

JAN – DEC 2021



Money Sorted in D2N2

Year 5 evaluation of money sorted in D2N2

Helping people to improve their financial
wellbeing across the region.



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Executive summary

- This evaluation report has been designed to review the performance of the Money Sorted project during the fifth year of service delivery (2021).
- 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 designed to improve the financial capability and financial wellbeing of participants. 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 in 2020.
- 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 an individually tailored action plan known as a Personal Financial Resilience Plan (PFRP).
- Over the past year the coronavirus pandemic has continued to exert an adverse impact on the project – most notably on project sign-up rates, which still lag below the pre-pandemic levels of 2019 by around 27%.
- Available project data suggests that whilst digital technology has provided a useful opportunity to support interventions, not all participants wish to engage in this way. In this respect, it is expected that project sign-up rates may only fully recover to pre-pandemic levels as and when the project can offer a hybrid mix of digital and in-person interventions to meet the needs of a diverse range of participants.
- As the UK coronavirus vaccination programme has gained momentum throughout 2021, concerns about the coronavirus pandemic have increasingly given way to emerging concerns about a cost of living crisis. The inflationary pressures associated with fuel, food, gas and electricity have concerning implications for the financial wellbeing of participants over the year ahead.
- The accumulated experience of service delivery continually reveals a diversity of issues that affect the financial wellbeing of participants across the region. To help explore these issues in greater detail, a small number of specific ‘Focus On’ features have been developed to provide readers with insights into issues relating to the impact of child poverty, fuel poverty, substance misuse, volunteering and wellbeing.
- A special Focus On feature has also been developed which looks at the correlation between Insolvency Service data and project sign-ups. This reveals that a 25% decline has taken place in Debt Relief Order applications during 2019 vs 2020. This matches the 27% decline in project sign-ups over these years. At a time when the financial wellbeing of communities has been put under immense pressure, this is an interesting finding which may suggest we are still yet to see the full impact of the coronavirus pandemic.
- Analysis and discussion of available project data reveals the following trends emerging from the project over the course of 2021.
- The average age of participants is 41.1 years. The project has a gender split of 43% male and 57% female.
- 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, 53.6% of participants accessing the project were unemployed and 46.4% were economically inactive. This represents a 1% increase in the proportion of economically inactive participants accessing the project over the past year.
- Participants accessing the service typically feel that they lack the necessary confidence, knowledge and skills to make informed financial decisions.
- As a result, 59.3% of participants disclosed that they ‘regularly’ or ‘sometimes’ need to borrow money to pay for food or necessary items.
- 74% 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. This figure has risen by 7.2% over the past 12 months.
- Over the past year, levels of disposable income have, on average, been declining. Mean average levels of disposable income at pre-survey stage in 2021 equated to £17.63. This represents a decline of £1.98 compared with the position at the end of 2020, when participants accessing the project at pre-survey stage 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 had an adverse impact on its momentum. Indeed, this can perhaps be most clearly seen in terms of sign-ups over 2020 and 2021. A total of 590 (2020) and 586 (2021) participants signed up for the project during the past two years, against expected targets of 880 (2020) and 716 (2021).
- The challenges of rebuilding sign-ups during the pandemic can also be clearly seen when analysing sign-up data pre- and post-pandemic. Prior to the onset of the coronavirus pandemic, the project had attained a mean average quarterly sign-up performance of 173 participants from 2017 to the end of Q1 2020. From Q2 2020 until Q4 2021, mean average sign-ups per quarter have fallen to 137.
- 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 over the past two years. In the pre-pandemic year of 2019, 71.8% of participants leaving the project did so via an official exit following the completion of their support. By comparison, official exits fell to 58.9% in 2020 and increased to 61.5% over the course of 2021.
- Employment outcomes associated with the project have commendably continued to improve over the past year. Over the course of 2021, 72 participants secured an employment or self-employment outcome. In total, 245 employment outcomes have now been achieved over the first five years of the project. These are encouraging achievements for the project.
- To continue this improvement, the project has also continued to invest in its employability support offer. This has recently included the creation of an internal Employment Broker role, which commenced in January 2022.
- The available project MAP tool data on participants’ financial wellbeing reveals that 86.8% of participants have established a household budget with their Personal Navigator and that 79.1% of participants felt they had improved their financial skills and knew where to go for advice and support after engaging with the project.
- A closer inspection of MAP tool data reveals further insights into the progression of participants. Comparing the pre-survey (entry) and post-survey (exit) data initially reveals that at pre-survey 74% of participants are living with an unmanageable debt situation. By post-survey exit stage, this percentage falls significantly to 5.3%. This is an encouraging trend which reveals the ability of the project to resolve problem debt issues for participants.



- Mean average levels of participant debt logged during 2021 Y5 equates to £5,535. This figure relates to the highest level of debt associated with participants during the year. The £5,535 figure represents a decline of £137 when compared with the statistics for 2020 Y4, when mean average levels of debt stood at £5,672. Over the course of 2022 the project was able to achieve an average debt reduction per participant of £3,357. At the time of producing this report, all the available evidence suggests that participant debt is likely to increase over the next 12 months as part of the inflationary pressures associated with the cost of living crisis.
- The emerging cost of living crisis is now beginning to manifest itself in the disposable income data associated with the project. Participants leaving the project during Y5 have, on average, been able to increase their monthly disposable income from £17.63 to £85.90. Although this represents a gain of £68.27 in disposable income, it is notable that this increase falls some way short of 2020 Y4 trends where disposable income, on average, increased by £78.84.
- The participant budget represents another area of the project which has been significantly affected by the pandemic. Spending during 2021 declined further to £21,264 compared with £24,620 in 2020. The total scale of the decline is evident when considering that the Personal Budget spend equated to £46,683 in 2019. Travel and interpreter costs have been significantly impacted by the pandemic. Whilst Debt Relief Orders (DROs) remain the cornerstone of the project, it is clear that spend in this area has also declined from £13,265 in 2019 to £7,020 in 2021. Whilst it is evident that spend on IT and telecoms has been on the increase during the pandemic, the overarching situation is that the pandemic has constrained the ability of the project to creatively use the personal budget to support participants.
- 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, 970 guided-learning hours have been provided through the Workers' Educational Association (WEA).
- In summary, the available evidence in this year's evaluation report reveals that the project has continued to function within the challenges faced by the coronavirus pandemic, although the overall volumes of participants engaging with the project have undoubtedly been affected. The indicative data on project sign-ups, official exits and participant budget spend confirms that the project is still in a state of transition on the journey to recover the momentum of 2019. Whilst the pandemic

has had an unavoidable impact on project performance, it is clear that the participants who have continued to engage with the project have been able to make progress, albeit in smaller numbers than 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 3,977 sign-ups by 31st October 2022. At the start of 2022, it is clear that the project would need to secure the sign-ups of 757 participants across the first three quarters of the year to meet this target. In reality, this would require a sign-up rate of 252 participants per quarter at a time when the Q4 2021 sign-up rate equated to 133 participants. The coronavirus pandemic has undoubtedly had a disruptive effect on the momentum of the project, to the extent that it has proven challenging to rebuild sign-up rates to the pre-pandemic levels of 2019.
- Whilst the level of need placed on the service continues to slowly recover 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 unemployed and economically inactive people are particularly vulnerable to the evolving cost of living crisis. Independent commentators are expecting that UK living standards are about to take their biggest fall since the 1950s, with an estimated 1.3m people facing 'absolute poverty' (Woodcock and Isaac, 2022).
- In particular, the inflationary pressures associated with fuel prices means that more participants are likely to be facing the issue of fuel poverty, where over 10% of the annual household budget is spent on gas and electricity. As these inflationary pressures continue, it is likely that the project will see an increase in the uptake of Debt Relief Orders (DROs) to resolve problem debt situations.
- To effectively support unemployed and economically inactive participants through the current cost of living crisis, it is clear that projects like Money Sorted have a key role to play. However, it is also clear that the cost of living crisis will exert a requirement on government, businesses and consumers to think through the most appropriate approaches to resolve the current financial pressures they are facing. As the true extent of the crisis continues to emerge, it is clear that further measures are likely to be required on a broad range of topics including welfare rights, thermal efficiency and energy consumption. If there was ever a time when projects like Money Sorted were required to support unemployed and economically inactive people to protect their financial wellbeing, it is now.

Introduction to the Y5 evaluation of Money Sorted in D2N2

Welcome to the Y5 evaluation of the Money Sorted project.

Over the past year the project has continued to operate within the context of an evolving economic and social landscape influenced by the coronavirus pandemic.

The evolution of new variants of the virus have continued to cause concern, most notably the Omicron variant. Although the rollout of the national vaccination programme has helped to drive down infection rates, it is evident that the pandemic has continued to exert an impact on the delivery of the Money Sorted project. This impact is reflected in the operating data associated with the project over the past two years. As this year's evaluation report illustrates, the pandemic has affected project sign-ups, referral patterns and participant budget spending. To help qualify the emerging trends, this year's report also looks at an independent source of data from the Insolvency Service to help assess the wider impact of the pandemic during 2020 and 2021.

As the coronavirus vaccine rollout progressed into the autumn of 2021, concerns about the pandemic have gradually given way to an emerging cost of living crisis. The evidence presented in this evaluation report reveals the early impact of inflationary pressures on participant financial wellbeing. As the prices of energy, fuel, food and essentials have increased, it is clear that this has already negatively impacted on participant disposable income levels. This trend is set to continue into 2022 and is likely to present a significant challenge for the project and its participants, particularly around budgeting, disposable income and debt concerns. This is already reflected in the increasing numbers of participants accessing the project who are worried about issues such as fuel poverty. For these reasons it is clear that the Money Sorted project continues to operate in a very different context to the pre-pandemic situation of 2019.

To help readers of this evaluation gain a comprehensive understanding of the project over the past year and the year ahead, this report 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 provides insights into how the Money Sorted project helps to fulfil the intentions of the UK financial wellbeing strategy for unemployed and economically inactive participants living across the D2N2 area.

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

Section four provides an operational review of project performance data over the past year. This section includes specific reflections on project outputs, outcomes and targets. The data presented provides readers with operational insights into the impact of the coronavirus pandemic on sign-ups, referral patterns and participant budget spending.

Section five sets out the key learning and recommendations emanating from the project delivery over the course of 2021. This includes reflections on both the impact of the pandemic and the emerging cost of living crisis, and the likely implications for service delivery during 2022.

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 the past year. The features under the spotlight include:

- Child poverty
- Fuel poverty
- The correlation between insolvency data and Money Sorted sign-ups
- The impact of substance abuse on financial wellbeing
- Volunteering to boost participant wellbeing and employability

Each of the Focus On features helps to illustrate the diverse range of challenges facing participants who typically access the project each year.

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 the past year.

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

Richard Hazledine

Independent Project Evaluator
ConnectMore Solutions

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 (D2N2). 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 (MaPS, 2018)

At the start of 2020 the Money and Pensions Service (MaPS) released the UK financial wellbeing strategy, which builds upon the principles of the Financial Capability Strategy. This strategy has implications for the Money Sorted project and 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 manage their financial affairs.

The ultimate outcome of the Money Sorted project is to help participants improve their financial capability to 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, young people, older people, people from all types of ethnic communities, people with mental health challenges, people with disabilities, homeless people, and people from a range of 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 five evaluation

The following resources have been used to compile the year five 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 Group staff and management teams.
- Discussions with individual participants and in group sessions.

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

Project objectives, targets and outputs

Over the 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.

Since then, the project has successfully secured two extensions. In 2019 it was agreed the project would work with an additional 1,547 participants throughout 2020-2022. Since the last evaluation report was published in 2021, a second extension to the project was approved to work with an additional 480 participants. This is reflected in a revised output target to work with 3,977 participants over the duration of the project.

The Money Sorted project will take its last intake of referrals on 31st October 2022, with service delivery set to conclude on 31st March 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.	<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">• 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 wellbeing.	<ul style="list-style-type: none">• 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.	<ul style="list-style-type: none">• 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.

Money Sorted outcomes data is collated through the MAP tool maintained by Toynbee Hall. The MAP tool has been specifically designed to assess how interventions impact the financial health of participants. To help complement the project data build to date, a number of new measures were implemented at the end of December 2021. Over the course of 2022, these new measures are designed to collate complementary data to help the project assess outcomes across the following areas:

- Participant saving behaviours and attitudes.
- Participant confidence in the ability to manage debt.
- Participant insights surrounding the impact of money worries on relationships with family and friends.

Over the final year of service delivery, these new measures are expected to provide valuable insights into the changing circumstances of participants as they progress through the project.

Overview of delivery partnership and staffing structure

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

St Ann’s Advice Group are supported by a partnership of the key advice and financial support organisations in the D2N2 area. The partnership contains a diverse range of providers with a local presence, 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 25 Personal Navigator roles have been employed on the project; this includes 18 full-time roles and 7 part-time roles. This equates to 21.6 full time equivalent roles (FTEs).

Employment Broker

To help support the ongoing work of the Personal Navigators, the project has also created a specialist Employment Broker role to support the progression of participants into appropriate employment and training opportunities during the course of 2022. The role is designed to provide participants with complementary Information Advice and Guidance (IAG) support on available opportunities across the D2N2 area. Where necessary, this role will also provide support to participants to help navigate competitive recruitment exercises. The role will be concluded in March 2023.

Debt Advisors

To help complement the ongoing work of the Personal Navigators and proactively prepare for the expected increase in the prevalence of participant debt, the project has also created four part-time (0.5 FTE) Debt Advice roles. The four roles will spread across St Ann’s Advice Centre, Citizens Advice Mid Mercia, Direct Help and Advice (DHA) and Citizens Advice Derbyshire Districts. These roles will be internal-facing positions working with Money Sorted participants. The roles will be concluded in March 2023.

The delivery partnership

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

The complete list of partners operating within the Money Sorted in D2N2 project during 2021 is listed below.

- St Ann’s Advice Group c/o Advice Nottingham (Lead Partner and Accountable Body, Personal Navigator host organisation).
- Derby Advice c/o Derby City Council (Personal Navigator host organisation).

- Derbyshire Districts CAB (Personal Navigator host organisation).
- Derbyshire Law Centre (Personal Navigator host organisation).
- Derbyshire Unemployed Workers Centre (Personal Navigator host organisation).
- Direct Help and Advice (DHA) (Personal Navigator host organisation).
- Hanlon Software Solutions (Provider of project database).
- Local Authorities – Derby City, Derbyshire, Nottingham 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).
- Services for Empowerment and Advocacy (Participation partner)
- South Derbyshire CAB (Personal Navigator host organisation).
- Toynbee Hall (Specialist provider of MAP financial health assessment tool).
- Workers’ Educational Association (WEA) (Provider of adult learning sessions around financial capability skills and accredited Money Mentor training).
- YMCA Derbyshire (Personal Navigator host organisation).

The typical range of interventions and support offered by Personal Navigators

Throughout the course of delivering the Money Sorted project, it has become apparent that Personal Navigators are supporting participants in a range of different life circumstances to improve their financial health and financial capability. Whilst the participants accessing the service are affected by a diversity of need, they all typically lack the necessary confidence and awareness about what they might do to improve their financial situation. Discussions with Personal Navigators and project case notes reveal that typical interventions and support are grouped around three headings – debt and benefits, financial capability, and employability. 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.
- Help participants to consider the most appropriate payment dates, particularly for priority debts.
- Equip 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.
- Support applications to access utility discount schemes, e.g. Severn Trent Big Difference scheme.

Employability

- Help 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' that triggers a referral into the service. Examples of wider life circumstances that have had an impact on participants' financial health include:

- Anxiety or depression.
- Addictions.
- Divorce or relationship breakdown.
- Domestic abuse, including economic abuse
- 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.

Participant budget expenditure has been significantly impacted by the onset of the coronavirus pandemic. Further information on participant budget expenditure changes over the past two years can be found in section four of this evaluation.

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 Group, 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.

Since 2020, the coronavirus pandemic has provided an opportunity for the project to embrace digital video technologies such as Zoom and MS Teams. These technologies are now consistently used by all partners. As a result, past meetings which would have once included travel time, fuel consumption and room hire costs are now hosted online.

As social distancing measures are relaxed, the project has made a commitment to adopt a hybrid operating model to conduct meetings and interventions. This model embraces the opportunity to conduct project meetings through a mix of virtual and face-to-face options.

As the cost of living crisis evolves over the coming months, the project is ready to support participants to consider sustainable energy efficiency practices in their homes. This assistance will be crucial to help mitigate against the challenges of fuel poverty, which disproportionately affect participants on the lowest incomes. At a broader level, the project also recognises that too many participants are potentially living in homes that are not thermally efficient. This has wider implications for registered social landlords and private sector landlords, who typically

house a substantial proportion of participants. At a time when energy costs are rising rapidly, the project is aware that thermal efficiency issues are going to increase in prominence in the months ahead.

In addition to the measures illustrated above, the project also continues to encourage partners to share good practice to support sustainable development through discussions at Steering Group meetings. Over the past two years the project has made a commitment to support 'Earth Hour', an annual event encouraging individuals, communities and businesses to turn off non-essential electric lights for one hour as a symbol of commitment to the planet.

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 remains at the core of the project and represents one of the key values of the delivery partnership.

To take this important work forward, the project has established a working group which meets quarterly to discuss and review the project's gender equality and equal opportunities action plan to ensure it is a living document. The action plan is designed to reflect the ongoing work across the partnership that embeds equalities and diversity within all aspects of service delivery. The working group communicates progress at quarterly Steering Group meetings. Recent developments have included the promotion of an 'interpreters budget' to all partners to ensure equal access to the project for those whose first language is not English. This has been complemented by improved functionality on the Money Sorted website that enables users to translate content into Arabic, Bengali, Gujarati, Punjabi, Polish, Ukrainian or Urdu.

The project has also carried out some analysis around participant gender split to assess why the project has significantly more female participants than male. This trend can be explained in part by the prevalence of female single parents accessing the project for support. Further initiatives are planned over the course of the next year to progress the gender equality and equal opportunities action plan.



SECTION ONE

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). These forums are otherwise known as Friends of Money Sorted (FoMS) meetings. The meetings represent 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 Group on request.

SECTION SUMMARY

- The Money Sorted in D2N2 project has been established to support individuals at risk of financial exclusion. The project is led by St Ann's Advice Group.
- The ultimate aim of the project is to assist economically inactive and unemployed individuals to develop their financial wellbeing. This is part of a wider intention to help participants move closer to the labour market.

