial systems in the UK. As one Personal Navigator commented it is evident that many young people are surprised to discover that they are eligible to pay water rates when they leave the family home and move into new accommodation.

These challenges form part of a wider national recognition that much more could be done to equip future generations to develop their financial capability. A comprehensive range of financial education resources have been available for schools for many years. However, it is has not been a statutory part of the curriculum until recently, and even now this is only in Key Stages 3 and 4

In November 2018 the charity Young Money published a financial text book for schools entitled Your Money Matters. The textbook has been created with support from Martin Lewis, Money Saving Expert, and is a free resource to download from the internet.

Such materials need to be given serious consideration across D2N2 and beyond to help develop future generations avoid the debilitating effects of poor financial capability.

#### The Normalisation of debt

The project is affected by societal culture where debt is becoming normalised. Over the first two years of service delivery the project has utilised the available personal budget monies to implement 109 debt-relief orders. This represents the most popular use of the participant budget. This is consistent with the Step Change Debt Charity report entitled 'Stuck in the red' (2017) which reveals the extent of indebtedness linked to the regular use of overdrafts:

'Overdrafts are one of the most widely used credit products. The Financial Conduct Authority (FCA) found that nearly 13 million people in the UK have been overdrawn in the last 12 months. Overdrafts are so commonly used that some people do not even see them as a debt'.

**Stuck in the red report, Step Change - 2017**

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



The experience of delivering the service reveals that participants with limited income don't always perceive the connections between their spending habits and financial health. As one Personal Navigator observed 'Participants don't often recognise they could improve the way they manage their money'. These difficulties can be compounded when participants are reluctant, fearful or apathetic about new and unfamiliar ways to improve their financial health.

The evidence presented in section three of this evaluation also reveals real the day-to-day financial struggle of significant numbers of participants who do not have enough income to cover their living expenses. This typically leads to a reliance on some form of credit.

**'Significant numbers of participants do not have enough income to cover their living expenses. This typically leads to a reliance on some form of credit.'**

## The impact of the poverty premium

Throughout the course of delivering the service it is apparent that many participants are exposed to the 'poverty premium'. The poverty premium is the extra cost that low-income households incur when paying for essential goods and services. This can include use of credit to pay for essential items, utilities and insurance. Discussions with Personal Navigators reveals that there is often a set of attitudinal issues which inhibit the ability of participants to purchase products and services at competitive market rates. For example many participants prefer to pay for their utilities via a pre-payment meter because there is an underlying fear of a loss of control associated with direct-debit arrangements. However, for significant numbers of participants pre-payment metres represent their only option to avoid energy disconnection when they are in fuel debt. Pre-payment meters do not reflect value for money when compared to regular direct debit arrangements and as such represent an example of the poverty premium in action.

Research undertaken by the University of Bristol reveals that the average poverty premium paid by low income families is £490, however, highly-exposed families could be paying as much as £1,680 per annum. (Source: The Poverty Premium: When low income households pay more for essential goods and services (2017) University of Bristol Personal Finance Research Centre)

The ongoing issue of the poverty premium reveals the continual need for projects like Money Sorted to provide much-needed assistance to help low-income households appraise the most effective ways to secure the cost-effective products and services that they need.

## The link between mental health and debt

Given the prevalence of indebtedness across the project it is perhaps not surprising to learn that Personal Navigators assessed that 77% of participants accessing the service were suffering with poor mental health. This was typically manifested in the presence of anxiety and depression which characteristically begins to develop in response to difficult financial circumstances, particularly debt. In the worst cases, Personal Navigators assessed that 25% of their caseload was affected by more acute mental-health disorders in terms of personality disorder, bi-polar, schizophrenia and suicidal thoughts.

Participants in debt are typically unaware that service provision is available to help tackle and resolve problem debt situations. As one participant observed

**'when people realise they are getting into debt with their money there can be a sense of hopelessness. Too many people don't realise there is support available.'**

More work is required locally and nationally to raise the profile of professional debt-advice services. This challenge is consistent with the UK financial capability strategy priority to support an extra 500,000 per annum to access debt advice services between 2019 and 2021 (featured in section two of this evaluation). Whilst it is clearly evident that the additional demand exists for debt advice it is imperative that debt advice services are effectively resourced in order to service this additional demand.

