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Money Sorted in D2N2

Year 4 evaluation of money sorted in D2N2

Helping people to improve their financial wellbeing across the region.

St Ann's Advice Centre

sea Services for Empowerment and Advocacy
Getting Heard, Getting Involved

ConnectMore Solutions Limited

Contents

Executive summary

- This evaluation report has been designed to review the performance of the Money Sorted project during the fourth year of service delivery (2020).
- The Money Sorted project is designed to assist economically inactive and unemployed individuals at risk of financial exclusion residing across Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2). The project is led by St Ann's Advice Centre.
- The project is designed to improve the financial capability and financial wellbeing of participants.
- The project is part of the Building Better Opportunities (BBO) programme, which is jointly funded by the European Social Fund and the National Lottery Community Fund.
- Three Building Better Opportunities strands are actively operating across D2N2. In addition to Money Sorted, a multiple-and-complex-needs strand is led by Framework Housing Association and an employability strand is led by Groundwork Greater Nottingham. All three lead organisations actively work together as part of the People First Alliance (PFA).
- The project is delivered through a network of Personal Navigators. Each Navigator works with their participants to create a personal action plan known as a Personal Financial Resilience Plan (PFRP).
- This year it would not be possible to construct an evaluation report without acknowledging the impact of the coronavirus pandemic on the project. Whilst the full impact of the coronavirus pandemic on our financial wellbeing is yet to be understood, it is clear that the project has had to overcome a series of adverse circumstances in order to continue to provide services during the year.
- Where the pandemic has had an evident impact on the project, an explanatory narrative has been developed within this report to illustrate how the project has been affected. Where appropriate, this narrative also includes information on the measures that have been taken to help mitigate against the impact of the pandemic.
- The need to develop financial capability and financial wellbeing is a nationwide issue and is explained in more detail in section two of this evaluation as part of our introduction to the UK strategy for financial wellbeing, which was released at the start of 2020.
- Similarly, readers of this evaluation may also be interested to learn that the Money and Pensions Service (MaPS) released an emergency report to help inform how the financial services and advice sector should actively respond to the pandemic to help protect the financial wellbeing of individuals. This report is entitled 'Building the UK's financial wellbeing in the light of Covid-19' and sets out 13 key recommendations for organisations working in financial wellbeing to consider. These recommendations can be found in section two of this report.
- The pandemic has also revealed a range of deeper systemic issues that affect a variety of participants accessing the project. To help explore these issues in greater detail, five specific 'focus on' features have been developed to provide readers with insights into issues relating to the impact of the Coronavirus Act 2020, digital inclusion, economic abuse, benefit debt and access to debt advice.
- Analysis and discussion of available project data reveals the following trends emerging from the project over the course of 2020.
- Over the past year the project continued to increase the intake of economically inactive participants. By the end of the fourth year of service delivery 54.6% of participants accessing the project were unemployed and 45.4% were economically inactive. This compares with 57.7% unemployed and 43.3% economically inactive at the end of the third year of service delivery.
- Participants accessing the service typically feel that they lack the necessary confidence, knowledge and skills to make informed financial decisions.
- As a result, 64.8% of participants disclosed that they 'regularly' or 'sometimes' need to borrow money to pay for food or necessary items.
- 66.8% thought that they were living with unmanageable debt that they were struggling to pay off and still afford household essentials like food housing or heating.
- On average, when accessing the project at pre-survey stage, participants had £19.61 of disposable income to spend in shops and businesses each month.
- Whilst the project has done well to continue to provide a service despite the difficulties associated with the pandemic, it is clear that the pandemic has unavoidably had an adverse impact on the momentum of the project. Indeed, this can perhaps be most clearly seen in terms of sign-ups. A total of 590 participants signed up for the project in 2020 against an expected target of 880.
- These challenges are reflected in the quarterly sign-up performance from Q220 onwards, following the government lockdown announced at the end of March 2020. Prior to the start of the pandemic, the project was achieving levels of sign-ups that were very close to the project targets. For example, in Q120 208 participants

were signed up to the project, against a performance target of 220. Unfortunately, the pandemic has meant that this momentum has been lost, with subsequent quarter sign-ups of 101 (Q220), 137 (Q320) and 144 (Q420). On a more encouraging note, it is important to recognise that the level of sign-ups achieved in each quarter has continued to steadily recover following the onset of social distancing measures and government restrictions.

- A closer look at the available project data also suggests that the pandemic had an adverse impact on the numbers of participants officially completing the project and the number of participants disengaging before completing their programme of support. When comparing figures with the third year of service delivery, it is evident that official exits in the fourth year of service delivery declined from 667 (Y3 - 2019) to 421 (Y4 - 2020). By comparison, disengagement rose slightly during the year, from 262 to 294 participants.
- Encouragingly, the project has now worked with 173 participants who have moved into employment or self-employment on leaving. To further strengthen the service offer in this area, a range of initiatives have been implemented during the year. They include a WEA course on job searching techniques, a motivational interview skills workshop for the Personal Navigators, and updated action planning processes with a focus on employability.
- Consultation of the project's MAP tool data also reveals that 84.7% of participants have established a household budget with their Personal Navigator and that 78.8% of participants felt that they had improved their financial skills and knew where to go for advice and support.
- A closer inspection of MAP tool data reveals further insights into the progression of participants. Comparing the pre-survey (entry) and post-survey (exit) data initially reveals that at pre-survey 66.8% of participants are living with an unmanageable debt situation. By post-survey exit stage, this percentage has fallen significantly to 12.2%.
- On a more concerning note, over the course of the fourth year of service delivery it is evident that mean average levels of debt of participants engaging the project appear to be increasing. This is perhaps to be expected. Survey questions designed to capture the participants' highest level of known debt during their time on the service reveals that mean average levels of debt increased by £357 from £5,315 (Y3 - 2019) to £5,672 (Y4 - 2020). The wider available evidence suggests that levels of participant debt will continue to increase during 2021.
- Participants leaving the project have, on average, been able to boost their monthly disposable income from £19.61 to £98.45 – a gain of £78.84. In a year of such intense financial turbulence this represents a notable achievement for the project, given that the average increase in disposable income at the end of Y3 stood at £53.56.
- The participant budget represents another area of the project which has been significantly affected by the pandemic. Spending during 2020 fell to £24,620. Whilst debt relief orders (DROs) consumed 34% of personal budget spend during the year, it is notable that all areas of spending declined during the year against 2019 data – with the exception of IT & telecoms, which grew by an extra £872 during 2020. Again, this is a symptomatic trend associated with the pandemic, with more participants requiring support to access online services.
- To complement the work of the Personal Navigators, all participants accessing the Money Sorted project continue to have the opportunity to access short courses designed to build financial capability and enhance financial wellbeing. To date, 872 guided-learning hours have been provided through the Workers' Educational Association (WEA).
- In summary, the available evidence reveals that project has continually demonstrated the necessary resilience and adaptability to navigate through a very difficult year. Whilst the pandemic has had an unavoidable impact on project performance, it is clear that the participants that did continue to engage with the project have been able to make progress, albeit in smaller numbers that would have been originally envisaged.
- What this does mean is that the project is likely to find it relatively challenging to meet the expected target of 3,497 sign-ups by 31st September 2021. At the start of 2021, it is clear that the project would need to secure the sign-ups of 861 participants across the first three quarters of the year to meet this target. In reality, this would require a sign-up rate of 287 participants per quarter at a time when the Q420 sign-up rate equated to 144 participants. However, it has to be said that this situation is largely a reflection of the difficulties of the pandemic rather than an indication of project under-performance. Prior to the pandemic, project performance levels were broadly on track to meet the target sign-up rate of 3,497 by 31st September 2021.
- Whilst the level of need placed on the service continues to be re-established in line with pre-pandemic levels, it is clear that the project is providing much needed support to help build the financial wellbeing of some of the most financially vulnerable people living across the D2N2 area.
- At the time of writing, the wider available evidence suggests that the pandemic has actively contributed to the financial pressures facing unemployed and economically inactive households across the local area. As the requirements of social distancing are relaxed, government furlough schemes are concluded, and bailiffs and landlords have greater freedoms to resume debt collection and eviction processes, the project expects that demand for support will significantly increase over the year ahead.

Introduction to the Y4 evaluation of Money Sorted in D2N2

Much has changed since the Y3 evaluation of Money Sorted was published in early 2020. Since then the global coronavirus pandemic has had a huge impact on our life in the UK and across the globe. Whilst the current development of the vaccination programme across the UK is a welcome development, it is clear that the adverse impact of the virus on the economy and our financial wellbeing is likely to take much longer to address.

As we have observed over the last year, financial wellbeing is good for individuals, communities, businesses and the economy. By comparison, poor financial wellbeing also has implications for our wider health and wellbeing. Unfortunately, poor financial wellbeing affects significant numbers of economically inactive and unemployed people residing across the D2N2 area.

Since 2017 the Money Sorted in D2N2 project has been working with some of the most financially vulnerable people living across the Derby, Derbyshire, Nottingham and Nottinghamshire (D2N2) area. Over the course of the past year it has become clear that the coronavirus pandemic has highlighted many inequalities in society. Whilst the Money Sorted project has continued to navigate through all the many and varied challenges associated with the pandemic, it is clear that the operational performance of the project has understandably been affected over this time.

This year it would be impossible to produce an evaluation report which did not make reference to the adverse impact of the coronavirus. For this reason this report has been devised to review how the Money Sorted project has endeavoured to adapt to the prevailing adverse circumstances associated with the pandemic.

The year 2020 has been a time of significant transition for the project. The changing requirements of social distancing have meant that participants and Personal Navigators have not been able to easily interact during the year, and it is clear that this has had a significant impact on the operation of the project. These changes are, in turn, markedly reflected in the project data from March 2020 when the first national lockdown was announced.

As usual, the report has also been constructed to provide the reader with an insight into the complexities of working with individuals facing financial difficulties, and has been structured into five key sections.

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

Section two provides an insight into the wider context of the UK financial wellbeing strategy. This section also includes reflections on the timely Money and Pensions Service (MaPS) report on 'Building financial wellbeing in the light of Covid-19'.

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

Section four provides specific operational insights into how the project has endeavoured to navigate through the ongoing pandemic since the first national lockdown in March 2020. This section includes specific reflections on the impact of the pandemic on participant engagement and progression.

Section five sets out the key learning and recommendations emanating from the project delivery during the pandemic. This includes reflections on the impact of pandemic on participants and a range of wider external factors beyond the control of the project.

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

Also included in the report are five specific 'focus on' features to help provide an insight into a variety of issues which have had an impact on participants during such a challenging year. The features have been designed to provide readers with further details on the impact of the Coronavirus Act 2020, digital inclusion, economic abuse, benefit debt and access to debt advice.

All the evidence presented throughout the evaluation has been compiled to illustrate the complex range of factors that have influenced the project and its participants during such an unprecedented year.

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

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An introduction to Money Sorted in D2N2

Service overview

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

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

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

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

The role of the Personal Navigator

The delivery of the project is underpinned by a network of Personal Navigators working on a one-to-one basis with participants. The Personal Navigator role has been established to provide expertise around financial inclusion and financial capability issues. Each Personal Navigator provides support to assist participants to navigate through a range of challenging financial circumstances that they may be facing. This support is designed to help each participant review their current financial situation and discuss the possible options to move forward. Through a process of ongoing dialogue with their Personal Navigator, participants are supported to develop their skills, knowledge and confidence to help manage their financial affairs. Over the past two years the work of the Personal Navigators has been complemented by the introduction of two Support Assistants working in peripatetic roles designed to assist Personal Navigators with some of the administrational intensity of the BBO programme. In October 2020 the project made a decision to operate with one Support Assistant.

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

Project eligibility and access

Money Sorted in D2N2 has been designed to support **unemployed** or **economically inactive** people experiencing social exclusion and poverty who need financial inclusion support. The BBO guide to delivering 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 participants in this group must have a Not in Education Employment or Training (NEET) status or be at risk of becoming NEET. Although there is no upper age limit for participants to access the project, guidance received from the Building Better Opportunities Funding Officer confirms that any participant over usual working age must be actively seeking work in order to be eligible for the project.

The service has been established to respond to a diverse cross section of people who may be experiencing financial difficulties, including men and women, Black Asian Minority Ethnic and Refugee (BAMER) individuals, young people, 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, focused on how they can best improve their financial resilience. This is known as a Personal Financial Resilience Plan (PFRP). This plan is designed to be a key building block to start 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 outcome.

Sources of data used to compile this year four evaluation

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

- Available minutes from project meetings.
- Evaluator attendance at Personal Navigator forums.
- Evaluator attendance at project Steering Group meetings.
- Evaluator attendance at the Participant Forum.
- BBO performance reporting submitted to the Big Lottery Fund by St Ann's Advice Centre.
- BBO Audit work undertaken by New Ground Consultancy.
- MAP (Money Access and Participation) 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.
- Ongoing dialogue with the Personal Navigator team and delivery partners.
- Discussions with St Ann's Advice Centre staff and management teams.
- Discussions with individual participants and in group sessions.

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

Project objectives, targets and outputs

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

In 2019 the project also successfully secured an extension period to work with an additional 1,547 participants throughout 2020-2022, concluding on 30th September 2022. Since the last evaluation report was published, discussions are currently underway about a potential second extension period. If the second extension period is secured the project will be officially concluded on 30th June 2023.

Four core outcomes

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

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

Overview of delivery partnership and staffing structure

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

Over the duration of 2020 the core project team comprised of following roles and team members.

- Project Lead, Debbie Webster
- Project Coordinator, Emma Bates
- Project Administrator, Sandra Mayo
- Finance & Compliance Officer, Sheetal Sharma

A new role of Project Delivery Coordinator was also created during the year which was fulfilled by Steven James who joined the project in November 2020.

St Ann's Advice Centre 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 a 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 and Chesterfield.
- People in excluded rural areas, e.g. High Peak.

Personal Navigator team

Over the past year a total of 23 Personal Navigator roles have been employed on the project; this includes 20 full-time roles and 3 part-time roles. This equates to 21.6 full time equivalent roles (FTEs).

The delivery partnership

All Money Sorted partners are subject to a Partnership Agreement with St Ann's Advice Centre that sets out mutual roles, requirements and responsibilities.

The complete list of partners operating within the Money Sorted in D2N2 project during 2020 is listed below.

- St Ann's Advice Centre 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).
- Hanlon Software Solutions (Provider of project database).
- Local Authorities – Derby City, Derbyshire, Nottingham City and 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).
- 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, and 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 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 participants access funding for white goods or furniture.
- Workers' Education Association (WEA) courses on financial wellbeing issues.
- Supporting applications to access utility discount schemes, e.g. Severn Trent Big Difference scheme.

Employability

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

The impact of wider life changes

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

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

Participant budget

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

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

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

Cross-cutting themes

All Money Sorted project activities are complemented by two cross-cutting themes that are fully integrated across the delivery of the project. These are: Sustainable Development, and Gender Equality and Equal Opportunities. St Ann's Advice Centre, as the lead organisation for Money Sorted, has actively developed action plans for the project that embrace both themes and which are reviewed on a quarterly basis.

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 all the services provided across the partnership.

St Ann's Advice Centre has an 'ongoing' action plan that covers environmental impact reduction, waste minimisation, reducing energy consumption, reducing unnecessary travel and promoting green travel.

The constraints of the coronavirus pandemic have provided an ideal opportunity to think about new ways of working to reduce the carbon footprint of the project. Digital video technologies, such as Zoom and MS Teams, have been working effectively across the region to aid project communication whilst minimising the need for excess travel. This has undoubtedly helped to reduce the environmental impact of the project through reduced emissions. As the social distancing requirements of the project are relaxed, there is an emerging commitment to continue to use digital video technology to reduce environmental impact of the project.

In addition to these developments, emerging evidence also suggests that participants are also able to consider the potential for more environmentally aware spending on products and services as their financial wellbeing improves.

Equal opportunities, gender equality and diversity

The project is fully committed to promoting equal opportunities and gender equality, valuing diversity and tackling discrimination. Equality and diversity is at the core of the project and represents one of the key values of the delivery partnership. During a year when the 'Black Lives Matter' movement highlighted the ongoing issue of racial injustice across the globe, the project remained committed to the development of an inclusive approach which welcomes people of all backgrounds and circumstances regardless of their ethnicity, religion, gender or orientation.

Throughout all activities the project aim is to embrace a person-centred and inclusive approach to equal opportunities that respects all participants and stakeholders by giving them real and significant involvement in how our project is managed and governed.

The project's Gender Equality and Equal Opportunities action plan sets out how the project is working to integrate and embed equalities and diversity within all aspects of service delivery. The delivery partnership is committed to the provision of services where all participants feel welcome and safe, can access and sustain involvement in the programme, and have their needs understood and met. A closer look at the project reveals the many and varied ways that participants are included, from housing sector links to tenant participation panels through to community hub cafés where participants can actively engage with a range of community activities and projects.

This is a critical part of the success of the project, to ensure it helps participants to achieve their goals and that their 'lived experiences' of adverse financial wellbeing can be used to highlight possible improvements in the project. This approach is also helpful in identifying wider discussions on system change across the financial services sector.

Participation and specialist partners

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

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

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

Brian's story

When Brian accessed the project in May 2019 he was struggling to manage his finances and provide for his family. Although he had been recently working locally as a warehouse operative for four years, a combination of poor working conditions and poor mental health had meant that he had reluctantly had to give up work. Although Brian was trying to rebuild a sense of purpose through some voluntary work at a local charity, it was clear that day-to-day life was a struggle. When his Personal Navigator conducted a first home visit the true extent of Brian's difficulties became fully apparent. Both Brian and his partner were in significant debt and had been for over 10 years. They were struggling to raise their four children, all of whom had significant behavioural difficulties. The home visit also revealed a hoarding problem and significant quantities of unopened mail.

