Evaluation of DWP Financial Inclusion Champions Initiative

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EVALUATION OF DWP FINANCIAL INCLUSION CHAMPIONS INITIATIVE

Final Report

CRSP 614


*Centre for Research in Social Policy (CRSP), Loughborough University
**Centre for Child and Family Research (CCFR), Loughborough University

March 2011
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### ABBREVIATIONS

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<tr>
<td>ABCUL</td>
<td>Association of British Credit Unions Limited</td>
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<td>Association of British Insurers</td>
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<td>ALMO</td>
<td>Arms Length Management Organisations</td>
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<td>ATM</td>
<td>Automated Teller Machine</td>
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<td>CAB</td>
<td>Citizens Advice Bureau</td>
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<td>CDFI</td>
<td>Community Development Financial Institutions</td>
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<td>CIH</td>
<td>Chartered Institute of Housing</td>
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<td>CU</td>
<td>Credit Union</td>
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<td>Credit Union Current Account</td>
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<td>Department for Work and Pensions</td>
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<td>East Lancashire Money Line</td>
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<td>Financial Inclusion</td>
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<td>Financial Inclusion Champions</td>
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<td>Financial Inclusion Taskforce</td>
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<td>Growth Fund Managers</td>
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<td>Home Contents Insurance</td>
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<td>Incapacity Benefit</td>
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<td>Illegal Money Lending Team</td>
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<td>Income Support</td>
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<td>JSA</td>
<td>Jobseekers' Allowance</td>
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<td>LAA</td>
<td>Local Area Agreement</td>
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<td>Northern Rock Foundation</td>
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<td>Personal Finance Research Centre</td>
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<td>Social Network Analysis</td>
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<td>Tenant Engagement Group</td>
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EXECUTIVE SUMMARY

Background and Objectives
The Financial Inclusion Champions (FIC) initiative was designed at the request of the Financial Inclusion Task Force (FITF) as part of the financial inclusion strategy to build and co-ordinate partnerships with local authorities, social landlords and other potential financial inclusion intermediaries to promote Financial Inclusion (FI). Prior to the initiative, the Department for Work and Pensions (DWP) used the contacts established through the ‘now let’s talk money’ programme to convene a series of regional road shows for organisations with an interest in financial inclusion. In the developmental stages of the initiative research was undertaken to ensure that the Champions would be located in the areas of greatest need. At the request of the FITF, Experian (2007) quantified and mapped the scale of mismatch between existing demand for, and supply of, third sector affordable credit. Local authorities were ranked in order of greatest priority for establishing new affordable credit provision. In addition, FITF/HM Treasury (HMT) decided that there was a need not only for regionally-focused Champions but also those focused on particular cross-cutting themes at a national level. Hence, thematic Champions were recruited to address financial inclusion in relation to housing, banking and rural areas.

Champions aimed to stimulate the demand for and, where possible and desirable, to increase the supply of, basic financial services for financially-excluded people through the work of local delivery partnerships. The Champions’ objectives supported the FITF aims to increase access to banking, saving, debt and money advice, affordable credit and home contents insurance.
In July 2010, on behalf of the FITF, HMT commissioned an evaluation of the DWP FIC initiative. The aims of the evaluation were:

- to understand the influence, co-ordination and engagement Champions had with partners;
- to assess the net benefits to individuals at risk of financial inclusion;
- to assess how outcomes relate to the regional and national economic and social conditions; and
- to assess achievements against objectives and wider Value for Money.

**Overarching Findings**

The evaluation raised methodological challenges as it involved assessing the influence of Champions on a range of networks and organisations that provided diverse services to promote financial inclusion among service users. It was beyond the scope of the research to evaluate financial inclusion services. Instead, the research was concerned with the extent to which *routes of influence* could be identified between Champions and practical outcomes. In these terms, the FIC initiative seems to have been highly successful:

- Champions reported substantial engagement with networks of partners and providers;
- providers reported finding Champions’ advice valuable;
- Champions had a key role in developing and strengthening networks;
- Champions and service providers reported a range of achieved outcomes and planned activity; and
- services were reaching people at risk of financial exclusion and often made a significant, constructive difference to their lives.

Other overarching findings are that:

- in terms of the ‘net’ impact of the initiative, the evaluation estimates that the number of people using services influenced by the Champions is equal to at least one in four of the total population of financially-excluded individuals in initiative areas; and
- there is evidence to suggest that the FIC initiative has offered value for money.
About the Champions and their work (Chapter 2)

The Champions were located in the areas with the greatest need for improved FI. To determine need, local authorities were ranked according to a number of indicators, including access to free automated teller machines (ATMs) and access to debt advice. Within these areas, each Champions’ team was hosted by a single stakeholder, partner or delivery organisation. The teams typically consisted of a strategic Champion and a variable number of other Champions. The former focused on strategic activities, including engaging with key stakeholders, and the co-ordination of operational activities of their team, while the latter had primarily an operational role. Two teams consisted of a sole Champion because the areas they covered were comparably smaller than other Champion areas.

The Champions worked towards the three high-level goals for FI, namely helping people to manage their money day-to-day, helping people to plan for the future and cope with financial pressure and helping people to deal with financial stress. Most of the 17 FIC teams were focused on FI in particular areas (‘regional Champions’). Most people in these teams worked on all of the FI objectives (to increase access to banking, saving, debt and money advice, affordable credit and home contents insurance). ‘Thematic Champions’ were tasked with focusing on a particular issue, including rural FI, housing and banking, and mainly operated at the national strategic level engaging with the relevant umbrella organisations.

Several findings relate to the development and evolution of the FIC initiative.