- 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. The project is one of three BBO projects operating across the D2N2 area.
- The multiple and complex needs strand is led by Framework Housing Association and the employability strand is led by Groundwork Greater Nottingham. All three lead organisations actively work together as part of the People First Alliance (PFA).
- The Money Sorted project is delivered through a network of Personal 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 Resilience Plan (PFRP).
- Over the course of 2022, the work of the Personal Navigators will be complemented by the creation of an Employment Broker role (full time) and four part-time Debt Advisor roles.
- 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.
- 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 Resilience 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.

SECTION TWO

Zoe's story

When Zoe* originally accessed the Money Sorted project, her confidence was at rock bottom. As a single parent fleeing domestic violence, it was clear that Zoe was facing numerous life issues in addition to a significant debt problem that was adding to a pervading sense of anxiety.

To help immediately improve her existing circumstances, a successful application was made to the Derbyshire Discretionary Fund (DDF). This helped to provide food and day-to-day essentials, along with a sense of trust that her Personal Navigator would indeed be able to help her find a way through her current financial difficulties. From the start of her time on the project, Zoe had a clear aim to resolve a significant debt problem. To make this possible, it was necessary for Zoe to work closely with her Personal Navigator and the local Citizens Advice Debt Advisor.

As dialogue continued, Zoe was supported to apply for a Debt Relief Order (DRO). As this application was established, Zoe was also supported by her Personal Navigator to undertake an income and expenditure exercise. This provided a natural opportunity for conversations about ways to maximise income and reduce outgoings. As a result of this dialogue, it was agreed that Zoe would utilise the Money Sorted intervention budget to purchase a tablet in order to conduct online price comparisons for different products and services. This allowed Zoe to consider alternative utility providers and learn how to assess the Value for Money (VfM) elements of different provider tariffs. This included the requirement to consider which utility providers were participating in the Warm Home Discount Scheme, which could have a significant bearing on the most cost-effective providers. Throughout this time, Zoe was also supported to consider which benefits she would be eligible for in order to boost her income, with her Navigator helping to explain why and how to apply for these benefits.

As Zoe's confidence continued to improve, she began to engage with online courses provided by the Workers' Educational Association (WEA). She particularly enjoyed the 'Cooking on a Budget' course and came away from the sessions inspired about the potential to prepare cheap and interesting recipes from the internet or in cookery books.

Zoe's situation was massively improved by the news that an application for a Debt Relief Order (DRO) had been successful. This ultimately meant that Zoe was free from the burden of a £6,864 debt that had become unmanageable for her to sustain. Further good news appeared in a successful application for a Personal Independence Payment (PIP) at the standard care rate of £60 per week. An element of back pay associated with this award also meant that Zoe could afford to budget for an economical used car.

As the support extended to Zoe began to reach a conclusion, it was evident that she was much more optimistic about her future, and she made the following comment about her experience of the Money Sorted project:

'You've made a huge difference in my life I'm so much more positive.'

As Zoe's financial worries have declined, she has begun to express an interest in working in a school as a teaching assistant. She is keen to explore the possibility of enrolling on an NVQ course to help her transition into employment. Whilst Zoe recognises that she still needs to be careful with her finances, she is now also aware of a range of organisations who are ready to help her if the need arises.



*This case study has been anonymised to protect participant confidentiality





Fuel poverty

Since the autumn of 2021 it has become increasingly clear that more and more people in the UK are at risk of falling into fuel poverty. Fuel poverty is considered to be present when 10% or more of household income is spent on energy in the home.

To help regulate utility prices in the UK, the Office of Gas and Electricity Markets (OFGEM) has been established to help protect consumers by working to deliver a fairer, more sustainable energy system. Amongst a range of initiatives led by OFGEM is the energy price cap. The price cap sets out the maximum amount energy providers can charge per kilowatt hour (kWh). These protections are only afforded to consumers on standard variable rate tariffs (SVT) and not those consumers who decide to commit to the fixed priced tariff.

At the start of October 2021, the OFGEM price cap stood at £1,277. This is now set to increase by over 50% to £1,971 at the start of April 2022 for consumers on variable tariffs (an increase of £693). Given that the mean average levels of monthly disposable income of participants on the Money Sorted project have been tracking under £20, it is not difficult to understand how this increase exposes participants to an unsustainable financial burden.

The situation is compounded by the fact that many participants pay for their energy by pre-payment meters, and the price cap in these circumstances is even higher at £2,017. This represents an increase of £708 from the previous level of £1,309. This provides another indication of the 'poverty premium' in action, where those in poverty end up paying more for the goods and services they require. Consultation with Personal Navigators reveals that these challenges are already being acutely felt across the project:

'All clients without exception are struggling to manage their gas and electricity bills. There is often a high level of pre-existing utility debt at point of sign-up due to poverty and the forthcoming increases in fuel costs will impact these clients very hard. Many are on pre-payment, which is already more expensive, and is always a variable tariff so these clients will be more adversely affected than those on fixed direct debit tariffs.'

Source: Personal Navigator, Money Sorted

Wider research into the issue of fuel poverty also reveals the extent of thermal efficiency issues affect the population of the UK. Wakefield (2021) observes how the poor quality of our housing insulation further exposes consumers to energy price stocks. This finding is consistent with Personal Navigators who have worked with significant numbers of participants living in poor quality housing stock that was poorly insulated and ventilated.

In February 2022 the UK government announced a range of measures designed to offset the expected April 2022 prices, amounting to £350. This includes a £150 Council Tax discount and a £200 government discount which will be repayable over the next five years. Critics of this approach fear that these measures are poorly targeted and will result in pushing the most disadvantaged deeper into poverty:

'These energy crisis measures are woefully inadequate and will leave those on the lowest incomes and in the least efficient homes in deep peril.'

Source: CEO, National Energy Action

Clearly, at the time of writing, Money Sorted participants are exposed to significant financial difficulties associated with increases in energy costs. Unless further measures can be developed targeting the most vulnerable, it is likely that the project will see an increase in the prevalence of fuel-related debts in the months ahead. The data collated over the next year will provide a broader indication of the extent of fuel poverty for consideration in the final evaluation report.



SECTION TWO

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

Introducing the UK Strategy for Financial Wellbeing 2020-2030

At the start of 2020, the Money & Pensions Service (MaPS) released the 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 clearly resonate with some of the difficulties 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 (MaPS, 2020)

The UK Strategy for Financial Wellbeing is an important document with key implications for the development and delivery of the Money Sorted project.

The unexpected impact of unforeseen events

What was not clear when the UK financial wellbeing strategy was released at the start of 2020 was the extent of the economic turbulence that would occur during the year as a result of the coronavirus pandemic. The unexpected impact of the pandemic has had profound implications for the financial wellbeing of society. The situation has been further complicated by the onset of a cost of living crisis over the past year as the prices of goods and services are subject to inflationary pressures. Consultation of a variety of sources reveals that more and more people are becoming increasingly worried about their financial wellbeing. Magnus (2022) claims that the rapidly rising cost of living is the biggest concern of half of Britons at the present time. A similar situation is already emerging for

participants accessing the Money Sorted project. In this respect, it is already clear that rising utility prices are having an impact on participants. At the time of writing, it is clear that the unfolding crisis in Ukraine is set to drive up energy prices further. Clearly, the current emerging landscape has concerning implications for the financial wellbeing of many people across the D2N2 area and beyond. Indeed, all the available evidence suggests that financial wellbeing is likely to become a topic which will impact more and more people over the year ahead, not least the participants of Money Sorted who access the project with very limited financial resources.

The remainder of the section of the evaluation sets out the underpinning principles of the UK financial wellbeing strategy and its relevance for participants of the Money Sorted project.

The UK Strategy for Financial Wellbeing (2020)

Thousands of organisations across the UK work to deliver financial education, help people manage their money day-to-day, or offer support in a financial crisis. This is a national agenda which requires a concerted effort to ensure more people can protect and sustain a good level of financial wellbeing. To help develop a strategic approach there has been an outstanding need for one body to agree a simple, clear set of common goals, and provide an effective mechanism to focus everyone's efforts to support the development of financial wellbeing across the UK. This, in essence, is a key function behind the purpose of the Money & Pensions Service (MaPS).

So, what is financial wellbeing? The strategy's definition is:

'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 (MaPS, 2020)

SECTION TWO

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 below.

	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 <i>not</i> 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 evidenced as having some level of impact across the project. Through the person-centred nature of the project, Personal Navigators continue to work with their participants to offer an inclusive approach with their Personal Financial Resilience Plans (PFRPs).

Reflections on the UK financial wellbeing strategy within the context of Money Sorted

The experience of delivering the Money Sorted project over the past five years has revealed the affinity between the project and the five core strands of the UK financial wellbeing strategy.

Consultation of the Money Sorted project data provided in the remainder of this report provides further insights into the challenges facing projects that are designed to support the financial wellbeing of economically inactive or unemployed people.

These challenges have implications for the delivery of the UK financial wellbeing strategy. Against each of the five core strands of the strategy, the presenting needs of participants are consistent with the underlying aims of the strategy to improve financial wellbeing.

The following narrative provides an overview of the typical presenting needs of unemployed and economically inactive participants accessing the Money Sorted project.

Financial Foundations – Children, young people and their parents receive a meaningful financial education.

Too many participants accessing the project have, for whatever reason, been unable to complete their state education. For example, 35.4% of participants have not completed their upper secondary school education. This has worrying implications for numeracy and literacy attainment. For those participants that do complete their secondary education, many have never been provided with a meaningful financial education. This puts them at a distinct disadvantage when purchasing goods and services involving financial decision-making processes.

Nation of Savers – Working age ‘struggling’ and ‘squeezed’ people can build a cash reserve to help deal with short-term emergencies.

All the available evidence on participant budgeting and disposable income suggests that it is extremely challenging for participants to develop a regular savings habit. Average monthly disposable income levels for participants accessing the project over the past year has been less than £20. As a result, it is typically rare for participants to access the project with any established savings habits. Unfortunately, this emerging trend has the potential to exert further financial pressures on participants needing to fund unexpected bills.

Credit Counts – People who often use credit for food and bills have an awareness of affordable credit options and can make informed choices about borrowing.

Project data reveals that low levels of income often place participants in situations where they need to access some form of credit to 'make ends meet'. Consultation of Y5 pre-survey (entry) data reveals that the average participant has £2,495 of credit card debt. For many participants a lack of financial literacy puts them at risk of accessing unethical or uncompetitive credit products. By comparison, whilst 'affordable credit' is, in theory, available to help participants in need, the wider evidence at point of access into the project suggests that many participants have little or no established budgeting skills. This puts them at a distinct disadvantage when using credit products. The development of appropriate budgetary skills is an area where the project is able to upskill and empower participants to take control of their finances.

Better Debt Advice – People who need debt advice can access high quality services when they need them.

Consultation of the project data on participant budget spending reveals the extent to which debt relief orders (DROs) provide a vital mechanism to help participants re-establish a sense of financial wellbeing. During 2021, 71.2% of participants said that they were living in a debt situation that was unmanageable at the point of access onto the project. The underpinning network of charities and advice sector agencies attached to Money Sorted ensure that all participants have access to high-quality debt advice that is free at the point of access. Many participants are initially unaware of the range of free debt advice services that are available to help alleviate problem debt issues.

SECTION TWO

Future Focus – Preparing all adults with the necessary understanding to plan for later life

The accumulated evidence assembled over each of the past five years reveals that the Money Sorted project does help participants to regain a sense of financial wellbeing through their engagement with their Personal Navigator. As part of their journey through the project, many participants are able to consider different ways to manage their finances in future. This often has positive implications for participants' mental wellbeing as they exit the project. However, the project has not been established to provide long-term financial wellbeing support. In reality, the onward support that some participants may need is likely to be more closely aligned with the role of an Independent Financial Advisor.

As the UK continues to recover from the coronavirus pandemic, and the cost of living crisis continues, it is likely that more initiatives will be required to help people implement the underlying principles of the UK financial wellbeing strategy.



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. Source: UK Strategy for Financial Wellbeing (MaPS, 2020).
- In response to these issues, the Money & Pensions Service (MaPS) launched the UK financial wellbeing strategy in January 2020. The strategy is designed to coordinate a national approach to support financial wellbeing over the next ten years 2020-2030.
- 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 (MaPS, 2020).
- The UK financial wellbeing strategy focuses on five priority measures. These are: Financial Foundations: 2m more children and young people get a meaningful financial education; Nation of Savers: 2m more working age 'struggling' and 'squeezed' people saving regularly; Credit Counts: 2m fewer people often using credit for food and bills; Better Debt Advice: 2m more people accessing debt advice; and Future Focus: 5m people understanding enough to plan for, and in, later life.
- Participants on the Money Sorted project have often had adverse experiences affecting their financial wellbeing, linked to all five of the priority areas of the UK financial wellbeing strategy. Indeed, the educational attainment of participants is typically low, levels of disposable income make saving difficult, and issues with credit use and indebtedness are commonly found across participants signing up for the project.
- Each year the Money Sorted project provides support to a wide range of participants in line with the expressed vision of the UK Strategy for Financial Wellbeing.

Ava's story

Ava* was initially referred into the Money Sorted project during 2019. Although her Personal Navigator made a home visit at this time, the initial evidence required to process a sign-up was not forthcoming. A second referral was submitted from a local Family Support Worker a year later in 2020, and this time Ava was successfully enrolled onto the project.

At this time Ava had recently been made redundant from her work at a local cafe and was living in a Housing Association property with three dependent children. Ava reported that she had no idea how to manage her money since she had previously been in a relationship where her partner managed all her finances. This meant that she was struggling to manage her finances and prioritise her spending. Consequently she was beginning to fall behind on the repayment of bills, and debts were beginning to accumulate. This was having an adverse impact on Ava's mental wellbeing and she was avoiding opening the post through a sense of anxiety.

To help Ava address her current circumstances, she worked with her Personal Navigator to assess what could be done to help build her confidence to deal with money. To help her move forward, it was agreed that Ava would attend the WEA courses designed to help build confidence to manage money, debts and promote good mental wellbeing. These courses were complemented by a range of additional measures, which Ava explored with her Personal Navigator. This included the use of a spending diary that allowed Ava to create an accurate household budget.

Working with her Personal Navigator, it became clear that Ava dreaded going food shopping and would often come home with random items that she would struggle to make a meal from. To help address this, her Personal Navigator helped Ava to construct a series of meal plans that would allow her to purchase what she needed each week.



To help Ava exert further control over her finances, her Personal Navigator purchased a calendar to help keep track of key bills and appointments. To help ensure bills were paid on time, Ava also agreed to reschedule her direct debits for a few days after her Universal Credit payments each month.

These changes have undoubtedly helped Ava to stabilise her finances. Ava was also supported to attend a debt advice appointment with the Money Advice Service, which helped Ava to negotiate repayment plans with all her creditors. Ava's financial situation has been further boosted through successful applications to the Warm Home Discount Scheme, and her utility provider also agreed to reduce her existing debt by 50%.

Ava also utilised the project intervention budget to replace her broken mobile phone. This use of the intervention budget has allowed Ava to access a range of digital services and communicate effectively with her Personal Navigator and other organisations.

The provision of this consistent source of support has meant that Ava's financial situation has been transformed. This has had a positive effect on her mental wellbeing, to the extent that she has been able to return to work. Ava's contact with the WEA has continued throughout this time and she has also completed an accredited qualification on mental health awareness. This has been another key factor underpinning her progression.

The compounding effect of all these positive changes mean that Ava is now £380 better off per month and is much more confident about how she manages her money. In her own words, she recognises that:

'I am overcoming things that I never thought that I would. I am proud of my progress.'

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





The growing challenge of child poverty

Consultation of the available project data reveals that the Money Sorted project consistently engages with the issue of child poverty. Research from the Joseph Rowntree Foundation (2022) suggests that increasing numbers of children are growing up in poverty. So what actually is poverty and how do we define it? The sociologist Peter Townsend, a founding member of the Child Poverty Action Group (CPAG), defined poverty in 1979:

'Individuals, families and groups in the population can be said to be in poverty when they lack resources to obtain the type of diet, participate in the activities and have the living conditions and amenities which are customary, or at least widely encouraged and approved, in the societies in which they belong.'

Source: Townsend (1979)

In today's financial landscape, the available evidence reveals that more children are growing up in poverty. CPAG estimate that **4.3 million children** were living in poverty in the UK in 2019-2020.

To help assess the extent of poverty across the UK, the government publishes a survey of income poverty called 'Households Below Average Income' (HBAI). This survey sets the poverty line in the UK at 60% of the median UK household income. In the financial year 2019-2020 the median household income was £29,900, and 60% of this figure is £17,940. Households living on an income beneath this figure are classed as being in relative poverty.

Consultation of the available MAP tool data collated for Money Sorted participants completing pre-surveys reveals that during 2021, 37.5% of participants had dependent children. A closer inspection of the annual income of these participants reveals that 71% were living within a context of relative poverty, i.e. their annual income household income was beneath £17,940. This exerts ongoing pressure on participants, as observed by one Personal Navigator:

'Families are constantly having to juggle their priorities because they do not have enough money coming in to pay for all their needs. This often means prioritising their children's basic needs for clothes and food over what should be higher priority bills such as rent, Council Tax and increasingly, energy bills. Special occasions such as birthdays, holidays and Christmas are an increasing struggle, leaving parents feeling guilty that they can't create the special occasions that they feel are important.'

Source: Personal Navigator, Money Sorted

For those participants who do access the project with dependent children, the service offered by the Personal Navigators is typically centred around benefit checks to maximise income, budgeting, applications to trust funds and applications for Debt Relief Orders. Whilst these measures do help improve the circumstances of participants, it is clear that they do not entirely alleviate the issue of poverty, and participants with children are often reliant on foodbanks to help sustain their wellbeing. Consultation with the Personal Navigators also reveals ongoing difficulties associated with the two-child limit on Universal Credit and tax credits. Similarly, the existing benefit cap presents difficulties for large families or families living with rent arrears.

At the present time it is clear that the cost of living crisis will place participants with dependent children in challenging financial circumstances. As inflationary pressure continues, it is difficult to see how participants will protect their financial wellbeing in these circumstances. Whilst the development of financial capability skills such as budgeting may help a certain type of participant, the emerging evidence suggests that more and more families are at risk of falling into poverty. Organisations like the Child Poverty Action Group are campaigning about the need to increase benefits and tax credits to help ensure families' purchasing power for essentials is not further eroded through cost of living increases. The Institute for Fiscal Studies suggests that a planned government benefit uplift of 3.1% will not protect the poorest in society and that an increase of 6% would be more appropriate to help families and individuals cope with the cost of living squeeze (Joyce et al., 2022).



