

PSBL Money Advice Service

Pilot Evaluation Report (Nov 2015 – Apr 2016)

1. Executive Summary

The PSBL Money Advice Service is a pilot project commissioned by Plaistow South Big Local and delivered by Money A+E as part of PSBL's Plan to help achieve outcome 3 – Money issues (Family & Personal Financial Management: Advice & support /Credit Union access).

It is important that people have the necessary financial knowledge and skills they need to prevent money issues developing or from recurring. While appropriate support should be sought for immediate problems, a greater impact can be achieved by showing people what they can do for themselves to increase their financial resilience in the future. This involves supporting people to feel able to take control of their money & financial situations, encouraging them to save so they are prepared for unexpected expenditure and to plan towards future goals.

2. Key Accomplishments

Money Champions Training, Outreach & Community Engagement



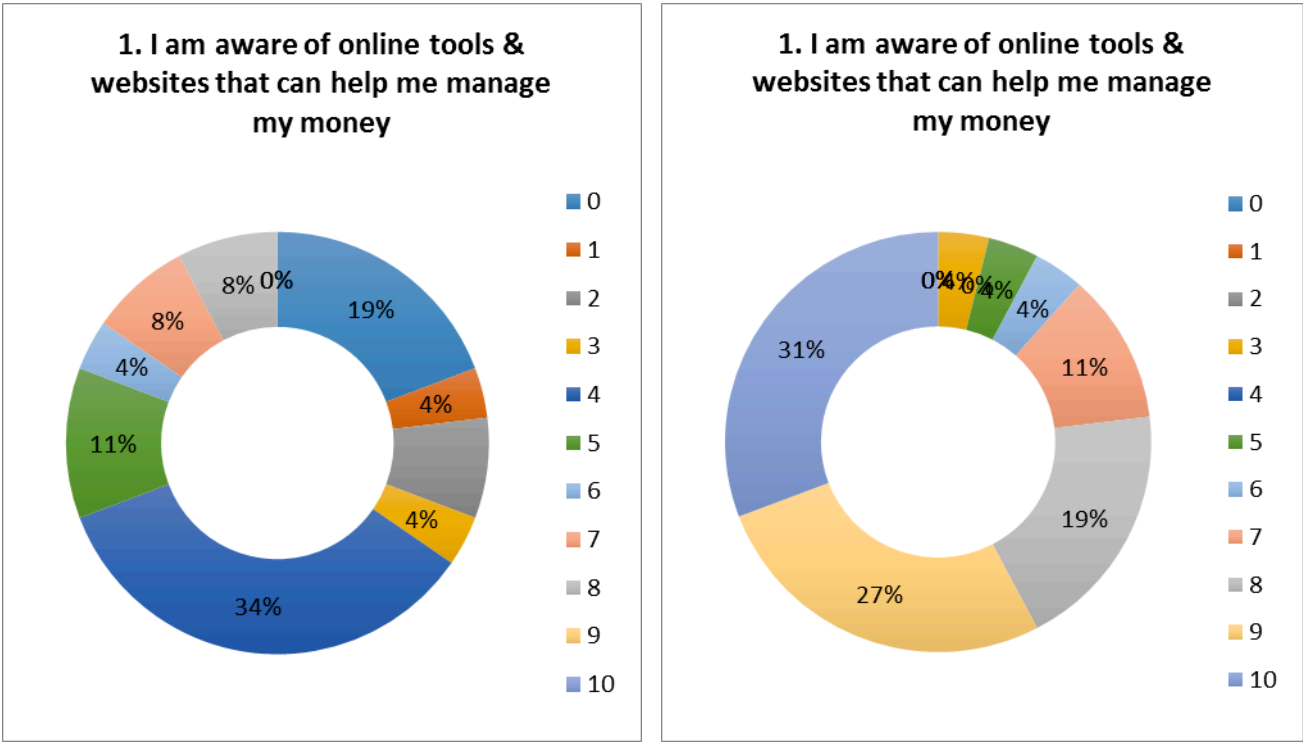
Money Champions are trained to signpost and support their peers in the community by providing money management tips and signposting people to appropriate support for other issues around money and well-being. 28 Money Champions were successfully trained and given Certificates. Money Champions from New Vic College engaged with the local community at the Plaistow Youth Winter Market and the New Vic Fresher's fair. While Money Champions working at New City Outreach Centre provided ongoing outreach support to residents at parent and toddler play groups. This reached 100 people.