From the outset it was clear that Brian's learning difficulties would need to be taken into account in the process to help him and his partner regain control of their spending and resolve their debt problems. The initial support involved a pattern of 'show and do' support to help Brian consider a different approach to help understand his finances. An initial budget planner was developed over six pages, which allowed Brian and his Personal Navigator to consider what spending was really 'essential' and what was actually 'affordable'. In the early sessions Brian and his partner felt that the scale of problem was too big for them, and at one point considered disengaging from the project. However, the constant support and reassurance of their Personal Navigator helped them to persevere and identify areas in their budget where they could save money. These discussions helped Brian and his partner implement a number of changes including:

- Planning a weekly supermarket shop as opposed to expensive regular ad-hoc trips to the corner shop.
- Purchase of cheaper own-brand labels at the supermarket.
- Addressing expensive lifestyle habits such as take-away breakfasts.
- Enjoy the preparation and consumption of food and drinks at home.
- Reducing money spent on pets and children's activities.
- Simplification of banking arrangements to include a bills account and a general spending shopping account.
- Cessation of use of doorstop lenders.
- Utilisation of price comparison sites to reduce energy costs.

The combined effect of the informed choices Brian and his partner made meant that they went from a budget that was constantly £250 a month short to one that was £200 in credit. All this was achieved whilst the family were still able to maintain an enjoyable lifestyle. These successes were complemented by a successful application for a Debt Relief Order (DRO) to help resolve the outstanding debt issues that had accumulated over the past decade.

By the end of his time on the project, Brian had the following assessment of his progress with his Personal Navigator:

> **'It's been a long journey for so many years. Money Sorted helped to piece the jigsaw together, provided home visits and was very flexible. My Navigator told me straight but didn't look down on me. The perseverance of my Navigator went beyond the boundaries of the project and encouraged us to sort out our finances, she has been there every step of the way.'**

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

Focus On

The potential impact of the Coronavirus Act on Money Sorted referrals

In a year when the coronavirus pandemic exerted unprecedented damage on the UK economy, on 26th March 2020 the government swiftly implemented the Coronavirus Act. The Act covers a range of measures designed to support the population of the UK to function in such a challenging time. In terms of its relevance for the Money Sorted project, the Act aimed to offer some protection for tenants within the private rented sector of the housing market. This protection, in essence, made it much harder for landlords to process repossession and eviction claims for the duration of 2020.

Whilst this increased level of protection for tenants undoubtedly offers some additional security to individuals within the private rented sector, the longer-term implications of this change may result in a backlog of evictions once the protections end. This may, in turn, be one of the mitigating factors affecting the decline in referrals during 2020. Whilst the specific reasons for the decline in referrals are likely to be related to many different factors associated with the coronavirus pandemic, it has been evident for a number of years that the threat of eviction or bailiff activities is often the 'trigger' which influences some participants to seek support. Past consultations with participants reveal that some can feel an initial sense of shame, embarrassment and fear when approaching projects to resolve a personal financial need. All too often there is a reluctance to engage for fear of being judged. For these reasons, it is possible that a significant number of potential participants decided not to engage with the project during 2020.

Over the past two years, project data has revealed that some of the debt the participants have accrued is associated with rent arrears. The wider evidence of the pandemic would suggest that this figure will grow significantly over the next 12 months. A feature article in the Guardian newspaper in February 2021 provided further information on the full extent of the difficulties many private renters face:

> **'The trade unions Unite and GMB and other renters' unions said: "One in three private renters have lost income because of the pandemic, and now data suggests that 840,000 renters are behind on their rent. Nineteen per cent of the UK population rent privately, and a third of them were in poverty before the pandemic. Without swift action, many renters will be unable to protect themselves and their families from coronavirus, homelessness and the misery of severe and perpetual indebtedness.'**
>
> Source: 'Eviction orders being issued despite UK government Covid pledge', The Guardian (28th February 2021)

As the protections afforded to tenants of private rented properties are withdrawn, this change has the potential to increase future project referrals, particularly from participants with significant rent arrears. If this the case then all the wider evidence suggests that project sign-ups will increase significantly as and when restrictions and protections are removed during 2021.

SECTION TWO

Understanding the context of the UK Strategy for Financial Wellbeing and its relationship with the Money Sorted project

Introducing the UK Strategy for Financial Wellbeing 2020-2030

At the start of 2020 the Money and Pensions Service (MaPS) released a UK strategy for financial wellbeing 2020-2030. The strategy recognises the ongoing financial challenge facing many individuals living in the UK today.

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

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

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

The unexpected impact of the coronavirus pandemic

What was not clear when the UK financial wellbeing strategy was released at the start of 2020 was the extent of economic turbulence that would take place during the year, associated with the coronavirus pandemic. The unexpected impact of the pandemic has had profound implications for the roll-out of the strategy. In recognition of these challenges, MaPS has worked with leaders across the financial advice sector to develop a series of recommendations to inform how, as a nation, we should respond to the significant financial challenges posed by the pandemic. This work culminated in the release of an interim report entitled 'Building the UK's financial wellbeing in the light of Covid-19'. The report reveals 13 recommendations to help the nation navigate through these unprecedented times.

For readers already familiar with the context of the UK financial wellbeing strategy, details of the interim report on 'Building the UK's financial wellbeing in the light of Covid-19' can be found on the pages overleaf. For readers who would like to learn more about the context of the financial wellbeing strategy, the next section of this evaluation will explain the background of the strategy in more detail.

The UK Strategy for Financial Wellbeing (2020)

The financial wellbeing strategy replaces the UK Financial Capability Strategy, which was officially released in 2015. In essence, the learning from the previous development of the UK Financial Capability Strategy has been embraced in the emerging UK Strategy for Financial Wellbeing . The key difference is that the new strategy makes use of the easily understood word 'wellbeing'. The term 'wellbeing' has been applied instead of 'capability', in order to help the process of developing effective connections with a wide range of partners. So what actually is financial wellbeing? The strategy defines this as:

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

The UK financial wellbeing strategy

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

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

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

Cross-cutting lens: gender

Cross-cutting lens: mental health

Defining financial wellbeing – five priority measures to focus the strategy

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

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

Cross-cutting lenses – vulnerability and inclusion

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

'Building the UK's financial wellbeing in the light of Covid-19' report

Throughout 2020 it has been clear that the coronavirus pandemic has had a significant impact on the global economy and the financial wellbeing of many people. The scale of this impact, and its implications on financial wellbeing, is not something that any of us fully understood at the start of 2020.

As explained earlier in this section of the report, January 2020 was also the time when the UK Strategy for Financial Wellbeing was released. In recognition of the rapidly changing financial landscape, the Money and Pensions Service (MaPS) agreed to devise a set of urgent recommendations to help address the impact of the pandemic on financial wellbeing. This work culminated in the release of a report entitled 'Building the UK's financial wellbeing in the light of Covid-19'. The report recognises a number of important issues which have been raised by the pandemic. These include:

- Inequality – the virus does not impact all areas of society equally and different groups of people are more at risk of experiencing financial difficulties.
- Financial inequalities facing women – women suffer income inequality and are a third more likely than men to work in a sector which has been shut down during the pandemic.
- Financial inequalities facing Black and Minority Ethnic groups (BAME) – millennials from BAME communities are 47% more likely than their white peers to be on a zero-hours contract.

The report also recognises that even prior to the Covid-19 crisis the UK faced deep financial challenges. For example, prior to the pandemic nine million people were regularly using credit cards and overdrafts to pay for food and essential items. Indeed, the challenge of precarious low-income employment, low savings, rising inflation and cuts to working age welfare were just some of the symptomatic issues that revealed how people's financial wellbeing and resilience was already under severe strain prior to the pandemic.

In response to these pressing challenges, the report establishes 13 recommendations to help protect financial wellbeing in response to the pandemic. These recommendations are structured into four thematic areas:

1. Moments that matter
2. Vulnerable communities
3. Credit and debt
4. Recommendations for government

Each of the four thematic areas represent urgent recommendations to help stakeholders working around financial advice and financial services respond proactively to the coronavirus pandemic.

Moments that matter recommendations

The first set of recommendations on 'Moments that matter' recognise that people need help and support to think clearly and make financial decisions in stressful circumstances. Four recommendations developed within this section include:

A three-phased programme of awareness raising

Recommendation 1
MaPS should run a three-phased programme of awareness raising, coordinating messaging and partners through an agile approach to reach people at risk of over-committing to high-cost credit, young people in financial difficulty finding it harder to transition to employment/further education, and people at risk of redundancy.

Essential financial skills training for young people

Recommendation 2
An 'Essential Financial Skills' training programme should be co-designed by MaPS, with young people, and embedded in all government-backed programmes for 16- to 24-year-olds that lead to jobs and careers.

Helping parents and children to talk about money and mental health

Recommendation 3
MaPS should develop parent/child conversation support tools to help families facing the combined challenges of money and mental health problems, drawing upon proven 'Talk, Learn, Do' techniques previously piloted by MaPS.

Helping over 50s to make the best decisions for their needs

Recommendation 4
MaPS should create a later-life checklist for people over 50 who have been affected by the Covid-19 crisis, especially people at risk of redundancy.

Supporting people in vulnerable circumstances

The second set of recommendations developed relate to the support offered to people in vulnerable circumstances. Prior experience of delivering the Money Sorted project reveals that significant numbers of participants have some form of vulnerability which could be reflected in long-term conditions, disabilities, economic abuse or poor mental wellbeing, amongst other issues. Three further recommendations are featured within this section of the report as follows:

Urgent reconsideration of vulnerability by financial services

Recommendation 5
The Financial Conduct Authority (FCA) should explicitly require all firms to embed vulnerability strategies that reflect the ways that Covid-19 has deepened existing vulnerabilities and placed new people in vulnerable circumstances. Firms should implement strategies from early 2021.

Money support for people with mental health problems

Recommendation 6
The National Academy for Social Prescribing, Mental Health UK and MaPS should make their new money support resource rapidly available through NHS Social Prescribing link workers in England by the end of 2020.

Addressing economic abuse and the debts it has created

Recommendation 7
Surviving Economic Abuse should lead a pilot of the Economic Abuse Evidence Form for creditors and credit reference agencies by Summer 2021 (for full roll-out in Autumn 2021). It would need additional funding. This should come from creditor and credit reference firms.

Credit and debt

Whilst credit is likely to have provided an important buffer for individuals facing financial hardship during the pandemic, it is not a sustainable long-term option to enhance financial wellbeing. In recognition of this fact three recommendations have been developed:

More help with credit payments as the Covid-19 crisis continues

Recommendation 8
FCA guidance requires firms to support people coming out of Covid-19 payment deferrals with increased overdraft or credit card commitments. We urge firms as a default to offer repayment plans and to waive interest for people who are in serious difficulty.

Accessible and responsive debt and credit services

Recommendation 9
MaPS should carry out two reviews to help the debt advice sector address an expected rise in demand. MaPS and the Money and Mental Health Policy Institute should promote accessible debt and credit services for people with mental health problems.

A no-interest loan scheme for people most in need

Recommendation 10
Fair4All Finance, Toynbee Hall and Fair by Design – with HM Treasury's support, and building on the findings from the feasibility study undertaken by London Economics – should progress the design and pilot of a no-interest loan scheme targeted at those most in need.

Recommendations for government

Governments across the globe have implemented a range of measures in an attempt to help individuals sustain or protect their financial wellbeing during the pandemic. To help complement the existing measures, three further recommendations have been devised within the report to help people in need.

Extend Universal Credit relief measures

Recommendation 11
The Department for Work and Pensions (DWP) should maintain and extend relief measures put in place to help people who rely on welfare benefits and whose finances have been made worse by Covid-19. It could go further and make the consent system for Universal Credit consistent with the system for legacy benefits.

Half a million new savers from low-income groups

Recommendation 12
HM Treasury and HMRC should further build upon their efforts to publicise 'Help to Save'. They should now review their communications plans and specifically target anyone newly eligible because of the Covid-19 crisis.

Retain and improve coronavirus-related measures to Statutory Sick Pay

Recommendation 13
DWP should retain the changes to Statutory Sick Pay (SSP) rules that have been introduced to deal with the Covid-19 crisis. It could go further by introducing reforms to SSP that would make it a stronger source of financial support for everyone, not just people with Covid-19.

Reflections on the implications of the recommendations for Money Sorted

Whilst the 13 recommendations all have the potential to positively impact the financial wellbeing of different types of people across the UK, it is clear that from a Money Sorted perspective different recommendations have different implications for the project. Based on the experience of delivering the project of the past four years, the available evidence suggests the following recommendations have the clearest affinity with participants engaging with the project.

A three-phased programme of awareness raising – As the project data reveals, too many participants accessing the project are unaware of the support that is available to support their financial wellbeing, particularly when they are experiencing financial difficulties. Ongoing work is required to raise the profile of the project with unemployed or economically inactive people experiencing financial difficulties.

Money support for people with mental health problems – The link between problem debt and poor mental health is well established. This is no different on the Money Sorted project, and there is scope to work in partnership with the NHS and mental health services around the Social Prescribing agenda to support people who are struggling with poor mental health alongside their financial circumstances.

Addressing economic abuse and the debts it has created – Although the project does not maintain specific data on the prevalence of economic abuse, it is clear that Personal Navigators on the project have been reporting an increase in the numbers of participants experiencing some form of abuse. The project has a potential role to help pilot and develop new processes associated with economic abuse evidence forms.

Supporting people in vulnerable circumstances – Since the start of the Money Sorted project in 2017 it has become clear that significant numbers of participants could be classified as vulnerable in some way. Indeed, it is evident that it is not unusual for participants to be suffering from poor physical or mental health. As the presence of Social Prescribing projects continues to grow across the region, it is likely that there will be an increased flow of referrals into the project from participants facing poor health and wellbeing, compounded by financial concerns.

More help with credit payments as the Covid-19 crisis continues – As 2021 unfolds and social distancing requirements are relaxed it is likely that the project will see a significant increase in participants accessing the service with acute credit and debt issues. Each year Personal Navigators spend a substantial amount of time helping participants to manage credit and debt issues. All the evidence suggests this demand will continue.

Accessible and responsive debt and credit services – Undoubtedly, the debt advice sector is braced for a significant increase in demand. Similarly, it could be expected that more people will be looking into credit options. In both instances it is concerning how few consumers understand the opportunities to access free debt advice or access affordable credit. Further details surrounding the accessibility of free debt advice are explained in the 'Focus On' free debt advice feature within this evaluation report.

A no-interest loan scheme for people most in need – From the experience of providing the Money Sorted project, it is clear that many participants do not have the necessary financial resilience to deal with unexpected financial costs. This is particularly problematic when essential household products break down, for example washing machines, fridge freezers or ovens. When a repair is not feasible there is a temptation to rush into a hire–purchase agreement to purchase a replacement item. This is seldom the most cost-effective option, however it is an option that in the short term resolves a problem. A no-interest loan scheme for people most in need is therefore a potential valuable development if the necessary stakeholders are able to operationalise such an arrangement at this time.

Extend Universal Credit relief measures – Feedback from the Personal Navigators during 2020 has revealed that a weekly increase of £20 in Universal Credit has made a substantial difference to the financial wellbeing of participants. This has been a valuable development for participants, in addition to wider support they may have received during the year.

Since it is clear that the coronavirus pandemic has affected the population of the UK in many varied ways, the development of a variety of recommendations to help sustain the financial wellbeing of individuals across the UK is a welcome development. As the situation continues to unfold and the economy starts its recovery, it is expected that the full impact of the pandemic will be understood.

This is likely to mean that further initiatives will be required to help unemployed or economically inactive individuals resolve acute financial difficulties.

SECTION SUMMARY

- Too many people in the UK are struggling with their financial wellbeing.
- 11.5m people have less than £100 in savings to fall back on. 9m people often borrow to buy food or pay for bills. 22m people say they don't know enough to plan for their retirement. And 5.3m children do not get a meaningful financial education (UK Strategy for Financial Wellbeing, 2020).
- In response to these issues the Money and Pensions Service (MaPS) launched the UK Strategy for Financial Wellbeing in January 2020.
- Financial wellbeing is about feeling secure and in control. It is knowing that you can pay the bills today, can deal with the unexpected, and are on track for a healthy financial future. In short: confident and empowered (UK Strategy for Financial Wellbeing, 2020).
- The launch of the UK Strategy for Financial Wellbeing (2020) has been adversely impacted by the onset of the coronavirus pandemic. In response to this challenge the Money and Pensions Service (MaPS) developed an interim report entitled 'Building the UK's financial wellbeing in the light of Covid-19' (2020).
- The report is structured into four thematic areas, which include Moments that matter, Vulnerable communities, Credit and debt, and Recommendations for government.
- The report sets out a total of 13 recommendations for the financial services and advice sector to consider in order to help support the financial wellbeing of individuals living across the UK during the pandemic. For the Money Sorted project it is clear that a number of the recommendations are particularly relevant for participants in vulnerable circumstances.
- As the economic recovery continues and the full impact of the coronavirus pandemic is understood, it is expected that a variety of initiatives will be required to support the financial wellbeing of individuals living across the UK.

Jessica's story

When Jessica first made contact with the Money Sorted project in January 2020 it was clear that she was struggling to function on a day-to-day basis as a single mother of a 19-year-old daughter. Unfortunately, a multiple sclerosis (MS) diagnosis in 2016 had meant that Jessica had reluctantly given up her work as a scientist. This had in turn meant that she now needed to live on a significantly reduced income. These problems were compounded by the onset of psoriasis, declining mental health and the need to financially support her daughter to continue her education at university. In short, Jessica was struggling to keep on top of her bills, pay debts and manage her health conditions.