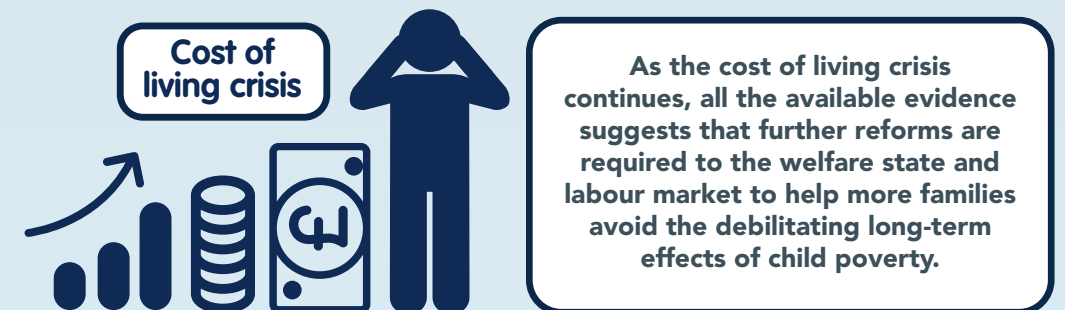
Whilst increasing benefits is one possible option to help support people through the cost of living crisis, some Money Sorted participants may be considering employment as a means to boost their income. However, this is also problematic and the evidence suggests that an employment outcome may not necessarily lead to improved financial wellbeing, as evidence compiled from the Child Poverty Action Group illustrates:

'Work does not provide a guaranteed route out of poverty in the UK. 75 per cent of children growing up in poverty live in a household where at least one person works.'

Source: Child Poverty Action Group, 2022

83% of Money Sorted participants with dependent children who are living below the poverty line are single parents. This suggests that many of these parents would need to factor in childcare responsibilities and costs, which may make the decision to return to work financially unviable. These challenges are compounded by the fact that many participants are disadvantaged in the labour market and are often affected by the growth in impermanent roles and zero hours contracts, which confer precarious income streams onto the employees in such roles.

The ongoing challenge and stress of participants with dependent children is reflected in concerns about the prevalence of anxiety and depression within this group. As the cost of living crisis continues, all the available evidence suggests that further reforms are required to the welfare state and labour market to help more families avoid the debilitating long-term effects of child poverty.



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 five 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. Since March 2020, 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, its full impact on individual participants is still emerging.

At the time of developing this report, it is clear that the project continues to work with a significant amount of diversity and complexity of 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 five years. In total, four primary 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.

By the end of Y5 a total of 3,220 participants have now accessed the Money Sorted project over the past five years.

Participant profile analysis – Overview

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

Basic demographic data

Gender split of participants

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% of participants are male and 57% are female. The relative prevalence of female participants is in part driven by the numbers of female single adult households living with dependent children. Over the past five years 24.7% of project sign-ups have been from single adult households with dependent children. A closer inspection of the available data reveals that the adult participants associated with this group have a gender breakdown of 88% female and 12% male. By the end of Y5 the proportion of females accessing the project had increased by 0.7% compared with the position at the end of Y4.

Average age of participants

The mean average age of participants accessing the service at the end of Y5 2021 was 41.1 years, compared with 43.7 at the end of Y4 2020. This suggests a younger profile of participants have engaged with the project over the past twelve months. This may be in part a reflection of the pandemic requirements for social distancing and the preference of older participants to engage face-to-face as opposed to through digital media. A compounding factor may also be participant awareness of the older profile of mortality rates associated with coronavirus infections. ONS data reveals that the mean average age of all deaths involving Covid-19 in England and Wales was 80.3 years. Similarly, for potential participants with long-term conditions, the overriding desire may have been to stay at home.

The most popular age group of participants accessing the service is 25-34, with 24.8% of participants being in this group.

The balance of unemployed and economically inactive participants

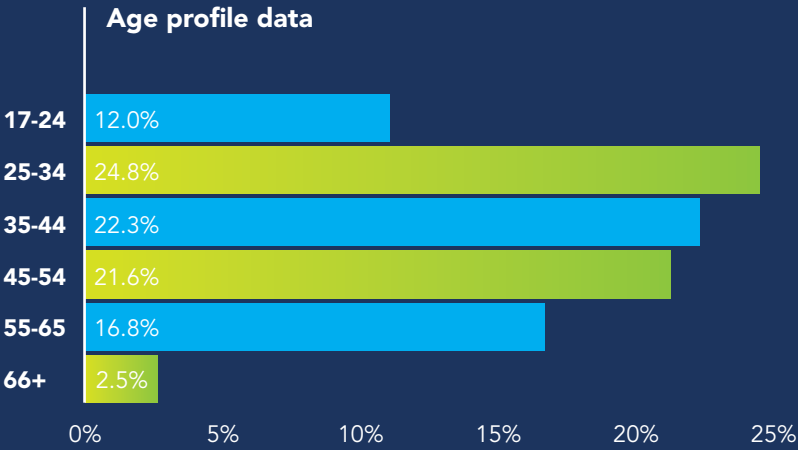
Over the past year the project has continued to increase the proportion of economically inactive participants signing up to receive support. At the end of Y5 the balance of economically inactive vs unemployed participants stood at 46.4% vs 53.6%. This represents a 1% increase in economically inactive participants when compared with the position at the end of Y4 service delivery.

Ethnic profile of participants

Analysis of the ethnic profile of participants reveals that at the end of Y5, 81.5% were White British. By comparison, 18.5% of participants come from Black, Asian and Minority Ethnic backgrounds. The most popular Black Asian and Minority Ethnic and Refugee (BAMER) groups include Black/African/Caribbean/Black British – African (4.4%) and Black/African/Caribbean/Black British – Caribbean (2.3%). Over the course of coronavirus pandemic from 2020-2021, the overall ethnic balance of the project has adjusted by 2% in favour of more White British participants. At the end of Y3 2019 the White British profile stood at 79.4%, with 20.6% participants represented by Black, Asian and Minority Ethnic profiles. This is consistent with the decline in sign-ups from specialist partners working with ethnically diverse communities. Where English is not the first language of participants enrolling on the project, it is clear that this can present additional challenges in enlisting interpreter services for scheduled video calls or phone calls. As such, project spend on interpreter services has declined significantly since 2019 – see section four on participant budget spend for further details. The limited ability of the project to support face-to-face dialogue over this time is therefore likely to be a compounding factor affecting the engagement of some ethnic groups during the coronavirus pandemic.



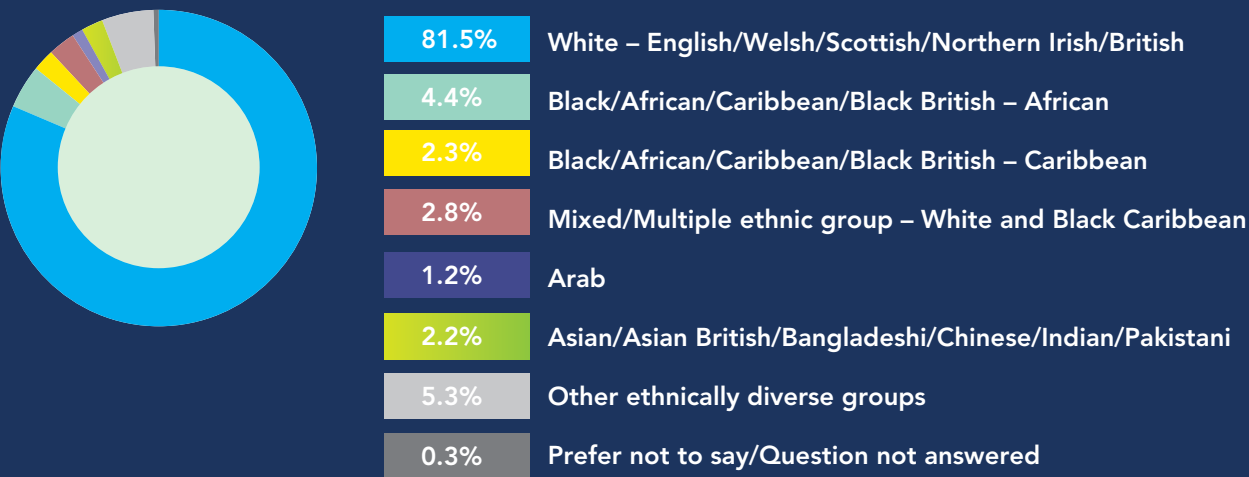
Basic demographic data



Economic status of participants



Ethnic profile of participants



SECTION THREE

Participant educational attainment

A review of the available data on educational attainment of participants accessing the project reveals that the most popular level of attainment is that of upper secondary education or equivalent, with 43% of participants. This leaves a concerning 35.4% of participants who did not complete their upper secondary education. In terms of highest levels of educational attainment, the data reveals that a combined figure of 21.6 % of participants have gone on to complete their post-secondary or tertiary education. In summary, educational attainment on the project remains at a typically low level, which has concerning implications for the financial literacy of participants.



Attainment level

	Frequency of participants at end Y5	% Participants	% Cumulative
Does not have primary or lower secondary education	236	7.3%	7.3%
With primary education or equivalent	114	3.5%	10.9%
With lower secondary education or equivalent	790	24.5%	35.4%
With upper secondary education or equivalent NVQ Level 2, GCSE/CSE/GNVQ	1,383	43.0%	78.4%
With post-secondary education or equivalent higher education, AS/A2/A levels, NVQ level 3	477	14.8%	93.2%
With tertiary education or equivalent NVQ level 4-5, degree or postgraduate diploma	220	6.8%	100.0%

Total	3,220
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Participant household status and employment situation

A review of the available data on participants’ household status reveals that by the end of Y5 the proportion of participants living in jobless households had increased by 0.5% over the course of 2021. This increase also includes households with dependent children, which increased by 1.6%, and single households with dependent children, which increased by 1.8% during the course of 2021.

By comparison, the proportion of participants who lack basic skills has declined (-2.0%), along with the proportion of participants who are homeless or affected by housing exclusion (-0.6%).

Overall, the profile of participants accessing the service reveals the extent of the typical difficulties faced by participants, in terms of the significant numbers who lack basic skills (38.9%) and those living in jobless households (88.9%). These challenges are clearly compounded by the high numbers of participants living with a disability (69.1%) – this figure is significantly influenced by the prevalence of mental health issues, particularly anxiety and depression.

Household status 2021	Frequency at end of Y5	Y3 % frequency	Y4 % frequency	Y5 % frequency	Variance Y5-Y4
Lacks basic skills	1,254	42.9%	40.9%	38.9%	-2.0%
Homeless or affected by housing exclusion	373	11.8%	12.1%	11.6%	-0.6%
Live in jobless household	2,863	88.2%	88.4%	88.9%	0.5%
Live in jobless household with dependent children	1,047	30.0%	30.9%	32.5%	1.6%
Live in single household with dependent children	796	22.4%	22.9%	24.7%	1.8%
Offender or ex-offender	379	11.8%	11.6%	11.8%	0.1%
Has a disability	2,225	69.4%	69.0%	69.1%	0.1%
Total records	3,220				

Participant financial wellbeing data

As the issues associated with the coronavirus pandemic have continued over the past year, 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 achieved, each participant completes a post-survey form before they officially exit the project.

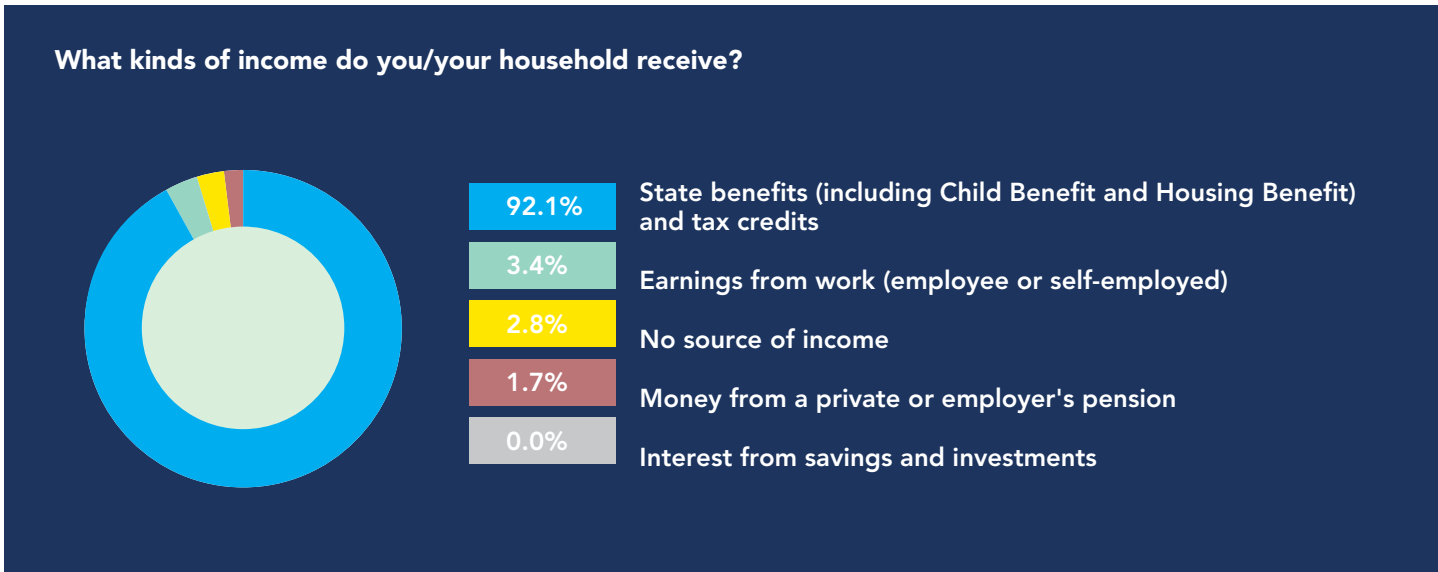
Analysis of pre-survey data over the previous years of service delivery reveals a situation where the majority of participants are facing significant financial problems whilst at the same time facing a concerning deficit of knowledge and skills to help navigate through their existing financial difficulties.

The data collated during 2021 reveals the following situation affecting the financial wellbeing of participants.

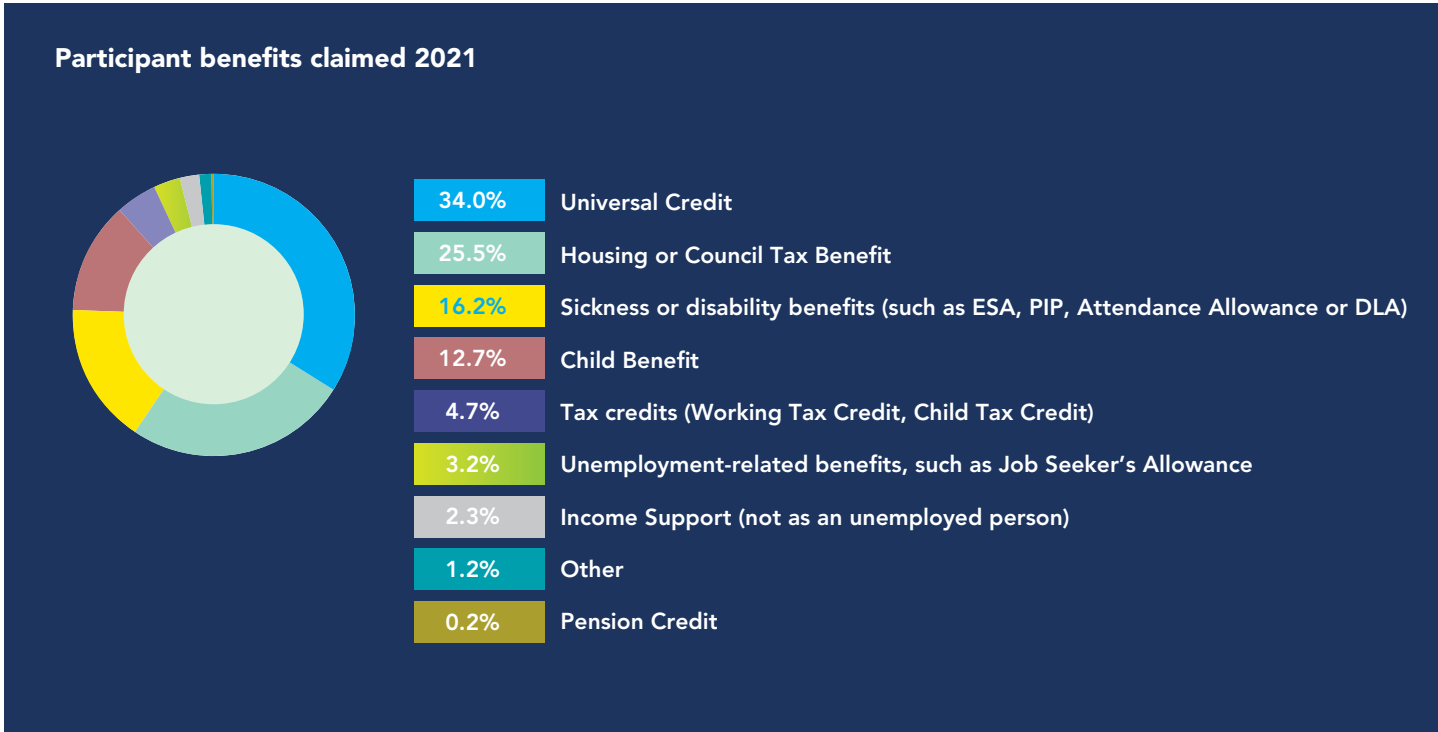
SECTION THREE

What types of income does your household receive?

MAP tool data at pre-survey level again reveals the extent of participants’ benefit dependency, with 92.1% of participants receiving some form of support from the welfare state. By comparison 3.4% of participants were in a household which had some form of income through a partner or relative who was in employment. A worrying 2.8% of participants had no source of income when surveyed at the pre-survey point of entry onto the project.



A closer inspection of the most frequently utilised benefits reveals that Universal Credit was again the most popular benefit claimed in 2021 (34%), followed by Housing or Council Tax Benefit (25.5%) and sickness or disability benefits (16.2%). The numbers of participants on legacy benefits such as Job Seeker’s Allowance (JSA) (3.2%) continue to decline as more participants are transferred onto Universal Credit.