## Poor financial capability seldom exists in isolation from wider social needs

The experience of delivering the service also reveals that it is extremely rare for participants accessing the service to only have a need to address their financial circumstances and improve their financial capability. As we outlined in section two of this evaluation, financially-capable behaviour is influenced by a range of factors that can act as 'inhibitors' and 'enablers'. Evidence of some of the inhibitors present across the project extend to the following issues:

- Addiction
- Anxiety & depression
- Cultural awareness of newly-arrived communities
- Disability and long-term health conditions
- Domestic violence
- Learning difficulties
- Limited aspirations
- Long-term unemployment
- Relationship breakdown

As each Personal Navigator gains the trust of a participant it is evident that the true extent of life circumstances facing an individual begins to become fully apparent. As one Personal Navigator observed

**'the wider life circumstances of participants continually have an impact on the delivery of the project. Most Personal Navigators typically experience a social-work element of the project which is difficult to avoid.'**

As a result of these difficulties it is evident the Personal Navigators spend a significant amount of their time assisting participants to interact with a wide range of statutory bodies to resolve a range of pressing issues.

## The challenge of getting participants to improve their financial capability

Given that financial capability is not centrally included in most school curriculums it is perhaps not surprising that the concept of money and how we use it is a taboo subject for many adults. Our participants would suggest that for reasons of fear, apathy or boredom too many people are not willing to discuss and consider their approach to money – until they are in a crisis situation and begin to recognise the need to reassess their approach to money. As one Personal Navigator observed

**'motivated participants have a desire to stop the stress of debt to improve their well-being'.**

Our discussions with Personal Navigators and participants also revealed that many individuals accessing the service feel that they will be judged and rejected if they do disclose their concerns or current practices surrounding their financial affairs. The feedback received from participants reveals that too many participants have a deep mistrust and fear of DWP and government agencies and are heavily reliant on independent third sector support to navigate financial systems and circumstances they typically do not fully understand.

## Exploring the possible link between employability and financial capability

Throughout the course of evaluating the project it has also become evident that there is some potential correlation between the development of financial capable behaviour and the employability of participants. Whilst all participants typically access the service to resolve a specific financial need, usually related to debt or welfare claims, not all participants possess the same capacity or desire to improve their financial capability.





In some cases it is becoming apparent that this capacity could be influenced by the underlying employability of each participant. As one Personal Navigator observed

**‘Participants who have been employed before life has taken a turn for the worse are different. They recognise that the former way of life is still possible and typically have a better level of comprehension about their situation.’**

The emerging evidence would tend to suggest that employability of participants could be linked in part to their aspirations. When they have recently been employed a participant may be more likely to consider employment as an attainable lifestyle.

Personal Navigators surveyed over the autumn felt that up to 40% of their caseload would benefit from some form of employability support. However, the Personal Navigators felt that only 25% of their participants would recognise their need for employability support.

This is a sensitive and complex subject. Employment is not a viable option for many participants due to existing long-term conditions and disabilities. However, the emerging evidence also reveals not all participants are the same and that some participants accessing the service are employable.

For the most employable participants, employability support may not be their most-pressing need but they do need assistance to resolve financial issues that threaten to overwhelm them in order to fully focus on getting back into work. We would advocate that further research is required to explore the link between financial capability and employability within unemployed and economically inactive groups. This research would seek to inform if different types of financial capability service pathways are required when participants have a sound awareness of employability which is linked to a clear desire to regain employment.

### **The fear of being worse off in work**

For the other participants who have been unemployed for some time there is an apparent fear of employment associated with emerging trend for low-quality, low-paid employment opportunities and zero-hours contracts. One Personal Navigator commented that ‘there is a perception that work does not pay for everyone – particularly with the onset of zero-hours contracts. There is a fear of being worse off in work, which is why it has been necessary to work through the better-off-in-work calculations for some participants.’

Evidently, for some participants it is necessary to work through the ‘better off in work’ calculations to help them meaningfully appraise how they might increase their future income.

### **The impact of growing digital service provision**

The Personal Navigators surveyed felt that the increasing digitalisation of recruitment and welfare application processes is having an adverse impact on older participants and participants who are not digitally savvy. In many respects the older participants were at a greater risk of social and financial exclusion as a result of the ongoing drive to digitise processes. These trends are expected to create an ongoing demand for service provision to help individuals engage with new technologies which are increasingly required in order to maintain financially-capable behaviours.