- Host organisations recruited highly-motivated and experienced individuals as Champions. Where necessary, recruitment was supported by DWP. Champions were typically senior personnel from a range of backgrounds, including banking, housing, the third sector and financial services for the financially-excluded. The expertise and commitment of Champions underpinned the initiative’s success.
- A particular strength of the initiative was the networking opportunities for Champions to work together and with DWP, including initial workshops aimed at inducting the Champions, the creation of a web portal, and co-ordination of
information coming from HMT, FITF and other organisations involved in financial inclusion.

- While Champions had clearly made progress towards achieving their objectives, the pace of achievement differed, partly because the Champions started their work at different times between Autumn 2008 and Spring 2009.

**Working with Providers (Chapter 3)**

The evaluation investigated *how* Champions engaged with service providers and strategic partners. Key findings here are outlined below.

- Champions’ activities can be understood as falling into three types: developing strategies; building capacity; and supporting providers’ operation.

- All Champions reported pursuing the five objectives, however, engagement in respect to these different objectives varied. Champions were most likely to be more substantially involved in working to increase access to affordable credit and least likely to have substantial engagement in promoting home contents insurance.

- Champions tended to work pragmatically, within parameters established by DWP, with local organisations to identify and prioritise local interests and needs. Champions saw part of their role as that of a facilitator, as priorities for local areas were not dictated in a top-down approach.

- The key, overarching activity of Champions was networking with local FI providers, local authorities and other stakeholders. Champions strived to embed FI in the local agenda by working with Local Strategic Partnerships and establishing new partnerships where they did not exist.

- An initial task for the Champions was to promote and raise awareness about FI among potential and existing partner organisations. Champions found it effective to promote their work with partner organisations, particularly local authorities, by emphasising the links between FI and broader policies.

- A common barrier for the Champions was where a provider had other organisational commitments which limited their ability or interest in developing FI. In other cases, partner organisations had not developed a clear policy for FI and others lacked an understanding of FI as a concept. Problems were also experienced where partner organisations were undergoing reorganisation or did
not have the resources to allow them to engage with FI. These challenges were overcome through a range of strategies and activities.

- Three key areas were identified as aiding Champions’ success in influencing partner agencies: training and dissemination of FI information; collaborative/partnership working with agencies; and the co-ordination of projects and partners. An important factor in helping the Champions to achieve their objectives was the ability to share examples of good practice.

**Influence of Champions (Chapter 4)**

The evaluation examined the extent to which the work of the Champions made an impact on service providers and strategic partners.

- The research suggests that FIC teams engaged successfully with a range of organisations, including service providers (e.g., credit unions, housing associations and debt advice services) and strategic partners (e.g., local authorities).

- The Champions had a fundamental role in instigating new relationships. From the social network analysis (SNA), it was found that in FI networks in case study areas, over 25 per cent of contacts between organisations had been made as a result of the Champions’ work. In addition, the SNA work suggests that in over 40 per cent of existing relationships the quality of relationships improved as a result of the Champions’ work. This indicates that Champions have had a significant, constructive effect on the relationships in the networks.

- In working with a range of providers, the SNA illustrated that thematic Champions worked closely with a smaller number of providers, compared with the regional Champions who worked less closely with more providers.

- Data from the provider survey suggests that where individuals had a strategic role in their organisation, they were more likely to continue to work with the Champions following initial contact than those with a purely operational role.

- Where providers had worked with Champions, nearly all (95 per cent) found their advice valuable. This high percentage of respondents who found FIC advice valuable was found across different types of organisation, including credit unions, Registered Social Landlords, local authorities, third sector organisations and other organisations.
Impact on Beneficiaries (Chapter 5)

The evaluation explored the impact of the Champions’ strategic and operational work ‘on the ground’.

- All the FIC teams had substantial engagement with agencies to facilitate the promotion and provision of affordable credit. A key part of this work was for Champions to ensure that credit unions were integral members of FI forums.
- Most Champions engaged in activities to promote the savings objectives and worked with agencies in the development and delivery of services in this field. In particular, there were examples of where FIC teams had worked with Growth Fund providers to increase savings opportunities.
- Although the Banking Champion had a leading role at the national level in working with the main British banks, some regional teams were also active in this field and set up successful projects. One of the main key successes achieved by the Banking Champion was to co-ordinate national data collection and intelligence from UK banks around the increase in take-up, and use of basic bank accounts. The results were reported to the FITF and Government Ministers, with regional breakdowns prepared for other Champions in order to inform their work to increase the take up of accounts.
- Most Champions had substantial engagement with debt and money advice agencies, in particular through networking and developing relationships and the promotion of services. Champions also worked to improve awareness of and access to debt and money advice services.
- For a number of Champions, a key aspect of their ongoing work was to support partner organisations with the development and expansion of their services. This was particularly true in the case of credit unions.
- Interviews with individuals who used services influenced by Champions suggested that these services were reaching groups at risk of financial exclusion. The interview participants included those not in work; retired, unemployed, in receipt of sickness and disability benefits, lone parents and carers, as well as those in employment.
People were generally positive about and satisfied with the services they received. Some services had been more narrowly-focused (e.g., home contents insurance) whereas others had been more holistic, addressing participants’ financial management more generally and facilitating a range of support.

Debt and money advice services had a number of impacts, including: greater knowledge about financial services and entitlements; increased income as a result of reduced utility bills or rent arrears; and improved emotional well-being.

Affordable credit services had a number of impacts, including: more knowledge about financial services and greater control over personal finances; and, in some cases, they deterred people from using doorstep lenders or weekly payment stores where they would have incurred high interest.

Home contents insurance had a positive impact for some people, particularly when they had been helped to access low cost policies. Some participants reported that they would not have been able to afford home contents insurance had it not been available through their housing associations.