SECTION THREE

A closer inspection of mean average and median income levels of participants accessing the project during 2021 also reveals the limited financial income streams of participants. The mean average income over this time was £10,330. By comparison, the median average income was £9,354.

Participants mean average income during 2021 was

£10,330



Given the current cost of living crisis and inflationary pressure on utilities, it is expected that more participants will lack a sense of confidence about their financial future.

Participant financial wellbeing

As participants have completed MAP tool pre-surveys during 2021, the available data reveals that participants continue to struggle with a range of concerns that adversely impact on their financial wellbeing.

The following table suggests that over the past 12 months, participants accessing the project have continued to experience significant financial difficulties. However, not all measures have declined against the position at the end of 2020. In this respect it is clear that a mixed picture emerges when Y4 2020 data is compared with Y5 2021. Over the past year 82% of participants felt that when it comes to managing their finances they 'always struggle' or 'sometimes struggle'. This figure is lower but still broadly consistent with the position for participants accessing the project in Y4, where 85.5% felt that they 'always' or 'sometimes struggle' to manage their finances. Y5 data also reveals that 67.3% of participants said they were 'not very confident' or 'not at all confident' about their financial future. This represents an improvement on the situation in Y4, where 75.4% participants were 'not very confident' or 'not at all confident' about their financial future. Making an accurate assessment of this improving trend is problematic given the turbulent financial landscape over the past 12 months. However, it is possible that for some participants, measures such as the original Universal Credit uplift and the reduced powers of bailiffs may be translated into improved confidence. Given the current cost of living crisis and inflationary pressure on utilities, it is expected that more participants will lack a sense of confidence about

their financial future over the course of 2022 (Y6). 59.3% of participants accessing the project during Y5 were having to 'regularly borrow money' or 'sometimes borrow money' to pay for food or other necessary items. This has improved from the position at the end of 2020 Y4, where 64.8% of participants were regularly or sometimes borrowing money. The precise reasons for this change are again challenging to pinpoint, however it is possible that the growth in foodbanks has alleviated some of the pressures faced by participants needing to borrow money to pay for food and essential items. This trend may also be linked to emerging trends in referral patterns over the course of the past two years. Further information on this theme is provided in section four of this evaluation.

In contrast to 2021 (Y4), more participants were feeling like they were living in a debt situation that was unmanageable. 74% of participants felt that this was the case during Y5 2021 of the project, compared to 66.8% in Y4 2020. This measure is perhaps a truer reflection of the state of participants' finances for the year in question. The numbers of participants who thought that their family/household life was completely stressful continues to fluctuate from 51.4% in Y4 (2020) to 45.9% in Y5 (2021)

Finally, the mean average monthly disposable income levels recorded at pre-survey stage in Y5 2021 equated to £17.63. This reveals a decline in mean average disposable income levels of £1.98 per month compared with the £19.61 pre-survey figure recorded in Y4. This data suggests there has been a deterioration in participants' financial wellbeing over 2021 (Y5) compared with the position during 2020 (Y4).

MAP tool pre-survey data – key measures

Position at the end of Y4 2020	Position at the end of Y5 2021	MAP tool measure
85.5%	82.0%	said that when it comes to managing their finances that they 'always struggle' or 'sometimes struggle'.
75.4%	67.3%	said that they were 'not very confident' or 'not at all confident' about their financial future.
64.8%	59.3%	of participants '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%	74.0%	of 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'.
51.4%	45.9%	of participants thought that their family/household life was 'completely stressful'.
£19.61	£17.63	on average participants had £17.63 of disposable income to spend in shops and businesses each month.

On average participants had

£17.63

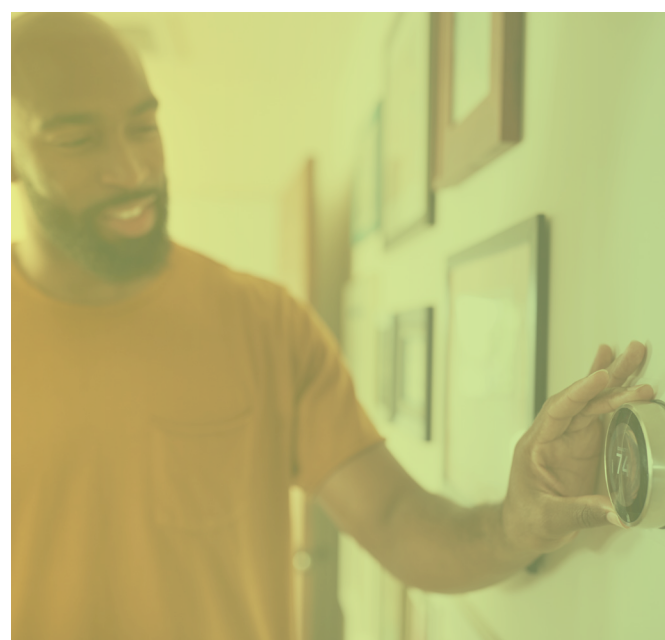
of disposable income to spend in shops and businesses each month.

SECTION SUMMARY

- The gender profile of participants accessing the project at end of 2021 was 43% male and 57% female.
- The mean average age of participants accessing the project is 41.1 years. The age profile of participants accessing the project over the past year is, on average, 2.6 years younger than Y4 2020, where the mean average age of participants was 43.7 years.
- The ethnic profile of participants accessing the project has adjusted slightly over the past two years, arguably as a result of the coronavirus pandemic. This adjustment has seen a 2% increase in the prevalence of white British participants. At the end of Y5 2021, 81.5% of participants accessing the project to date were White British, with a corresponding 18.5% of participants from a range of ethnically diverse communities, the most prevalent being Black/African/Caribbean/Black British – African (4.4%) and Black/African/Caribbean/Black British – Caribbean (2.3%).
- Over the past year the project has continued to improve the percentage of participants from economically inactive backgrounds. At the end of 2021 Y5 the percentage split of participants was 46.4% economically inactive and 53.6% unemployed.
- Educational attainment on the project is typically low. 35% of participants have not completed their upper secondary education. This has potentially concerning implications for numeracy and financial literacy.
- Household income of participants is heavily dependent on state benefits. 92.1% of households receive some form of state benefits. By comparison, 3.4% of households receive income from employment.
- A review of financial wellbeing data compiled through the MAP tool data reveals an evolving situation affecting participants completing pre-surveys. During Y5 2021

fewer participants (67.3%) felt that they were 'not very confident' or 'not at all confident' about their financial future compared with the position during Y4 2020, where 75.4% felt they were 'not very confident' or 'not at all confident' about their financial future. By comparison, increasing numbers of participants felt that they were 'living in a debt situation that was unmanageable' – 74% in 2021 Y5 compared with 66.8% in 2020 Y4.

- Levels of disposable income at pre-survey have declined from £19.61 in Y4 2020 to £17.63 in Y5. This decline is consistent with the inflationary pressures associated with the cost of living crisis.
- The available data on the profile of participants accessing the project continues to reveal issues with poor educational attainment and household incomes reliant on state benefits. The demographic profile suggests there has been a slight shift towards a younger, White British participant. These changes may be a reflection of the unfolding impact of the coronavirus pandemic. MAP tool data on financial wellbeing suggests an emerging picture. Whilst some measures have marginally improved compared with the 2020 Y4 position, it is clear that disposable income levels are declining and increasing numbers of participants are reporting a debt problem that is becoming unmanageable. At the time of writing the project expects that the prevailing financial circumstances affecting many participants will continue to deteriorate over the next year as inflationary pressures continue to affect the cost of living.



Katy's story

Katy* was referred into the Money Sorted project in May 2021 by her local Job Centre Plus office. At this time she was struggling with an accumulated debt of around £7,000 spread across rent arrears, Council Tax, court fines, benefit overpayments and television subscriptions and licences. As a result of these difficulties Katy felt a pervading lack of confidence, motivation and mental wellbeing to tackle the growing issues associated with her financial position. The acute nature of these difficulties also meant that she was struggling to fulfil her desire to find employment, since she was so distracted by her pressing financial needs.

At the initial meeting with her Personal Navigator, an action plan was agreed to help Katy navigate through the challenging circumstances that she was facing. Through this dialogue it was agreed that in the short term Katy would need support to access emergency funding to provide for essential food and provisions. To help assess the true extent of her financial situation, it was also agreed that it would be necessary to undertake an income and expenditure exercise. Through these early conversations it also became apparent that Katy was really keen to enter employment and tackle her debt problems. Katy was keen to secure a job working with animals.

Through the process of working with Katy, it became apparent that she had never considered the concept of priority and non-priority debts. This had meant that Sky television subscriptions had been prioritised over Council Tax payments. This had led to a situation where she had accumulated Council Tax arrears and court fines. To help resolve her debt situation, Katy agreed to engage with a Debt Advisor, who explained the principles of a Debt Relief Order (DRO). The Debt Advisor confirmed that a DRO was potentially available to Katy, however it would be unlikely to be approved if an application to the Insolvency Service revealed that she would have a monthly financial surplus of £75 or more after all her household expenses had been settled. This information left Katy with a decision to make about her future employment aspirations, given that employment would be likely to take her over the £75 threshold. After considering her options, Katy decided that it would be beneficial for her long-term prospects and wellbeing if she was able to return to work. Consequently, Katy decided that she would not apply for a DRO but would instead work with her

Personal Navigator to establish realistic repayment plans with her creditors.

To help Katy move forward, a successful application was made to the Severn Trent Big Difference scheme, and a Discretionary Housing Payment (DHP) was also secured to help with her rent arrears. By now Katy was growing in confidence and had also started engaging with the National Careers Service to develop her CV and interview skills. After three sessions her confidence had improved significantly, to the extent that she approached an aquatics retailer and chatted to the store manager. The outcome of this endeavour was the opportunity to undertake a work trial, which led to an employment opportunity!

At the end of her time on the project, Zoe provided the following grateful reflections to her Personal Navigator:

'Thank you so much for all the support you and the project have given me. You have helped me with all my debt, helping me sort stuff like my rent and my water bills. Helping me with my job and finding information for me. Now I have sorted my debt out and now that I'm working I'm feeling better and my mental health isn't bad now. I have got the confidence that I didn't have before and I'm so grateful for all the help you have provided me with. Again thank you so much.'



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





A comparative analysis of Insolvency Service data and Money Sorted sign-ups

Since the start of the coronavirus pandemic in March 2020, the Money Sorted project has been exposed to a series of unprecedented external forces that have adversely affected service delivery. This has been an immensely challenging time, which has resulted in both expected and unexpected outcomes for the project.

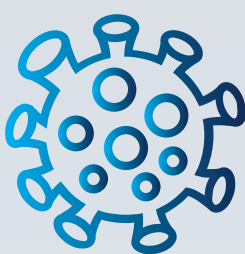
The available evidence suggests the requirements of social distancing have exerted a corrosive effect on project sign-ups across 2020 and 2021. Whilst this is not entirely unexpected, sign-ups across 2020/2021 have continued to track around 27% lower than pre-pandemic levels of 2019. As social distancing requirements have been relaxed during the course of 2021, it could have been reasonably assumed that sign-ups would also begin to recover in line with the 2019 performance. However, this has not happened. Similarly, there was an expectation that the end of the Universal Credit uplift and the return of usual bailiff activity and landlord eviction processes would also encourage a flurry of new referrals. In reality, these circumstances have not yet been translated into a significant upturn in sign-ups in line with 2019 data. To some extent, the decline in demand for support is counter-intuitive given the well-documented economic turbulence in the economy over this time.

To help qualify the available project data on sign-ups with an independent source of data, a Freedom of Information (FOI) request was lodged with the Insolvency Service in January 2022. This request was designed to assess the impact of the coronavirus pandemic on the prevalence of Debt Relief Orders (DROs), bankruptcies and Individual Voluntary Agreements (IVAs) across the period 2019-2020 (at the time of writing, 2021 data is unavailable). The data from the Insolvency Service does indeed provide some interesting insights into the impact of the pandemic across D2N2 and England and Wales.

As the table below reveals, the number of Debt Relief Orders and bankruptcies processed in 2019 compared with 2020 declined across England and Wales by some 25.4% and 24.4% respectively. These trends are also reflected in the D2N2 data, which reveals that the number of Debt Relief Orders fell by around 40-45% in Derby and Nottingham City, and around 25% in Derbyshire and Nottinghamshire. The bankruptcy data reveals that bankruptcies in the Derby and Nottingham area fell by around 25%, and Derbyshire and Nottinghamshire by 40.9% over 2019/2020. A closer inspection of the source data also reveals that the volumes of 2020 Debt Relief Orders and bankruptcies processed across England and Wales were the lowest on record over the years 2011-2020.

Insolvency Service data analysis

Debt Relief Orders (DROs)	2017	2018	2019	2020	% change 2019 vs 2020
England and Wales	24,894	27,684	27,189	20,290	-25.4%
Derby	92	128	164	98	-40.2%
Derbyshire	289	356	411	305	-25.8%
Nottingham	115	145	174	95	-45.4%
Nottinghamshire	298	318	323	241	-25.4%



Bankruptcies	2017	2018	2019	2020	% change 2019 vs 2020
England and Wales	15,107	16,643	16,741	12,654	-24.4%
Derby	51	63	65	49	-24.6%
Derbyshire	204	222	247	146	-40.9%
Nottingham	60	74	68	50	-26.5%
Nottinghamshire	236	231	252	149	-40.9%

Given the media coverage of the economic impact of the coronavirus on the financial wellbeing of the UK population during 2020, these trends are to some extent counter-intuitive. The trends are, however, consistent with the 27% decline in sign-ups that the Money Sorted project has experienced.

One area of insolvency practice that has continued to grow during the pandemic is Individual Voluntary Arrangements (IVAs). However, IVAs are not typically employed across Advice Sector organisations that make up the Money Sorted project, and are instead favoured by fee-charging commercial organisations. Whilst an IVA could be a potentially helpful tool for homeowners experiencing a debt problem, most Money Sorted participants are housed in the private rented sector or social housing. In short, a Debt Relief Order is often the most cost effective and appropriate solution to resolve indebtedness for unemployed and economically inactive participants with little or no assets, rather than an IVA.

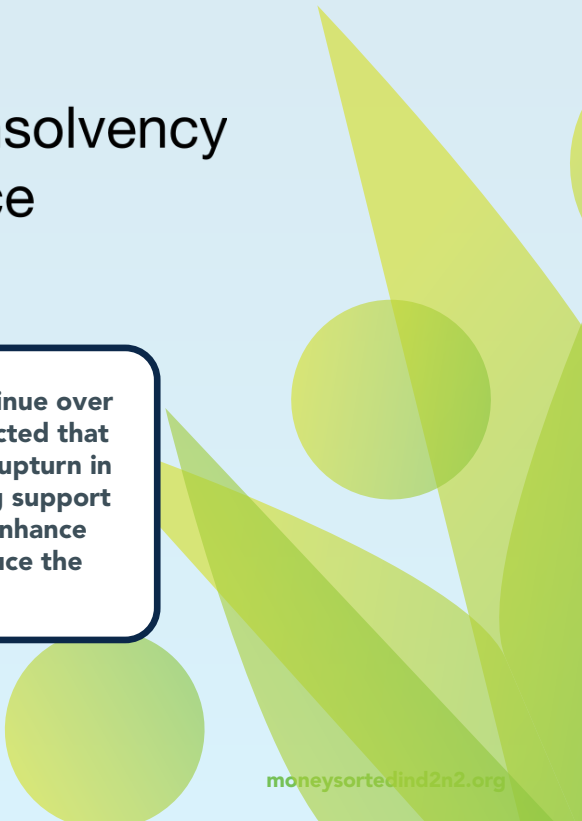
In summary, the Insolvency Service data and Money Sorted project data suggests that we have still not yet seen the full impact of the coronavirus pandemic. As a result, it is likely that pent-up demand is still yet to emerge from unemployed and economically inactive participants wanting to resolve issues affecting their financial wellbeing. As inflationary pressures continue over the course of 2022, it is expected that this will be translated into an upturn in the number of people seeking support from projects designed to enhance financial wellbeing and reduce the burden of debt.



The Insolvency Service



As inflationary pressures continue over the course of 2022, it is expected that this will be translated into an upturn in the number of people seeking support from projects designed to enhance financial wellbeing and reduce the burden of debt.



Review of the year five project performance

In this section of the evaluation we review how the Money Sorted project has performed during the fifth year of service delivery against expected targets. As we have recognised throughout this report, the project is still recovering from the adverse impact of the coronavirus pandemic, which began to significantly impact the project in March 2020. These challenges are again reflected in the project data that has been compiled during the past year. Although the impact of the pandemic can be most clearly seen in terms of project sign-ups, referral patterns and participant budget spending, it is evident that the full impact of pandemic is still emerging as new participants engage with the project and sign-up levels recover in line with pre-pandemic volumes. This section of the report has been compiled to include a review of the following areas of performance:

- Review of year five sign-up 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.
 - 2021 participant budget spend.
 - Employment and employability issues.
 - Financial capability training sessions for participants.
 - Project spend vs budget.
- Throughout this section of the report we make an ongoing assessment of how the project is performing against contractual expectations. Where appropriate, a complementary narrative has been developed to illustrate in greater detail the underlying factors affecting the performance of the project.

Review of year five sign-up targets vs actuals

An initial review of the project sign-ups during Y5 2021 reveals a project that is still re-establishing the intended intake of participants following the onset of the coronavirus pandemic in March 2020.

A total of 586 participants signed up for the project during 2021 against an expected target of 716, leaving a shortfall of 130. Whilst the social distancing requirements of the pandemic have been evolving throughout the duration of 2021, it is clear that project sign-ups continue to be affected. In 2021 the level of sign-ups reached 81.8% of the intended target, compared with 2020 where 67% of the intended target was achieved. This is in contrast to 2019, when the project was unaffected by the pending coronavirus pandemic and actual figures marginally

exceeded targets. At a time when the coronavirus pandemic has exerted financial pressures across society, it is challenging to understand why these pressures have not translated into increasing numbers of project sign-ups. To help qualify the emerging sign-up project data with an independent source of data, a freedom of information request was made to the Insolvency Service in January 2022. The data received from the Insolvency Service also reveals that Debt Relief Orders and bankruptcies across England and Wales declined by around 25% over 2019 compared with 2020. For more detailed analysis of this data, please consult the special 'Focus On' feature, which explores a comparative analysis of Insolvency Service data and Money Sorted sign-up data over this time.