## Financial capability and the impact of Universal Credit

Throughout the course of the first two years of service delivery more participants have been transferred onto Universal Credit (UC) across the region. UC is designed to replace six benefits which include Housing Benefit, Child Tax Credit, Income Support, Working Tax Credit, Jobseeker's Allowance and Employment and Support Allowance. UC is conceptually designed to make it easier for individuals to work a minimum number of hours a week whilst maintaining their benefits. Whilst the experience of participants who have initially accessed the UC system is still emerging it does appear that significant difficulties are beginning to surface. The most significant issues faced by claimants are listed below:

1. Difficulties faced by participants completing online applications without the help of an independent advisor.
2. Persistent delays associated with DWP personnel learning about the new requirements of the UC system.
3. An increased requirement for further documentation to support claims e.g. tenancy agreements are now required in addition to birth certificates, utility bills.
4. Claimant misunderstandings of advanced payment systems with many claimants not realising that an advanced claim would be deducted from future payments.
5. Changed housing payment relationships between claimants and their landlords with tenant claimants now directly responsible to pass housing payments onto their landlords.
6. The timescales to process and approve UC applications was putting an increased stress on participants' ability to meet their financial commitments. The timescales to approve a claim could easily take between 5-7 weeks.

The impact of UC is expected to continue throughout the duration of the project. A number of Personal Navigators have observed that UC has significantly complicated the delivery of the Money Sorted service. In certain instances the added complexity has made it difficult to deliver the service within the original expectation of six months.

### Financial capability, learning disabilities and the need for long-term support

Whilst the original expectation was that most participants accessing the Money Sorted service would complete the actions within their financial resilience plan within six months it has become apparent that there are a cohort of vulnerable participants that are likely to need long-term support beyond what the project is able to supply. The Personal Navigator survey undertaken in the autumn revealed that 17% of participants had a learning difficulty or learning disability which was likely to have an impact on their financial capability. Personal Navigators also felt that 45% of their caseloads required some form of long-term support beyond that which the project could reasonably supply. In these instances it is clear that some participants may have enduring support needs and yet may not meet the Fair Access to Care Services (FACS) criteria to receive Local Authority Funded support. In the absence of a wider support network of family and friends many of these participants actually require longer-term financial capability support. Financial Advocacy services such as Dosh [www.dosh.org](http://www.dosh.org) help individuals with learning difficulties make informed decisions affecting their finances. These organisations offer chargeable services which can be used on a regular or ad-hoc basis as required by individuals. Wider work is required across the region to consider appropriate signposting and onward referral options for participants with long-term support needs.

### Participant understanding of the Personal Navigator role

Throughout the delivery of the project to date it is evident that participant understanding of the role of the Personal Navigator is not consistent across the service. The understanding of the role can depend on the participants' background with a number of participants typically

equating the role to that of a Support Worker. This presents a regular challenge for the Personal Navigators in their endeavours to empower participants to develop their financial-capability skills. Similarly, a small number of participants have incorrectly interpreted the Personal Navigator role as a form of Independent Financial Advisor (IFA). In both instances the Personal Navigators are regularly reporting back the need to educate and re-educate participants on the boundaries and scope of their role.

## A review of operational learning influencing the delivery of the service

### The impact of the participant budgets on participant engagement

The participant budget has proven to be an effective tool at the disposal of the Personal Navigators to help build engagement and trust with participants accessing the service. Given that many of the participants accessing the service are struggling to function on a day-to-day basis the personal budget facility has proven to be invaluable to address access issues that would otherwise limit or frustrate a participant's ability to engage with the service. The flexibility of the budget to address transport issues, cover costs of refreshments, engage interpreters or pay for missing identification provides an early indication to participants that the project is there to help with practical needs. This crucially helps to cement the vital working relationship between participants and their Personal Navigator. The wider use of the budget to cover employment licenses, interview clothes or interpreter costs has also been well received by participants. One Personal Navigator felt that the 'personal budget helps to resolve barriers and engage participants. The budget is particularly helpful when it can be used to pay for debt relief orders or vocational courses.'