**Assessing Net Impact (Chapter 6)**

The evaluation indicates the net impact of the initiative by comparing the number of people who had used FIC-influenced services with the total population of financially-excluded individuals in initiative areas. The key findings include:

- Management information data collected by DWP on the outputs and outcomes achieved by Champions up until December 2010 shows that Champion-influenced services were used by an absolute minimum of 60,000 people (largest single category: number of loans made) and an absolute maximum of 270,000 (total number of users of the nine different categories of services, assuming no overlaps). Moreover, the recorded number of users of the services has increased between the end of the evaluation and the end of the initiative in March 2011.

- In order to assess the scale of financial exclusion in target areas, the evaluation estimates the *minimum* number of financially-excluded people in the areas (defined as working-age benefit recipients without bank accounts) as 230,000.
As an indication of the scale of the initiative’s net impact, these calculations suggest that the number of people benefiting from the Champions’ work is equal to one in four of all the financially-excluded people in FIC areas.

**Value for Money (Chapter 7)**

This evaluation assesses whether the Champions initiative represented Value for Money.

- The FIC initiative received funding of £7 million over three years. On the whole, the Champions were pragmatic about the level of funding from DWP. Although most acknowledged that ‘there could always be more money’, they felt that the level of funding had enabled them to address their objectives.
- In addition to the funding from DWP, the Champions obtained funding from a range of other sources. For some of the Champions, this funding was substantially more than the funding provided by DWP. The proportion of DWP funding to funding leveraged from other sources varied substantially between the Champions, with one of the Champions raising funds of nearly nine times as much as the total DWP funding and another raising around half of the amount of DWP funding.
- The FIC initiative was primarily about developing and sustaining delivery partnerships. The initiative was not about the delivery of interventions per se and no funding was available to pay for such interventions. Therefore by design, the Champions initiative led to a variety of outcomes, both strategic and operational, from high level strategic planning to staff training in a specific area of financial inclusion. Given the range of these impacts, a single, definitive unit cost for the initiative cannot be identified. Consequently, the evaluation presents three alternative unit costs and these need to be interpreted with caution. These represent proxy ‘units of influence’ which, in practice, encompassed a series of activities, including the promotion of FI, networking and contact brokering, and include strands of work which did not result in outcomes. At the same time, it should be noted that the evaluation is unable to make judgements about the value - rather than cost – of these partnerships and it is likely that some partnerships will be more effective than others.
Based on the number of strategic partnerships developed by Champions, annual unit costs for developing and supporting a partnership capable of delivering beneficiary outputs varied from £2,500 to £15,000 for different teams.

Using a composite measure – combining the number of strategic partnerships developed, Local Strategic Partnerships joined, financial inclusion strategies influenced and Local Area Agreements expanded to include FI – annual unit costs range from £2,000 to £4,000.

A third, alternative unit cost can be derived based on the total number of beneficiaries using services which have been influenced by Champions across the initiative as a whole. Given that the total cost of the initiative was £7 million, and that the management information shows an absolute minimum of 60,000 beneficiaries, then the maximum unit cost per beneficiary is £117.

The findings suggest that the initiative has offered Value for Money. There is evidence, for example, that the Champions served to expand and improve the networks co-ordinating and providing FI services, and that their advice directly assisted the development of services and strategies. However, this claim needs to be considered within the long-term context and will depend on whether the Champions initiative will continue to have ongoing impact in the future. Because much of the Champions' work was developmental – focused on strategic planning, capacity building and service development – it will take some time before the full value of the initiative will be realised. Consequently, the true Value for Money of the FIC initiative can only be measured in the future when the investment in the delivery partnerships has had time to mature.

Conclusions (Chapter 8)
The evaluation suggests that the FIC initiative has been successful in terms of:

- expanding and improving local financial inclusion networks;
- providing valued resources to agencies working in this field;
- influencing the development of services which reach a significant proportion of the financially-excluded population and which can make a difference in the lives of service users; and
- representing Value for Money.
The conclusion of this report considers the potential legacy of the Champion’s work.

- Generally, FI networks were not dependent on Champions and they deliberately worked with strategic partners and service providers to build ‘bottom-up’ capacity and capabilities. In this sense, there is nothing inherent in the way in which Champions worked that would mean that their absence would necessarily result in the cessation or deterioration of networks.

- Champions had varied views about the sustainability of FI work. Champions were most confident about the future where they had identified partners to take the lead with regard to particular services. Champions were less confident where local FI could only be sustained if someone took over the FIC role of driving and support networks.

- A chief concern among providers (according to Champions) was the extent to which spending cuts following the Comprehensive Spending Review would affect local authorities and third sector organisations. It was suggested that the extent of Government priority given to FI would mediate agencies’ chances in competing locally for resources for FI work.

Champions felt that FI work will become increasingly important in the current economic environment, in the face of rising unemployment and risks to funding of money advice services.

In developing effective networks and progressing FI services, Champions identified three elements which aided their success in influencing partner agencies:

- the identification of key people or groups interested and able to drive FI work forwards;
- the provision of training and dissemination of FIC information; and
- adopting a collaborative partnership approach to their work with agencies.

The success of the initiative must be recognised as being dependent on the skills and efforts of the Champions who were strategically recruited because of their experience, motivation and commitment. In turn, this was the result of the strategic recruitment of experienced and motivated individuals, committed to and
knowledgeable in the field of FI, and with good existing networks and honed networking skills.