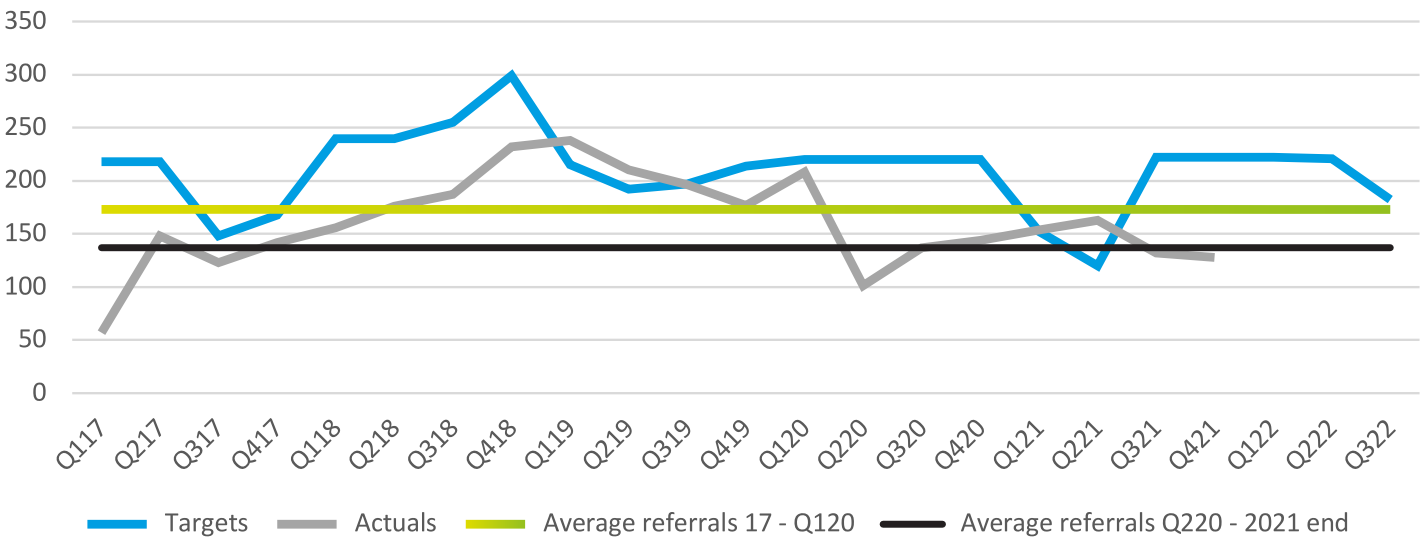
New

Sign-up targets vs actuals	2017	2018	2019	2020	2021				2021 Total	Total	End of project target Sept-22	Deficit
					Q1	Q2	Q3	Q4				
Targets	752	1034	818	880	152	120	222	222	716		3,977	
Actuals	470	747	821	596	159	163	131	133	586	3,220		757

To help understand the impact of the coronavirus pandemic from an alternative perspective, a calculation of the mean average sign-ups achieved from 2017 until end Q1 2020 (Service delivery pre-pandemic restrictions) reveal that, on average, 173 participants were signing up to the project per quarter. This equates an average annual sign-up performance of 692. By comparison, since the onset

of the coronavirus pandemic, mean average quarterly sign-ups from Q2 2020 until Q4 2021 equated to 137 per quarter. This, in turn, translates into an average annual sign-up performance of 548. The fluctuating impact of the pandemic on sign-up trends can be seen in the chart below.

2017 - 2022 project sign-up targets vs actuals



The impact of the coronavirus pandemic can be clearly seen through the sharp fall in actual sign-ups between Q1 2020 and Q2 2020. The decline in sign-ups is also reflected in average case load sizes, which stood at 24.9 at the end of 2019. At the end of 2020 and 2021, average caseload sizes per Personal Navigator stood at 18.7 and 19.1 respectively. Given that the maximum caseload size for a Personal Navigator is 40 participants, it is clear that the project caseloads continue to recover from the onset of the coronavirus pandemic.

Whilst the project has continued to provide valuable support to a range of participants in need, it is clear that it will be challenging for the project to hit the intended target of 3,977 sign-ups by 31st October 2022. At the end of Q4 2020 it was evident that a further 757 sign-ups would be required to meet this target. This would equate to an average of 252 sign-ups per quarter. The current level of sign-ups experienced over the past 24 months (mean average 146.5 per quarter) would suggest this will be an extremely challenging target to achieve.

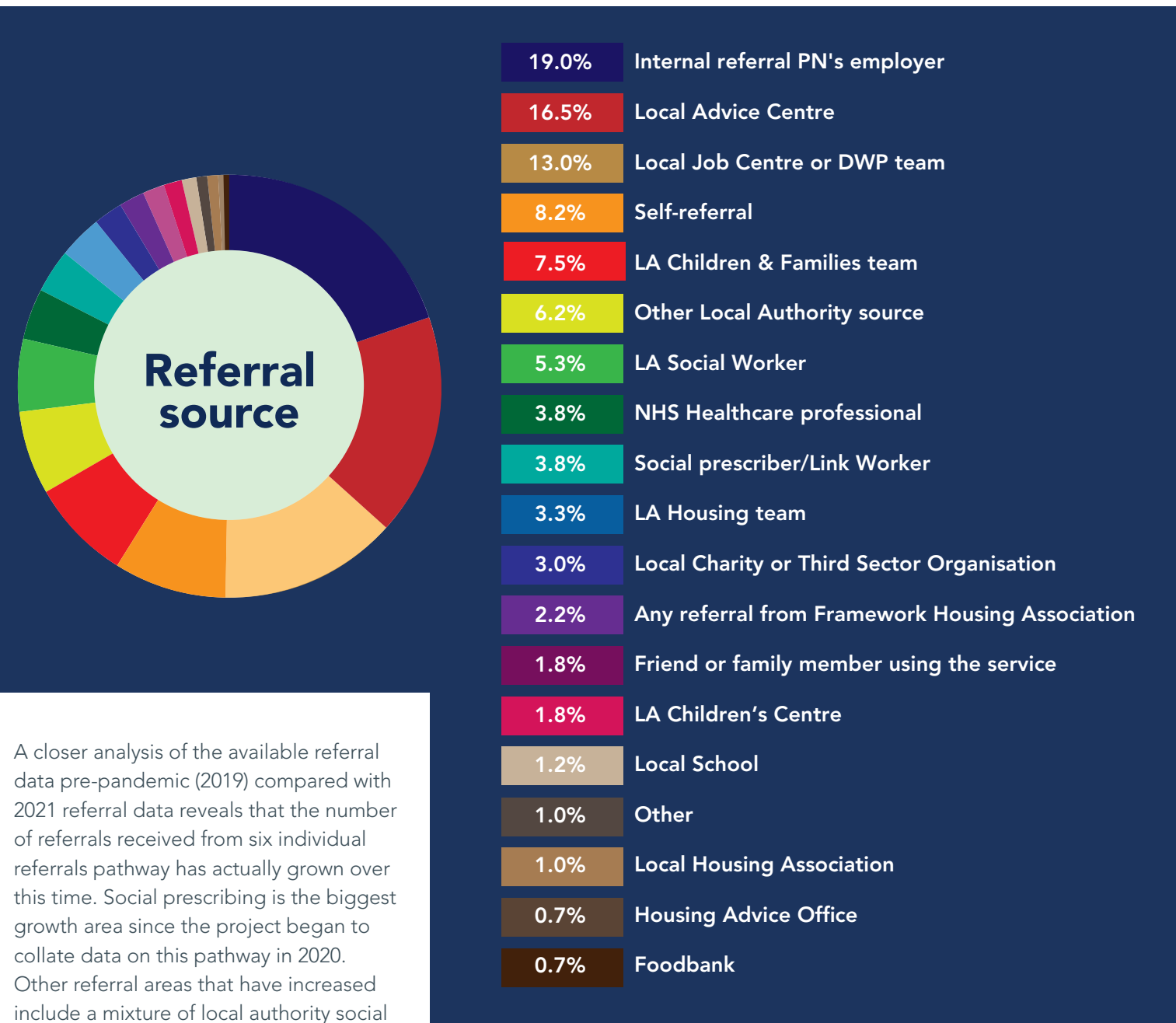


SECTION FOUR

Referral routes

A review of the 2021 referral data provides further insights into the impact of the coronavirus pandemic on the project. Similar to recent years, internal referrals through a Personal Navigator's employer, local advice centre and Job

Centre Plus or DWP teams account for a high percentage of total referrals – 48.5% of Y5 referrals. Whilst referral rates have not yet recovered to 2019 pre-pandemic levels, it is clear that the impact of the pandemic on referral pathways has been variable.



A closer analysis of the available referral data pre-pandemic (2019) compared with 2021 referral data reveals that the number of referrals received from six individual referrals pathway has actually grown over this time. Social prescribing is the biggest growth area since the project began to collate data on this pathway in 2020. Other referral areas that have increased include a mixture of local authority social workers and housing teams; although the numbers received are still a relatively small part of the overall profile of 2021 referrals, it is clear that some referral pathways have been growing.

2021 Growing referral volumes vs 2019 data	% Increase	% 2021 referrals	2019 frequency	2021 frequency
Social prescriber/Link Worker	100.0%	3.8%	0	23
LA Social Worker	60.0%	5.3%	20	32
LA Housing team	17.7%	3.3%	17	20
NHS Healthcare professional	15.0%	3.8%	20	23
LA Children & Families team	9.8%	7.5%	41	45

By comparison, several referral pathways have experienced a significant decline in demand during 2021 compared with 2019 referral patterns. Arguably, the most significant of these is the number of participants self-referring into the project, alongside internal referrals from the Personal Navigator's employer. The decline in self-referrals would tend to indicate a situation where participants are not proactively seeking support services to assist with their financial wellbeing concerns. The available evidence from recent years of service delivery also suggests that a certain cohort of participants delay engaging with support services until their problems become more acute, i.e. threat of eviction or bailiff visits. Depending on the circumstances of participants, this trend may be a reflection of a variety of factors. Anecdotal evidence suggests some participants

are unwilling to engage with a service provided virtually and the challenges this poses to process paperwork. Alternatively, some participants may have taken a decision to engage with support services once the pandemic has passed and coronavirus rates have significantly receded. Whatever the precise reason, it is clear that self-referral rates have been adversely impacted by the pandemic. This is to some extent consistent with the decline in internal referrals from the Personal Navigator's host employer, and friend and family members using the service. In summary, the evidence suggests participants have not been making conscious decisions to engage with financial wellbeing support services in the same numbers that they were pre-pandemic. This would suggest that some level of pent-up demand is accumulating in the wider system.

2021 Shrinking referral volumes vs 2019 data	% decline	% of 2021 referrals	2019 frequency	2021 frequency
Self-referral	-74.35%	8.2%	191	49
Housing Advice Office	-60.00%	0.7%	10	4
Internal referral PN's employer	-55.81%	19%	258	114
Friend or family member using the service	-38.89%	1.8%	18	11
Foodbank	-20.00%	0.7%	5	4
Local Job Centre or DWP team	-13.33%	13%	90	78
Other Local Authority source	-5.13%	6.2%	39	37

SECTION FOUR

Review of project outputs

After five years of service delivery, a review of the attainment of project outputs reveals the following situation. At the end of Y5 a total of 3,220 participants had accessed the project. This represents 81% of the total project target of 3,977 participants. Project outputs also reveals that 1,835 females have now accessed the project (92.3% of target), compared with 1,385 males (69.7% of target). Over the past year the project has made good progress on its target to work with unemployed participants. A total of 283 unemployed participants accessed the project during this time. This means that the project has met 86.8% of its overall target of 1,988 participants. By comparison, 294 economically inactive participants accessed the project during Y5. This translates to a 75.1% attainment of economically inactive outputs, which represents a significant improvement on the position at the end of Y2, where the project had engaged 423 participants or 21% of the overall project target. Since this time the project has improved its ability to engage with economically inactive participants.

Output category	2021 outputs achieved	Total project target	Actual outputs achieved (total project)	% target achieved
Total number of participants	577	3,977	3220	81.0%
Number of men	234	1,988	1385	69.7%
Number of women	343	1,989	1835	92.3%
Number who are unemployed, including long-term unemployed	283	1,988	1726	86.8%
Number who are economically inactive, including not in education or training	294	1,989	1494	75.1%
Number who are aged over 50	116	866	891	102.9%
Number with disabilities	402	2,038	2225	109.2%
Number from ethnic minorities	68	516	507	98.3%

Over the past year the project has now met its output targets in terms of participants aged over 50 and participants with disabilities. The outcome measure for disabilities takes into account physical or mental impairments that have a substantial long-term negative effect on the ability of participants to perform normal daily activities. The available evidence suggests that the problematic relationship between debt and mental wellbeing is a contributory factor underpinning the large numbers of participants within this outcome category.

The project is also very close to meeting its output target for participants from ethnic minorities. At the time of writing, the project has met 98.3% of its target of 516 participants. The remaining participants required to meet the target are expected to be secured before the October 2022 cut-off.

Participant exits and disengagements

Throughout the duration of Y5 2021, a total of 611 participants departed from the project. This figure is broken down into 376 (61.54%) exits and 235 (38.46%) disengagements. This performance is broadly consistent with the 2020 data. The available data accumulated over the past two years suggests that the coronavirus pandemic has had an adverse effect on the project in three ways.

1. As the preceding data reveals, there has been a significant decline in the level of project sign-ups compared with 2019 pre-pandemic levels.

2. There has also been a decline in the numbers of participants who are officially exiting the project after completing their package of support. In 2019, 71.8% participants officially exited the project. By comparison, in 2020 and 2021 this figure fell to 58.9% and 61.54% respectively.
3. There has been a significant increase in the proportion of participants prematurely disengaging from the project. In 2019, 28.2% participants disengaged from the project. By comparison, in 2020 and 2021 this figure rose to 41.1% and 38.46% respectively.

	2017	2018	2019	2020	2021	Totals
Exits	70	291	667	421	376	1,825
% overall exits Y1-5	3.84%	15.95%	36.55%	23.07%	20.60%	
Disengagements	34	167	262	294	235	992
% overall disengagements Y1-4	3.43%	16.83%	26.41%	29.64%	23.69%	
Total departures from project in year	104	458	929	715	611	2,817
% Exits in year	67.3%	63.5%	71.8%	58.9%	61.54%	64.79%
% Disengagements in year	32.7%	36.5%	28.2%	41.1%	38.46%	54.36%

Whilst the proportion of participants officially exiting the project in Y5 2021 has begun to increase, it is clear that there is still some way to go for the project to increase its proportion of official exits in line with 2019 (pre-pandemic expectations). The available evidence from Personal Navigators suggests that a significant cohort of participants much prefer to engage with support on a face-to-face basis. This is potentially not only a more personable and

reassuring approach, but also helps participants and Personal Navigators review and process relevant financial documents and project forms in a timely manner. These difficulties are understood to explain part of the growth in disengagement over this time.



Review of project outcomes

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 2021 there were 412 active participants engaging with the service who are expected to complete the MAP tool post-survey in due course.

Over the course of the fifth year of service delivery, it is clear that the project continues to function in a very turbulent financial climate. The onset of the coronavirus pandemic has given way to the onset of a cost of living crisis. Both issues illustrate the fact that the work of the Personal Navigators and their participants can be both positively and negatively influenced by a wide range of external circumstances that are beyond the control of the project.

Despite the significant challenges of 2021, a total of 376 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.
- 86.8% 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 84.7% at the end of 2020. Given the use of budgets to help pinpoint opportunities for savings in expenditure, this remains a crucial part of the service and it is therefore encouraging that the outcome measure for budgets continues to track above the 80% target.
- 79.1% of participants reported increased financial management skills and now 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, and it is very close to the 80% target.
- 83% of participants reported improved confidence and sense of wellbeing. This measure has improved by 2.7% over the past 12 months. 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. This commitment of participants undoubtedly helps this project outcome to track above the 80% target.
- 68% of participants had information on affordable, appropriate financial products. This figure has declined slightly from the 71.5% that was attained by the end of 2020. In terms of the 80% outcome target, this measure has proven consistently difficult to achieve. Whilst the data suggests participants are provided with information on affordable and appropriate financial products, it is hard to assess the frequency with which participants apply this information to their decision-making processes after they have exited the service.

- 92.3% of participants had bank accounts with mainstream banks or a credit union. This statistic has continued to improve from a position of 91.3% at the end of 2020. This measure continues to track consistently above the 70% target.
- 57.8% of participants reported reduced levels of family stress, which is above the 50% outcome target. However, performance attached to this outcome measure has declined over the past two years from a percentage of 75.1% in 2019 and 64.2% in 2020. 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. Similarly, the impact of the emerging cost of living crisis and utility prices is likely to also have some impact on family stress levels. 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 sole impact of the project.
- 67.7% of participants had a measurable increase in household income and reduction in debt by the end of 2021. This overall percentage has encouragingly grown from the position of 56.5% at the end of 2019 and 63% at the end of 2020. This performance is consistently above the 50% outcome target.
- 63.8% of participants reported increased available income for spending in local shops and businesses. This reflects a very similar performance of 64% at the end of 2020. This is again an encouraging performance against the 50% target.

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

- Only 10.2% of participants who needed affordable credit knew how to access it. Whilst this improved slightly on the position at the end of 2020 (6.9%), this still remains a challenging outcome measure for the project to achieve, tracking well below the 70% target. 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 20.5% of participants reported improvements in family life/personal relationships and wellbeing. This measure has declined slightly from 21.5% at the end of 2020. Both figures are well below the percentage target of 80%. 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 factors likely to affect potential improvements in family life, relationships and wellbeing.
- Over the past year 38 participants have reported a reduction in the amount of money going to high cost lenders, e.g. payday loan companies/doorstep lenders. Although this is the highest number of participants attaining this measure in any one year of the project overall performance tracks well below the 50% target. 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 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.