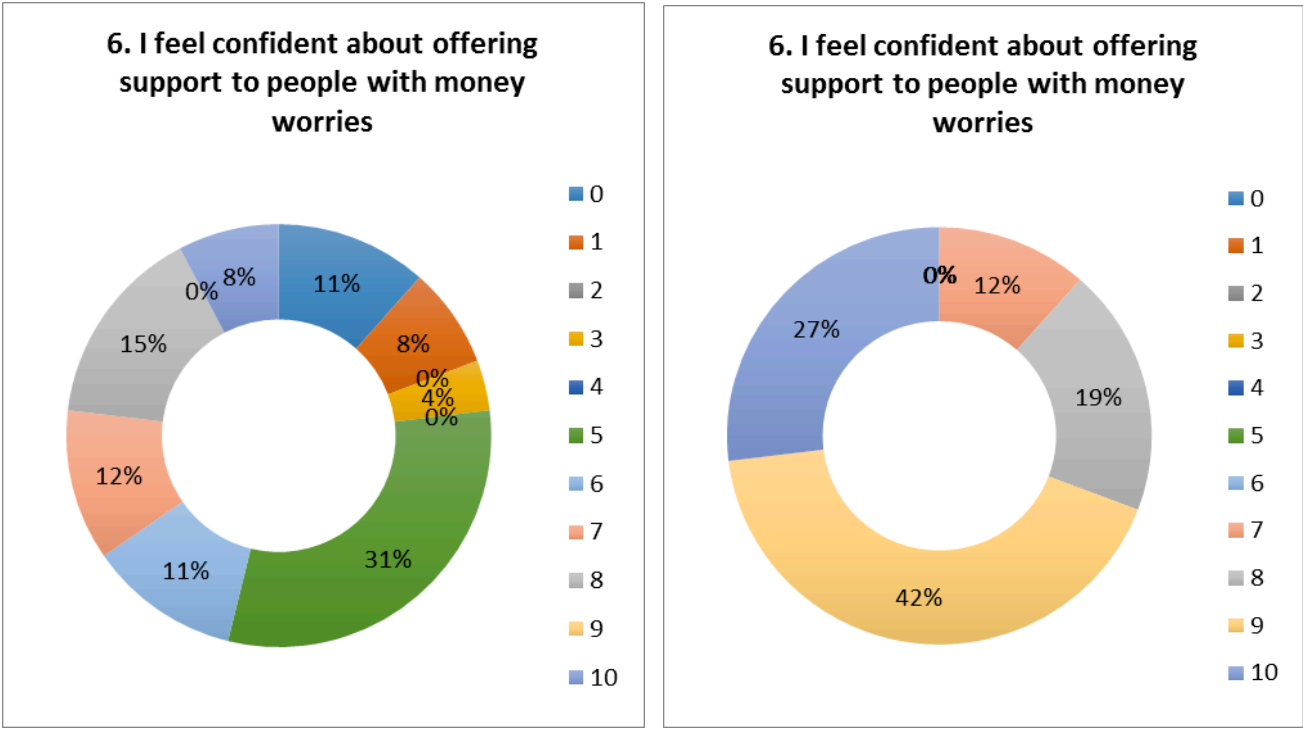
Sangeeta said: ***"I just really want to help other people...I am more confident talking to people about money matters now"***

Gurdeep said: ***"I would encourage others to join in next time....I will recommend the useful resources available to people who speak to me on a daily basis"***.

Awareness of online tools & websites that can help manage money was measured before and after the training. 15% gave a score of 7 or higher before training, this changed to 88% after.



Confidence about offering support to people with money worries was measured before and after the training. Only 35% gave a score of 7 or higher before as opposed to 100% after, of which 70% gave a score of 9-10.



After training 77% of beneficiaries felt that it was very easy to use the Money Champions resources, whereas the other 23% felt that it was quite easy.