From the outset of her support with her Personal Navigator, Jessica requested information on a Citizens Advice course called 'Living with Long Term Conditions', which is about how to cope with and manage health conditions. To help assess her financial situation, an income and expenditure sheet was compiled that revealed high water bills and two outstanding loans. A closer inspection of the situation revealed that Jessica had built up some arrears associated with her water bills and energy utilities.

To help address the situation her Personal Navigator successfully applied for a water social tariff, which reduced Jessica's water bill by 90%. This was followed by a successful application to the Water Trust Fund, which allowed Jessica to clear all her water bill arrears. Further research from her Personal Navigator also revealed the potential for Jessica to make an application for monies to clear the arrears on one of her debts, based on her previous career.

A successful application was subsequently made to this fund. Similar successes were also achieved with an application to the Energy Trust fund to clear her energy arrears. The nett effect of these changes meant that Jessica's monthly budget now resulted in a £50 surplus.

Through the process of working through her budget, Jessica felt more empowered to manage her finances. As the dialogue with her Personal Navigator continued, Jessica was provided with further information on sources of affordable credit from her local credit union to avoid the use of high-cost lenders.

At certain times in Jessica's journey it became evident that her MS would cause significant discomfort. This, coupled with the challenges of the Covid-19 pandemic, exerted significant pressure on Jessica's mental wellbeing. At these times her Personal Navigator endeavoured to provide weekly welfare checks by phone, email and text to support Jessica through difficult times until she was ready to continue with actions.

Through a consistent, affirming and reassuring approach, Jessica has begun to feel that she can retake control of all the actions on her plan. This realisation has had a significant positive impact on her mental wellbeing, with Jessica noting how her anxiety has reduced at the same time that her life satisfaction has increased.

At the end of her time on the project Jessica shared the following thoughts with her Personal Navigator:

'I can't thank you enough for your help. I could cry I'm so relieved.'

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

Focus On

Bridging the digital divide

The onset of the coronavirus pandemic created the 'perfect storm' for participants already struggling to find a way forward with their lives. Over recent years the ongoing drive for digital provision has exerted a requirement on all of us to proactively maintain our digital skills in order to look after our finances. The popularity of online banking, price comparison websites and mobile phone applications are just three examples of this emerging digital world. Similarly, government departments have been keen to embrace the digital revolution through online public services. The online application process for Universal Credit is one notable example relevant for numerous Money Sorted participants.

Whilst these developments potentially increase the accessibility of products and services for many people, the ongoing drive towards a digital society makes a significant assumption that everybody has the capacity and desire to embrace the required technology. This is a big assumption to make. Indeed, wider research reveals that the most disadvantaged in society are also more likely to be digitally excluded. The data shows that:

- social housing residents represent 37% of the most digitally excluded groups
- 44% of people without basic digital skills are on lower wages or are unemployed, while 33% of people with registered disabilities have never used the internet
- benefit claimants also have lower digital engagement compared to the UK average
- 47% of low-income households still find the cost of broadband packages a barrier to getting online
- before lockdown, around 11.7 million people still lacked the digital skills needed for everyday life.

Source: 'Digital Inclusion: Covid-19 briefing note', Centre for Excellence in Community Investment (2020)

These statistics reflect the circumstances of many of the participants on the Money Sorted project. Indeed, significant numbers of participants are often at risk of social isolation and multiple disadvantage. Many participants do not have access to the appropriate IT hardware or broadband connectivity to access digital services. In a year when overall participant budget spend has declined (by 47% in 2020 vs 2019), it is notable that the one area of spend which actually increased was that of IT hardware such as smartphones, laptops and tablets. This is perhaps symptomatic of a growing issue. Even when the appropriate IT hardware and broadband connectivity is in place, it is clear that many individuals lack the necessary digital skills required to operate the technology effectively. In a world which is increasingly moving online, the research reveals that the wider benefits of digital inclusion are considerable:

> **'The Social Value Bank reveals that digital inclusion can boost wellbeing by: providing greater educational opportunities; greater entertainment options; reducing isolation and loneliness; improving access to the community; increasing choice in consumption and lower prices; increases leisure time. An improvement in essential digital skills is associated with an increase in wellbeing in excess of £1,000 per year.'**
>
> Source: 'Digital Inclusion: Covid-19 briefing note', Centre for Excellence in Community Investment (2020)

Although these potential benefits exist for those individuals with the ability and desire to acquire the necessary digital skills and resources, there is a very real danger that the digital revolution may inadvertently contribute to greater inequality. Only when individuals are equipped with the necessary hardware and skills to use this technology can they be empowered to access the many benefits of the digital world.

As the ongoing drive towards digital transformation continues, it is clear that more work is required to ensure that people at risk of digital exclusion do not face further disadvantage. In future it is likely that projects like Money Sorted will have an ongoing role to assist participants to bridge the emerging digital divide.

SECTION THREE

Participant profiles

Understanding the profile of the participants accessing the Money Sorted project

Introduction

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

For many of the participants accessing the service, it is apparent that they are adversely affected by wider life factors and circumstances which have an impact on their financial capability and financial wellbeing. Over the past 12 months, participants have also faced the added complication of the coronavirus pandemic. The available evidence suggests that whilst the pandemic has exerted additional burdens on communities, and indeed the economy, the full impact of the pandemic on individual participants is likely to become clearer over the next 12 months.

At the time of developing this report, it is clear that the project continues to work with a significant amount of diversity and complexity within the demand. This endorses the need for a person-centred approach when working with unemployed and economically inactive participants across the D2N2 area.

Information sources

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

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

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

3. Participant feedback collated over the past 12 months, including active participation activities coordinated through the Participant Forum.

4. Ongoing dialogue with Personal Navigators throughout the duration of the project.

Participant profile analysis – Overview

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

Basic demographic data

An assessment of the basic demographic data over the past four years of service delivery reveals the following situation. In terms of gender split, 43.7% of participants are male and 56.3% are female.

The mean average age of participants accessing the service is 43.7 years. The most popular age group of participants accessing the service is 25-34, with 24% of participants associated with this age group.

Over the past 12 months the project has worked hard to attract more economically inactive participants. As a result of these endeavours, the proportion of economically inactive participants has risen from 42.3% (at the end of Y3) to 45.4% at the end of Y4. By comparison, the proportion of unemployed participants accessing the service has declined from to 57.7% (end Y3) to 54.6%. At the end of 2020 the project is now closer to the expected 50/50 split of unemployed and economically inactive participants that at any other time in the duration of the project.

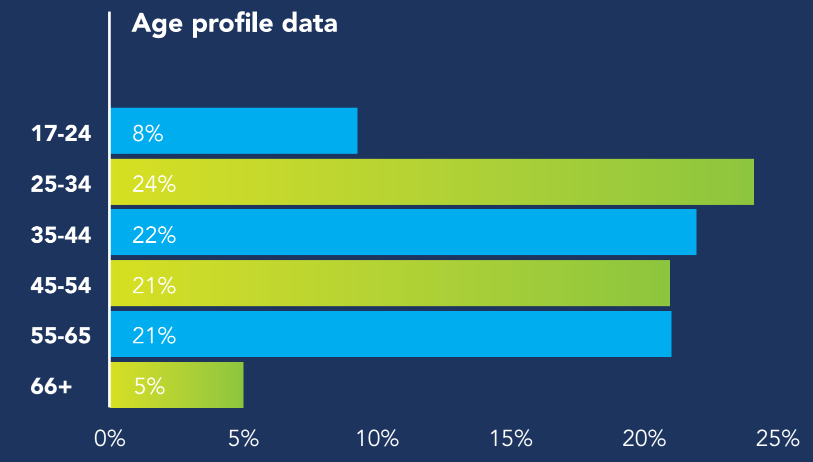
Analysis of the ethnic profile of participants reveals that 80.5% are White British. By comparison, 19.5% of participants come from Black, Asian and Minority Ethnic profiles. The most popular Black Asian and Minority Ethnic and Refugee (BAMER) groups include Black/African/Caribbean/Black British – African 4.9% and Black/African/Caribbean/Black British – Caribbean 2.7%. The overall ethnic balance of the project has moved slightly from the end of Y3 position of 79.4% White British / 20.6% BAMER.

Basic demographic data

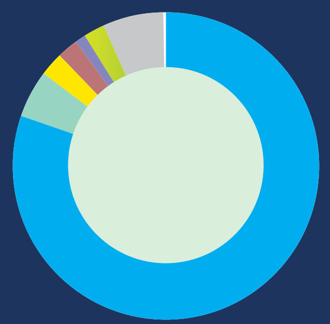
Economic status of participants

54.6% Unemployed

45.4% Economically inactive



Ethnic profile of participants



80.5% White – English/Welsh/Scottish/Northern Irish/British

6.6% Other BAME groups

4.9% Black/African/Caribbean/Black British – African

2.7% Black/African/Caribbean/Black British – Caribbean

2.2% Asian/Asian British/Bangladeshi/Chinese/Indian/Pakistani

2.0% Mixed/Multiple ethnic group – White and Black Caribbean

1.2% Arab

SECTION THREE

Participant educational attainment

A review of the available data on educational attainment of participants accessing the project reveals that 36.7% have not completed their secondary education. A concerning 11.1% have not completed their primary or lower secondary education. 41.8% have completed their upper secondary education. A further 14.4% have gone on to complete their post-secondary education and 7.1% have completed their tertiary education.

Attainment level

Attainment level	Numbers of participants	% Participants	% Cumulative
Does not have primary or lower secondary education	188	7.1%	7.1%
With primary education or equivalent	104	3.9%	11.1%
With upper secondary education or equivalent NVQ Level 2, GCSE/CSE/GNVQ	676	25.6%	36.7%
With upper secondary education or equivalent	1102	41.8%	78.5%
With post-secondary education or equivalent higher education, AS/A2/A levels, NVQ level 3	380	14.4%	92.9%
With tertiary education or equivalent NVQ level 4-5, degree or post-graduate diploma	186	7.1%	100.0%
Total	2636	100.0%	

Participant household status and employment situation

A review of the available data on participants' household situations reveals that by the end of the fourth year of service delivery 88.4% of participants have typically been living in jobless households. This high percentage rate has continued across the project to date.

There have been marginal increases in the % profile of participants who are homeless or affected by housing exclusion, and those who live in jobless households with dependent children. By comparison, there has been a 2% decline in the proportion of participants who lack basic skills, although the overall percentage of participants lacking basic skills is still relatively high at 40.9%.

Household status 2020	Y4 frequency	Position at end of Y3 %	Position at the end of Y4%	Variance Y4 – Y3 %
Lacks basic skills	1,078	42.9%	40.9%	-2.0%
Homeless or affected by housing exclusion	320	11.8%	12.1%	0.3%
Lives in jobless household	2,331	88.2%	88.4%	0.2%
Lives in jobless household with dependent children	814	30.0%	30.9%	0.9%
Lives in single household with dependent children	604	22.4%	22.9%	0.5%
Offender or ex offender	307	11.8%	11.6%	-0.2%
Has a disability	1,818	69.4%	69.0%	-0.4%

Total records	2,636

A closer look at wider project data held on the MAP tool also reveals that 35% of participants accessing the project live alone. This would suggest that significant numbers of participants would have been at significant risk of social isolation during the pandemic.

40.9%

of participants lack basic skills

Participant financial wellbeing data

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

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

Analysis of pre-survey data over the past four years of service delivery reveals a situation where the majority of participants are facing significant financial difficulties, whilst at the same time facing a concerning deficit of knowledge and skills to help navigate through their existing financial difficulties. Obviously, participants have also been faced with the added challenge of living through the global coronavirus pandemic over the past 12 months.

This year the MAP tool data presented within the evaluation provides additional insights on participant awareness of where to go for financial help and advice, benefit claims/income and indebtedness.

Seeking out help and advice on financial matters

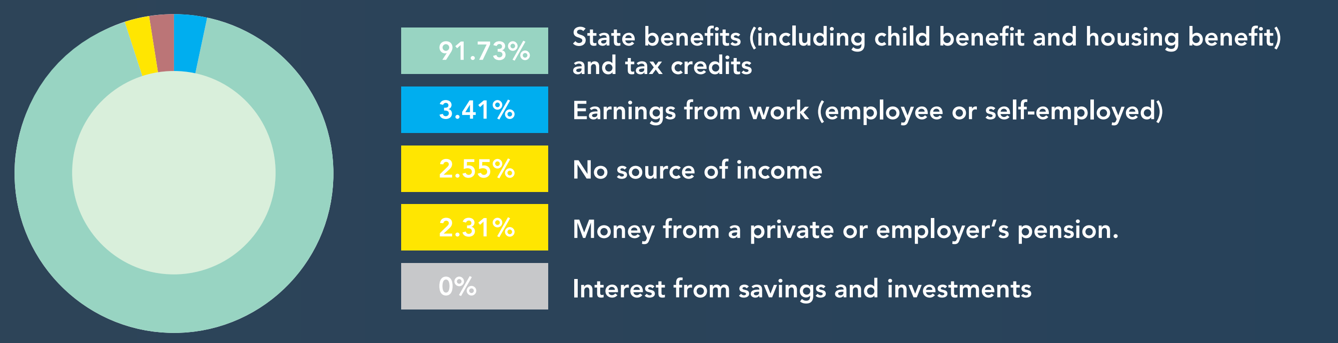
Participants' pre-survey responses to a question designed to understand where they would go to get help and advice on financial matters reveals a diverse range of opinions. Encouragingly, 32% of responses recognised the value of free advice agencies like Citizens Advice, although by implication this also means that 68% of participants haven't considered this option as a source of free, professional support. A further 6.3% recognised the value of their Social Housing provider. Other popular responses include friends or relatives (21.6%) or the internet (10.3%). Whilst these options could be of some value, it is unclear how helpful and accurate this assistance might be compared with professional advice. Perhaps most concerning are the respondents who didn't know who they would speak to (11.3%) or would not ask anyone for help (10.6%). By comparison, very small numbers of participants said they would seek the assistance of a fee-charging debt advice company (1.4%) or a paid professional (0.7%). The cumulative effect of these responses reveals that large numbers of participants don't know who to ask for help or would not ask for help, compounded by the significant numbers of participants who could be receiving advice of variable quality from friends or family or the internet. To put this another way, the data suggests that 53.8% of participants may be at risk of a deteriorating future financial position as a result of the lack of timely, professional advice which is free at the point of access.

Where do participants go to get help and advice on financial matters?

What types of income does your household receive?

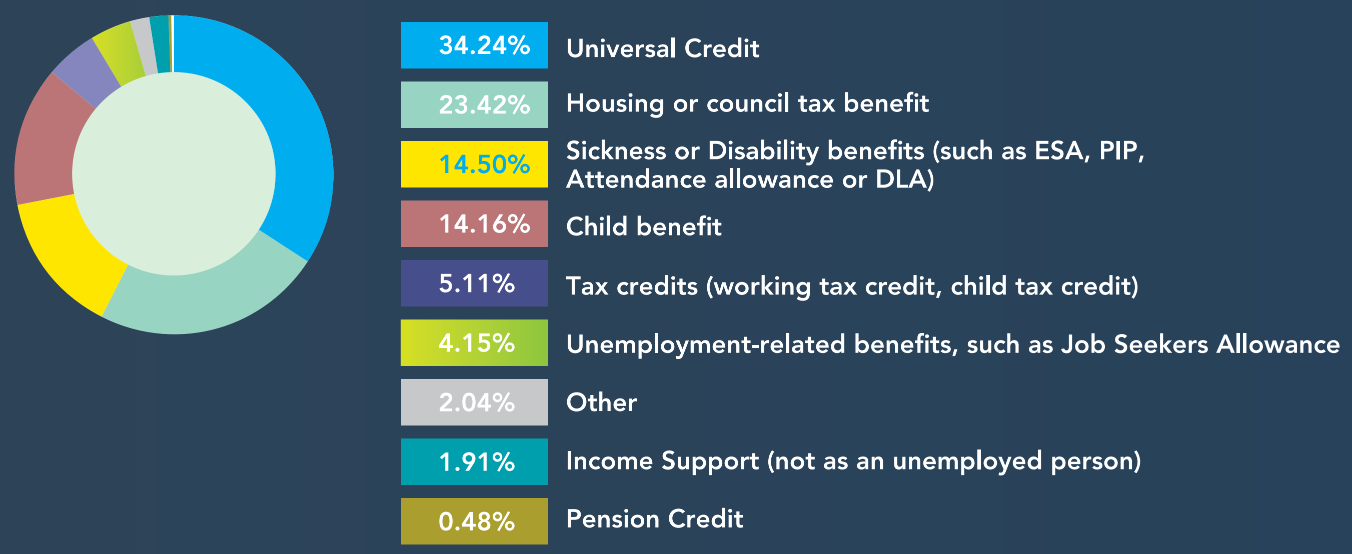
The MAP tool data at pre-survey level reveals the extent of participants' benefit dependency on the project, with 91.7% of participants receiving some form of support from the welfare state. By comparison, 2.55% of participants had no source of income, 3.4% of participants were receiving income through a partner who was in employment, and 2.31% were receiving income through a private or employer's pension.

What kinds of income do you/your household receive?



A closer inspection of the most frequently utilised benefits reveals that Universal Credit was the most prevalent benefit claimed in 2020 (34.2%), followed by Housing or Council Tax benefit (23.4%) and sickness or disability benefits (14.5%)

Participant benefits claimed 2020



What bills are participants struggling to pay?

A consultation of debt data at pre-survey stage reveals that 60% of debt that has accumulated is associated with a combination of credit or store cards, benefit overpayments, or loans from banks or building society (excluding mortgages).