Indicator description	2019 total	2020 total	2021 total	Total project outcomes Y1 - Y5	% Official exits achieving outcome by end Y5
Project Outcome 1					
All participants who have completed the exit process have a Financial Resilience Plan in place	665	411	370	1,797	98.8%
80% of participants have developed personal/ household budgets with the support of their Personal Navigator	612	392	356	1,578	86.8%
80% of participants report and demonstrate increased financial management skills and know where to get ongoing financial advice and support	532	327	302	1,439	79.1%
80% of participants report increased confidence/improved sense of wellbeing	508	375	350	1,509	83.0%
Project Outcome 2					
80% of participants have information on affordable, appropriate financial products	503	279	205	1,237	68.0%
70% of participants have bank accounts with mainstream banks or a credit union	571	407	362	1,679	92.3%
70% of participants who need affordable credit know how to access it	12	79	86	185	10.2%
Project Outcome 3					
50% of participants report reduced levels of family stress	523	163	126	1,052	57.8%
50% of participants have a measurable increase in household income and reduction in debt	351	328	323	1,232	67.7%
80% of participants report improvements in family life / personal relationships and wellbeing	162	84	66	373	20.5%
Project Outcome 4					
50% of participants report reductions in levels of family income going to high-cost lenders, e.g. payday loan companies/doorstep lenders	17	7	8	38	2.1%
50% of participants report increased available income for spending in local shops and business	358	283	236	1,160	63.8%

SECTION FOUR

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 2021. 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. As in previous years, substantial numbers of participants at the point of entry onto the project felt overwhelmed by the extent of their financial worries. For example, 74.0% felt that they were living in a debt situation that was unmanageable, and 59.3% were 'regularly' 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 74% to 5.3% 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).



74%

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 5.3% of participants felt that they were living in a debt situation that was unmanageable.

Pre-survey data Y5 2021	Post survey data Y5 (Exit)	Variance	MAP tool measure
82.0%	19.1%	62.9%	of participants said that when it comes to managing their finances they 'always struggle' or 'sometimes struggle'.
67.3%	5.1%	62.2%	of participants said that they were 'not very confident' or 'not at all confident' about their financial future.
59.3%	20.2%	39.1%	of participants 'regularly borrow money' or 'sometimes borrow money' to buy food or pay for other necessary items because they have run short of money.
74.0%	5.3%	68.7%	of 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'.
45.9%	17.7%	28.2%	of respondents thought that their family/household life was 'completely stressful'.
£17.63	£85.90	£68.27	On average, participants had £68.27 of disposable income to spend in shops and businesses each month after completing the project.



On average, after leaving the project participants had an extra

£68.27

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



The wider MAP tool measures also provide insights into the ability of the project to help alleviate stress and build new financial confidence for the future. The number of respondents who thought that their family/household life was 'completely stressful' fell from 45.9% at pre-survey to 28.2% at post-survey. For many participants it is evident that the work undertaken with their Personal Navigators helps them to maximise income and minimise expenditure. This often results in an upturn in wellbeing and reduction in stress as financial pressures are reduced or resolved.

In terms of financial confidence, it is clear that the project also helps participants to develop a new sense of financial confidence for the future. At pre-survey, 67.3% of participants felt that they were 'not very confident' or 'not at all confident' about their financial future. By comparison, at post-survey only 5.1% of participants felt that they were 'not very confident' or 'not at all confident' about their financial future.

These measures help to provide a sense of the increasing confidence and upskilling that participants experience as they begin to take action, with the support of their Personal Navigator, to help address their challenging financial circumstances.

Participant improvements in disposable income

Consultation of 2021 data on disposable income levels reveals that the ongoing dialogue between participants and Personal Navigators helped to facilitate an average monthly increase in disposable income from £17.63 at pre-survey to £85.90 at post-survey. This represents a monthly increase in disposable income of £68.27. By comparison, the 2020 MAP tool data reveals, on average, a monthly disposable income of £19.61 at pre-survey and an average monthly disposable income of £98.45 at post-survey. This represents an increase in disposable income of £77.84. These trends reveal that over the past year, participants accessing the project have, on average, less disposable income than the year before. Whilst good work continues between Personal Navigators and their participants to boost disposable income, the data reveals it has not been possible to sustain the same growth in disposable income compared with 2020 levels. The declining levels of disposable income are likely to be a reflection a number of factors. The evidence suggests the cost of living crisis,

reflected in the increasing costs of food, utilities and fuel, is eroding disposable income. The end of the £20 Universal Credit uplift in October 2021 is also likely to be a contributory factor driving these statistics. The 'Focus On' features on child poverty and fuel poverty provide further insights into the challenging circumstances now facing large numbers of participants.

As in recent years, where Personal Navigators have been able to support participants to improve levels of disposable income, this is typically associated with the following range of initiatives.

- 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. This is because an employment outcome often leads to a participant officially exiting the project before their first pay cheque.


In summary, whilst it is evident that the project continues to help participants improve their underlying levels of disposable income, it is clear that the wider financial situation affecting participants is exerting an adverse impact on their ability to enhance their disposable income when compared with the situation in 2020. Given the emerging cost of living crisis in the UK, this project trend is not entirely unexpected and is expected to continue to impact on participants in 2022.



Participant indebtedness analysis

The available data on participant indebtedness over the past year continues to present a challenging picture of the financial wellbeing of participants accessing the project. Unfortunately debt, especially long-term debt, exerts a significant burden on participants struggling to sustain their financial wellbeing in challenging circumstances. As participants exit the project, Personal Navigators log the highest level of debt discovered during the participants' time on the project. Over the past 12 months the mean average figures for the highest level of debt have receded slightly from £5,672 in Y4 to £5,535 in Y5, a reduction of £137. This mean average level of debt remains higher than the £5,315 figure recorded at the end of 2019, immediately prior to the coronavirus pandemic.

Analysis of debt data also reveals that the project has also increased its ability to reduce and alleviate debt. The average debt reduction at the end of 2021 was £3,357, which represents a £234 increase on the £3,123 figure associated with the average reduction in debt at the end of Y4.



Cost of living crisis

The emerging cost of living crisis in the UK is expected to have an ongoing impact on the levels of participant debt, especially fuel poverty and fuel debt.

At the time of preparing this report, the available evidence suggests that the levels of participant debt are likely to increase again during 2022. Certainly, it is difficult to envisage a scenario where indebtedness will significantly fall. The emerging cost of living crisis in the UK is expected to have an ongoing impact on the levels of participant debt, especially fuel poverty and fuel debt.

If more participants are able to engage on a face-to-face basis with their Personal Navigators, it is expected that project sign-ups may begin to increase. As this happens, it is possible that more acute cases of indebtedness will be revealed. For these reasons, the mean average levels of debt are expected to increase again, and potentially begin to increase significantly in 2022.



Across the duration of the project, the solutions to the alleviation of debt have typically centred around the following interventions:

- 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 applications for benefits.
- Commencement of job search activities

For some participants, a decision to return to employment is a key factor effecting an improvement in their ability to service outstanding debts. The case study on Katy's story provides one example of this scenario (page 31).

Employment and employability

Despite the prevailing economic difficulties associated with the coronavirus pandemic and cost of living crisis, it is evident that the project has been making significant progress on the attainment of employment and training outcomes.

Over the course of 2021, 43 participants achieved an education or training outcome on leaving the project. This represents 41% of the total education or training outcomes achieved since the project commenced five years ago. Clearly, this was a notable achievement for the project and is even more impressive given the overall decline in project sign-ups over the past two years compared with the position at the end of 2019. This achievement also means that education and training results have doubled over the past 12 months when expressed as percentage of year-on-year caseloads 2020 vs 2021.

72 participants achieved an employment or self-employment outcome over the course of 2021. This represents 29.3% of the employment and self-employment outcomes achieved over the course of the project. This performance comes very close to the previous best year of employment or self-employment outcomes, where 78 participants secured this outcome. Again, this is a very encouraging achievement for the project at this time.

Employment and training outcomes	Outcomes Y1 - Y4	Outcomes Y5 figures	Total outcomes Y1-Y5
Number who move into education or training on leaving	62	43	105
Number who move into employment, including self-employment, on leaving	173	72	245
Of these, the number who were unemployed when joining the project (R1)	146	59	205
Of these, the number who were economically inactive when joining the project (R2)	27	13	40
Number that were economically inactive who move into job-searching on leaving (R2)	56	35	91

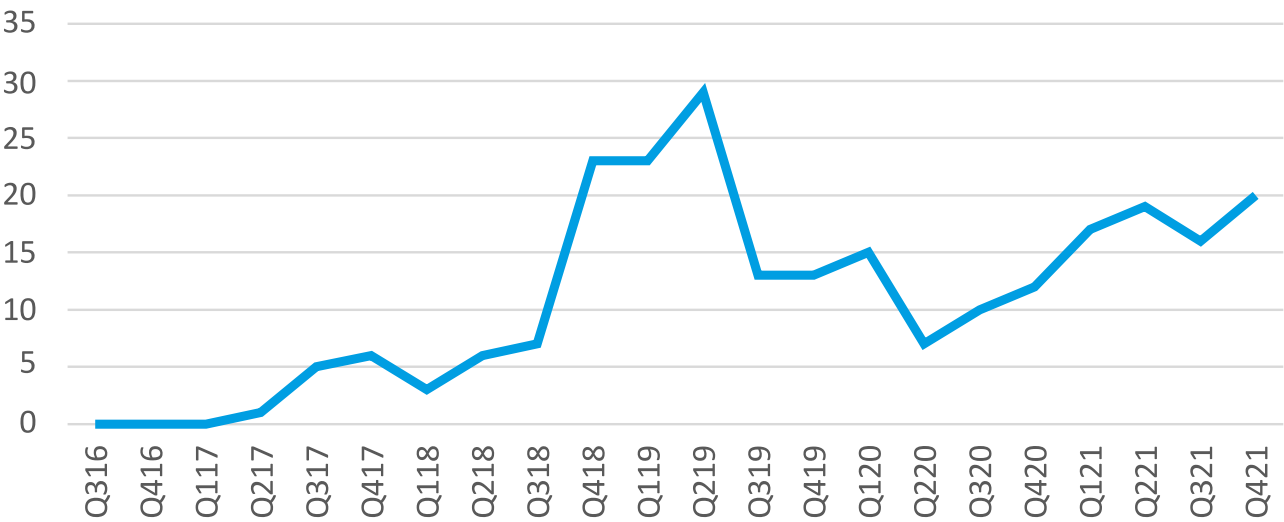


Where does employment fit within the project

Despite the challenging operating landscape the project has faced over the past two years, it is encouraging to see that an upturn is taking place in the attainment of training and employment outcomes, as illustrated in the following charts.

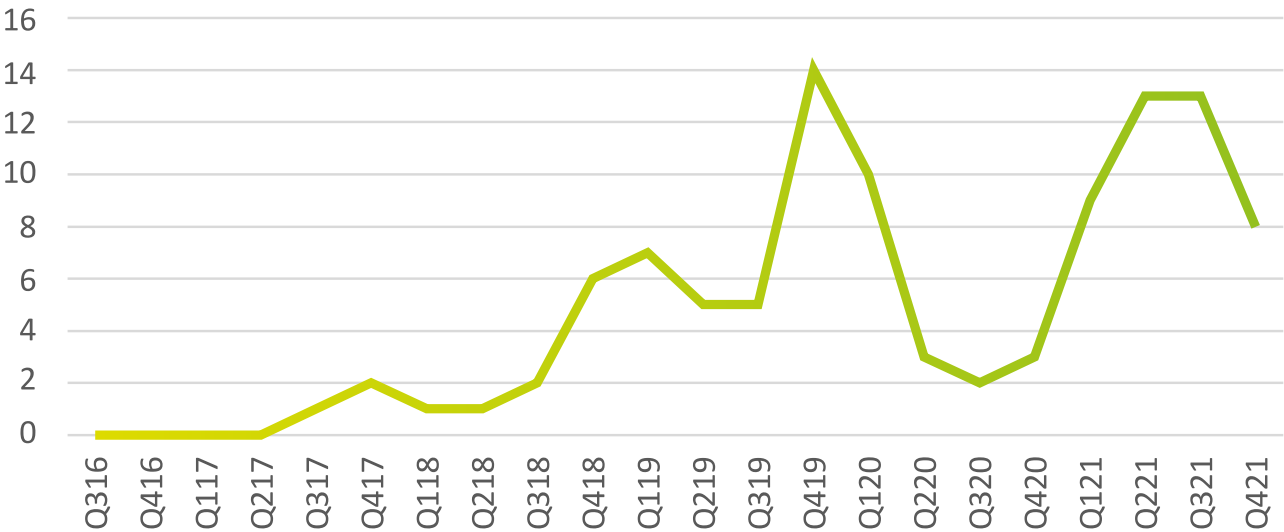
Employment outcomes are encouragingly experiencing an upward trajectory following a decline around the time of the onset of the coronavirus pandemic.

Employment outcomes Y1-Y5



By comparison, education and training outcomes have also experienced a significant upturn during 2021, which is comparable with the previous best year of performance in 2019.

Education and training outcomes Y1 - Y5

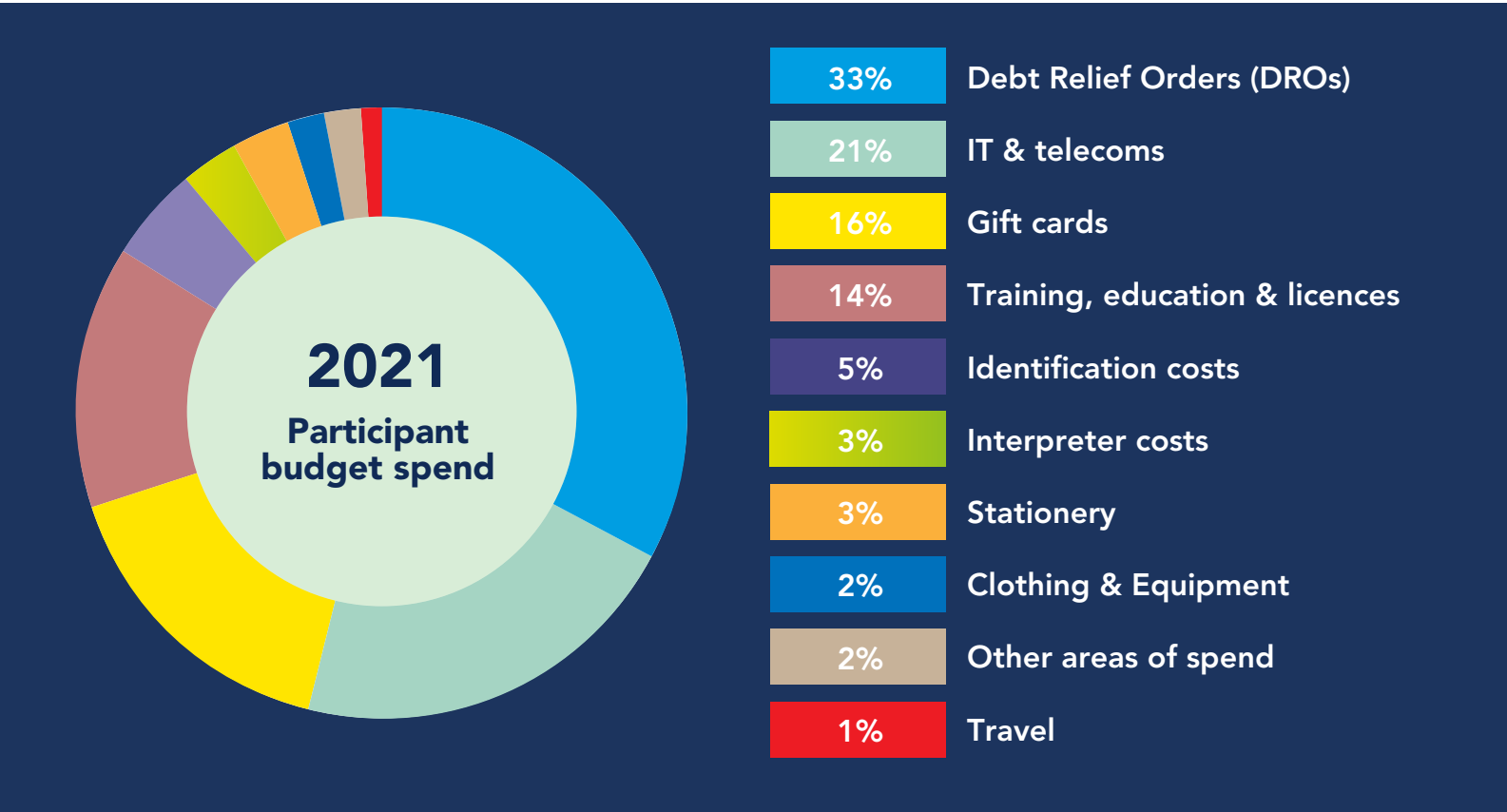


As the project enters its final year of service delivery, the employment and employability offer has been furthered strengthened by the creation of an Employment Broker role. This role has specifically been designed to help source suitable and sustainable employment, education and training opportunities for programme participants across D2N2. Working closely with Personal Navigators and their participants, the role has significant potential to offer a value-added service to help more participants access and sustain appropriate education, employment and training opportunities.

2021 participant budget spend

Consultation of 2021 participant budget spend reveals that spending in this area of the project continues to track significantly below pre-pandemic levels when the participant budget spend equated £46,683 in 2019 .

Over the course of 2021, the participant budget was utilised 545 times and consumed £21,264. These figures are lower than the 2020 position, when the budget was utilised 697 times, consuming a spend of £24,620. Whilst the participant budget remains an important part of the project, its usage over the past 12 months is indicative of a project which is still in a state of transition following the coronavirus pandemic. Whilst spending on Debt Relief Orders (DROs) remains the largest area of spend (£7,020, 33%), it is clear that spending on DROs has been declining since 2019, when DRO spend equated to £11,465. This is likely to be a reflection of pent-up demand and lower sign-up rates rather than an indication that the extent of indebtedness across the D2N2 area has been alleviated. In addition to this trend, other new spending patterns have continued to emerge during the course of the pandemic.