Whilst the participant budget has been a clear strength of the project it is also evident that it does not necessarily meet all the additional needs of participants. Feedback received from Personal Navigators reveals the high-frequency requests for items required in the course of day-to-day living e.g. cookers, beds, food and money

for gas/electricity meters. There is a perception that the demand for these essential items has increased in response to a decline in the availability of Social Welfare Assistance schemes which would have traditionally been provided through Local Authorities to meet these needs. As spend on essential day-to-day living expenses are typically ineligible with the constraints of Building Better Opportunities programme, participants are regularly signposted to foodbanks and alternative charitable sources to meet these needs.

### The implementation of Support Assistant roles

To assist Personal Navigators to effectively manage the paperwork and contractual compliance aspects of the Money Sorted project, two Support Assistant roles will be actively operating across the third year of service delivery. These roles will provide operational assistance across the region to help Personal Navigators efficiently validate new applications onto the project and exit participants who have completed their full programme of support. The Support Assistant roles are also designed to help raise the profile of the project and boost the flow of referrals into the service. Given the need for the project to maximise the productivity of the Personal Navigator base it is envisaged that these roles will free up additional time to undertake the necessary interventions required by participants.

### The development of the Money Mentor roles

As part of the development of the project five participants are currently undertaking an accredited course to become volunteer 'Money Mentors'. The course involves 60 hours of learning, broken down into 50 hours of guided learning and 10 hours of observations. The Money Mentor roles are designed to offer support to participants to help them achieve their goals. In the words of one current participant this process will benefit from the lived experience of participants. In her own words

'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.'



The initial cohort of volunteer Money Mentors are expected to have completed their accredited course and commenced volunteering by the start of the summer of 2019. The wider impact of the Money Mentors should begin to become clear by the autumn of 2019.

## Core skills induction and training for financial capability professionals

Given the complexity and diversity of the demand placed on the service it is becoming apparent that front line personnel are consistently exposed to a diverse range of social issues. The Personal Navigators surveyed over autumn 2018 felt that the intensity and diversity of participant need was not fully understood from the outset. One Personal Navigator voiced a concern that 'the original job description assumed that the people you come across will be proactive and recognise their need for financial capability' which was not necessarily the case when an individual was in crisis. Another Personal Navigator advised the opinion that 'staff inductions could be enhanced if they were more sympathetic to participants needs.' Generally the Personal Navigators surveyed thought that their initial induction was centred on the administrative and contractual compliance elements of the project. Whilst this was important the Personal Navigators also felt that a greater emphasis on the likely life situations facing participants would also have been very helpful.

For example, throughout the course of the year additional briefings which have been offered on topics like mental health have been very well received by Personal Navigators considering how to support somebody with anxiety and depression, or in the worst cases, suicidal thoughts.

There are clear recommendations emanating from this feedback which has implications for the financial capability provision of the future, targeted at unemployed and economically-inactive participants. Our recommendation would be that the inductions for front-line staff working with these groups should actively prepare professionals to encounter a diverse range of social issues which are likely to be present.

## Access to specialist debt-advice workers

Given the recurring theme of debt across the project a number of Personal Navigators have commented about the ongoing need to access a specialist debt-advice case worker. Although it is possible to access advice through national phone line organisations like the Step Change Charity there is an emerging suggestion that service provision is significantly enhanced when Personal Navigators are employed in the same organisation as a debt-advice worker. The Personal Navigators we surveyed revealed that such an approach offers invaluable support to relieve the potential burden that debt cases would otherwise place on a Personal Navigator. As a result, the opportunity to develop a more integrated approach to financial capability and debt advice represents a key learning point for stakeholders to consider in the procurement of future service provision.

## The development and evaluation of the Stakeholder Manager function

In the course of developing this evaluation it is evident that the work of the Building Better Opportunities (BBO) Stakeholder Managers continues to evolve. In order to appraise the full impact of these roles it is recommended that a more detailed evaluation is initiated across the third year of service provision. Such an evaluation would seek to explore the impact of these roles from the perspective of the key stakeholders involved in the BBO programme. The evaluation would specifically seek to inform how these positions have developed to integrate and support the Money Sorted project and the complementary Towards Work and Opportunity and Change strands contained within Peoples First Alliance.

## The provision of courses designed to develop financial capability

Throughout the course of service delivery to date the ongoing provision of short courses on different financial capability topics provides a valuable opportunity for participants to enhance their learning and financial capability. The opportunity for participants to meet their peers within a course setting provides the ideal opportunity to share experiences about practical approaches to

develop financially-capable actions, skills, knowledge and behaviours. Whilst it is evident that there can be an initial stigma to talking about money in a group it is evident that those participants who do attend value the opportunity to develop their financial capability.