In terms of mortgage debt, the data also reveals that five participants on the project had a combined mortgage debt in the order of £610,000. Other forms of debt that are often discovered as participants engage with their Personal Navigator include Council Tax (4.4%), electricity bills (4.2%) and gas bills (3.6%). The category 'other debt' includes items such as TV Licence payments, court fines and loans from family and friends.

60% of participant debt is associated with a combination of credit or store cards, benefit overpayments, or loans from banks or building societies (excluding mortgages).

Participant debt profile at pre-survey	
Credit or store cards	22.2%
Benefit overpayments	19.9%
Loans from your bank/building society (excl. mortgages)	18.0%
Other type of debt	11.5%
Council Tax / rates	4.4%
Electricity bill	4.2%
Gas bill	3.6%
Student loans	3.4%
Bank overdraft	3.3%
Water rates	3.3%
Telephone bill (include mobiles)	3.2%
Rent	3.0%

The potential impact of the pandemic on financial wellbeing

Over the past year participants have faced the added burden of the coronavirus pandemic. The available data suggests that the impact of the pandemic has varied according to the circumstances of participants.

The table below reveals further details surrounding the financial situation and perspective of participants completing MAP tool pre-surveys in 2020. Similar to the 2019 data, 85.5% of participants felt that when it comes to managing their finances that they 'always struggle' or 'sometimes struggle'. 75.4% of participants felt that they were 'not very confident' or 'not at all confident' about their financial future. In both cases these measures suggest declining levels of financial confidence for participants accessing the project during 2020.

Similar to the 2019 data set, 64.8% of participants felt that they needed to 'regularly borrow money' or 'sometimes borrow money' to pay for food or essential items. In terms of indebtedness, 66.8% of participants felt that they were living in a debt situation that was unmanageable.

Given the demands of the lockdown measures that were in place for large parts of 2020 it is perhaps not surprising to note that increasing numbers of participants 'completely agreed' that their family or household life was stressful. This figure rose from 43% in 2019 to 51.4% in 2020.

Participants' average levels of disposable income to spend in shops and businesses each month declined to £19.61 at pre-survey level when compared to the pre-survey average of £23.73 in 2019.

At pre-survey

64.8%

participants 'regularly borrow money' or 'sometimes borrow money' to buy food or pay for other necessary items because they have run short of money.

At pre-survey
On average participants had

£19.61

of disposable income to spend in shops and businesses each month.

Map tool pre-survey data			
Position at the end of Y2 2018	**Position at the end of Y3 2019**	**Position at the end of Y4 2020**	**MAP tool measure**
81.2%	82.6%	85.5%	Said that when it comes to managing their finances that they 'always struggle' or 'sometimes struggle'.
74.4%	71.2%	75.4%	Said that they were 'not very confident' or 'not at all confident' about their financial future.
68.0%	65.2%	64.8%	Participants 'regularly borrow money' or 'sometimes borrow money' to buy food or pay for other necessary items because they have run short of money.
57.1%	67.1%	66.8%	Participants 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%	43.0%	51.4%	Respondents thought that their family/household life was ''completely stressful''.
£23.95	£23.73	£19.61	On average, participants had £19.61 of disposable income to spend in shops and businesses each month.

At pre-survey

75.4%

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

SECTION SUMMARY

- The gender profile of participants accessing the project at the end of 2020 was 43.7% male and 56.3% female.
- The mean average age of participants accessing the service is 43.7 years of age. The most popular age group of participants accessing the service is 25-34, with 24% of participants associated with this age group.
- Analysis of the ethnic profile of participants reveals that 80.5% of participants are White British. By comparison 19.5% of participants come from Black, Asian and Minority Ethnic profiles. The most popular Black Asian and Minority Ethnic and Refugee (BAMER) groups include Black/African/Caribbean/Black British – African (4.9%) and Black/African/Caribbean/Black British – Caribbean (2.7%).
- Over the past 12 months the project has worked hard to attract more economically inactive participants. As a result of these endeavours the proportion of economically inactive participants has risen from 42.3% (at the end of Y3) to 45.4% at the end of Y4. By comparison, the proportion of unemployed participants accessing the service has declined from 57.7% (end Y3) to 54.6%.
- A review of the available project data reveals that educational attainment of participants on the project remains low. For example, 36.7% of participants have not completed their secondary education. Only 14.4% of participants have gone on to complete their post-secondary education and 7.1% have completed their tertiary education.
- An analysis of household income reveals that most participants accessing the project are dependent on state benefits, with 88.4% of participants living in a jobless household. Universal Credit accounts for 34.2% of all participant benefit claims.
- 66.8% of participants at post-survey felt that they were living in a debt situation that was unmanageable: 'I can't pay it off and still afford most or all essentials like food, housing and heating'.
- A further analysis of debt data at pre-survey stage (not including mortgages) reveals that 60% of debt that has accumulated is associated with a combination of credit or store cards (22.2%), benefit overpayments (19.9%) or loans from banks or building society)18%) (excluding mortgages). Five participants on the project during 2020 had accrued mortgage debt with an aggregate value of £610,000.
- Throughout 2020, 51.4% participants at pre-survey stage have reported back that their family/household life was 'completely stressful'. This represent an 8.4% increase on 2019. In all likelihood this growth is a reflection of the pressures caused by the coronavirus pandemic.
- On average, participants accessing the project at pre-survey had £19.61 of disposable income to spend in shops and businesses each month. This represents a decline in disposable income at pre-survey levels when compared with 2019 dataset, which stood at £23.73.
- The statistics in the chapter provide an insight into the variety of life circumstances and challenges facing participants. Whilst some measures, such as family stress levels, appear to have been affected by the pandemic, it is expected that the full impact of the pandemic will continue to emerge during 2021.

Katrina's story

When Katrina first entered the Money Sorted project in May 2019, she had just moved to Derbyshire in order to escape an abusive relationship that had understandably had an adverse impact on her mental wellbeing. At this time, it was clear that post-traumatic stress, anxiety and depression all presented significant daily hurdles for Katrina to overcome.

Unfortunately, it also quickly became clear that Katrina had been subject to significant economic abuse, which had left her with a substantial amount of debt that was further adding to her worries. Although Katrina had been recently rehoused, it was evident that she was struggling to manage her income and expenditure, having never been taught how to budget until this point in her life. These compounding factors contributed to Katrina's fragile mental state and informed the need for ongoing mental health support from the local Community Mental Health Team.

Initial investigations into the extent of Katrina's debt revealed that it had exceeded the £20,000 limit for a Debt Relief Order (DRO). To overcome these difficulties, her Personal Navigator made an application to the police to help compile the necessary evidence to demonstrate that Katrina was subject to coercive control. This endeavour was ultimately fruitful and enabled Katrina's Personal Navigator to request write-offs on some of her debts. This meant that Katrina became eligible for a Debt Relief Order (DRO). Further successes were achieved as Katrina was successfully supported to apply for Personal Independence Payments (PIP).

Over the course of several months, Katrina continued to engage well with the service and was very receptive to the support on offer to help her manage her income. Through this process she has learned how to budget and engage in proactive conversations with energy providers, housing providers and other creditors.

As time has gone on, Katrina's progress has also been complemented by her engagement on a range of different courses provided by the Workers Educational Association (WEA). These sessions have undoubtedly helped to build her identity, confidence and sense of wellbeing as she has progressed through the service.

Katrina had this to say about her experience of the Money Sorted project:

> **'Working with my Personal Navigator has been amazing, she has provided me with support in many ways including managing money, debt advice, and has navigated me towards services to gain the skills I needed to sustain and manage my finances.**
>
> **Working with WEA has dramatically improved my confidence, communication skills and budgeting my finances. They have also helped me overcome personal and mental health problems and have encouraged me to progress in society.**
>
> **Overall, I feel I have benefitted greatly from these services and, not only that, it has helped me overcome personal problems. It has given me the skills and confidence in transitioning back into work.'**

Since completing the project, Katrina has used her new-found confidence to commence a volunteering opportunity with a local organisation.

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

The impact of the coronavirus on domestic abuse and economic abuse

Throughout the duration of 2020 it became apparent that the coronavirus pandemic was affecting different groups of people in different ways. One of the emerging stories appearing in the media was the impact of the pandemic on the prevalence of domestic abuse. Research undertaken by Women's Aid with women engaging with their services in 2020 revealed that 91.3% of women surveyed felt that Covid-19 impacted their experiences of abuse in one or more ways (source: 'A Perfect Storm: The impact of the Covid-19 pandemic on domestic abuse survivors and the services supporting them', Women's Aid, 2020).

Whilst the Money Sorted project was not specifically established to support survivors of domestic abuse, it is clear that certain parts of the project have seen an increase in prevalence of participants facing domestic abuse over the past 12 months. Many of these participants have been living in cramped or confined conditions with their abusers over the course of the pandemic. Where domestic abuse has become apparent, it is often clear that participants have also been subject to economic abuse, as explained below.

> **'Domestic abuse takes many forms. Abusers may restrict, exploit and sabotage their partner's access to money and other resources, such as food, clothing, transportation and a place to live. This is economic abuse, and it is designed to limit someone's freedom. It is commonly experienced within a pattern of behaviour known as coercive control.'**
>
> Source: Surviving Economic Abuse (2021)

Wider research reveals that most survivors of economic abuse are women who, as a result of the abuse, are left in financially precarious and uncertain situations. Often a range of debts are accrued in the name of survivors without their prior knowledge or consent. The discovery of such debt is typically a very stressful and traumatic experience, and requires some form of action to resolve. If the debt issue is left unresolved it has potentially long-lasting implications for the mental and financial wellbeing of survivors.

Such debt discoveries leave participants and their Personal Navigators with the challenge of piecing together a jigsaw puzzle of evidence to present to creditors to prove that coercive control has taken place. This is often a time-consuming exercise, as one Personal Navigator observed:

> **'Where someone has been in contact with agencies such as the police, NHS or Refuge Services it may be possible to collate evidence to prove coercive control. This can be a laborious process. By comparison, the challenge of proving coercive control is much harder to achieve when there has been no prior involvement of outside agencies.'**
>
> Source: Personal Navigator employed on the Money Sorted project

Once the evidence has been gathered to reveal the presence of coercive control, contact can be made with creditors. This dialogue is usually coordinated via the Personal Navigators to request that the associated debts be written off, based on the assembled evidence. Unfortunately, the compilation of detailed evidence does not automatically mean that a debt will be written off, as one Personal Navigator observed:

> **'Creditor responses to requests to write off debt involving coercive control can vary. Debt collection agencies are usually sympathetic and non-priority creditors can also be understanding. Priority creditors associated with council tax debt and utilities will still often insist that a repayment plan is established.'**
>
> Source: Personal Navigator employed on the Money Sorted project

The ultimate outcome of this dialogue has significant implications for survivors. Whilst Katrina's case study within this evaluation provides details of a successful outcome for one participant subject to coercive control, this is not necessarily the outcome for all survivors of abuse. Indeed, national research released in 2020 provides a deeper insight into the size of the challenge:

> **'Our findings have shown that long-term debt accrued as a result of economic abuse is significant and presents a problem that the financial services industry desperately needs to address.'**
>
> Source: 'Know economic abuse: 2020 report', The Co-operative Bank / Refuge (2020)

Processes to help resolve economic abuse, such as the Economic Evidence Abuse form, are currently being piloted across creditors and credit reference agencies during 2021 to inform the necessary dialogue to help survivors of domestic abuse. In the Money & Pensions Service's report 'Building financial wellbeing in the light of Covid-19', recommendation 7 provides more details on the development of the form.

Whilst the Money Sorted project does its best to support the survivors of economic abuse, it is clear that there is a wider requirement for the financial services industry to help identify, prevent and resolve issues associated with the growing prevalence of economic abuse.

Review of the year four project performance

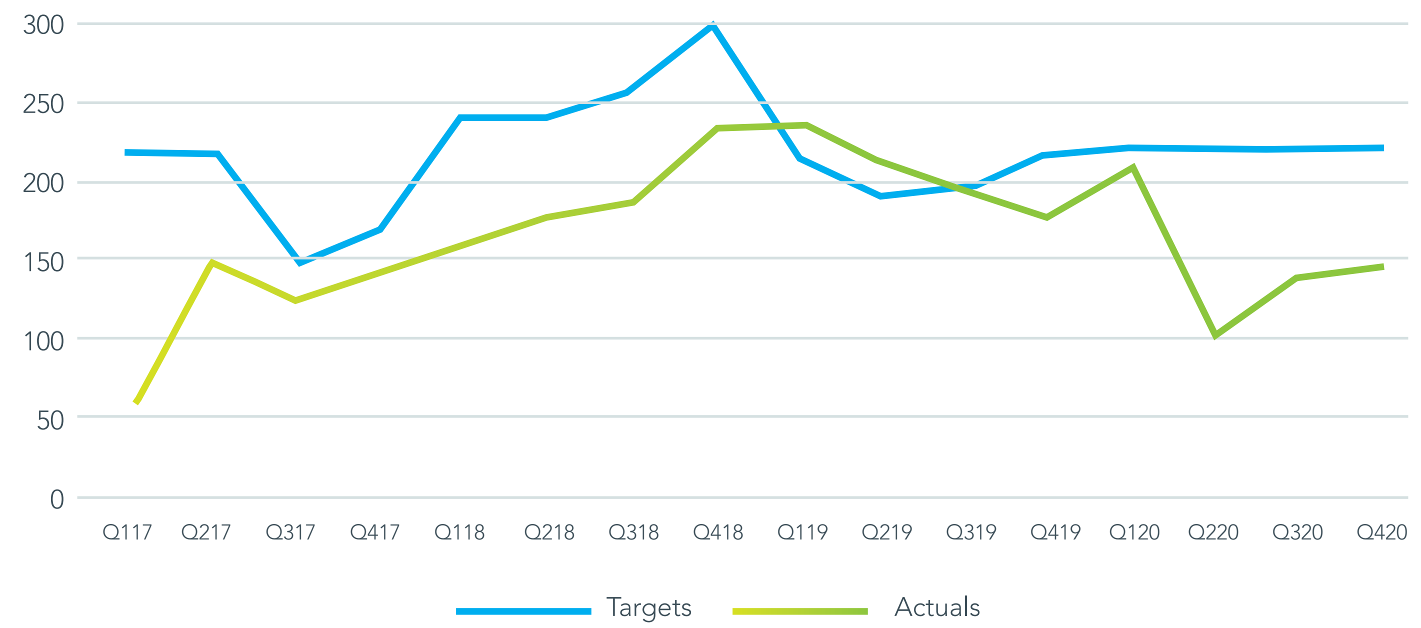
In this section of the evaluation we review how the Money Sorted project has performed during the fourth year of service delivery vs expected targets. As we have recognised throughout this report, the presence of the coronavirus pandemic during 2020 has presented a range of new challenges for the project to overcome. These challenges have often been reflected in the project data which has been compiled during the past year. Where possible, this section of the report attempts to illustrate the specific impact of the pandemic on different aspects of the project, although the full impact of pandemic is still emerging. This section of the report has been compiled to include a review of the following areas of performance:

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

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

Sign-up targets vs actuals	2017	2018	2019	2020				2020	Actual total	End of project target Sept 21	Deficit
	Total	Total	Total	Q120	Q220	Q320	Q420	Total			
Targets	752	1034	818	220	220	220	220	880		3,497	
Actuals	470	755	820	208	101	137	144	590	2,636		-861

2017 - 2020 project referrals targets vs actuals



An initial review of the year four project sign-ups reveals the adverse impact of the coronavirus pandemic. Whilst project sign-ups during the first quarter of 2020 narrowly missed the quarter target, it is apparent that the project sign-ups were substantially affected across quarters 2, 3 and 4. This coincides with the announcement of the first nationwide lockdown on 23rd March 2020. As the project staff, participants and delivery partners grappled with the social distancing requirements of the pandemic, it quickly became apparent that referrals and sign-ups into the project would be significantly affected. Indeed, by the end of the second quarter the project sign-ups had slumped by 50% from 208 to 101.

As 2020 has progressed, the data reveals that the project has been able to slowly start the process of rebuilding sign-ups across quarters 3 and 4. Although there has been continual requirement for social distancing across quarters 3 and 4, the increase in sign-ups suggests that participants, project staff and referral partners have been able to make some progress in coming to terms with the very challenging operating landscape required to safely provide the service.

By the end of 2020 the project had managed to achieve 590 sign-ups out of an expected target of 880. This represents 67% of the intended target for the year.

The decline in sign-ups in 2020 was also translated into reduced caseload sizes during the year. Whilst the average caseload size at the end of 2019 was 24.9, this had declined to 18.7 by the end of 2020. As the requirements of social distancing are relaxed it is expected that average caseload size for full-time Personal Navigators will begin to increase over the year ahead. In this respect a caseload of 40 participants is deemed to be the maximum caseload for a full-time Personal Navigator.

The disruptive impact of the pandemic on the momentum of the project is likely to have significant implications for the ability of the project to meet its total sign-up target of 3,497 by 31st September 2021. As the project continues to rebuild the quarterly rate of sign-ups to pre-pandemic levels, it is clear that it will be very challenging to engage the 861 sign-ups required during 2021 to meet the total project sign-up target of 3,497 by the end of September 2021.

SECTION FOUR

Referral routes

A closer inspection of the referral route data during 2020 reveals further information on the impact of the pandemic. Compared with 2019 data, the proportion of referrals coming from the Personal Navigators' host organisation (their employer) fell by 7.7%. Similarly, the 2020 proportion of self-referrals fell by 13.7% vs 2019 data. By comparison, the proportion of referrals from a number of referral routes all saw proportional percentage gains vs 2019 referral data. These percentage gains included Local Advice Centre (11.7%), Children and Families team (4.3%), Local Authority social worker (2.6%), and friend or family member using the service (2.1%).