As a general lesson, the initiative highlights the cost-effectiveness of employing field leaders to promote and implement Government policy in and across Government, charity and independent sectors.
1 INTRODUCTION

1.1 Introduction

This report presents the findings from an Evaluation of the Financial Inclusion Champions initiative, undertaken between September 2010 and February 2011. This chapter gives a brief overview of the policy background and the objectives of the initiative, provides details of the methods employed throughout the evaluation and outlines the structure of the report.

1.2 Background and objectives of the Initiative

Financial exclusion is defined as ‘the processes that prevent poor and disadvantaged groups from gaining access to the financial system’ (Johnston et al., 2000). Members of the population who are financially excluded have limited or no access to mainstream financial services such as bank and building society accounts and mainstream sources of credit, such as personal loans (particularly low value and short term borrowing). A study conducted by the Personal Finance Research Centre (PFRC) identified general characteristics of the ‘financially excluded’ as:

- Living on a low income;
- In receipt of state benefits;
- Living in socially rented accommodation; and
- Living in single-headed households (for instance, single people or lone parents).

The term ‘financial inclusion’ is applied to policy measures that redress financial exclusion, to prevent poverty and social exclusion. HM Treasury’s seminal report ‘Access to Financial Services’ (HM Treasury, 1999) made a series of recommendations to provide some remedy for financial exclusion. These relate to: the introduction of basic bank accounts; enhancing the work of credit unions; increasing the availability of insurance-with-rent schemes; and improving access to financial services in disadvantaged neighbourhoods. Feedback on the recommendations of the 1999 Report was included in ‘Promoting Financial Inclusion’
(HM Treasury, 2004), by which time all the major high street banks operated basic bank accounts.

The report published alongside the 2004 Pre-Budget Report identified the UK Government objectives across three high-level goals for financial inclusion policy which are as follows:

- Helping people to manage their money day-to-day;
- Helping people to plan for the future and cope with financial pressure; and
- Helping people to deal with financial distress.

It also set up a framework for delivery, including the Financial Inclusion Fund of £120 million over three years and the Financial Inclusion Taskforce to oversee progress and make recommendations. The ‘Financial inclusion: an action plan for 2008-11’ (HM Treasury, 2007) report stated that the Government would establish a ‘Financial Inclusion Champions’ initiative. The initiative was intended to build on the existing ‘now let’s talk money’ programme and to support the Government’s objectives in relation to the central financial inclusion themes:

- Savings;
- Banking;
- Debt and money advice;
- Affordable credit; and
- Home contents insurance.

By building strategic partnerships, the work of the Champions focused on these key themes. In particular, they aimed to stimulate demand for, and where possible and desirable, to increase the supply of basic financial services for financially excluded people. The Champions were also tasked with establishing, co-ordinating and developing partnerships with local authorities, social landlords and other potential financial inclusion intermediaries. Whilst promoting home contents insurance was part of the Champions’ brief, work was also undertaken in this area outside of the Champions initiative. This included the Tenant Engagement Group (TEG) initiative, promoted by the Department for Work and Pensions (DWP) between 2009 and 2010, and work by the Association of British Insurers, both of which focused on widening access to home contents insurance for social tenants.
The Financial Inclusion Champions initiative has received funding of £7 million for the period 2008 to 2011 which supported the recruitment of national and regional teams bringing together ‘Champions’ with experience of working on financial inclusion. The boundaries of the Champions’ areas were defined following the identification of financial exclusion hotspots across the UK and, therefore, the Champions were based in areas of greatest need (see Chapter 2, Section 2.1 for further details).

1.3 Method

This research was commissioned by the Financial Inclusion Taskforce (FITF) and HM Treasury (HMT) to undertake an evaluation of the DWP Financial Inclusion Champions initiative. The overall research aim was to establish the effectiveness of the initiative in terms of impact and process and to achieve this, the evaluation had four main objectives:

- to understand the influence, co-ordination and engagement Champions had with partners;
- to assess the net benefits to individuals at risk of financial exclusion;
- to assess how outcomes relate to the regional and national economic and social conditions; and
- to assess achievements against objectives and wider Value for Money.

The evaluation raised particular methodological challenges. More routine evaluations require assessment of the causal relationship between two elements, the agent (e.g., policy, service, etc.) and the outcome. However, this evaluation required a focus on more complex relationships, between Champions, service providers and beneficiaries, in order to ascertain what effects ‘on the ground’ could be attributable to the Champions initiative.

The methods employed throughout the evaluation reflected these challenges. In particular, the proposed design gave priority to exploring the extent to which we could identify initiative impacts on outcomes. This was done by looking at the
relationship between the initiative and services on the one hand, and services and outcomes on the other.

The evaluation used a multi-method, case study-based methodology. The evaluation included six case studies, selected in consultation with DWP, HMT and FITF, to include differences in types of local area. When selecting the case studies, the following sampling criteria were applied:

- Case studies were sampled on a geographical basis from among the 15 geographical regions in which the Champions initiative was implemented (three thematic Champions operated nationally);
- The case studies were selected to represent a balanced mix of thematic and regional Champions and included the following:
  - Thematic Champions, including:
    - Rural;
    - Housing; and
    - Banking (this Champion had a dual role as both thematic and regional Champion).
  - Regional Champions working in the following areas:
    - Scotland;
    - Wales; and
    - East and South Midlands.

1.3.1 Desk-based research

Desk-based research enabled the research team to develop an informed understanding of the following:

- the work of the Champions;
- local and national financial inclusion policies;
- strategies and services; and
- the broader socio-economic context.

The desk-based research was not a discrete piece of work, but rather involved ongoing collection, analysis and monitoring of output/outcome management data collected by Champions.
1.3.2 Interviews and focus groups
A preliminary focus group was held with five Champions and the DWP Senior Stakeholder Manager. The discussion gave the Champions the opportunity to share their experiences and views about how the initiative was progressing and enabled the research team to begin to identify the key strengths, successes and challenges of the initiative.