## The need to maintain the ongoing improvements in project-performance data

As the second year of project service delivery reached its conclusion it is evident that the project's performance data has improved. Whilst there has been an upward trajectory in the levels of sign-ups it is critical that this is maintained throughout 2019. Similarly it is necessary that the project develops its capability to build the throughput of participants through the service. In this respect it is crucial that appropriate focus is given to project exits at Personal Navigator meetings and Steering Group meetings alongside the ongoing focus on sign-ups. The increased capacity of Personal Navigators should help this process as should the recruitment of the desired Support Assistants.

Whilst the requirement to recruit an additional 735 participants by 31st October 2019 is challenging it should also be attainable. If the target is to be achieved it will require the ongoing commitment of the Money Sorted team to build upon the existing momentum that has been established.

Although it has been challenging to hit the project sign-up targets it is evident that project is achieving good outcomes with participants experiencing significant financial hardship as evidenced in section four of this evaluation. This includes the development of personal and household budgets, reductions in the levels of stress and debt. In certain cases participants have also been able to secure increases in their income. These outcomes have been complemented by an increase in financial knowledge and the education of participants to know where to go for further help and support.





## SECTION SUMMARY

- Experience of service delivery reveals a range of external factors which influence the behaviours and attitudes of participants surrounding the development of financially-capable behaviours. The project continues to work with a range of vulnerable individuals experiencing financial hardship.
- These issues include limited financial-capability awareness of young people leaving the school system, the normalisation of debt, the poverty premium, and the problematic link between mental health and debt.
- The experience of service delivery also reveals that for most unemployed or economically-inactive participants their financial hardship is often linked to a wider range of unresolved social problems. As a result it is extremely challenging for Personal Navigators to purely deliver financial capability interventions without being requested to provide assistance in wider social concerns.
- As a recommendation for the future it is suggested that front-line personnel working with economically-inactive and unemployed people receive a core-skills induction which covers the typical range of social issues encountered to date for example addiction, mental health, domestic violence and relationship breakdown.
- There is emerging evidence to suggest that recently-employed participants or participants who demonstrate some level of employability awareness are more likely to readily engage with and understand the financial capability aspects of service provision. This is an area which would benefit from further research in order to inform the development of future service provision.
- The roll out of Universal Credit and the wider digitalisation of products and services is presenting significant difficulties for many participants who do not have the necessary expertise to navigate these emerging systems. These developments place participants at risk of further financial and social exclusion.
- The experience of delivering the service also reveals an element of participants estimated to be around 45% of the total caseload who are going to require longer-term support to effectively manage their financial affairs. In the absence of effective support networks of family or friends this demand will need to be met by alternative forms of long-term provision potentially aligned with a Financial-Advocacy-type approach.
- From an operational perspective the implementation of two project Support Assistants is expected to release Personal Navigator time spent maintaining the administrative intensity of the project.
- The prevalence of indebtedness across the participant group reveals a future potential opportunity to integrate financial capability work with debt advice. Personal Navigator surveys revealed the significant 'value-added' that can be achieved when Personal Navigator host organisations also employ debt-advice workers.
- The Money Sorted project has established significant improvements in outcomes and outputs as described in section four of this evaluation. The available data reveals that participants have been able to establish numerous positive outcomes. These include the development of personal and household budgets, reductions in the levels of stress and debt. In certain cases participants have also been able to secure increases in their income. These outcomes have been complemented by an increase in financial knowledge and the education of participants to know where to go for further help and support.
- Whilst an upward trajectory in the performance of the project has been achieved during the second year of service delivery it is crucial that this momentum is maintained across the third year of service delivery if the target to work with 1,950 participants is to be achieved.

## Barbara's case study

Barbara\* initially accessed the Money Sorted project in March 2018 at a time in her life when her financial circumstances were beginning to get on top of her. A recent divorce had taken its toll on Barbara and had badly affected her confidence in her ability to manage her financial affairs.

Through the initial sessions with her Personal Navigator it became apparent that Barbara was struggling to keep up with the repayments on an expensive energy tariff and was beginning to accrue significant arrears. These issues were beginning to affect the operation of her current account and she was increasingly becoming engulfed in a recurring cycle of penalty charges.