The overall 2020 % breakdown of referrals received into the project is illustrated below.

- 23.62% Internal referral PN's employer
- 17.92% Local Advice Centre
- 12.54% Local Job Centre or DWP team
- 9.45% Self-referral
- 9.28% LA Children & Families team
- 5.86% Other Local Authority source
- 5.05% LA Social Worker
- 4.23% Friend or family member using the service
- 2.77% NHS Healthcare professional
- 2.77% Any referral from Framework Housing Association
- 2.61% LA Housing Team
- 1.30% Other
- 1.14% Housing Advice Office
- 0.98% Foodbank
- 0.49% LA Troubled families team

Review of project outputs

The Y4 review of the project outputs reveals that by the end of quarter 4 2020 the project had worked with a total of 2,636 participants. Although 590 participants signed up for the project during the year this was 290 participants short of the intended output target of 880 participants for Y4 2020. This shortfall is symptomatic of the decline in referrals associated with the coronavirus pandemic during 2020.

The wider data set reveals that the project has managed to stay ahead of its output target for women participants. By comparison, the project has fallen further behind on the output target over 2020 for men, which stands at -264 at the end of year compared with -67 at the end of 2019. At the time of writing, the reasons why it appears to be easier to engage female participants are unclear, however the data implies that there may be some underlying themes emerging which affect the capacity and willingness of male participants to engage with the support on offer on the theme of financial wellbeing. This is something that the project would like to further explore during 2021.

The numbers of participants classed as unemployed continues to track above the output target by 25, although the numbers of participants classed as unemployed fell from 376 in 2019 to 272 in 2020, again another feature of the impact of the pandemic. By comparison, the wider context of the coronavirus pandemic appears to have made it more difficult for the project to close the gap on the output target for economically inactive participants. Instead, the output target deficit for 2020 stood at -219, vs -109 at the end of 2019.

Despite the adverse impact of the pandemic, the project continues to overachieve in its ability to attract participants over 50 years of age and those from ethnic minorities.

The project continues to also massively overachieve on its ability to attract participants with disabilities. By the end of 2020 the output target for disabilities had been exceeded by 1,278. In this respect it is important to recognise that the underlying context of the official question is designed to collate the data on a physical or mental impairment that has a substantial and long-term negative effect on the ability of participants to perform normal daily activities. Although the project has no approved clinical approach to diagnose the extent of mental health issues, the wider evidence around the problematic relationship between mental health and debt would suggest a significant proportion of this outcome target is satisfied by participants facing mental health issues as opposed to physical disabilities.

New Output category	Y1 (2017) total	Y2 (2018) total	Y3 (2019) total	Y4 (2020) total	Actual project outputs Y1-Y4	Target project outputs Y1-Y4	Variance: Actual outputs – Target outputs
Total number of participants	471	755	820	590	2,636	2,830	-194
Number of men	226	331	353	241	1,151	1,415	- 264
Number of women	246	423	467	349	1,485	1,415	70
Number who are unemployed, including long-term unemployed	305	487	376	272	1,440	1,415	25
Number who are economically inactive, including not in education or training	166	268	444	318	1,196	1,415	- 219
Number who are over 50	131	233	248	162	774	405	369
Number with disabilities	313	514	594	397	1,818	540	1,278
Number from ethnic minorities	83	147	131	78	439	334	105

Participant exits and disengagements

Throughout the course of 2020 a total of 715 participants left the project, which is 214 participants fewer than the 929 participants leaving the project in 2019.

The wider impact of the pandemic appears to have had an adverse effect on the project in two ways. Firstly, fewer participants officially completed their programme and support and exited the project during 2020. The momentum established in 2019 to officially exit 667 participants declined to 421 participants who officially exited the project in 2020, representing a 37% decline in official exits. The second adverse effect on the project relates to the growing rate of disengagement in 2020. A total of 294 participants disengaged from the service in 2020, compared with 262 participants in 2019. This translates into an 11% increase in disengagement. A more detailed position of official exits and disengagement over the first four years of the project can be found in the table below.

Leaver category	2017	2018	2019	2020	Totals
Official exits	70	291	667	421	1,449
% Overall exits Y1-4	4.83%	20.08%	46.03%	29.05%	
Disengagements	34	167	262	294	757
% Overall disengagements Y1-4	4.49%	22.06%	34.61%	38.84%	

The nett effect of these changes means that the proportion of official exits vs the proportion of disengagements was adversely affected in 2020. As the table below reveals, only 58.9% of participants leaving the project last year did so via an official exit. This represents a 12.9% decline in the percentage of official exits vs 2019 figures. Similarly, the proportion of disengagements grew from 28.2% in 2019 to 41.1% in 2020. In both cases these trends reveal the impact of the pandemic on the ability of the project to complete official exits and minimise disengagement.

Leaver category	2017	2018	2019	2020	Totals
Total departures from project in year	104	458	929	715	2,206
% Official exits in year	67.3%	63.5%	71.8%	58.9%	65.7%
% Disengagements in year	32.7%	36.5%	28.2%	41.1%	34.3%

Wider consultation with Personal Navigators over the duration of 2020 revealed concerns about the declining motivation of many participants who were typically distracted and concerned about the emerging impact of the coronavirus pandemic.

As the project continues into 2021 and the vaccine roll-out continues, it is expected that the project will be in a position to address these adverse trends.

Review of project outcomes

The delivery of the Money Sorted project is focused around four participant outcomes, which are monitored through the use of the MAP (Money Access and Participation) 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 wellbeing.
- Increased income and financial security to improve family spending power, with a positive effect on the local economy/community.

All outcome data is collected after participants have completed a 'post-survey' associated with the MAP tool at the end of their time on the project. 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 2020 there were 431 active participants engaging with the service who are expected to complete the MAP tool post-survey in due course.

Over the course of the fourth year of service delivery, it is clear that the project has been functioning in a very turbulent financial climate associated with the coronavirus pandemic. This development illustrates the fact that the work of the Personal Navigators and their participants can be positively and negatively influenced by a wide range of external circumstances that are beyond the control of the project.

Despite the significant challenges of 2020, a total of 421 participants officially exited the project after completing their programme of support with their Personal Navigator. These exits have the following impact on the project's key outcome measures.

- 98.8% of participants had a Personal Financial Resilience Plan (PFRP) in place. The PFRP represents the cornerstone of the project and forms the basis of subsequent interactions between participants and their Personal Navigators.
- 84.7% of participants had developed personal/household budgets with their Personal Navigator. The numbers of participants creating budgets with their Personal Navigator has encouragingly risen over the past 12 months from a position of 80.74% at the end of 2019. Given the use of budgets to help pinpoint opportunities for savings in expenditure, this remains a crucial part of the service.
- 78.8% of participants reported increased financial management skills and know where to get ongoing financial advice and support. Through ongoing dialogue with their Personal Navigators, it is becoming clear that significant numbers of participants have built new skills and awareness to support their future financial management. This outcome has encouragingly remained consistent during the pandemic for participants who have completed the project.
- 80.3% of participants reported improved confidence and sense of wellbeing. All the available evidence suggests that when participants commit to the project, the ongoing dialogue with their Personal Navigator helps to build a renewed sense of confidence and wellbeing as individual financial difficulties are identified and resolved.
- 71.5 % of participants had information on affordable, appropriate financial products. This figure has declined slightly from the percentage of 73.25% which was attained by the end of 2019. Whilst improved information on affordable and appropriate financial products is encouraging to see, it is hard to assess the frequency with which participants apply this information to their decision-making processes after they have exited the service.
- 91.3% of participants had bank accounts with mainstream banks or a credit union. This statistic has continued to improve from a position of 88.5% at the end of 2019.
- 64.2% of participants reported reduced levels of family stress. Performance attached to this outcome measure has declined over the past year from a percentage of 75.1% logged at the end of 2019. This decline is most likely attributable to increasing stress levels associated

with the coronavirus pandemic, for example social distancing, social isolation, mental health and home schooling. Some caution needs to be applied to this measure, given that family stress is likely to be affected by a range of factors in the minds of participants; it is problematic to assume any correlated relationship between reductions in family stress and the impact of the project.

- 63% of participants had a measurable increase in household income and reduction in debt by the end of 2020. This overall percentage has encouragingly grown from the position of 56.5% at the end of 2019. The government increase in Universal Credit in response to the pandemic will have also positively contributed to this measure.
- 64% of participants reported increased available income for spending in local shops and businesses.

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

- Only 6.9% of participants who needed affordable credit knew how to access it. Whilst this improved slightly on the position at the end of 2019 this still remains a challenging outcome measure for the project to achieve. Previous research into this trend with the Personal Navigators revealed tensions facing participants who have consistently demonstrated a poor ability to manage credit responsibly. Participants experiencing significant indebtedness may be unable or unwilling to consider future credit options as a means to manage financial shortfalls in the short term.
- Only 21.3% of participants reported improvements in family life/personal relationships and wellbeing. Research with Personal Navigators and participants would suggest that many participants may not naturally make an association between the progress they make on the project and how this impacts their family life/personal relationships and wellbeing. In this respect it was felt that there were too many other mitigating factors likely to affect potential improvements in family life, relationships and wellbeing.
- Only 2.1 % of participants have cited reductions in levels of family income going to high-cost lenders, e.g. payday loan companies/doorstep lenders. This measure would appear to be caught in a cycle of underperformance. The available evidence here suggests that many participants do not readily identify with the term 'high-cost lender'. There are a number of high-cost lenders who are extremely adept at offering a timely, responsive and sociable approach to market their products and services. Given the ease of access and awareness of these solutions, participants may not necessarily consider the long-term value for money aspects of these deals. A massive annual percentage rate (APR) may mean little to a participant interested in securing extra finance. By comparison, affordable credit providers such as credit unions may not necessarily be as adept or as well-resourced in the way that they market their products and services. This presents an ongoing difficulty and temptation for cash-strapped individuals wishing to improve their financial position in the short term and long term. On the occasions where participants do admit to using high-cost lenders, the Personal Navigators are well placed to direct participants to more affordable forms of credit.

Project Outcome 1	Y1 2017 Total	Y2 2018 Total	Y3 2019 Total	Y4 2020 Total	Overall outcome totals Y1-Y4	% Official exits achieving outcome by end Y4
All participants have a Personal Financial Resilience Plan in place	57	293	665	411	1,426	98.8%
80% of participants have developed personal/household budgets with the support of their Personal Navigator	22	196	612	392	1,222	84.7%
80% of participants report and demonstrate increased financial management skills and know where to get ongoing financial advice and support	41	237	532	327	1,137	78.8%
Participants report increased confidence/improved sense of wellbeing	49	227	508	375	1,159	80.3%
Project Outcome 2	Total	Total	Total	Total	Totals	%
All participants have information on affordable, appropriate financial products	41	209	503	279	1,032	71.5%
70% of participants have bank accounts with mainstream banks or a credit union.	57	282	571	407	1,317	91.3%
70% of participants who need affordable credit knowing how to access it	4	4	12	79	99	6.9%
Project Outcome 3	Total	Total	Total	Total	Totals	%
50% of participants reporting reduced levels of family stress	41	199	523	163	926	64.2%
50% of participants have a measurable increase in household income and reduction in debt.	35	195	351	328	909	63.0%
80% of participants report improvements in family life, personal relationships and wellbeing	16	45	162	84	307	21.3%
Project Outcome 4	Total	Total	Total	Total	Totals	%
Reductions in levels of family income going to high-cost lenders, e.g. payday loan companies/doorstep lenders	1	5	17	7	30	2.1%
Participants report increased available income for spending in local shops and business	43	240	358	283	924	64.0%

MAP tool pre-survey and post-survey analysis

A comparative review of the Money Access and Participation (MAP) tool pre-survey and post-survey data reveals further interesting insights on the progression of participants through the project during 2020. The MAP tool pre-survey is in essence an entry or baseline survey designed to capture the intelligence on the financial wellbeing, knowledge and skills of participants.

An analysis of the pre-survey data within section three of this evaluation revealed the extent of the financial difficulties facing participants at the point of access in the project. Significant numbers of participants at the point of entry onto the project felt overwhelmed by the extent of their financial worries. For example, 66.8% felt that they were living in a debt situation that was unmanageable and 64.8% of participants were 'regularly' borrowing money or 'sometimes' borrowing money to pay for food and necessary items. A range of other measures help to build up a picture of participants who lack the necessary skills and confidence to navigate through challenging financial circumstances.

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

Amongst the most revealing of the statistics compiled in the table below is the reduction in participants feeling that they are living in an unmanageable debt situation. This statistic falls from 66.8% to 12.2% and provides some reflection of the work that takes place to help indebted participants negotiate repayment plans, ensure they are claiming the right benefits or make an application for a Debt Relief Order (DRO).

66.8%

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

By the end of the project only **12.2%** of participants felt that they were living in a debt situation that was unmanageable.

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

Pre-survey data (Entry)	Post-survey data (Exit)	MAP tool measures (2020)
85.5%	26%	Said that when it comes to managing their finances that they 'always struggle' or 'sometimes struggle'.
75.4%	8.7%	Said that they were 'not very confident' or 'not at all confident' about their financial future.
64.8%	24%	'Regularly borrow money' or 'sometimes borrow money' to buy food or pay for other necessary items because they have run short of money.
66.8%	12.2%	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'.
51.4%	19.5%	Completely agreed that they thought that their family/household life was stressful.

Other measures reveal how much the confidence of participants is improved through work with their Personal Navigator. At pre-survey levels 75.4% said they were 'not very confident' or 'not at all confident' about their financial future. At post-survey level, a much lower figure of 8.7% of participants felt that they were 'not very confident' or 'not at all confident' about their financial future.

At a time when participants have been living under lockdown conditions it is encouraging to see these reductions in levels of indebtedness and increases in disposable income. Whilst participants completing the project have generally been reporting back improvements in their financial wellbeing, the wider impact of coronavirus pandemic is still emerging. In this respect caution needs to be applied in the current situation. The project expects that the full impact of the pandemic will become fully apparent over the next year as a larger dataset is established.

Participant growth in disposable income

Over the duration of 2020 it is clear that ongoing dialogue between participants and Personal Navigators helped to facilitate an average monthly increase in disposable income from £19.61 at pre-survey to £98.45 at post-survey. This represents an increase in disposable income of £78.84, which compares favourably with 2019 data that revealed on average that participants had secured a £53.56 improvement in their disposable income at the point of exit from the project. At a time of such intense financial turbulence this represents a notable achievement for the project. A closer inspection of the underlying data attached to participants with increases in disposable income reveals that these gains are typically associated with the following endeavours:

- Enhanced budgeting skills.
- Successful applications or appeals for benefits.
- Successful applications to the Severn Trent Big Difference Scheme.
- Successful applications to the Warm Home discount scheme.
- Negotiation of realistic debt repayment plans.
- Successful implementation of Debt Relief Orders or bankruptcy arrangements.
- Use of price comparison websites to switch utility providers.

Whilst small numbers of participants also improve their disposable income through employment opportunities, these figures are not fully translated into the post-survey data at the point of exit from the project.

All gains in disposable income have the potential to improve the circumstances of participants in terms of financial wellbeing and mental wellbeing if these gains are carefully managed to avoid the potential for a future accumulation of debt or need for credit. In this respect, these trends are encouraging for participants if they are matched with an improvement in financial capability skills.

Participant indebtedness analysis

Another key measure of financial wellbeing relates to participant indebtedness. Unfortunately debt, especially long-term debt, exerts a significant burden on participants struggling to sustain their financial wellbeing in challenging circumstances.

For participants with acute debt problems, it may take some time to assess the full extent of their debt. This is a very sensitive area; in certain instances participants may have genuinely lost track of their finances and for others there may be a sense of embarrassment or shame attached to outstanding debts. In this respect the level of indebtedness may actually grow as participants progress through the project and their Personal Navigators become aware of the full extent of a debt issue. For this reason the project MAP tool has been configured to collate debt data to help assess debt at two points in time. This includes:

1. Highest level of debt recorded during the participant's time on the project.
2. Level of debt at official exit from the project.

At a time of extreme economic turbulence associated with the coronavirus pandemic, it is challenging to fully understand the extent of the possible growth in participant debt over the months and years ahead. However, this said, it is clear that emerging project data reveals that the mean average levels of participant debt over the period 2019 vs 2020 are increasing.

To help the project collate more in-depth data on participant indebtedness the underlying MAP tool system was reconfigured in April 2019 to help assess each participant's highest level of debt whilst on the project and their debt at the point of exit from the programme. A comparative analysis of the mean average levels of debt across 2019 and 2020 reveals the following situation:

On average participants had increased their disposable income by

£78.84

a month by the time they have exited the project

Mean average levels of debt 2019 at highest point (including zero-debt participants): **£5,315**

Mean average levels of debt 2019 at exit (including zero-debt participants): **£2,187**

2019 average reduction in debt: **£3,128**

Participant growth in disposable income

As the figures demonstrate, the Personal Navigators are typically able to reduce the levels of debt facing participants. This is typically achieved through the following measures:

- Utilisation of Debt Relief Orders (DROs) or bankruptcy proceedings.
- Renegotiation of sustainable payment plans with creditors.
- Budgeting and assessment of areas of excess spend.
- Successful application for benefits.

Whilst ongoing work has been taking place across 2020 to help alleviate participant indebtedness, the available evidence suggests that levels of participant debt has increased during 2020.

Mean average levels of debt 2020 (including zero-debt participants): **£5,672**

Mean average levels of debt 2020 at exit (including zero-debt participants): **£2,549**

2020 average reduction in debt: **£3,123**

Given the extent of financial turbulence associated with the coronavirus pandemic, this increase in debt is perhaps not entirely unexpected. However, it is important to understand that this debt dataset is only collated as participants exit the programme. In this respect a closer analysis of 2020 MAP tool data on indebtedness reveals that a significant proportion of participants were already engaging with the project prior to the first official lockdown in March 2020. From the 2020 debt data collated, 3% of the participants originally registered on the project in 2018, 63.3% of participants registered on the project in 2019, and a remaining 33.6% registered on the project in 2020.