Money Know How workshops

These are financial confidence workshops. 4 beneficiaries attended the Money Know How workshop & were educated on welfare reform changes, completing a financial statement, prioritising bills, responsible borrowing/saving & setting future money goals.

Before the workshop no one gave a score of 6 or higher for being aware of how the welfare reform changes will affect them as opposed to 100% after, of which 75% gave a score of 10.



Gurdeep said: “The training was good, well-structured and certainly gave me information that I did not know about. I will be utilizing this information for myself when managing my finances in the future”

1-2-1 Money Advice sessions

These are Money Advice & Guidance sessions providing those with a connection to the PSBL area with debt advice and money management, we were able to support 20 people.

Please see relevant letter representing beneficiary connections to the PSBL area below:

Residents of PSBL area	=	(R)
Studying in PSBL area	=	(S)
Working in PSBL area	=	(W)
Child goes to school in the area	=	(C)
Outside of the PSBL area	=	(O)

Below is a breakdown of the number of beneficiaries receiving advice and the number of **strategies** provided as part of that service.

Outputs	R	S	W	C	O	Totals	Target
Advised	11	0	3	6	0	20	25
Strategies	27	0	6	15	0	48	0

Case study

Marian is a single PSBL resident of Ethiopian ethnicity with an 18 year old and a 7 year old boy. She came to us with financial confidence issues, a utility debt and an employment and support allowance and Housing benefit suspension. The immediate and short term outcomes for Marian are shown below:

- **Money Advice & Guidance session** – she began to work shortly after her initial appointment and the outcomes were:
 - A claim for working tax credit resulted in a £2000 annual increase in income on top of her new salary as a part time cleaner.
 - Her housing benefit was reinstated.
 - Her utility debt which was the result of an incorrectly estimated bill, was corrected and paid off.
 - She was advised about moving to a cheaper tariff with her provider British Gas which would result in a £65 annual reduction in electricity costs.

Credit Union access



This incentive was set up to encourage people to save money and develop a long term money management habit . The scheme works in the following way:

1. PSBL beneficiaries joining the credit union receive a £20 savings incentive on the condition that they start a standing order of a minimum of £5 per month or open a current or jam jar account with the credit union.
2. Once there is evidence that the standing order has been set up for 3 months a second payment of £15 is deposited into their savings account and after 6 months a further additional £15 is deposited.

The table below shows numbers for sign up, standing order set up and those who received specific London Community Credit Union promotion.

Outputs	Numbers	R	S	W	C	O	Target
No signed up	10	6	0	3	1	0	0
No set up standing order	8	6	0	2	0	0	0
No promoted to	40	6	26	3	5	0	0