These issues meant that Barbara was struggling to find enough money to feed herself properly which was adversely affecting her health and well-being. Although Barbara was eager to find work and establish a new routine she was struggling to make any progress due to her arthritis.

Over a period of months, Barbara was supported by her Personal Navigator to establish realistic repayment plans with her energy provider. Although this took a lot of persistence Barbara felt that she has learned from this process and commented that 'I now know that it is possible to negotiate payment plans.'

As part of the wider course of support, Barbara was also supported to apply to the Severn Trent Big Difference Scheme to reduce her outgoings and establish realistic budgets. Barbara has also been equipped to use online banking facilities to help stay on top of her money along with price-comparison websites to help her consider the most competitive prices for particular products and services.

In her own words Barbara felt that

**'the service re-assured me I was being sensible with my money – and that I recognised the right approach to sort out it. I learned about budgeting and energy efficiency courses to think about energy saving appliances. My Personal Navigator has been very supportive and helped to build confidence doing things the right way.'**

As part of her experience of Money Sorted, Barbara has started a course of volunteering with a local charity which she hopes will help to further develop her confidence and employability in the future.



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



Personal Navigator survey

To help contribute to the development of the year two evaluation of the Money Sorted project a Personal Navigator survey was conducted over the autumn of 2018. The survey was designed to provide insights on the operational perspective of Personal Navigators providing the service. The survey was designed as a semi-structured interview with each Personal Navigator and was designed to gain additional insights into a number of issues including:

- The prevalence of wider life factors affecting participants facing financial difficulties.
- The underlying motivations of participants engaging with the project.
- The extent of participants who might require long-term forms of support.
- The impact of universal credit on participants and the associated delivery of the project.
- The extent of participants who might benefit from employability support.
- The factors perceived to help or hinder the delivery of the project.
- The easiest and hardest financial capability outcomes to achieve.
- The professional development needs of Personal Navigators.

A series of semi-structured interviews took place with sixteen Personal Navigators over the period 1st September – 30th November 2018. All the Personal Navigators surveyed had been in post for at least six months and were asked to provide responses to the following survey questions:

1. What are the typical reasons why participants initially want to access the Money Sorted service?
2. Thinking about your current and past caseload how many participants do you think are suffering with mental-health issues which adversely affect their ability to function on a day-to-day basis? Evidence of poor mental health may include:
  - Low levels of self-esteem or self-worth
  - Evidence of anxiety and depression
  - Mood swings and emotional triggers in response to the demands of daily life(Please review your current and past caseload to make an assessment of the total number of participants.)
3. How many participants do you believe are suffering from more serious disorders, for example suicidal thoughts, schizophrenia, bi-polar? (Please review your total current and past caseload to make an assessment of the total number of participants.)
4. Thinking about your current and past caseload how many participants do you think are affected by a learning difficulty/disability?