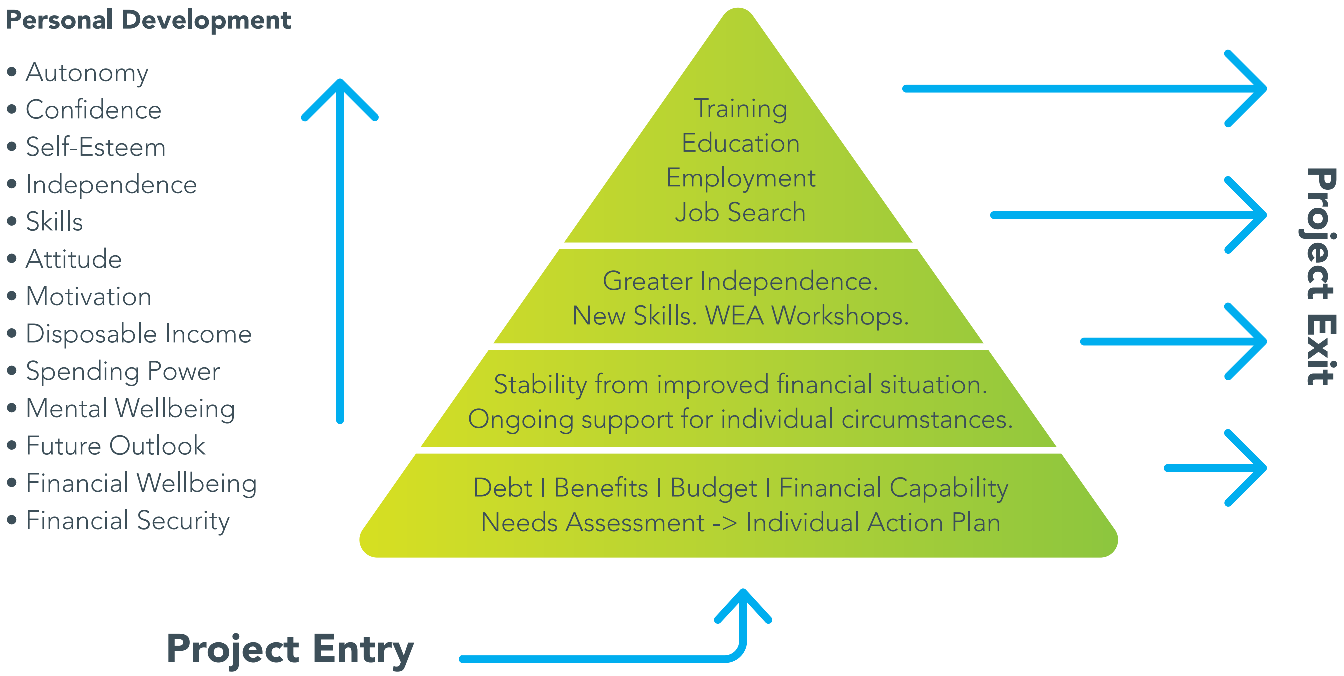
This would suggest that the increase in debt experienced in 2020 vs 2019 is unlikely to be solely a reflection of the coronavirus pandemic. As the project continues in 2021 and beyond, all the available evidence at this time would suggest that the mean average levels of debt are likely to continue to increase. In recent evaluations it is clear that many participants only access the project at the point of crisis, i.e. when bailiffs are knocking at their front door or their landlords are threatening them with eviction. If this is the case then it is probable that a certain cohort of participants will require support as government protections are removed. In this respect it is possible that there is potential 'pent-up' demand in the system that may become apparent in the months ahead.

The 'Focus On' feature on the Coronavirus Act 2020 provides further details on the possible implications of the Act on Money Sorted participants.

Employment and employability

Over the course of the past four years of service delivery, it is clear that different participants are at different life stages and have different objectives for engaging with the project. The individual action plan, which is devised to provide the foundation, reveals a range of different objectives for engaging with the project – as illustrated in the pyramid diagram overleaf. Whilst some participants may seek the resolution of debt and benefit issues, other participants may want to seek further independence and develop new skills leading to greater independence, autonomy and employment prospects.

Where does employment fit within the project



During the first three years the project sequentially increased its support for participants, who have been able to secure employment, self-employment, education or training options. Over the duration of 2020 this upward trajectory has been difficult to maintain, primarily because of the extent of economic turbulence associated with the coronavirus pandemic. As the table below reveals, the number of participants entering education, training and employment opportunities declined by 42% over Y4 when compared with Y3.

Employment and training results Y1 - Y4	Y1 total	Y2 total	Y3 total	Y4 total	% decline /growth Y3 vs Y4	Total results
Number who move into education or training on leaving	3	10	31	18	-42%	62
Number who move into employment, including self-employment, on leaving	12	39	78	44	-44%	173
Of these, the number who were unemployed when joining the project	11	32	68	35	-49%	146
Of these, the number who were economically inactive when joining the project	1	7	10	9	-10%	27
Number that were economically inactive who move into job-searching on leaving	2	7	21	26	23%	56

As the economy begins to recover, the project is planning a renewed emphasis on employment, training and education support for participants. The intended developments designed to support this renewed approach include:

- A new WEA course on job-searching techniques.
- Motivational interview skills workshop for the Personal Navigators.
- Updated action planning processes to include employability.
- Creation of the Project Delivery and Monitoring Coordinator role with a specific remit to develop the employability offer of the project.
- Raised profile of employability issues at Personal Navigator forums and quarterly review meetings.
- Development of a weekly employment opportunity email for local areas.
- Development of closer working relationships with the Careers Service and Stakeholder Managers.
- Development of a new partnership with 'Clean Sheet' to support participants with an offending history into employment.

As the economy continues to recover from the impact of the coronavirus pandemic, it is expected that these collective measures will help to support increasing numbers of participants into employment, training or education opportunities according to their personal circumstances.

2020 participant budget spend

Whilst the participants had the option to use the participant budget throughout 2020, it is clear that its use was severely hampered by the coronavirus pandemic. The budget consists of a 'training and employment budget' and an 'intervention budget'. A comparative analysis of 2019 participant budget spend vs 2020 participant budget spend reveals that spending fell from a level of £46,683 in 2019 to £24,620 in 2020, a decline of 47%. Similarly, whilst the budget was utilised over 1,300 times in 2019, it was only utilised 697 times in 2020.

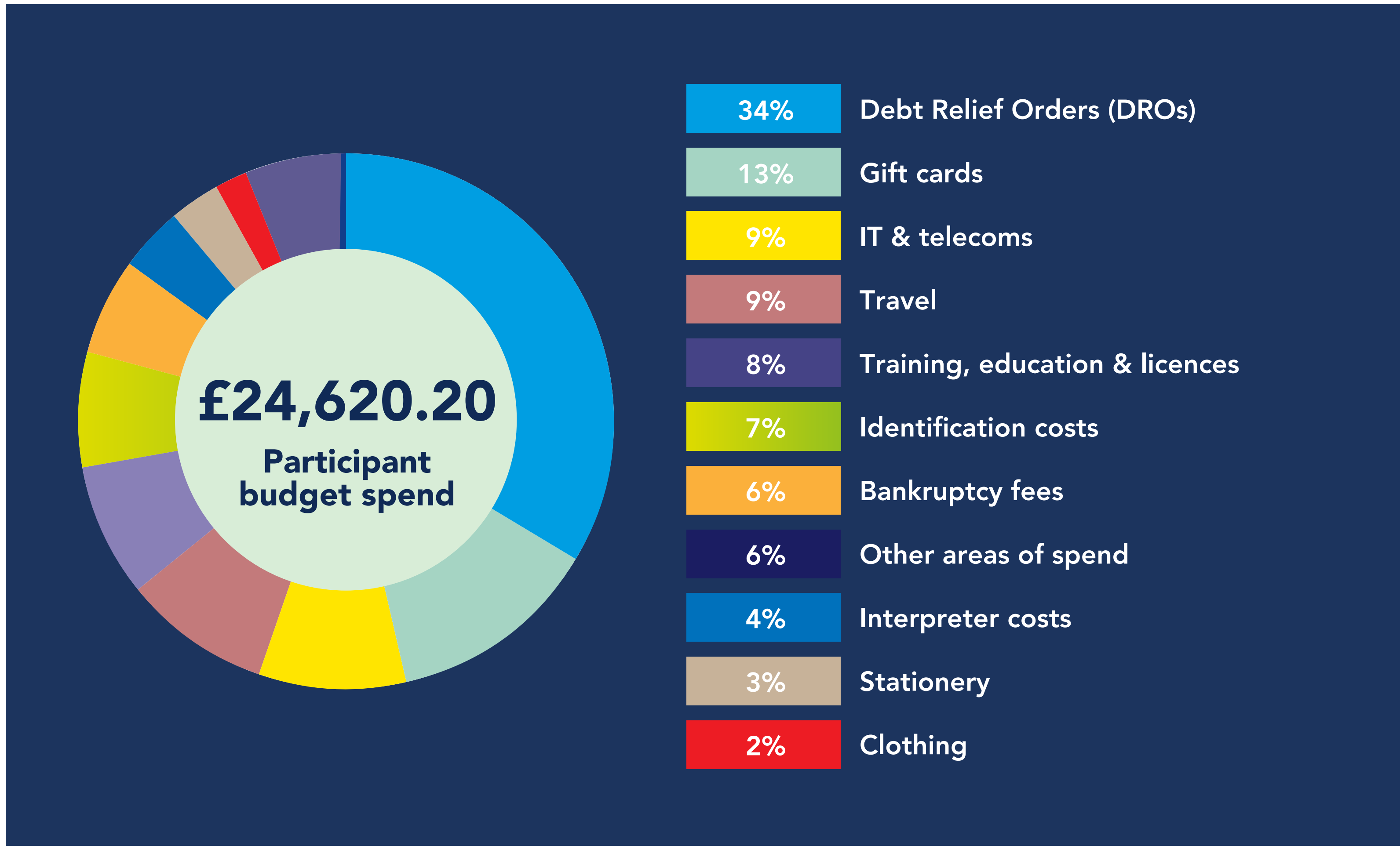
A closer inspection of the data in the table below reveals that most areas of spend shrunk considerably in 2020 vs 2019. The £10,026 reduction in travel is evidently linked to social distancing measures and the requirement to limit face-to-face contact between Personal Navigators and participants. Whilst expenditure on Debt Relief Orders (DRO) did decline from £11,465 to £8,460, it still remained an important part of the project. Indeed, 94 participants benefitted from a DRO during 2020.

Perhaps the most revealing trend on the impact of the pandemic was the one area of participant budget spend which actually increased in 2020 vs 2019. This is represented under the heading of IT & telecoms. To support participants to function within the constraints of social distancing, the budget was employed 39 times to pay for items such as mobile phones, phone top-ups, laptops and tablets, at a total cost of £2,160. Further information on digital inclusion can be found in the special 'Focus On' feature within this evaluation.

Category	2020 spend	2019 spend	Spend variance 2020 - 2019	% 2020 spend
Debt Relief Orders (DROs)	£ 8,460.00	£ 11,465.00	**- £ 3,005.00**	34%
Gift cards	£ 3,172.90	£ 4,151.73	**- £ 978.83**	13%
IT & telecoms	£ 2,160.40	£ 1,288.27	**£ 872.13**	9%
Travel	£ 2,151.50	£ 12,178.12	**- £ 10,026.62**	9%
Training, education & licences	£ 1,995.70	£ 2,886.83	**- £ 891.13**	8%
Identification costs	£ 1,620.70	£ 3,313.53	**- £ 1,692.83**	7%
Bankruptcy fees	£ 1,400.00	£ 1,800.00	**- £ 400.00**	6%
Interpreter costs	£ 1,040.20	£ 3,970.63	**- £ 2,930.43**	4%
Stationery	£ 775.80	£ 1,010.98	**- £ 235.18**	3%
Clothing	£ 481.10	£ 767.89	**- £ 286.79**	2%
Other areas of spend	£ 1,361.90	£ 3,850.68	**- £ 286.79**	6%
Totals	£ 24,620.20	£ 46,683.66		100%

The overall proportions of participant budget spend is detailed in the pie chart below. Debt Relief Orders (34 %) have now overtaken travel, which was the 2019 category consuming the largest amount of participant budget spend. As in preceding years, the project continues to embrace gift cards (13% of 2020 spend) as a tool to encourage participants to officially exit the project. Similarly, participants continue to benefit from the ability of the budget to support training, education and licences (8%), identification costs to prove eligibility (7%) and interpreter costs (4%).

2020 participant budget spend



The participant budget remains a crucial part of the project to help participants facing challenging financial circumstances to effectively engage with the project. Although the overall level of spend has declined over the past 12 months, it is evident that the participant budget continues to provide flexible financial assistance to support the needs of participants.

Financial capability training sessions

Throughout the course of 2020, participants have been encouraged to attend a range of training courses delivered by the Workers' Educational Association (WEA). Evidently, with the onset of the pandemic these courses have switched to a digital setting and have been conducted via Zoom.

All of the courses are designed to complement the financial capability interventions provided by Personal Navigators and provide participants with the opportunity to develop skills, knowledge and behaviours to positively impact their financial capability.

Over the past four years the Workers' Educational Association (WEA) have delivered over 400 sessions across the D2N2 area. A total of 240 unique participants have accessed the courses. By comparison, the courses have attracted a total attendance of 625 since the project commenced. A total of 872 hours of guided learning has been delivered across a range of courses designed to equip participants to develop their skills and approach around personal finances, household finances and IT skills.

Throughout 2020 a range of courses were delivered that encompassed the following thematic areas:

- IT skills to support financial capability.
- Budgeting and saving.
- Managing and avoiding debt.
- Developing online skills.
- Building confidence.

At the time of writing the following courses are scheduled for delivery during 2021:

- How to cope with money anxiety.
- Budget planning and saving on bills.
- Managing your money and avoiding debt.
- Keeping track of your finances using IT and phone apps.
- Cooking on a budget.
- Building your confidence using IT.
- Effective job search.
- Building confidence & how to cope with money anxiety.

To help participants wishing to develop their employability, a new job search session has been developed over recent months. This session has been specifically devised to help participants consider the recruitment process from the perspective of an employer. During the session participants have the opportunity to learn about the development of covering letters and CVs, completing job applications and preparing for interviews.

Dialogue with WEA staff and Personal Navigators reveals that whilst it can be challenging to get participants to attend sessions for the first time, most participants attending the sessions find them very valuable. This often whets the appetite for further learning.

> 'I actually really enjoyed these courses, the tutor mentioned that there's 2 or 3 more left that I may be able to attend. Thank you so much for the opportunity. The budgeting course was absolutely fantastic, so much there I didn't know / hadn't learned!'
>
> **Participant attending WEA courses on the Money Sorted project**

> 'The session today was great, one of the more informative things I've taken part in to do with interviews and such, and I feel I've taken a lot away from it.'
>
> **Participant attending WEA course on effective job search**

Money Mentors and Participants Forum developments

A total of 16 participants have completed the Money Mentors accredited qualification since it was established in 2019 through the WEA. The coronavirus pandemic has fundamentally changed the basis of the Money Mentors activities during 2020, which would have originally been carried out on a face-to-face basis. Instead, five Money Mentors have been operating during 2020, providing telephone support where possible.