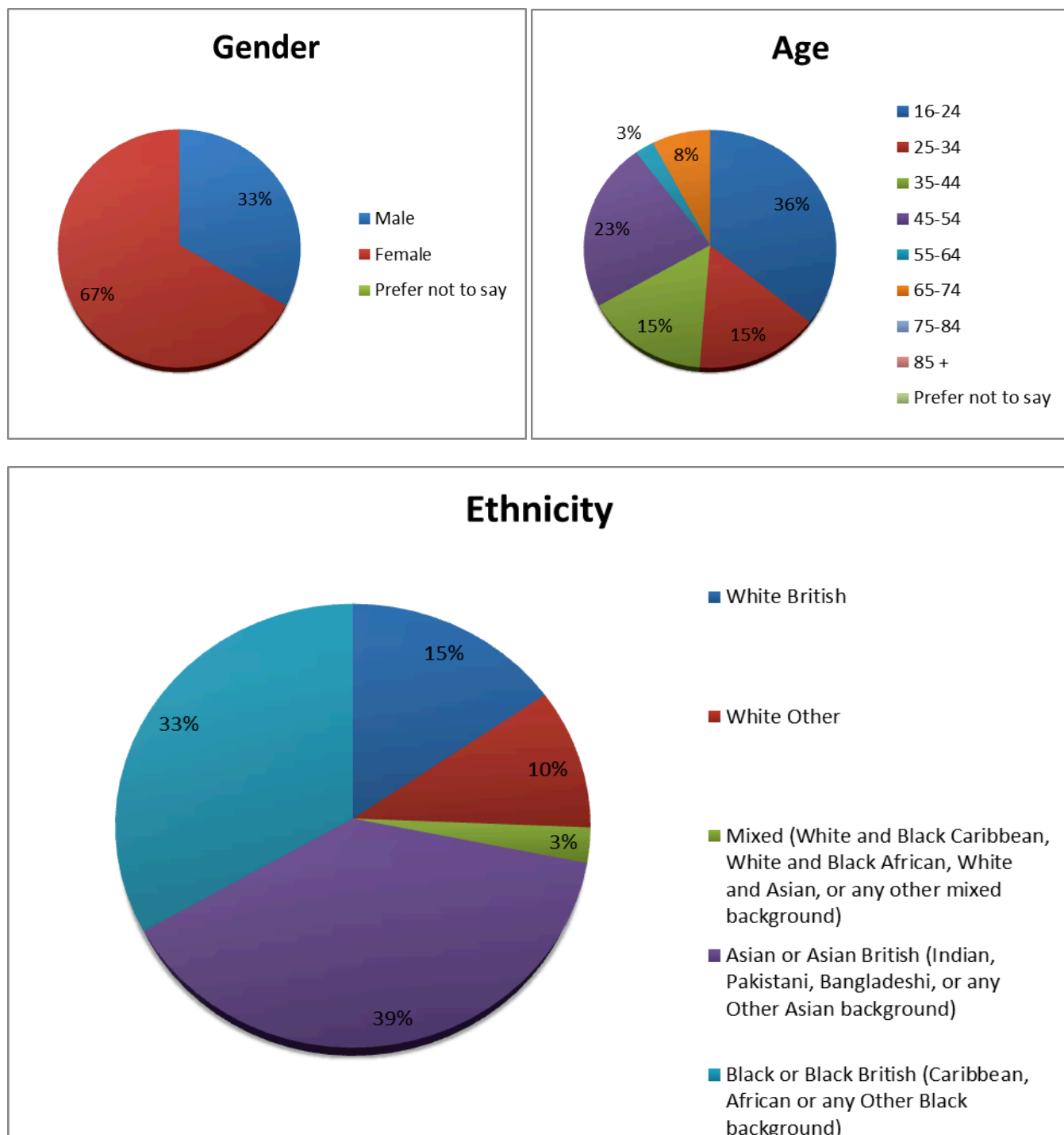
Two residents said the following about the credit union incentive:

Jeredine said: ***“This scheme is really good. I have wanted to start saving for a long time but thought that I never had enough. This has made me realize that it’s easy to start saving and as little as £5 is enough.”***

Rosamond said; ***“I’m definitely going to keep that standing order going for over a year and forget about it. It will be nice to see how much I have saved in 18 months’ time when I go on holiday.”***

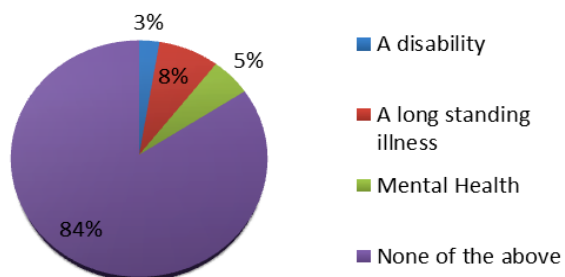
Money A+E services provided for PSBL residents

Please see the profile information of the PSBL beneficiaries seen through the services provided displaying gender, age, ethnicity, religion, illnesses and disabilities