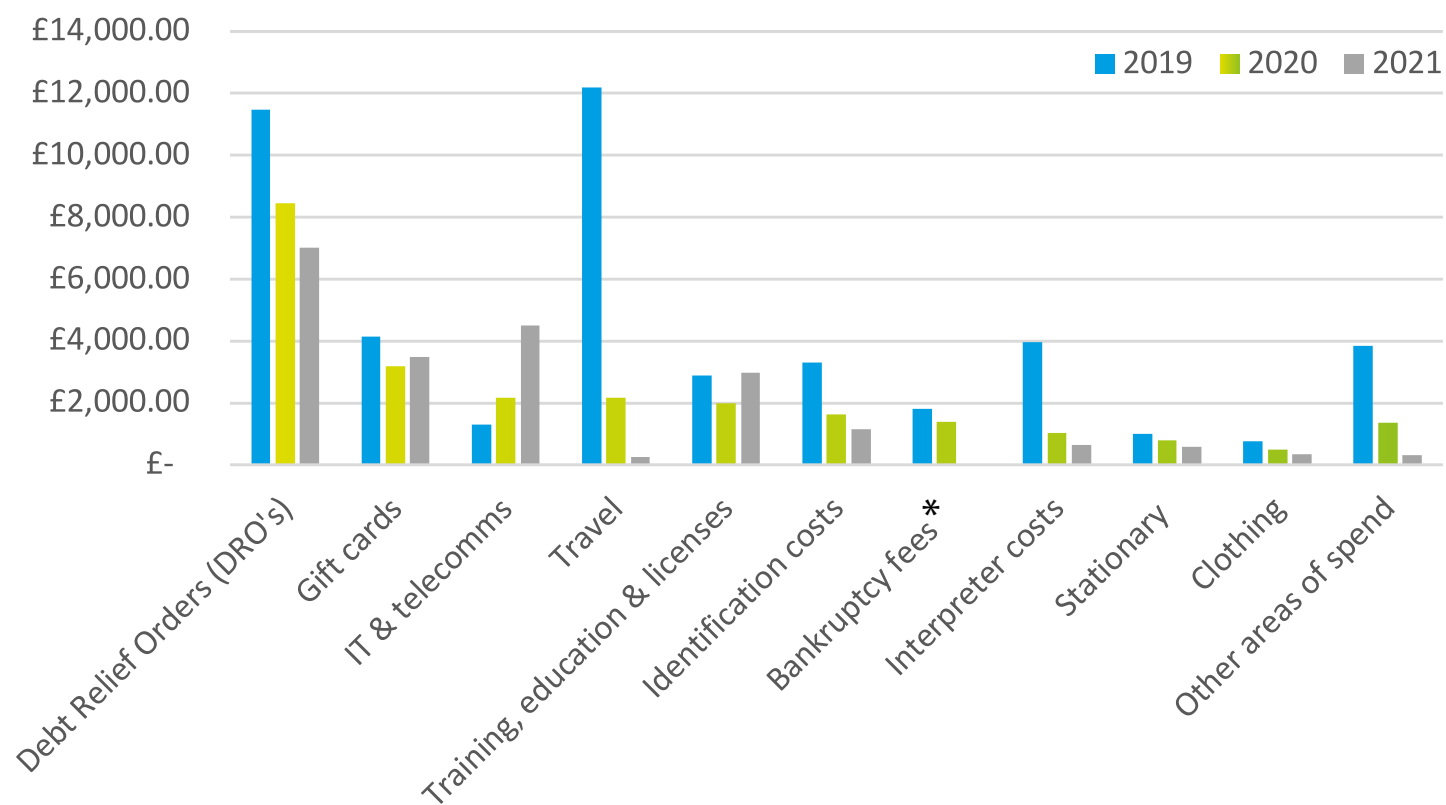


These changes highlight the fundamental shift that has occurred in the Money Sorted operating model over this time in order to comply with the social distancing requirements of the pandemic.

For example, the following chart reveals the significant impact of the pandemic in a number of areas. Spending to support participant travel costs has massively shrunk from £12,178 into 2019 to £265 in 2021. This is a reflection of the move from face-to-face meetings towards virtual meetings and phone calls.



Participant budget spend 2019 - 2021



Over the course of the pandemic, it is also clear that interpreter costs have shrunk significantly from £3,970 in 2019 to £625 in 2021. This suggests that the pandemic has exerted a significant impact on the capacity and ability of ethnic communities to access and progress through the project. This is consistent with referrals from specialist partners working primarily with ethnic communities. Indeed, one specialist partner experienced a massive -78% decline in project sign-ups during 2021 compared to the volume of sign-ups in 2019.

In response to the pandemic, spending on IT and telecoms has increased from £1,288 in 2019 to £4,510 in 2021. This growth reflects the demand from participants for smartphones, laptops and tablets to help connect with their Personal Navigator and improve their ability to manage their financial circumstances in an increasingly digital world. This trend also has a close link with the

encouraging growth in employment outcomes over the past year. Enhanced digital inclusion undoubtedly helps participants to get closer to the labour market.

Encouragingly spending on training, education and licences has increased over the course of 2021 (£2,974) and has marginally exceeded spending levels of 2019 (£2,886). This data is consistent with the growth in participants accessing education, training or employment opportunities.

As the project continues to provide support in 2022, it will be interesting to see how spending on travel, IT and telecoms fluctuates. If spending on participant travel does begin to grow, it is possible that this could be linked to a growth in project sign-ups as more participants benefit from a return to face-to-face dialogue with their Personal Navigator.

*Enforced changes to the participant budget eligibility criteria has meant that the spending on bankruptcy fees ceased in 2021.

Financial capability training sessions

Throughout the course of 2021, participants have been encouraged to attend a range of training courses delivered by the Workers' Educational Association (WEA). Following the onset of the coronavirus pandemic, the majority of the courses offered by the WEA have been provided via digital video conferencing.

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

During the course of 2021, a total of 52 sessions were delivered to 93 participants.

Over the past five years the WEA have delivered over 450 sessions across the D2N2 area. A total of 275 unique learners have accessed the courses. By comparison, the courses have attracted a total attendance of 725 participants since the project commenced. A total of 970 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 2021 the following range of (non-accredited) courses were delivered.

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

In the second half of 2021, a special course to help participants learn about volunteering opportunities was also developed – more information on this course is available in the 'Focus On' feature on volunteering.

Dialogue with WEA staff and Personal Navigators reveals that it continues to be challenging to get participants to attend sessions for the first time. Over the course of 2021, a total of 28 sessions did not take place due to the non-attendance of participants on the day of the course.

Where participants do find the motivation, confidence and commitment to attend, the feedback from participants is usually wholeheartedly positive.

'The course was useful in my personal circumstances, you have brought useful information that is useful for me, such as: help to save and Emma's app to manage and track our budget.'

Source: Participant feedback from the 'Keeping track of your finances using phone apps' course

Money Mentors

The Money Mentors accredited training has now concluded. A total of 22 participants achieved the accredited qualification. Where participants have completed the accredited course, the available evidence suggests that they have benefitted significantly from the learning process:

'You have empowered me, and although I was always late with my work, and although I have been a little distracted at times, I have thoroughly enjoyed my time on the course, and especially interacting with the class and yourself. I have also grown as a human being and I am using my new skills almost on a daily basis. I feel much more prepared for the future and hopefully I can continue to allow myself to develop.'

Source: Participant completing the accredited Money Mentor course



Whilst the course has been undoubtedly beneficial in helping participants to further develop their skills and confidence, it is evident that the project has found it more challenging to consistently match newly qualified Mentors with Mentees. In this respect, there are a number of key learning points for projects considering participant-based mentoring schemes:

- How will project processes work to link Mentors with Mentees?
- How will Mentors be supervised?
- Do project staff have the necessary capacity and expertise to effectively manage volunteer Mentors?
- How will travel and expense claims be processed to ensure past participants are not left out of pocket or suffer from cashflow issues?

Although these issues were discovered, it is clear that the accredited Money Mentor course has provided 22 participants with valuable learning opportunities to help build their confidence, wellbeing and employability.

Review of project spending vs budget

At the end of the fifth year of service delivery, the project had spent £4,638,447 against a total amount of grant funding received of £4,657,538, leaving an underspend of £19,091. The primary cause of this underspend is related to the variable nature of participant expenses.

At the time of producing this report, the project is set to receive its final intake of participants at the end of October 2022. The project is due to be officially concluded on 30th June 2023.

The total funding allocation up to the end of the project is expected to be £6,153,948.

SECTION SUMMARY

The analysis of 2021 project data reveals that the Money Sorted project is still in a state of transition following the onset of social distancing restrictions at the end of the first quarter of 2020. The available data on sign-ups, disengagements and exits provides insights into a series of trends that are markedly different to the pre-pandemic position of 2019.

By the end of 2021, the project had managed to achieve 586 sign-ups out of an expected target of 716. This represents 81.8% attainment of the intended target for the year.

The effect of the pandemic can also be seen in the comparative referral pathway data in 2021 compared with 2019. This data reveals that some referral pathways, notably social prescribing, have actually increased the volume of referrals. By comparison, the three biggest sources of referrals have all seen substantial declines in the volume of referrals received in 2021 compared with 2019. This includes self-referral (-74.35%), internal referral from Personal Navigator host organisations (-55.81%) and Job Centre Plus (-13.33%).

The decline in project sign-ups is also consistent with Insolvency Service data on Debt Relief Orders and bankruptcy proceedings that were processed across England and Wales during 2019 compared with 2020. This data also reveals a decline of around 25% in both Debt Relief Orders and bankruptcy proceedings over this time.

61.5% of participants leaving the project during 2021 did so via an official exit. This represents a small increase compared with 2020, where 58.9% officially exited the project after completing their action plan. By comparison, this means that 38.46% disengaged before completing their action plans. This is a marginal improvement on the 41.1% disengagement rate associated with 2020 data. In both cases, this trend is still somewhat off recovering to the pre-pandemic 2019 level, where 28.2% participants disengaged prematurely. If some level of face-to-face contact between participants and Personal Navigators can be re-established during 2022, it is hoped that this will have a positive effect on participant engagement.

Despite the ongoing challenges of the coronavirus pandemic during 2021, a total of 376 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 across the duration of the project to date:

- 98.8% of participants had a Personal Financial Resilience Plan (PFRP) in place.
- 86.8% of participants had developed personal/household budgets with their Personal Navigator.
- 79.1% of participants reported increased financial management skills and know where to get ongoing financial advice and support.
- 83% of participants reported improved confidence and sense of wellbeing.
- 68% of participants had information on affordable, appropriate financial products.
- 92.3% of participants had bank accounts with mainstream banks or a credit union.
- 57.8% of participants reported reduced levels of family stress.
- 67.7% of participants had a measurable increase in household income and reduction in debt by the end of 2020.
- 63.8% 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 10.2% 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 20.5% 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, 82% 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 19.1% of participants.
- 74% 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 5.3% of participants.
- Average levels of monthly disposable income have declined compared with the 2020 position. The work of the Personal Navigators during 2021 boosted the mean average disposable income levels from £17.63 at pre-survey to £85.90 at post-survey exit – this represents an average net gain of £68.27. However, this is less than the position during 2020, where the mean average figure was £19.61 at pre-survey and £98.45 at post-survey exit, resulting in a net gain of £98.45. The inflationary pressures associated with the cost of living crisis may further erode participants' disposable income over the next year.

Over the past 12 months, the mean average debt figures have receded slightly from £5,672 in Y4 to £5,535 in Y5, a reduction of £137. This mean average level of debt remains higher than the £5,315 figure recorded at the end of 2019, immediately prior to the coronavirus pandemic. The ongoing inflationary pressures associated with the cost of living crisis in the UK mean that participant debt is likely to increase over the next 12 months.

Project performance on employment and training outcomes has continued to improve during 2021. Over the course of 2021, 43 participants achieved an education or training outcome on leaving the project. This represents 41% of the total education or training outcomes achieved since the project commenced five years ago.



SECTION FOUR

Participant budget spending during 2021 continues to be markedly different to pre-pandemic levels. Whilst the participant budget is a helpful tool to support progression, its use has declined significantly over the past two years. Only £21,264 was spent on participant budget expenditure during 2021, compared with a 2019 spend of £46,683. The fundamental shift in the Money Sorted operating model away from face-to-face contact can be seen in the contraction in participant travel expenditure within this budget. This declined from £12,178 in 2019 to £265 in 2021. The ongoing importance of Debt Relief Orders for the project has been maintained as the most popular area of participant budget spend during 2021, with £7,020 spent on Debt Relief Order fees.

Spending on IT and telecoms has continued its upward trajectory over the past two years as more participants sought to support basic online connectivity through tablets, laptops or smartphones. The available data reveals spend in this area increased year on year from £1,288 in 2019 to £2,160 in 2020, and to £4,510 in 2021.

Encouragingly, spending on training, education and licences has increased over the course of 2021 (£2,974) and has marginally exceeded spending levels of 2019 (£2,886). This data is consistent with the growth in participants accessing education, training or employment opportunities.

Participants interested in wider adult learning opportunities have continued to benefit from the Workers' Educational Association (WEA) provision. During 2021 the WEA continued to provide courses through video conferencing platforms like Zoom. Over the past five years the Workers' Educational Association (WEA) have delivered over 450 sessions across the D2N2 area. A total of 970 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 2021, the available data reveals the ongoing state of transition and recovery from the coronavirus pandemic. The available project data consistently reveals insights into a much changed set of circumstances affecting the delivery of the project. As the data in this section reveals, the coronavirus pandemic has exerted a significant impact on project sign-ups, referral pathways, participant progression and participant budget spending. Although numbers of participant sign-ups continue to track below target, it is clear that significant numbers of participants have continued to engage with the project and make notable progress that positively impacts their financial wellbeing. This includes reductions in debt, improvements in disposable incomes and an improved sense of confidence and financial wellbeing. Encouragingly, other participants have been supported to return to employment as part of their endeavours to improve their financial wellbeing. As the project embarks on its final year, all the available evidence suggests that the financial pressures experienced by unemployed and economically inactive people are unfortunately likely to increase. For these reasons, it is likely that more people will be actively looking for support to help sustain their financial wellbeing in 2022 and beyond.



Stuart's story

When Stuart* accessed the Money Sorted project in 2021 it was clear that the coronavirus pandemic has significantly eroded his emotional and financial wellbeing. Stuart had recently separated from his wife and had joint custody of their two children. He was eager to find suitable work that would allow him to earn a reasonable salary but was finding this to be very difficult. The compounding effect of his current circumstances meant that Stuart was struggling to pay off his overdraft, rent and utility bills. Despite selling his car and purchasing an older, cheaper model, he was still struggling to make ends meet. The day-to-day challenge of working through these difficulties had begun to affect Stuart's mental wellbeing and as a result he was experiencing a daily battle with depression.

During his initial meeting with his Personal Navigator, Stuart was able to begin the journey of creating an action plan to help improve his circumstances. To help Stuart move forward, it was agreed that sessions would look at how he might reduce his existing outgoings and consider opportunities to return to driving HGV vehicles, which he had not done for some time since leaving the army. During the follow-on sessions, Stuart and his Navigator looked at his outgoings and utility costs. It was decided that an application would be made to the Severn Trent Big Difference scheme, which was ultimately successful and significantly reduced his water bills. Research around Stuart's aspirations to return to HGV driving revealed that the DWP would fund an updated Certificate of Professional Competence (CPC), however it became apparent that these roles now required a variety of additional licences. After a discussion about his options, Stuart agreed that he would consider training to apply for a forklift truck driver's licence to complement his HGV licence.

To help Stuart engage with any future training programme without the distraction of his precarious financial circumstances, he agreed that his Navigator would look at available grant funding schemes that could provide some short-term assistance. This work led to a successful application to The Fifty Fund, who agreed to pay off Stuart's overdraft in full and supply him with a £100 gift voucher to cover his food bills.

These changes had a significant impact on Stuart's circumstances. He was able to complete his training and fulfil his ambitions to return to HGV driving with his newly acquired skills as a forklift truck driver.

At the end of his time on the project Stuart sent the following message of thanks to his Personal Navigator:

'During this lockdown things have gone from bad to worse for me and this service that has been provided for me relief at the most needed time. I have been on a sinking ship since October last year. I struggled with my mental health due to stress from bills and lack of money when my Personal Navigator stepped in after a call to the Citizens Advice Bureau during Christmas time. Since then I have received so much support helping me to manage things more effectively and because of your help I have now managed to secure employment. I never expected this type of treatment from anybody and I just want you all to know that you have saved me from a dire situation and gave me hope for a brighter and better future.'



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





Volunteering to improve participant wellbeing and employability

Throughout the duration of the Money Sorted project, it has become apparent that significant numbers of participants are socially isolated. This has a potentially detrimental effect on their wellbeing. Similarly, there is a specific cohort of participants that would like to tentatively develop their employability skills as a pre-cursor to engaging in active job search activities. In both instances, it is apparent that there is a requirement for participants to develop some new routines and structure to help foster the development of confidence, skills and wellbeing. In this respect, local volunteering roles provide flexible opportunities for participants to establish new routines, particularly as their time on the Money Sorted project comes towards a natural conclusion.

To help more participants to consider volunteering opportunities, the Workers' Educational Association (WEA) have created a volunteer course aimed at Money Sorted participants. This is a non-accredited course designed to equip participants to prepare to access local volunteering opportunities. The course provides opportunities for participants to consider the following principles of volunteering over two separate 3-hour sessions.

- What commitment means in terms of volunteering.
- Benefits of volunteering, both to you and to the volunteering organisation.
- Different volunteering organisations and the roles that volunteers play.
- Skills needed to become a volunteer in an organisation.
- Skills you currently possess that are relevant to the volunteering role.
- How to improve your existing skills and develop new skills.
- Health & safety and equal opportunities.

The course extends into a third and final session where participants meet a representative from Services for Empowerment and Advocacy (SEA) to learn about local volunteering opportunities. This innovative approach to supporting participants to access volunteering opportunities is still in a developmental phase. The small numbers of participants accessing the course so far have provided the following feedback:

'I really enjoyed the course and found it very informative looking forward to finding out what options there are to volunteer. The small group made it easier to communicate ideas and form a working together relationship. The tutor was extremely helpful.'

Source: Participant, Money Sorted project

Since the volunteering course has been developed, participants have been supported to engage with a range of opportunities through the support of Services for Empowerment and Advocacy (SEA). The emerging evidence suggests that volunteering is indeed a viable option to help participants enhance their wellbeing and develop their employability. One participant shared the following thoughts on their experience of volunteering as a Money Mentor.

'Volunteering is so important, it helps people gain confidence to deal with new situations. Volunteering has been a godsend to get back on track to go back into employment again. Volunteering gave me references that have been helpful to show employers.'

Source: Participant, Money Sorted project

As the project enters its final year of service delivery, the emerging evidence suggests that participants' wellbeing and aspirations can be further enhanced through access to volunteering opportunities. This approach provides a complementary source of purpose for participants once their financial circumstances have stabilised. This is particularly important for participants who might otherwise be socially isolated.



Summary of key learning and recommendations

The analysis of the available Money Sorted project data reveals a project that continues to function in a different operating context since the start of the coronavirus pandemic. Throughout the course of the pandemic, the project has struggled to meet its quarterly sign-up targets. Although project sign-ups have struggled to return to pre-pandemic levels of 2019, a significant number of participants have continued to engage with the project, receiving a lifeline of essential financial support at such a turbulent time in the economy. Since the last evaluation report was published, the onset of a cost of living crisis in the UK is set to exert further financial pressures on unemployed and economically inactive people across the D2N2 area. The quantitative and qualitative project data reviewed in this report suggests that inflationary pressures are already beginning to have an adverse impact on participants' financial wellbeing.