The findings from the discussion group complemented the subsequent interviews and conversations that were conducted with each of the six Champions (see Appendices A, B and C). Information from these conversations was gathered in order to explore the impact and the development of the initiative, taking into account the different experiences of the Champions according to their location and/or strategic priorities. The interviews focused on a range of themes including the nature of engagement, processes and factors affecting the success of the initiative.

1.3.3 Qualitative research with service users/beneficiaries
To facilitate contact with service users/beneficiaries, the case study Champions, were asked to provide details of service providers whom they had worked with and where service users could be identified. With the exception of the Banking Champion who had primarily a strategic role, all Champions were able to supply a list of service providers. Service providers were then approached and a selection participated in the research by supplying the research team with contact details of their service users. The types of organisations that were able to provide the research team with contact details of their service users included: local authorities; credit unions; housing associations; and a charity delivering support services to people with mental ill health. Individual service users were then contacted by telephone and invited to participate in a telephone interview (see Appendix D).

A total of 48 in-depth interviews were conducted with beneficiaries. The interviewees who participated in the research were not selected to comprise a representative sample of any one individual service providers’ users. However, the findings from the interviews conducted provided useful information about:

- whether services were able to reach those who were most financially excluded;
the range of experiences and the benefits to individuals of receiving these services; and
whether these individuals would have derived these benefits without this new or improved service provider activity.

The purpose of the interviews was to explore individuals’ experiences of services that promote financial inclusion and to ascertain how they benefited them. As part of the interview, participants were asked to give an account of their experiences relating to, for example, the acquisition of a loan, taking-up home contents insurance or contacts with money or debt advice agencies.

1.3.4 Champions’ survey
The Champions’ survey was developed following the interviews with the Champions and was designed to gain the views and experiences of the FIC teams who had not been part of the case study research. The questionnaire (see Appendix E) included both closed and open questions providing explanatory text and examples of the teams work, achievements, factors that helped/hindered their progress and views about the future of the FI programme. The email survey was undertaken by all 12 FIC teams covering the areas not covered by the case study Champions.

1.3.5 Service provider survey
In January 2011, individuals working for organisations that had been in contact with the Champions were asked to take part in an online survey. The survey (see Appendix F) sought to capture organisations’ experiences of providing financial services as well as their experiences of working with Champions. The survey aimed to assess the influence of Champions on services and local policies, and the relative impact of the Champions on outcomes. Of the 1,543 individuals contacted, 320 completed the questionnaire, giving a response rate of 20.7 per cent. Of these, 249 reported having worked with Champions. Given the relatively descriptive nature of the analysis required, this response rate was sufficient for the purposes of the evaluation.
Providers who failed to take part in the web-based survey were encouraged to explain, by email, why they had not done so. Several factors emerged that contributed to the relatively low response rate. The research team did not have a designated contact person for each provider organisation and so were constrained to approach everyone on the Champions’ mailing lists. We know from emails that some teams delegated the task of responding to the survey to one member. Other emails reveal that providers who had had no meaningful contact with the Champions initiative (beyond attending an introductory session) had not taken part because they felt they had nothing to contribute to the evaluation. Others explained that they did not have the time to take part as their teams were being restructured or disbanded (reflecting the considerable flux in the sector at the time the survey was conducted). None of the non-respondents cited dissatisfaction with the Champions as a reason for non-compliance; in fact, none offered a reason that related to the Champions in any way. This offers reassurance that the experiences of the Champions initiative captured by the survey do not contain structural bias.

1.3.6 Social Network Analysis

Social network analysis (SNA) was used to identify and evaluate the influence, coordination and degree of engagement that Champions exercised with partners in their areas. Social network analysis is an innovative analytic approach which describes social relationships in terms of a complex system made of ‘nodes’ and ‘ties’. Nodes are the individual actors within the networks, and ties are the relationships between the actors. The types of ties between the individuals can be very different. Social networks established by Champions were used to determine the way Champions interplayed with partners and the degree to which individual Champions succeeded in achieving their target. Champions were asked to provide up to 15 names of providers where their involvement had an impact. These providers completed questionnaires which were analysed using SNA to provide detailed information about the role played by Champions in the development of financial inclusion networks. The SNA survey was separate to the service provider survey outlined above (Section 1.3.5).
1.3.7 Secondary data analyses and Management Information Data

Secondary data analyses were conducted as part of the evaluation to consider the nature and scale of likely or potential initiative outcomes in relation to overall conditions. Further details of these analyses are discussed in Chapter 6.

A key resource when conducting secondary analysis was the management information data (see Chapter 2). It is difficult to comment on the quality of the management information figures produced as there was no independent procedure put in place to assess their accuracy. The figures were collected on the basis of ad hoc agreements between Champions and partner organisations. However, based on interviews with DWP officers and case study Champions, it seems that these figures are likely to understate the effect produced by Champions on partner organisations as some output and outcome information could not be collected from providers.

1.3.8 Value for Money analysis

The Value for Money (VFM) work involved the detailed analysis of management data, surveys, data from the SNA and documentary evidence to extract information about the basic operating costs across the six case study areas. This detailed analysis informed an assessment of achievements against objectives and wider Value for Money. Further details of the VFM methodology are discussed in Chapter 7.