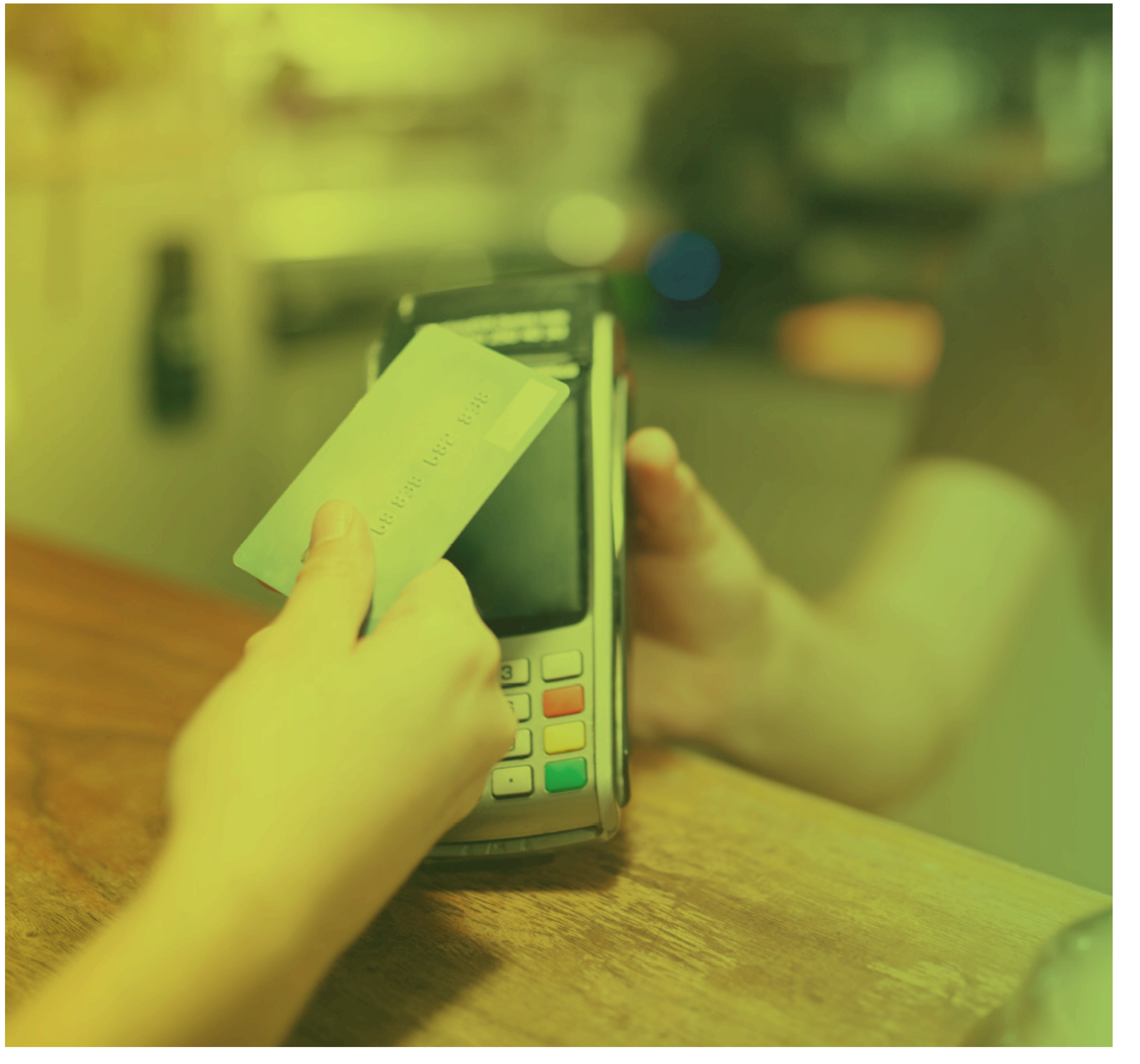
Once Mentors gain their accredited qualifications it is evident that there have been some delays before they are matched with an existing participant on the project. In certain instances this has led to qualified Mentors leaving the project. To help alleviate these issues, developmental conversations are now underway to explore a closer relationship between the Money Mentors and the Participants Forum, hosted by Services for Empowerment and Advocacy (SEA). The forum typically meets at least once per quarter and is designed to capture participants' opinions on a range of issues affecting the delivery of the project. Over the past year discussions have been based around issues such as debt, employability and sustaining good financial wellbeing during the Covid-19 pandemic.

The available evidence suggests that a closer working relationship between these distinct functions of the project will provide significant improvements in the ability of the project to capture the 'lived experience' of participants, and help inform service delivery and support the work of the Personal Navigators.

Review of project spending vs budget

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

At the end of 2020 the project was set to be concluded on 30th September 2022, with the last cohort of participants accessing the project in September 2021. The total funding allocation up to this point in time equates to £5,432,930.



SECTION SUMMARY

The analysis of 2020 project data on sign-ups, disengagements and exits provides insights into the impact of the coronavirus pandemic on the project.

By the end of 2020 the project had managed to achieve 590 sign-ups out of an expected target of 880. This represents 67% attainment of the intended target for the year.

Only 58.9% of participants leaving the project during 2020 did so via an official exit. This represents a 12.9% decline in the percentage of official exits vs 2019 figures. Similarly, the proportion of disengagements grew from 28.2% in 2019 to 41.1% in 2020. In both cases these trends reveal the impact of the pandemic on the ability of the project to complete official exits and minimise disengagement.

Despite the significant challenges of 2020, a total of 421 participants did make significant progress on a range of outcome measures before they officially exited the project after completing their programme of support with their Personal Navigator. This attainment translates into the following outcome measures:

- 98.8% of participants had a Personal Financial Resilience Plan (PFRP) in place.
- 84.7% of participants had developed personal/household budgets with their Personal Navigator.
- 78.8% of participants reported increased financial management skills and know where to get ongoing financial advice and support.
- 80.3% of participants reported improved confidence and sense of wellbeing.
- 71.5 % of participants had information on affordable, appropriate financial products.
- 91.3% of participants had bank accounts with mainstream banks or a credit union.
- 64.2% of participants reported reduced levels of family stress.
- 63% of participants had a measurable increase in household income and reduction in debt by the end of 2020.
- 64% of participants reported increased available income for spending in local shops and businesses.

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

- Only 6.9% of participants who needed affordable credit knew how to access it. Previous research into this trend with the Personal Navigators revealed tensions facing participants who have consistently demonstrated a poor ability to manage credit responsibly.
- Only 21.3% of participants reported improvements in family life/personal relationships and wellbeing. Research with Personal Navigators and participants would suggest that many participants may not naturally make an association between the progress they make on the project and how this impacts their family life/personal relationships and wellbeing.
- Only 2.1% of participants have cited reductions in levels of family income going to high-cost lenders, e.g. payday loan companies/doorstep lenders. This measure is in part affected by the small numbers of participants with recognised involvement with payday loan companies/ doorstep lenders.

Encouragingly, MAP tool data on financial wellbeing helps to reveal participant progression on a range of measures surrounding indebtedness and financial confidence at the start (pre-survey) and end (post-survey) milestones of the project.

- For example, 85.5% of participants felt at pre-survey stage that when it comes to managing their finances they 'always struggle' or 'sometimes struggle'. By the time they exited the project at post-survey, this had fallen to 8.7% of participants.
- 66.8% of participants at pre-survey felt that they were living in a debt situation that was unmanageable: 'I can't pay it off and still afford most or all essentials like food, housing and heating'. By the time they exited the project at post-survey, this had fallen to 12.2% of participants.
- Average levels of monthly disposable income across the project grew from £19.61 at pre-survey to £98.45 by the time they exited the project at post-survey.

By comparison, it is perhaps more concerning that the mean average levels of participant debt have increased in 2020 vs 2019. The highest mean average debt discovered by the Personal Navigators in 2019 equated to £5,315, compared with £5,672 in 2020. As the full impact of the coronavirus pandemic continues to emerge, it is possible that the mean average level of debt will continue to increase over the next 12 months and beyond.

The pandemic has also adversely affected other areas of the project, including employment outcomes and participant budget spend.

Whilst 44 participants did admirably secure employment during 2020, this figure declined by 44% when compared with 2019 attainment.

Similarly, participant budget spend was drastically reduced as participants observed the requirements of social distancing. Only £24,620 was spent on participant budget expenditure during 2020 when compared with a 2019 spend of £46,683. Travel expenditure within this budget accounted for £10,026 of this decline and was replaced by Debt Relief Orders as the most popular area of participant budget spend during 2020. The only category of spend which increased during the year was that of IT and telecoms, as more participants sought to support basic online connectivity through tablets, laptops or smartphones. Spend in this area increased from £1,288 in 2019 to £2,160 in 2020.

Participants interested in wider adult learning opportunities have continued to benefit from the Workers' Educational Association (WEA) provision. During 2020 the WEA made significant changes to translate all courses into digital formats compatible with video conferencing platforms like Zoom. Over the past four years the Workers' Educational Association (WEA) have delivered over 400 sessions across the D2N2 area. A total of 872 hours of guided learning has been delivered across a range of courses designed to equip participants to develop their skills and approach around personal finances, household finances and IT skills.

As the project concluded its activities at the end of 2020, the available project data reveals the significant difficulties the project experienced during the course of the year. The coronavirus pandemic has undoubtedly had an adverse impact on the project during this time. Although smaller numbers of participants have engaged during the year, it is clear that those participants who have done so have continued to benefit from the support offered through their Personal Navigator. A deeper understanding of the impact of the pandemic on the financial wellbeing of unemployed and economically inactive participants across D2N2 is expected to emerge during the course of 2021.

Joseph's story

When Joseph was first referred into the Money Sorted project in December 2018 it very quickly became clear that he was struggling with a self-perpetuating cycle of money worries and poor mental health.

As a refugee from the Democratic Republic of Congo (DRC), Joseph had been separated from his family and was struggling to come to terms with a post-traumatic stress disorder (PTSD) which could be traced back to some adverse experiences with the Congolese authorities. These issues were compounded the seemingly insurmountable costs to bring his family to safety in the UK through the expensive family reunion process. Whilst Joseph is a qualified chemical engineer, it became evident that he was overwhelmed by the current challenge of managing his finances in an unfamiliar environment full of systems and processes that he did not understand.

Given Joseph's specific circumstances, he was supported by a Personal Navigator affiliated with Nottingham and Nottinghamshire Refugee Forum (NNRF). From the outset of this support a decision was made that Joseph would be supported to engage with mental health services whilst receiving support from his Personal Navigator.

Throughout the process of continual contact with his Personal Navigator and a mental health practitioner, Joseph's mental wellbeing began to stabilise as a pathway emerged to help him manage his finances and navigate the family reunion process.

As this support continued it became clear that Joseph's financial capability skills were increasing exponentially. These gains included the development of budgeting skills and understanding of the UK banking system. In his own words, Joseph provided insights into some of his struggles with the UK banking system:

'In the Democratic Republic of Congo we use cash money mostly and bargain a lot, we only really have one type of bank account if at all, so in the UK it's really confusing and you get into lots of problems because you don't understand it all, it's a new country.'

As Joseph continued to engage with his Personal Navigator, his outlook improved to the extent that he was eager to engage with an ESOL course to improve his English. Most encouragingly, the early successes on his journey empowered Joseph to develop an appetite to continue to build the financial capability skills necessary for life in the UK.

Through the ongoing support of his Personal Navigator, Joseph is supported to effectively navigate the UK benefits system and apply for wider support from the Red Cross to support the family reunion process. This support ultimately culminates in the award of funds to help meet family reunion costs.

At the end of his time on the project Joseph had this to say about the support he received through the Money Sorted project:

> **'It saved my life, with my mental health issues including PTSD (due to torture), I was lost and I had no money to bring my family to safety. I cried every night and thought about suicide until I went to the Refugee Form and they give me my caseworker. He knew about how to help me with my mental problems and how to solve my finance problem with family reunion, as it was going to cost thousands of pounds. We worked on a plan and did all the actions, it was long but my family are very close to being in the UK. I also learned many skills on money management in the UK. I now feel good about my finance knowledge in the UK and feel calmer, I also know where I need to go if I have any issues.'**

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

Focus On

The impact of benefit debt on financial wellbeing

Over the course of the coronavirus pandemic, increased numbers of people have needed the support of the welfare state. Consultation of statistics compiled by the Department of Work and Pensions (DWP) reveals that the number of people supported by Universal Credit (UC) in the UK increased by 90%, from 3 million in March 2020 to 5.7 million in October 2020.

With more people reliant on benefits such as Universal Credit, it is therefore somewhat unfortunate that the issue of benefit debt also appears to be growing. Benefit debt typically occurs due to two factors. In certain instances, individuals may need to take out an advance payment loan whilst they pass through the 'five week wait period' for their first Universal Credit payment. In other cases, benefit debt can occur because benefits have been overpaid in the past. Recent research from The Trussell Trust foodbank charity reveals the extent of the problem with both advance UC payments and overpayments.

> **'Figures from the DWP show 1.3 million advance UC payments were paid between March and June 2020. The problem of overpayments is current and growing: last year (2019/20) overpayments reached their highest ever level, with £1 in every £10 in Universal Credit paid incorrectly. This means £1.7 billion of debt to the government has been put on Universal Credit claimants in just one year, and is expected to grow even further in 2020/21. Latest data from August 2020 showed that 41% of Universal Credit claims (1,847,000) had a deduction (excluding sanctions and fraud penalties).'**
>
> Source: 'Lift the burden: Tackling debts facing people at food banks', Trussell Trust (2020)

These deductions clearly exert huge pressures on individuals trying to maintain their finances and protect their mental wellbeing.

In recognition of these challenges, the DWP has taken some steps to help alleviate the weight of government debt on the recipients of Universal Credit. In terms of the Money Sorted project, data reveals that at the end of 2019 participants had accrued over £300,000 of benefit-related debt.

At the time of writing, the government has planned to reduce the maximum amount for deductions from 30% to 25% and similarly increase the repayment period for advances from 12 to 24 months. These changes are now due to take effect in April 2021. Whilst this is a move in the right direction, the government is coming under further pressure to create a debt management bill to help comprehensively address the current difficulties many people are facing. Whilst it is unclear how this situation will evolve, it is likely that the problem of benefit debt will continue to present significant challenges for Money Sorted participants and their Personal Navigators over the year ahead.

Summary of key learning and recommendations

Throughout the process of developing this year's evaluation report it has been clear that the coronavirus pandemic has had an unprecedented impact on the delivery of the Money Sorted project. Whilst the ultimate aim of the project is to improve the financial wellbeing of participants and enhance their ability to make confident and informed financial decisions, it is clear that this work does not take part in isolation from a complex range of external forces that the project cannot control.

In recent years, evaluation reports have illustrated the impact of a complex range of external factors that exert pressures on participants, for example the poverty premium. Whilst a range of external factors continue to exert an adverse impact on participants, it is clear that the onset of the coronavirus pandemic has dramatically altered the financial landscape surrounding participants during 2020. At the time of writing this report, the available evidence tends to suggest that the full impact of the pandemic on participants is not yet fully understood. In reality, the full impact is likely to continue to emerge during 2021 and the years ahead.

In order to contribute to a deeper understanding of the impact of the coronavirus pandemic on the Money Sorted project, this final section of the evaluation has been designed to explore some of the key challenges faced during 2020.

This list is by no means exhaustive, however it does provide a good indication of the key challenges facing the participants and Personal Navigators during 2020. A complementary narrative has also been developed to illustrate the key learning and recommendations associated with each challenge that the project has faced.

If the stringent requirements of lockdown are relaxed during 2021 it is expected that sign-ups will continue to grow and that a clearer picture will emerge on how the pandemic has affected a diverse range of participants across the D2N2 area.

To help readers consider the key challenges faced during the delivering of the project during 2020, the following narrative details both the operational impact of the pandemic on the project and the direct impact of the pandemic on participants. Every challenge that the project has faced during the year has key learning implications and recommendations for the future delivery as the project continues to navigate through the ongoing complexities associated with the coronavirus pandemic.

The operational impact of the pandemic

Impact on referrals

A quick overview of project sign-up data reveals a significant decline in project sign-ups during the second quarter of 2020. This obviously coincided with the announcement of the first national lockdown at the end of March. Whilst sign-ups have improved during Q3 and Q4, they are still some way short of the expected targets. Wider evidence reveals that inappropriate referrals were an issue for the project and that a certain cohort of participants lacked the motivation, confidence or wider awareness of their need for the project.

Key learning and recommendations

As the project progresses through 2021 there will be a need to re-develop relationships with referral partners to raise the profile and understanding of the project. Whilst all partners have had to develop Covid-secure working practices, the changing nature of government requirements have made it difficult to provide physical one-to-one meetings. If and when restrictions are relaxed it may be necessary for partners to resume physical meetings, however it may also be necessary for partners to consider some form of 'hybrid' meetings, i.e. a mixture of online dialogue and physical meetings.

Disengagement and project exits

As 2020 unfolded it was clear that more participants disengaged from the project than in recent years, and fewer participants officially exited the programme than in 2019. Throughout the course of the year, anecdotal evidence reveals that significant numbers of participants struggled to find the motivation to engage with the project.

Key learning and recommendations

The project has provided a briefing session on motivational coaching to the Personal Navigators to help inform how participants might best be encouraged to engage in the midst of challenging life circumstances. As the economy begins to recover, further initiatives to support ongoing learning across the Personal Navigators team are likely to be valuable to support developments around financial wellbeing, adult learning and employability.

Protecting the wellbeing of Personal Navigators

As the extent of the pandemic has become fully apparent, it is evident that all members of staff employed on the project have been faced with a range of new and emerging stress factors and demands. The requirements of homeworking and home schooling, and worries about the wellbeing of participants, are just three examples of the pressures many Personal Navigators have been dealing with over the past year.

Key learning and recommendations

To help Personal Navigators and project staff function effectively during lockdown, regular contact via Zoom, email and phone have been crucial to support wellbeing and counteract a growing sense of isolation. Zoom has also provided opportunities to create initiatives like online lunchtime 'staff rooms' to help boost morale and foster team spirit to help navigate through the demands of lockdown.

The direct impact of the pandemic on participants

Social isolation, mental wellbeing and fuel poverty

Throughout the duration of 2020 it is clear that the requirement to embrace social distancing for such an extended period of time has been a significant challenge for most people, in particular for a significant proportion of Money Sorted participants who live alone. Given that social isolation feeds a growing sense of loneliness, it is not difficult to understand how the requirement to socially distance has an adverse impact on our mental wellbeing. These issues are not solely limited to participants; it has been necessary for Personal Navigators and the core project team to work from home for long periods of time. As the lockdown period extended through the winter months, anecdotal feedback from Personal Navigators suggests a link between participants experiencing poor mental health and fuel poverty.

Key learning and recommendations

Personal Navigators have worked hard throughout 2020 to embrace a range of digital technologies such as WhatsApp, Zoom and MS Teams in addition to emails, text messages and phone calls. The feedback suggests that different communication channels have different levels of effectiveness with different participants. Whilst technologies such as Zoom are potentially helpful to minimise Navigator travel time across the D2N2 geography, it is clear that most participants value face-to-face contact. Indeed, some participants have decided they would prefer to only engage with the project through face-to-face interactions. As social distancing restrictions are relaxed, the project will need to think carefully about the potential to offer a 'hybrid' mixture of face-to-face and online interactions to meet the needs of participants. The potential link between poor mental health and fuel poverty endorses the need for the Warm Home Discount scheme, which provides a potential discount on energy bills during the winter months. For the winter of 2020/2021 this discount extends to £140.

Given the problematic link between debt and mental wellbeing, it can reasonably be expected that more referrals will begin to emerge from Social Prescribing projects that are affiliated to NHS partners over the next 12 months. In this respect it is suggested that the project should actively pursue the development of referral partnerships with a range of Social Prescribing initiatives across the D2N2 area.