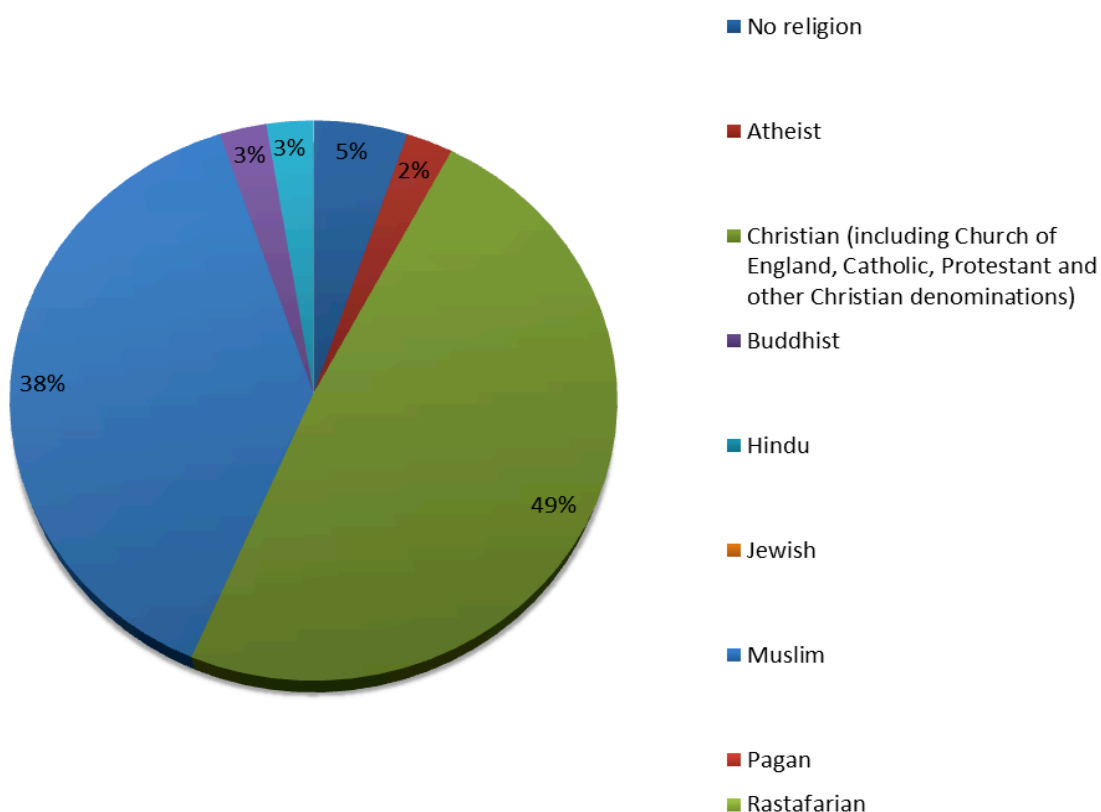
- Our services have reached a ratio of 2 females to every 1 male
- Over half of the residents seen were of working ages 25-54 and just over 3rd were aged between 16-24
- Our services saw ethnically diverse groups with the majority being British Asian and British Black

Disability & illness



- The majority of residents did not record disabilities or illnesses, however the mental health figure is often inaccurate due to beneficiaries not stating or recognising mental health issues such as stress.
- Most beneficiaries were either Christian or Muslim with some other religions such as Hindu, Buddhist and those with no religion. 7

Religion



The residents had a number of services provided to them

- **Total numbers of beneficiaries reached through Money A+E services in the last 5 months.**

Table showing total numbers of beneficiaries reached

Outputs	R	S	W	C	O	Numbers	Targets
Money Advice & Guidance	11	0	3	6	0	20	25
Credit union Incentive	6	0	3	1	0	10	0
Champions Training	7	13	4	3	1	28	11
Financial Confidence Training	1	0	3	0	0	4	4
Total reached by services that measured outcomes	28	14	13	10	1	64	42
Champions Outreach service not measured	0	80	0	20	0	100	42
Total reached though services & outreach	39	107	13	30	1	164	42

- This table shows total numbers of beneficiaries reached through Money A+E services in the last 11 months.