1.4 The Report

The rest of this report is structured as follows. Chapter 2 provides an overview of the background of the FIC initiative. Chapter 3 discusses how the Champions operated, Chapter 4 considers the impact the Champions had on service providers, and Chapter 5 focuses on how services influenced by Champions were experienced by service users. In order to assess the 'net' benefit of the FIC initiative, Chapter 6 compares the number of users of FIC-influenced services with the total population of those at risk of financial exclusion. Chapter 7 examines the initiative’s Value for Money, and Chapter 8 concludes the report by considering the longer term impact of the initiative and lessons for the future.
2 THE CHAMPIONS

Key findings

- The 15 Regional Champions Teams were located in areas with greatest need.
- Three thematic Champions – for housing, banking and rural areas - were tasked to operate at the national strategic level engaging with the relevant umbrella organisations.
- Host organisations recruited highly-motivated and experienced individuals as Champions. The Champions clearly understood their role as turning high-level Government objectives into practice at the local level.
- A particular strength of the initiative design was the networking opportunities for Champions to work together and with the Department for Work and Pensions (DWP).
- While Champions had clearly made progress towards achieving their objectives, the pace of achievement differed, partly because the Champions started their work at different times.

2.1 Introduction

This chapter explores the development and evolution of the Financial Inclusion Champions (FIC) initiative. The chapter begins with a consideration of how the level of need for financial inclusion was assessed and how the location of the FIC was determined. The chapter then looks at how Champions were recruited and, in turn, how they were supported in the development of their work.

2.2 Groundwork for the Initiative

Prior to the initiative starting, the DWP used the contacts established by ‘now let’s talk money’ Stakeholder Managers and held a series of regional road shows for organisations with an interest in helping the financially excluded. The road shows
presented the aims and objectives of the initiative and aimed to develop support for
the roll out of the programme. At this stage, organisations were invited to express an
interest in hosting a Champion. Attendees typically included local authorities,
housing associations, advice agencies, members of Local Strategic Partnerships
(LSPs), third sector and voluntary and community organisations.

In the developmental stages of the initiative it was crucial to ensure that the
Champions would be located in the areas of greatest need. At the request of the
Financial Inclusion Taskforce (FITF), 'to quantify and map the scale of mismatch
between existing demand for, and supply of, third sector affordable credit' (Experian,
2007), 81 local authorities were ranked 'in order of greatest priority for establishing
new affordable credit provision' (Experian, 2007). In addition, local authorities were
measured against the following parameters:

- number of wards in local authorities with highest level of demand;
- wards with no free automated teller machine (ATM);
- wards with free ATM;
- wards with no free debt advice;
- wards with free debt advice;
- Citizen Advice Bureau count; and
- free debt advice count.

This information was analysed and the areas with the greatest need for financial
inclusion were identified. At this point, FITF/HMT decided that there was a need for
both regionally-focused Champions and those focused on particular themes at a
national level. Hence, thematic Champions were recruited to address financial
inclusion in the housing sector and in rural areas, as these were areas deemed to
require particular attention. The Banking Champion was originally employed as the
regional strategic Champion for the Durham and Tees Valley. However, given his
extensive banking experience, following negotiation with DWP it was decided that it
would be of benefit to the initiative overall to use his skills as a thematic Champion
for banking. An additional member of staff was recruited to support the Champion in
his dual regional/thematic role.
2.3 Recruiting and Supporting the Champions

Through the regional road shows, organisations were invited to express an interest in hosting a Champion. Expressions of interest were subsequently considered and bids were invited from preferred organisations. Following evaluation of the bids and post-tender negotiations, contracts were prepared. Some bidders had staff already in place to begin work as a Champion, whereas other organisations recruited new staff, which could substantially delay the local inception of the initiative. Where required, DWP supported individual organisations with the development of job specifications and advertisements and were present on interview panels. In a number of Regions where there was a lack of satisfactory bids, DWP went about further marketing and Regional roadshows to successfully stimulate interest.

In total, 17 FIC teams were recruited, including three thematic FIC teams and 15 regional FIC teams. Regional Champions teams were located in Scotland and in Wales to cover both countries. Host organisations recruited highly-motivated and experienced individuals as Champions from a range of backgrounds. The case study Champions, for example, were all senior staff with many years experience in a range of sectors including banking, housing, the third sector and financial services for the financially excluded. Prior to becoming Champions, most had experience of working to promote financial inclusion. In addition, the Champions often had knowledge of the sectoral and local economic and social conditions in their own region.

Each Champions team was hosted by a single stakeholder, partner or delivery organisation. The six Champions who were selected as the case studies for the evaluation were hosted by different types of organisations as the list below illustrates:
- Banking Champion: hosted by Fabrick Housing Group;
- Housing Champion: hosted by Chartered Institute of Housing;
- Rural Champion: hosted by Commission for Rural Communities;
- East and South Midlands Champion: hosted by Leicester Money Advice;
- Scotland Champion: hosted by Inverclyde Council; and
• Wales Champion: hosted by Wales Co-operative Centre.

There were practical and in-kind benefits associated with being hosted by well-established organisations which contributed to the overall successes of the initiative (see Chapter 7 for a detailed discussion).

2.4 Organisation of the Champions

The majority of Champions worked at a regional level, typically in FIC teams. From the Champions’ survey it was found that the size of FIC teams varied from one person to five. Where teams contained more than one member, the typical structure was for a regional strategic Champion to work with additional Champions who focused on the operation of the initiative. Financial Inclusion Champion teams generally worked across their region, with a couple allocating team members to specific geographic areas. This was the case in Wales, for example, where one Champion covered North Wales and another covered the South. Overall, all team members worked across all of the FI objectives. In some cases, different team members were allocated specific areas of work as the programme progressed.