Digital exclusion

The full extent of the coronavirus pandemic has also revealed the extent of the digital divide facing the population of the UK. On the Money Sorted project the available evidence suggests some participants have engaged with digital technology better than others. Not all participants have access to appropriate IT hardware or broadband connectivity. Other participants may not necessarily have the digital skills required to function effectively. Similarly, as more products and services are purchased online our reliance on cash transactions is receding with each passing year.

Key learning and recommendations

The wider evidence suggests the pandemic has accelerated growth of digital skills and services. Perhaps now more than ever, projects like Money Sorted will need to actively equip more people to acquire the necessary skills and resources to function within our increasingly digital world. There is now an emerging requirement for commissioners, policy makers and funders to work in partnership with participants and providers to tackle this growing digital divide and ensure digital disadvantage does not become an insurmountable barrier leading to financial exclusion.

Increasing prevalence of economic abuse

Throughout the pandemic there has been a constant flow of news stories regarding the increase in domestic abuse. The anecdotal evidence received from Personal Navigators would also suggest that there has been an increase in economic abuse across the project. Where participants have faced economic abuse, it is clear that they can often face an uphill struggle to recover their financial wellbeing.

Key learning and recommendations

Where participants have suffered economic abuse, Personal Navigators are faced with a situation where it is necessary to prove 'coercive control'. Emerging documents such as the Economic Evidence Abuse form provide a helpful structure for a process to prove 'coercive control', however this is only the start of a complex and uncertain process. Once the necessary evidence has been collated, Navigators are tasked with approaching a range of creditors to request a debt write-off. The outcome of these discussions have significant long-term implications for a survivor's credit rating and financial wellbeing. The evidence suggests that more work is required across the financial services industry to tackle the problem of economic abuse. The Money Sorted project has valuable evidence to contribute to this agenda.

Housing evictions and debt collection – the possible unintended consequences of the Coronavirus Act 2020

As the significance of the pandemic became fully apparent, the UK government moved quickly to establish the Coronavirus Act 2020. The Act was passed to hand emergency powers to government to help manage the pandemic. At a time of national crisis the Act included measures designed to protect tenants of private rental properties from the threat of eviction. Similarly, bailiffs working to recover outstanding debts have also had their powers curtailed during the lockdown period.

Key learning and recommendations

Whilst the Coronavirus Act 2020 has undoubtedly helped to protect tenants who may have established rent arrears, or those facing a problem debt issue, a number of Personal Navigators have voiced an opinion that this change may have inadvertently contributed to a down-turn in referrals. Consultation of past participant case notes reveals that the threat of eviction or a visit from a bailiff has often been a 'trigger-point' for some participants to access the service. If this is the case, it is possible that some participants may have decided not to engage with the project last year. As a result there is some potential for 'pent-up' demand to have built up across the D2N2 area. This demand may become fully apparent as landlords and bailiffs are able to resume their normal working practices unhindered by the Coronavirus Act. Similarly, evidence also exists that potential participants may also have incorrectly assumed that all services are closed during the lockdown period. In both cases it is likely that demand for the Money Sorted project will increase over the months ahead as the social distancing requirements of the pandemic are relaxed.

The variable impact of the pandemic on participants' spending and saving patterns

Through the course of compiling this evaluation it has become clear that the pandemic has impacted participants in a variety of ways. Discussions with Personal Navigators have revealed that for some participants the pandemic has actually provided an opportunity to address excessive spending patterns, for example spending on relatively expensive takeaway food and drink purchases. In some instances this could be a positive factor, leading to an increase in disposable income. For other participants there is the potential to easily accrue debt through the ease of access to online shopping to alleviate the boredom and social isolation of a lockdown scenario. For some potential participants, concerns about contracting coronavirus itself, or the associated government measures, may have influenced their motivation to engage with the project. At a time when most people's financial behaviours have been affected in some way by the pandemic, it is challenging at this stage to understand the full diversity of issues that have taken place during the pandemic.

Key learning and recommendations

The variable impact of the pandemic on participants' financial wellbeing endorses the need for a person-centred approach through the development of a Personal Financial Resilience Plan (PFRP). Whilst the emerging evidence confirms that the pandemic has affected the financial wellbeing of participants, it is clear that the impacts on participants are varied and still emerging. In this respect it is evident that the impacts of the pandemic on financial wellbeing are both expected and unexpected. As the project continues to navigate through the pandemic and a larger data set is established, it is expected that a clearer picture will begin to emerge over the next year.

The impact of the pandemic on income inequality and employment

Throughout the course of the pandemic it is clear that different sectors of the economy have been affected in different ways. Whilst hospitality, high street retail and international tourism sectors have been hugely affected, other sectors such as supermarkets, digital services and online retail have been able to take advantage of changing spending patterns. These fluctuations have also been unequally spread across the labour market, with individuals employed in low-skilled, low-paid jobs tending to be placed in sectors which have been negatively impacted by the pandemic. This is something that has been observed by the Institute of Fiscal Studies (IFS).

> 'The specific nature of the economic shock associated with COVID-19 has interacted with many old and deep inequalities. Excluding key workers, most people in the bottom tenth of the earnings distribution are in sectors that have been forced to shut down, and 80% are either in a shut-down sector or are unlikely to be able to do their job from home – compared with only a quarter of the highest-earning tenth.'
>
> **Source: 'Covid-19: the impacts of the pandemic on inequality', IFS (2020)**

Whilst the government furlough scheme helped individuals to recover 80% of their salary, the emerging evidence reveals that the lowest paid have often struggled the most. Research from the Joseph Rowntree Foundation reveals that a total of 61% of low-income families with children have borrowed due to Covid. As the economy begins its recovery, the evidence suggests that significant numbers of people are in precarious financial situations that have been compounded by the income equalities present across the labour market. Whilst projects like Money Sorted can provide much-needed support around budgeting, credit and debt management, and welfare rights to help participants in financial difficulties, it is clear that longer-term measures of financial stability are much harder to achieve. In this respect it is clear that participants often find it challenging to find the financial resources to fund savings accounts, pension funds or insurance products.

Key learning and recommendations

As the economy begins its recovery from the pandemic, it is clear that the project will need to carefully think through its support for participants wishing to re-enter the labour market. Ideally, this support should seek to raise participant awareness of employment opportunities that have the potential to build their financial resilience rather than detract from it. In this respect there is a requirement to avoid precarious zero-hours contract opportunities wherever possible. Such opportunities make it extremely difficult for participants to plan their financial arrangements with any degree of certainty.

Increased demand for foodbanks

Throughout 2020 it is clear that the coronavirus pandemic has resulted in a massive surge in demand for support services provided by foodbanks. The Trussell Trust reveals that in April 2020 there was an 89% increase in need for their services when compared with April 2019. The growth in demand for foodbanks reveals the underlying lack of financial resilience across large numbers of people living in the UK. This has obvious implications for the delivery of the Money Sorted project in the months ahead, particularly as government support schemes are relaxed.

Key learning and recommendations

In order to help the project rebuild its referrals across the D2N2 area there is an evident need to continue to raise the profile of the Money Sorted project with foodbanks across the region.

The impact of the pandemic on participant debt

At the time of writing this report, the available evidence suggests that the pandemic will have had an adverse effect on the financial wellbeing of unemployed and economically inactive participants. Whilst the 2020 project data reveals that the mean average levels of debt discovered in 2020 are £357 higher than the corresponding data for 2019, this growth is unlikely to be solely related to the pandemic, given that 63% of the dataset assembled relates to the participants who initially accessed the project in 2019. Whilst the pandemic has tended to highlight systemic inequalities affecting vulnerable groups, it may take a further 12-24 months to begin to quantify this impact in terms of participant demand for credit or the underlying growth in participant debt.

Key learning and recommendations

As the project continues to provide support during 2021 and 2022, it can reasonably be expected that participant demand for free debt advice and access to affordable credit will continue to increase. In this respect it is crucial that local stakeholders collaborate effectively to ensure that there is sufficient capacity across the voluntary and community sector to provide free debt advice for people in need. Similarly, awareness-raising campaigns are likely to be required to direct people towards free and professional debt advice services and sources of affordable credit. In both instances it is key that participants have awareness of providers who are best placed to provide services without the need to incur uncompetitive or inappropriate costs.

The impact of the pandemic on the economy

As 2020 progressed it was clear that the coronavirus pandemic has exerted a massive impact on the UK economy, which shrank by 9.9%. This contraction 'was more than twice as much as the previous largest annual fall on record' (Office for National Statistics (ONS)).

Whilst the full effects of this contraction are likely to be worked out over the coming years, it is clear that this economic turbulence will not make it any easier for Money Sorted participants looking to secure employment. In a job market which has increasingly been populated by low-skilled, low-paid opportunities that are often offered on a short term, zero-hours contract basis, the impact of the pandemic is likely to present new challenges for participants. For example, it is evident that the hospitality and retail sectors will take a significant period of time to recover and may never fully recover. The subsequent growth in digital services during the pandemic may have changed forever the way these sectors operate. If this is the case it is likely that more people will need to consider retraining in the years ahead.

Key learning and recommendations

In the months ahead it is essential that the project keeps abreast of emerging support packages for participants who would like to re-enter the labour market. Ongoing employability briefings are likely to be beneficial to update Personal Navigators on the latest available resources to discuss with participants.

Y4 evaluation of Money Sorted – Conclusion

As the project moves into its fifth year of delivery, it is clear that the fourth year represented a year of unprecedented challenges for everyone involved with the project. Over this time it is clear that the project has been placed in a position where it needed to develop new working practices to support participants within the constraints of government restrictions. Whilst the project continued to provide a service for participants in spite of the challenging operating landscape, it is clear that not all participants were readily available to engage with the support on offer.

From the intended target of 880 sign-ups during 2020, the project did manage to credibly achieve 590 sign-ups despite the many and varied challenges associated with the pandemic. As the project continues to rebuild the quarterly rate of sign-ups to pre-pandemic levels, it is clear that it will be very challenging to engage the 861 sign-ups required during 2021 to meet the total project sign-up target of 3,497 by 31st September 2021. This is largely a reflection of the disruptive impact of the pandemic on the momentum of the project, rather than significant project under-performance.

As the past year has highlighted, participants accessing the project are subject to wide range of external factors that are often beyond their control. Whilst Personal Navigators and participants can improve financial wellbeing through a range of measures such as budgeting skills, benefit appeals or applications for Debt Relief Orders, it is clear that the operating landscape is full of complexity and uncertainty. As this year's 'Focus On' features illustrate, participants are also facing systemic pressures that they have little or no ability to control. For example, digital inclusion, benefit debt and access to free and impartial debt advice all represent issues that unemployed and economically inactive individuals may encounter at different points on their life journey. Whilst these systemic issues are recognised in strategic documents such as the UK Strategy for Financial Wellbeing (2020), it is clear that these issues do challenge, delay and frustrate the ability of participants on their quest to enhance their financial wellbeing.

This evidently has crucial implications for the creation of 'Build Back Better' initiatives under consideration by the government to inform how the UK should build its economic recovery in the aftermath of the pandemic.

Projects like Money Sorted are invaluable to help unemployed and economically inactive people across the D2N2 area grapple with significant financial challenges that need an effective resolution in order to protect a sense of financial and mental wellbeing.

Over the next 12 months it is expected that the project will see a significant upturn in demand for support from participants on limited incomes who are struggling to manage existing debts and credit arrangements that are likely to have become increasingly unsustainable as the pandemic has unfolded.

As the project progresses through 2021 it is expected that a clearer picture of the diversity of financial issues affecting participants will continue to emerge as the project rebuilds its caseload.

Andrew's story

I'm a 54-year-old former engineer and lecturer originally from Winchester, Hampshire. I moved to Leeds in 2001, married my second wife and had a 'normal' life: nice home, both working, two cars, holidays abroad, etc.

In 2008 my life changed dramatically. In that year my father died after developing a quick and aggressive cancer, my wife left me, I developed a cocaine and alcohol addiction, I lost my job at the University, I lost my driving licence, I had to give up my costly apartment because I could no longer afford it, I became estranged from the rest of my family due to my addiction problems and ended up in a run-down bedsit with vermin problems in a rough part of town.

I moved across to Stockport in 2010 hoping for a fresh start but was unable to hold down work for long due to my issues. My addiction escalated until ultimately in 2013 I found myself living under a canal bridge in New Mills, homeless, broke and friendless. Suicidal? Absolutely …

A lady who lived nearby who used to bring me food occasionally found me unconscious in my sleeping bag one night. It was January and freezing. Thankfully she called an ambulance and I was taken to Stepping Hill Hospital and stayed on the acute ward for three weeks. I quite simply owe her my life.

When I left hospital I moved into a squat in Stockport and began working with recovery services in Cheshire, who found me a room at a hostel in Congleton. After working with the recovery team I was given a place at Acorn residential rehab in Stockport and completed three months' rehabilitation. I haven't used any drugs since 2014 and my drinking is under control, I probably drink less than the 'average' person now.

On leaving I moved to Buxton, working where I could, but getting and keeping work with my medical history and reliability issues was tough. I ended up in a whole load of debt and wasn't coping financially or emotionally, which was when I went to Citizens Advice Bureau in 2018. They arranged my debt relief order and showed me how to manage my life better.

I was assigned a Personal Navigator who has been brilliant, she made everything clear to me about what I needed to do and was absolutely thorough in helping me address my issues. This year she invited me onto the Money Sorted project, introducing me for the first time to WEA, and I was assigned my brilliant tutor who guided me perfectly through the course. Thanks to her and a great team effort I have now just recently qualified as a volunteer money mentor and am working with my Personal Navigator for Citizens Advice, helping people with financial issues and the anxiety, worry and loss in confidence that being in a bad situation brings.

In all honesty, it is a major turning point in my life and an engineering career that I no longer had any passion for. I have a different purpose now thanks to WEA and CAB, my life is manageable and I don't have the anxiety and worry that I did before.

WEA's teaching and training are delivered clearly, concisely and with the utmost professionalism, in a safe and happy environment. I can't thank them enough for providing me with the training and knowledge I need to succeed at what is an exciting, fresh start and I look forward to evolving in my new role thanks to their efforts. Nothing was too much for them and I was solidly supported all the way by both WEA and CAB.

It is an enormous struggle to climb back up life's ladder, no matter how far you fall. Being encouraged to address my issues and fears face-on, knowing that I had these amazing people 'in my corner', enabled me to take control back of my life again.

And the best part? I smile a whole lot more than I have done for some time …

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

Focus On

Debt Advice: The challenge of finding the right support

As the coronavirus pandemic continued to evolve during 2020, it became apparent that growing numbers of people were experiencing financial difficulties. This can often result in a seemingly unmanageable debt problem. Research undertaken in September 2020 to assess the impact of the coronavirus on our personal finances across the UK reveals that:

> **'A personal debt crisis is emerging: the number of people affected by coronavirus in severe problem debt has almost doubled since the beginning of the outbreak to 1.2 million people.'**
>
> Source: 'Tackling the coronavirus personal debt crisis', Step Change Debt Charity (2020)

At a time when indebted individuals can often feel stressed, overwhelmed and hopeless, the ability to think clearly and identify who might be able to help resolve a problem debt situation can be a challenging task. In the current financial climate it is unfortunate that too many consumers do not have the necessary knowledge and awareness to be able to identify credible sources of support who can assist them in their hour of need.

The financial services sector is flooded by a myriad of fee-paying debt advice companies and loan providers who are very adept at marketing their products and services. For example, a Google search for 'best debt advice free' may not reveal details of specialist debt advice charities at the top of the search listing. Instead a vast array of profit-making enterprises are revealed, with promises of 'quick' and 'easy' solutions to resolve problem debt. In the worst cases, the evidence also reveals that some fee-paying debt advice services may even try to masquerade as a charitable organisation in order to gain new business. In these circumstances it is not difficult to see the potential for the financial abuse of individuals attempting to resolve problem debt issues. Indeed, figures released by Citizens Advice in 2020 revealed a 35% rise in complaints about the role of insolvency practitioners, a specific type of profit-making enterprise offering debt advice (source: Wilkinson, 2021).

On the Money Sorted project we know that at the point of accessing the project, only 36% of participants are aware of the potential of free advice agencies (CAB etc.) to provide information to help them manage their money. This raises a concerning issue about the large numbers of people who are potentially unaware of the distinction between free debt advice and fee-paying debt advice services, at a time when they may need professional support.

The issue is further compounded by concerns about the capacity of the free debt advice sector to deal with the expected increases in demand during the pandemic. Whilst a £37.8m injection of government funding into the sector over 18 months from June 2020 is a welcome announcement, it remains to be seen if this additional capacity will be enough to resolve the expected 60% increase in demand for debt advice in response to the pandemic. Indeed, recent research from the Money & Pensions Service reveals that free debt advice organisations can only meet 41% of demand. These are all trends featured in the aptly titled feature by Wilkinson (2021): 'Preyed on by the debt sharks: Covid has left millions jobless or facing financial ruin... easy targets for cynical firms hoping to cash in on their misery'.

There are clearly many issues to be resolved surrounding the regulation of the debt advice sector and funding of free debt advice charities over the years ahead, as is recognised by the 2021 Woolard Review:

> **'The economic effects of the pandemic will drive demand for debt advice. A well-functioning debt advice sector is essential to support a healthy credit market. Providers of free debt advice need access to secure, long-term sources of funding to ensure that advice is available to those in need.'**
>
> Source: 'The Woolard Review - A review of change and innovation in the unsecured credit market', Financial Conduct Authority (2021)

Until these issues are addressed, it is likely that indebted individuals will continue to face a perilous journey to find appropriate sources of support to help resolve problem debt issues.

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