Services provided	Beneficiary outputs previous period May-Nov	Beneficiary outputs this period Nov-Apr	Totals for 11 months
Money Champions Training	34	28	62
Money Champions Outreach Sessions	45	100	145
Money Advice Surgeries	6	20	26
Financial confidence training	0	4	4
Credit unions Incentive	0	10	10
Totals	85	162	247

- This table shows the no. of beneficiaries that accessed 1, 2 or 3 Money Advice Services during the 2nd phase of the pilot

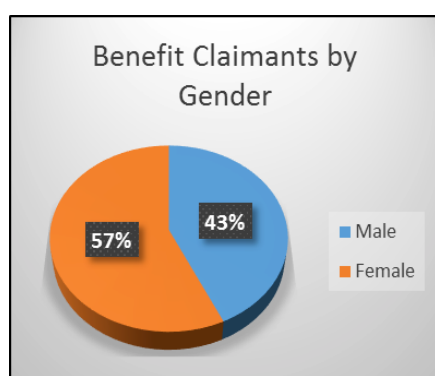
Beneficiaries accessing multiple services	
No. of beneficiaries that accessed 1 service	66
No. of beneficiaries that accessed 2 services	4
No. of beneficiaries that accessed 3 services	4

PSBL resident Irina and others increased their financial confidence by accessing multiple Money A+E services:

- **Through 1-2-1 Advice** – she was advised to claim Child Benefit & Child Tax Credit. This resulted in a £3500 annual increase in income.
- **By becoming a Money Champion** - she gained tips on shopping and utility bills, saving over £500 annually. She shares tips with family & friends.
- **Through the credit union incentive** - she is setting up a monthly standing order with the London Community Credit Union which will save her £110 over the coming year.

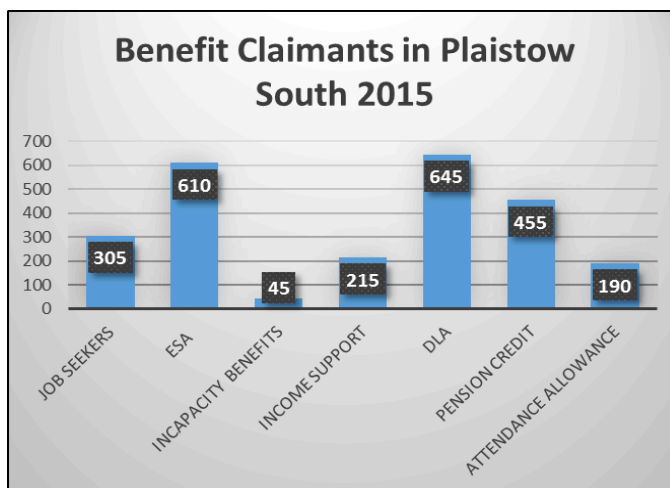
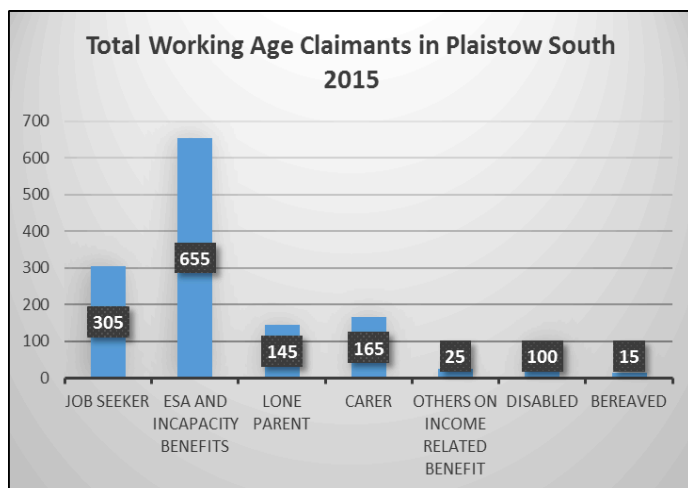
3. Research in the area

Benefit Statistics in the PSBL area



The charts below displays the number of people who are working age claimants and the number of benefit claimants (by type of benefit & gender) in the PSBL area in 2015. Job Seekers Allowance claimants reduced from 305 in 2015 to 253 in January 2016.

However, the Child Poverty Indicators 2013 shows that levels of poverty in the Plaistow South ward are relatively high at 37% after housing costs. This compares with wards in the London Borough of Richmond which have a low percentage under 5% and wards in Tower Hamlets which have a high percentage above 40%.