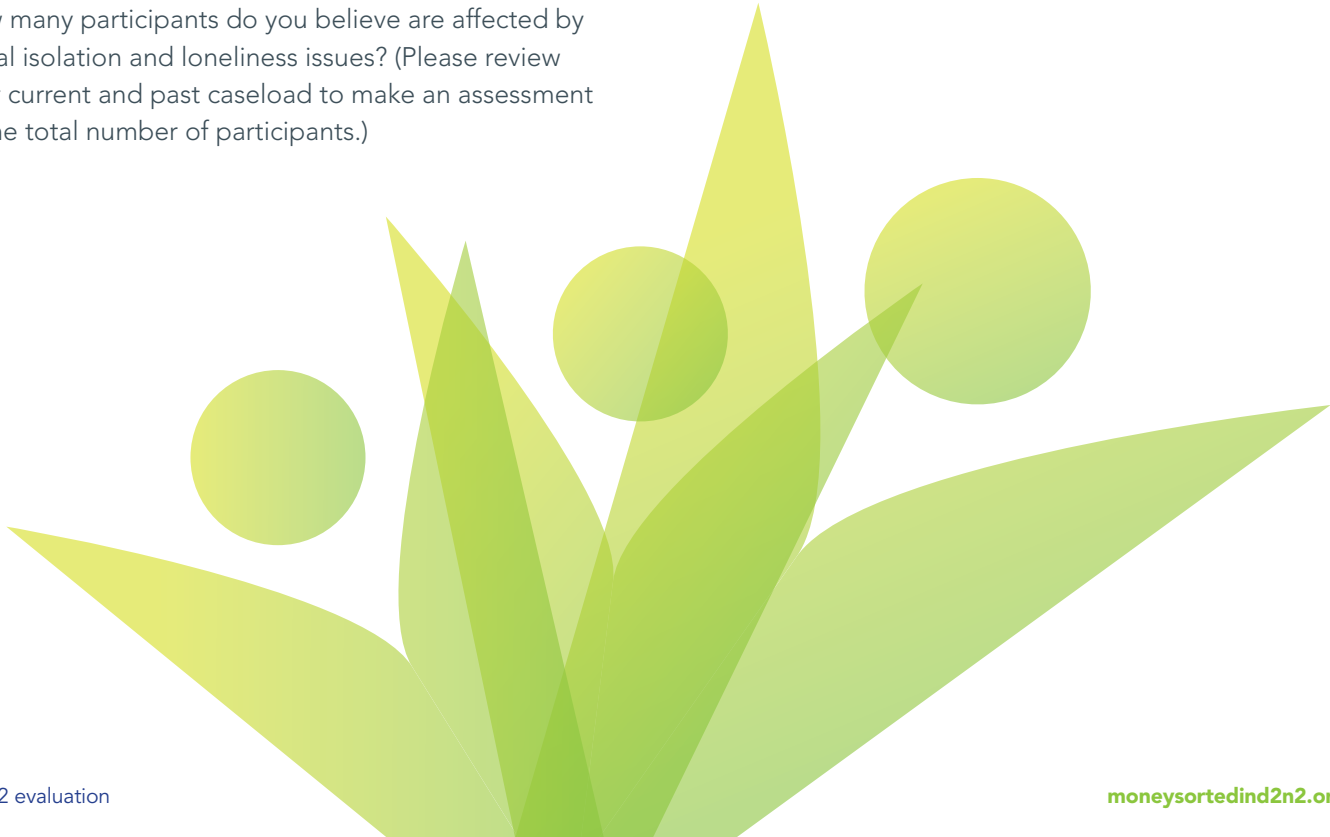
A learning difficulty is defined as: any learning or emotional problem that affects, or substantially affects, a person’s ability to learn, get along with others and follow convention.

A learning disability is defined as: a significant, lifelong condition that starts before adulthood, affects development and leads to help being required to understand information, learn skills or cope independently.

(Please review your current and past caseload to make an assessment of the total number of participants.)

5. When a participant has been particularly motivated to engage with the service what factors have underpinned that motivation?
6. When participants have NOT been particularly motivated to engage with the service what underlying factors have undermined their capacity or desire to engage?
7. Do some participants require long-term support beyond what Money Sorted can supply? (By long term we mean over 12 months of support.)
8. How many participants from your total current and past caseload fall into this category of needing long-term support? (Please review your total current and past caseload to make an assessment of the number of participants)
9. How long on average do you think Money Sorted should be working with participants to achieve a reasonable improvement in their financial capability and financial situation?
10. What has been the impact of Universal Credit on the delivery of the service?
11. In your opinion does the Personal Navigator job description reflect the requirements of the role?
12. Do you think that additional professional development is required to support Personal Navigators in their work?
13. If so, what forms of additional professional development would be most helpful?
14. How many participants do you believe are affected by social isolation and loneliness issues? (Please review your current and past caseload to make an assessment of the total number of participants.)

15. What in your opinion are the easier financial capability goals to achieve through the delivery of the service?
16. What are the harder financial capability goals to achieve to achieve through the delivery of the service?
17. What factors help the provision of the service?
18. What factors hinder the provision of the service?
19. How many participants from your current and past case load do you think would benefit from employability support?
20. How many of these participants do you think recognise they would benefit from some form of employability support?
21. What difference do you believe it makes to the service for Personal Navigators working within organisations that employ a dedicated debt-advice worker?
22. If the Money Sorted service could be restructured to enhance its effectiveness how do you think this could best be achieved?





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# Notes

[illegible]

JAN - DEC 2018



**Helping people to improve** their financial wellbeing across the region.

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Getting Heard, Getting Involved