The evaluation focused on strategic Champions in the six case studies, all of whom worked in teams with other Champions. As their title suggests, they engaged mainly in strategic activities and co-ordinated the operational work of their teams. On some occasions, strategic Champions were involved in operational work. At the strategic level Champions engaged with stakeholders, including Registered Social Landlords and local authorities who could take the financial inclusion agenda forward. At the operational level, they engaged in the development of specific projects. The Champions for Scotland and Wales worked at a national level with their respective governments. As both devolved governments developed and implemented their policy agendas, the role of these Champions was to promote and co-ordinate financial inclusion policy within Scotland and Wales.

Thematic Champions mainly operated at the national strategic level engaging with umbrella organisations under their specific theme. For example, the Champion for Housing worked with the largest housing providers and trade bodies, including the
National Federation of Housing, the Chartered Institute of Housing and the National Federation of Arms Length Management Organisations (ALMO); the Champion for rural communities engaged with several government departments, the national Citizen Advice Bureau and the Financial Services Authority; and the Champion for Banking with the main British banks.

2.5 The Objectives of the Initiative

The initiative was intended to support the Government’s three high-level goals for financial inclusion and the strategic and operational objectives of the Champions were defined accordingly. In terms of ‘helping people to manage their money day-to-day’, the Champions were tasked with increasing access to and take-up of transactional bank accounts. In relation to this, it was anticipated that Champions would play a role in encouraging greater confidence in using direct debit payments and to promote the wider use of bank accounts for day-to-day budgeting and money advice. In working towards the goal of ‘helping people to plan for the future and cope with financial pressure’, Champions were expected to work with partners to increase awareness of third sector lenders as providers of affordable credit. In addition to raising awareness, Champions also sought to support the establishment of new third sector lending provision in high priority areas and to increase the proportion of housing authorities offering home contents insurance. The Champions also had a role in ‘helping people to deal with financial distress’ by promoting awareness and increasing the availability of sources of free, impartial debt advice. A key aspect of this particular objective was to form partnerships between debt advice agencies and local third sector lenders.

During the focus group, the case study Champions discussed their overall vision of the initiative. In particular, they saw their role as strategic with a focus on turning the high-level Government objectives into practice at the local level. In other words, the Champions bridged the gap between policy and practice and worked towards an end goal of sustainable financial inclusion policy and services. As the Banking Champion explained:
‘...it is very much creating action through others, rather than doing it ourselves. … it was felt by the Taskforce that high level strategy didn’t exist [in the sector] and that is why the Champions were named Strategic Champions, to encourage us...wherever possible to get the local authorities to set up these strategies for these five key areas.’

(Banking Champion, focus group)

The FITF/DWP planned for a greater emphasis at the beginning of the initiative on building strategic partnerships and more emphasis later on service delivery impacts. This transition was sometimes difficult at the time for Champions as it had not been explained to partners at the outset and consequently, for example, providers had not always expected to be asked to provide output and outcome information.

2.6 Implementing the Initiative

While Champions had clearly made progress towards achieving their objectives, the pace of achievement differed partly because the Champions started their work at different times between Autumn 2008 and Spring 2009. The Champions’ survey suggests that the first Champion team member to take up their post was in November 2008 and the last post in the initiative was filled in July 2009. Some team members left towards the latter stages of the programme but the majority remained until the end of March. This indicates up to an eight month variation in the duration of the FIC programme for some teams.

Throughout the initiative, Champions worked closely with DWP and each other. In the early stages of the programme implementation, Champions reported close contact with DWP which was perceived to have been effective in terms of generally supporting the Champions in their work, providing a contact point for any queries and in providing the Champions with necessary information. As the Champion for Scotland explained:

‘I feel as if we really have done the journey together…, there has been a lot of hand holding, … where we have needed support with certain things … it has been quite efficient.’

Once the Champions were in post, DWP held induction training sessions, provided details of the reporting requirements associated with the role and supported teams in
preparing action plans. A key aspect of this initial work was to facilitate networking between the Champions and central to this was the development of a web portal. In the first instance, the portal supported DWP to manage inter-working between the Champions. The Champions saw the portal as a valuable resource which held coordinated information from HMT and FITF and provided Champions with information and an opportunity to discuss their experiences with each other. In this respect, Champions used the portal as a gateway for gathering and requesting information, and sharing knowledge and learning. These networking opportunities were regarded as a particular strength of the initiative by the case study Champions. Specifically, Champions exchanged information on the basis of their experience and knowledge rather than on formal arrangements and there were particular examples of where Champions sought support with aspects of their work. One Champion described how the portal worked in this regard:

‘you might have seen something like, … “has anyone got an idea on corporate debt policies?”… [and] someone … picks up the phone and just sorts it. So the power of the group has been important.’

A further example was offered by the Rural Financial Champion:

‘I needed stuff on … older people, specifically in relation to financial inclusion and capability and put something on the portal and got loads of responses of what different Champions had been doing with Help the Aged … So it really works.’

2.7 Monitoring the Champions work

As part of their work Champions were required to collect management information throughout the initiative. The type of information required was determined by FITF and included details of stakeholder outcomes, intermediate outcomes and final outputs. The task of collecting information about stakeholder outcomes was arguably the most straightforward for the Champions, as it required them to provide numbers of the local strategic partnerships they had joined and the number of strategic partnerships they had developed. In terms of intermediate outcomes, Champions were asked to forecast the type and number of outputs when engaging with new partners. Data relating to intermediate outcomes was collected on the following:
• new funding leveraged or existing funding enhanced or safeguarded;
• numbers of local authorities that have included FI in their Local Area Agreement;
• number of new and/or modified financial service projects supported;
• number of new and/or modified financial services projects started;
• number of Financial Inclusion strategies (or other strategies which include financial inclusion) and action plans developed and/or influenced;
• number of staff from service providers trained in delivering financial inclusion;
• number of new organisations making referrals to financial services providers;
• promotion of Saving Gateway;
• increase in geographical coverage of debt advice and financial service providers; and
• increase in capacity of debt advice and financial services providers.