1 DWP Data and Analytics – Out of Work Benefit Claimants at August 2015

2 CPAG – Child Poverty Indicators 2013

Payday loans & high cost credit research

University of East London has a large number of students living locally in the borough of Newham, their research, ***“Paying through the nose: The use of high cost credit by students at UEL”*** (Hall et al 2014) showed that just under 10% of students had accessed pay day loans, nearly half owed between £1000 and £10,000. This was exclusive of government student tuition loan debts. Newham council commissioned research by the London School of Economics ***“Facing Debt Newham”*** (2014) which showed that Newham residents were under financial pressure. Case studies from a small sample showed that high cost credit providers like Provident and Bright House were being relied on where residents had multiple debts.

Subsequent to these pieces of research the Financial Conduct Authority brought in a limit to the amount of interest a high cost lender can charge on loans. This was brought in to effect on 2nd January 2015. Since this happened this seems to have had a significant impact.

The number of PSBL beneficiaries relying on payday loans and high cost credit was very low and just 1 person stated having a payday loan..

Food banks

Trusell Trust figures show that food bank usage in London over the last year has increased by more than 3%. Usage is especially high in boroughs such as Newham which is one of the most deprived London boroughs as indicated in the indices of deprivation and the London Poverty profile. The main reasons for usage of the food banks are benefit delays, benefit sanctions and low pay including zero hours contract workers.

The number of PSBL beneficiaries that were recorded as using food bank vouchers was 3. This figure although relatively low may not represent the true number due to the fact that people do not always want to disclose this personal information during their first meeting with us. There is also likely to be a need for food bank voucher holders within the PSBL area due to incoming welfare reforms such as the Universal Credit changes later this year and roll out across different groups and households in the coming 4 years. The possibility of a global and UK recession due to economic conditions in China could also result in an increase in the food bank usage

4. Key Challenges

- a) There were unexpected delays in initiating the Credit Union savings account incentive scheme. This was due to numerous communications with the London Community Credit Union in an attempt to get a collaborative working partnership.

- b) Engagement with Newham Council lead institutions (Kaizen School, Plaistow Library & Newham African Caribbean Centre) within the PSBL area has presented challenges in establishing other community outreaches to deliver money services. This has had a direct impact on the number of people receiving 1-2-1 money advice.
- c) There is difficulty acquiring statistical research information at ward level. Most obtainable statistics are at Borough level. Obtaining Payday loan statistics has not been possible to date and we are still awaiting feedback from the local food banks.

5. Lessons Learned

- a) The London Community Credit Union is currently dedicating its resources into Newham Council's 'Money Works' initiative and the promotion of low interest personal loans. Therefore the success of promoting the Credit Union services/products will be primarily down to PSBL & Money A+E.
- b) We need to develop a better marketing strategy to promote the money services available. We had little response to our direct leafleting campaign in which we posted leaflets through the letterboxes of 90% of households in the PSBL area.
- c) We have not had the desired collaboration from Newham Council lead community institutions in the area. We need to make contact and set up meetings with key personnel higher up in the chain of command (Councilors for example) and inform them of the importance of allowing us to deliver free money services to PSBL residents.

6. Opportunities for Improvement

- a) Trial new marketing campaigns (e.g. promotion of services at Tesco or busy street junction) to reach residents directly. Get beneficiaries to recommend other residents and perhaps offer an incentive.
- b) Get beneficiaries involved in the support of delivering workshops and mentoring to fellow residents.
- c) Encourage a larger % of beneficiaries to access multiple money services in order to increase their financial confidence & resilience.
- d) Push forward the promotion of Credit Union saving account incentive scheme.
- e) Establish more Community outreaches from which free money services can be offered.
- f) Improve monitoring of people being supported by Money Champions & update resources.

7. Future Plans

- a) To incorporate an accredited Money Mentors programme into the current money advice services. Trained Mentors will be integral in developing a resident lead money advice service. The programme will also allow beneficiaries to go to the next level in regards to their own development.
- b) To deliver more financial confidence workshops to more residents.
- c) To apply to become a food bank voucher holder so that we can offer more support to people we engage with who are experiencing financial crisis.
- d) To reduce the contracted fees paid to Money A+E by PSBL. We anticipate that through organisational growth & external funding sources for our services this figure can be significantly reduced in subsequent years with increased impact as Money A+E develops and grows.