This final section of the evaluation is designed to assess the key learning from the past 12 months of service delivery and the associated implications for the project and its participants over the year ahead.

The challenge of re-building project referrals and sign-ups.

Over the course of 2020 and 2021, the project has continued to struggle to rebuild referrals in line with pre-pandemic levels of 2019, when 820 participants accessed the project. Since then, the project secured 596 sign-ups in 2020 and 586 sign-ups in 2021. A closer inspection of the referral data reveals significant changes taking place over that time. The referral pathways that traditionally provided a consistent source of referrals from 2017-2019 have seen substantial declines in the volume of participants. This includes internal referrals from Personal Navigator host organisations, self-referral and Job Centre/DWP partners. Wider available evidence also reveals a massive decline in participant budget spending on travel expenses. For these reasons there is a concern that project sign-up rates will not return to 2019 levels unless more participants are able to resume face-to-face meetings with referral partners or Personal Navigators. The Personal Navigators also report that virtual meetings lead to additional complexity when managing the administrative requirements of the project. This typically manifests itself in delays in returning official

paperwork. In certain instances this added complexity is felt to be a factor in the premature disengagement of participants.

The wider demographic evidence also suggests that project has shifted slightly toward a younger White British profile over the past year.

The nett effect of these challenges is reflected in a quarterly sign-up rate pre-pandemic (2017 – Q1 2020) of 173 compared with a lower quarterly sign-up rate of 137 from Q2 2020 to Q4 2021. These challenges are consistent with Insolvency Service data on bankruptcies and Debt Relief Orders over 2020 and 2021, which also reveal a 25% decline compared with 2019 data. This ultimately means that it will be very challenging for the project to meet its final output target to work with 3,977 participants by the end of the project. This is a reflection of the adverse impact of the coronavirus pandemic on the project over the past two years.

Key learning and recommendations

A key focus is required on rebuilding referrals and sign-ups until the last planned intake in October 2022. Wherever possible, appropriate measures should be taken to provide participants with a choice of face-to-face and virtual meetings to help initiate and sustain progression. This is likely to be important for Personal Navigators and front-line staff working for referral agencies in the drive to rebuild project sign-up rates. Similarly, there is an evident requirement to re-invigorate participant budget spending to encourage a diverse range of participants to access and engage with the project. Spending on participant travel and interpreter costs are two examples of project spending that are yet to recover from the adverse effect of the coronavirus pandemic.



The concerning decline in disposable income

Over the past 12 months, project data reveals that the mean average levels of disposable income have declined compared with the position at the end of 2020. This comparative decline affects both participants at the entry (pre-survey) and exit (post-survey) points of the project. The nett effect of this decline means that participants completing the project have been able to increase their disposable income by, on average, £77.84 in 2020 compared with £68.27 in 2021. This decline in disposable income is indicative of the wider inflationary pressures associated with the cost of living crisis, which is evidently having a corrosive effect on participants' spending power.

Key learning and recommendations

The declining levels of disposable income across the project come at a time when many participants are concerned about the emerging cost of living crisis in the UK. When the average levels of disposable income track below £20 per month at the point of entry onto the project, it is not difficult to understand the precarious financial situations facing many participants who are dealing with increasing costs to purchase essential products and services. Given that benefits such as Universal Credit provide the primary income source for over 90% of participants, it is evident that participant financial wellbeing suffers when benefit rates do not keep pace with inflationary pressures. Over the winter months this has the potential to result in tough choices for many participants as to whether to 'heat or eat'. The financial pressures at this time are therefore likely to be translated into challenging budgeting exercises for participants and their Personal Navigators as they struggle to remain solvent. This is unlikely to be an easy process to coordinate, and as a result it is expected that the Personal Navigators will increasingly be accessing assistance from wider sources of support, such as foodbanks and discretionary funds, to help participants fill gaps in their household budgets.

The ongoing challenge of participant debt

As inflationary pressures continue over the next 12 months, it is expected that participant debt across the project will increase. The mean average level of participant debt in 2019 (pre-pandemic) stood at £5,315. In 2020 this figure increased to £5,672 before declining slightly to £5,535 in 2021. Throughout the challenges of the pandemic, it is clear that a consistent stream of participants utilise Debt Relief Orders (DROs) to help improve their financial wellbeing. Last year 78 DROs were organised to help participants resolve a problem debt issue. This equates to 20.7% of participants who officially exited the project during the year. All the available evidence suggests that the mean average levels of participant debt will increase over the next 12 months and a likely consequence of this trend is that there will also be an increase in applications for DROs.

Key learning and recommendations

The resolution of problem debt issues remains a key feature affecting the financial wellbeing of participants progressing through the project. The caseloads of all Personal Navigators across the project are likely to consist of a higher proportion of participants requiring Debt Relief Orders (DROs) over the next year. Access to qualified Debt Advisors remains a precious commodity to help resolve the issue of problem debt, and it is clear that a number of Personal Navigators do benefit from excellent partnerships with Debt Advisors, either within their own organisation or through local provider networks. The creation of four part-time debt advice roles employed within the Money Sorted project is a welcome development at a time when increasing numbers of participants are likely to be accessing the project with a debt issue. For these reasons, the resolution of problem debt issues remains a key issue affecting the financial and mental wellbeing of participants. Participants who benefit from DROs typically experience an overwhelming sense of relief once a problematic debt issue has been resolved.

The growing problem of fuel poverty and the need for new solutions

As the OFGEM price cap increases by £693 to £1971 at the start of April 2022, it is clear that more people are going to experience fuel poverty – where 10% of household income is spent on fuel. Given that the mean average income of participants accessing the Money Sorted project in 2021 was £10,500, it is evident that the price cap is expected to consume 18.7% of the average participant's household income. Over recent years, Personal Navigators have been able to support applications to secure £140 funding for participants from the Warm Home Discount Scheme (WHD). Whilst the WHD has recently been increased by a nominal £10 to £150, it is clear that the effectiveness of this particular tool to help participants has been substantially diluted in the light of the significant 50% increase in the OFGEM price cap. The issue of fuel poverty is further compounded by the fact that many low-income participants live in poorly insulated housing stock. The issue of thermal efficiency is therefore likely to become a big issue for participants over the coming months. More investment is undoubtedly needed in this area to protect individuals from inflationary pressures affecting energy prices.

Key learning and recommendations

At the time of writing it is evident that more participants are likely to struggle with fuel poverty over the next 12 months. Unless the government and energy providers can introduce a range of new measures targeted at those furthest from the labour market, it is likely that more participants will require assistance to resolve debt problems through Debt Relief Orders (DROs). This has implications for the resourcing of the debt advice sector, and in this respect the Money Sorted project has proactively prepared for this eventuality through the creation of four part-time debt advice roles.

The need for government measures targeted at individuals living on or below the poverty line

The prevailing financial landscape at the time of writing this report suggests that UK living standards are about to take their biggest fall since the 1950s, with an estimated 1.3m facing 'absolute poverty' (Woodcock and Isaac, 2022). This is a concerning time for many people, not least those living with limited incomes. The UK government announced a range of budgetary measures on 24th March 2022 in response to the cost of living crisis. Whilst changes to National Insurance thresholds and fuel duty may help some sections of the population, these measures are unlikely to significantly assist unemployed or economically inactive people accessing the Money Sorted project. As we have illustrated in this report, the mean average income level of participants accessing the Money Sorted project is already far below the £17,940 relative poverty line definition (Source: HBAI survey www.gov.uk, 2020). Whilst the government has planned a benefit uplift of 3.1% at this time, the Institute for Fiscal Studies suggests that this uplift will not protect the poorest in society and that an increase of 6% would be more appropriate to help families and individuals cope with the cost of living squeeze (Joyce et al., 2022). Clearly, unemployed and economically inactive people are at risk of seeing their disposable income erode further than other groups in society. To help address this situation there is an evident need for a targeted support package to help those individuals furthest from the labour market living on or below the relative poverty line, who are solely reliant on the welfare state for their primary source of income.



Key learning and recommendations

In the absence of any enhanced package of support for unemployed and economically inactive participants, it is likely that there will be widespread deterioration in the financial wellbeing of unemployed and economically inactive participants. The current situation also has worrying implications for individuals in precarious employment or in low-paid work. The available evidence suggest that more participants will be reliant on discretionary funding sources like the Household Support Fund to help make ends meet through the use of short-term supermarket voucher and fuel vouchers. Whilst this is a step in the right direction, it is likely that the project will see a marked increase in participant indebtedness and decline in the mental wellbeing of participants. Since the budget was announced, there is the ongoing potential of an influx of participants recently made redundant from low-paid jobs. The outcome of these circumstances is likely to be a growth in Debt Relief Orders as more participants require assistance to deal with problem debts associated with their utility bills.

The encouraging growth in employment outcomes

At a time when overall project sign-ups have been stifled by the onset of the coronavirus pandemic, it is encouraging to observe the growth in training, education and employment outcomes over the past year. Since the project commenced, it is evident that the project has improved its ability to support participants into employment, training and education. This is a notable achievement given that over the course of 2021 only 3.4% of participant households derived any income from paid employment at the point of access onto the project. The recent creation of the project Employment Broker role is expected to help generate further employment and training outcomes, as participants and Personal Navigators can access a dedicated source of Information, Advice and Guidance (IAG) support solely focused on Money Sorted participants. This development has the potential to reveal further learning opportunities to help shape the employment and skills legacy emanating from the project.

Key learning and recommendations

Whilst the upward trajectory in employment outcomes is encouraging, it is difficult to make an assessment of the long-term sustainability of the employment outcomes that have been attained. Given that the project's existing data collection systems have not been established to provide detailed data on job destinations, it is hard to assess the longer-term impact of employment on financial wellbeing. Although financial wellbeing and employability are obviously linked, it is too simplistic to conclude that all employment opportunities lead to enhanced financial wellbeing. The prevalence of zero hours contracts means that not all employment opportunities provide a consistent source of income to help individuals manage their financial affairs and household budgets with a level of certainty. Similarly, for those on low incomes, the concept of in-work poverty also provides challenges for a certain cross-section of society who may be in work but unable to access the support of projects like Money Sorted due to project eligibility criteria. To help ensure that future financial wellbeing projects provide equality of access to those facing adverse financial circumstances, a more appropriate measure of eligibility might be matched to the 'relative' or 'absolute' poverty line. Whatever the longer-term solution to refine eligibility criteria is, it is clear that further research and development is required in this area. The Money Sorted project has provided excellent support on welfare rights issues over the past five years to unemployed and economically inactive people. By comparison, the employment, education and training offer has continued to develop over this time. As digital developments continue to reshape the labour market, it is crucial that financial wellbeing projects continue to enhance and refine their employability interventions to provide participants with a range of alternative options to help boost their income streams.

Y5 evaluation of Money Sorted

At the time of writing, it is evident that the Money Sorted project has continued to provide a much needed source of support to unemployed and economically inactive participants over the past year. The impact of the coronavirus pandemic has continued to exert a significant adverse influence on the project over the course of 2020 and 2021. In this respect, the available project data reveals that the Money Sorted project continues to function very differently to the pre-pandemic position at the end of 2019. This is most clearly manifested in the lower numbers of project sign-ups, which are 25% lower than the pre-pandemic position. This decline in sign-ups is also consistent with the decline in Insolvency Service data on Debt Relief Orders and bankruptcies across England and Wales. Similarly, changes in participant budget spending also reveals the significant adaptations made to the operating model of the project over the past two years. This has resulted in increased spending on digital technology and massively reduced spending on participant travel. The nett effect of these changes have meant that participants have been meeting with their Personal Navigators digitally rather than in person over this time. Given the sensitive nature of money issues, it is probable that this has exerted some impact on sign-ups and progression, particularly given the acknowledgement of the concept of 'Zoom fatigue' over this time. These indicators reveal a situation where the Money Sorted project is in a state of transition and recovery from the coronavirus pandemic.

As the project progresses through 2022, it is expected that increasing numbers of participants will be adversely impacted by the cost of living crisis. Fuel poverty and child poverty are likely to be two key issues affecting an increasing number of participants. At the time of writing, the emerging evidence suggests that the prevailing financial landscape in the UK will make it harder for participants to establish disposable income streams. As a result, the project is likely to be in a position where household budgeting exercises become much more challenging. This is likely to be reflected in an increased demand for discretionary funding to meet short-term needs and gaps in household budgets. It is therefore expected that more participants will require debt advice and Debt Relief Orders to help protect their financial wellbeing, and it is encouraging that the project has proactively prepared for this eventuality.

Given the evolving nature of the cost of living crisis, it is likely that further measures from independent grant funders and government will emerge over the year ahead. These measures will undoubtedly be needed to provide participants and Personal Navigators with different options to help resolve the financial challenges that are likely to emerge.

As a result of all the recent economic turbulence, it is clear that unemployed and economically inactive people find themselves in an extremely precarious financial position at this time. If there was ever a time when projects like Money Sorted were required to support unemployed and economically inactive people to protect their financial wellbeing, it is now.



Andy's story

When Andy* accessed the Money Sorted project in summer 2020 he was struggling to come to terms with a breakup from his wife. At the time, Andy was struggling to raise his teenage son and find a way through a £37,000 debt problem following the demise of his business. To compound these difficulties, Andy was heavily dependent on alcohol and his poor mental wellbeing had recently led to a hospitalisation.

An initial home visit by his Personal Navigator revealed the serious extent of Andy's problems, and from the outset it was clear that he would need to be supported by local alcohol services in addition to Money Sorted.

Over a period of 11 months Andy was supported to understand the range of benefits that were available to him. As a result of discussions with his Navigator, Andy was supported to apply for Universal Credit, Child Benefit and Personal Independence Payments to help improve his income, which had been badly affected following the closure of his business. To help prevent his housing issues from escalating, Andy was also successfully supported to apply for a discretionary housing payment to offset the costs of bedroom under-occupancy. From the start of his engagement with the project, Andy was keen to move house and downsize to a smaller property. He felt that this would be helpful not only to improve his financial circumstances but also provide him with the opportunity to have a fresh start in a new home.

The extent of Andy's debts and his wellbeing issues meant that it was necessary to pursue bankruptcy proceedings through a local Debt Advisor.

As assistance continued, Andy was also supported to think about he might reorganise his finances and create a budget plan to help ensure he was spending within his means. This included discussions on the differences between priority and non-priority payments. To help reduce Andy's expenditure, successful applications were also made to the Severn Trent Big Difference scheme, alongside an application to an online Council Tax reduction. Through closer scrutiny of his existing mobile phone, broadband and TV subscriptions, Andy was also able to reduce his expenditure significantly.

Through these changes, Andy was able to reorganise his finances so that a £600 deficit each month was turned into a £50 surplus. By the end of his time on the project, Andy had fulfilled his wish to move to a smaller property and make a fresh start for a new life with his son. Andy's wellbeing greatly improved as his financial circumstances changed for the better, and he had this to say about the support he received during his time on the Money Sorted project:

'The Money Sorted support and guidance boosted me through a minefield, without your support I would not be here.'



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

Focus On



The impact of substance misuse on financial wellbeing

Over the past five years, the Money Sorted project has supported participants facing a diverse range of life challenges that adversely affect their financial wellbeing. Although the project is not a specialist substance misuse service, it is clear that there is a continuous stream of participants who access the service each year who are dealing with some form of substance abuse. Supporting participants in these circumstances is seldom straightforward, since not all substance misuse issues become immediately apparent at the point of access onto the project. This can present challenges for Personal Navigators.

Given the well-documented link between debt and mental health, it is perhaps unsurprising that some participants may turn to alcohol or other substances to help alleviate the stress and anxiety of their current circumstances. This is a trend that has been acknowledged by Personal Navigators working with participants.

'Substance misuse and alcoholism are a means to mask the circumstances that some participants find themselves in, not just in a financial sense but also in an emotional sense. Participants can use both to forget about past and present problems in their life, feel some temporary relief from their problems.'

Source: Personal Navigator, Money Sorted

Where a substance misuse issue has developed into an addiction, it is clear that this has more concerning implications for the financial wellbeing of participants. National charity Addictions UK describes the situation facing individuals with an addiction as follows:

'For most individuals in active addiction, the ability to adequately manage their finances is an almost impossible task. They are no strangers to financial insecurity.'

Source: Addictions UK (2022)

In many cases, the available evidence suggests that some participants are caught up in a cycle of poor mental wellbeing, poor financial wellbeing, and substance abuse or addiction. This presents a dilemma for any agency wanting to support participants – which condition should be treated first, mental health, financial wellbeing or substance abuse? The anecdotal evidence suggests that participants benefit from a holistic approach where all three conditions can be considered together. For many organisations this is problematic, as they do not possess the in-house expertise to provide support in all three areas. Dialogue with Personal Navigators supporting participants with substance misuse issues suggests that the opportunities to secure good outcomes for participants are enhanced when the participant recognises that they have a substance misuse issue and are willing to access professional support services working in this area. This poses some key challenges for the integration of services to support individuals facing substance abuse and addiction issues. Research developed by Nance and Jones-Sanpei (2020) advocates that further research is required to identify the most effective interventions to support individuals with substance use disorders (SUDs) to improve their financial capability.

Whilst further research is required in this area to support the long-term financial wellbeing of participants with substance misuse issues, it is clear that rebuilding financial wellbeing is a massive issue affecting their long-term life chances. The effectiveness of financial wellbeing interventions has long-term implications on credit ratings and the associated possibilities for individuals wishing to access financial products in future.

Encouragingly, whilst these challenges exist, it is clear that the Money Sorted project can and does improve the financial wellbeing of participants struggling with substance abuse. The case study on Andy's story in this evaluation report is one example of this.



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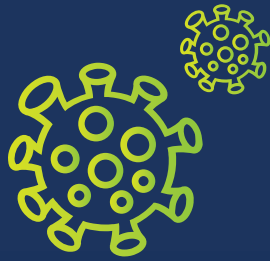
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Helping people to improve their financial wellbeing across the region.

Money Sorted in D2N2

St Ann's Advice Centre
Neighbourhood Chase Centre
St Ann's, Nottingham
NG3 4EZ

Telephone: 0115 9081534

Email: info@moneysortedind2n2.org