In terms of measuring the impact of the Champions, the final outputs were perceived to be the hardest to demonstrate. When a new project was started this was more straightforward, as all new figures were counted. Where Champions had worked with partners in relation to an existing service or project, the improved figures were required. This often proved to be particularly challenging, largely because the partners were stretched in terms of resources and the time required to identify and provide this information, and because of the difficulties of extracting the figures to demonstrate the impact of the Champions. In this respect, there were concerns from both DWP and the Champions themselves that the impact of the Champions’ work might be under-represented in the management information data. Data relating to intermediate outcomes was collected on the following:
• increase in credit union members;
• number of loans made by new/modified financial services projects;
• number of savings accounts opened;
• number of bank accounts opened, (CUCA, Benefits Plus, etc.);
• number of home contents insurance policies taken out;
• number of referrals to debt advice agencies and financial service providers;
• number of people receiving debt advice and financial services;
• number of referrals to IMLT; and
• number of referrals to money made clear.
3 WORKING WITH PROVIDERS

Key findings

- Champions shared a ‘bottom up’ approach to developing local objectives, working with strategic partners and providers of financial inclusion services to address their needs and priorities.
- All Champions reported pursuing the five objectives in terms of savings, banking, debt and money advice, affordable credit, and home contents insurance.
- Champions were most likely to be more substantially involved in working to increase access to affordable credit and least likely to have substantial engagement in promoting home contents insurance.
- A challenge Champions faced at the outset of the initiative was to raise awareness of financial inclusion.
- Champions strived to embed FI in the local agenda by working with Local Strategic Partnerships and establishing new strategic partnerships where they did not exist.
- More generally, their activities can be understood as falling into three types: developing strategies; building capacity; and supporting providers’ operation.
- Three key areas were identified as aiding Champions’ success in influencing partner agencies: training and dissemination of FI information; collaborative/partnership working with agencies; and the co-ordination of projects and partners. An important factor in helping the Champions to achieve their objectives was the ability to share examples of good practice.

3.1 Introduction

The focus of this chapter is on how the Champions pursued their objectives and the way in which they engaged with partners/providers. It reports on the scale and operation of Champions’ networks. It draws on evidence from interviews with case
study Champions, the monitoring information, the Champions’ survey and social network analysis (SNA).

The chapter begins by discussing how Champions selected and prioritised their objectives and how they approached networking with local providers of and partners in financial inclusion. We then discuss the types of activity in which Champions engaged, the challenges they faced and how these were overcome. This chapter describes the way in which Champions approached their work; what impact their work will have, will be discussed in subsequent chapters.

3.2 Selecting and prioritising objectives

The Champions in the case study areas tended to adopt a pragmatic approach to selecting and prioritising objectives, which involved working collaboratively with local organisations to identify and prioritise their local interests and needs. These Champions saw part of their role as that of a facilitator, as priorities for local areas were not dictated in a top-down approach, but were identified in collaboration with partners according to their aims. Champions agreed that this process involved encouraging local partners to take responsibility for and ownership of the financial inclusion agenda themselves in order to ensure a lasting legacy for the initiative. While Champions prioritised objectives in specific geographical areas, as agreed in their action plans, they also prioritised specific objectives based on pragmatic considerations. That is, if a partner was willing to engage on a related theme or work, Champions would support the partner’s agenda on specific objectives. Responding to local interests and priorities was important for building partnerships.

When surveyed, all Champions reported pursuing the five objectives: savings; banking; debt and money and advice; affordable credit; and home contents insurance. However, engagement in respect to these different objectives varied. Champions were most likely to be more substantially involved in working to increase access to affordable credit and least likely to have substantial engagement in promoting home contents insurance (HCI). In part, this seems to have reflected Champions’ collaborative approach towards identifying and prioritising objectives. That is, Champions tended to have a deeper involvement in objectives which
involved a greater number of agencies and agencies more willing to engage with the Champions, such as in the area of affordable credit. There are a number of reasons why Champions generally were less engaged in promoting home contents insurance.

- This was an area of financial inclusion mainly delivered through a relatively small number of agencies – housing association and Registered Social Landlords.
- It also reflects the fact that there were more examples of best practice which could be encouraged and guide work on affordable credit, and fewer examples available to Champions to promote work on HCI.
- There was more focused work on widening access to HCI for social tenants undertaken outside of the Champions initiative. For instance, the Tenant Engagement Group (TEG) initiative and work by the Association of British Insurers (ABI) focused specifically on the low take-up of HCI by engaging with tenants and community groups.

3.3 Networking

The purpose of Financial Inclusion Champions was to stimulate, develop and support local financial inclusion work rather than, for example, to provide services directly. The key, overarching activity of Champions was networking with local Financial Inclusion providers, local authorities and other stakeholders.

Champions often had strong local networks prior to taking up their roles. Many Champions were hosted by well-established organisations with high-developed networks. This clearly had benefits; where host organisations were well networked, there was a ‘captive audience’ for the Champion to engage with. Where there was evidence of strong networks, partners had often expressed an interest or a willingness to promote financial inclusion within their own organisation and as part of their strategic vision. However, several Champions warned of over-playing the significance of ready-made networks. In this respect, while the Champions acknowledged the benefits of having a list of ready-made contacts available to them, they argued that their work was successful ultimately because of the quality of the relationship they nurtured between themselves and local organisations.
Champions explained that one of their first tasks at the outset of the initiative was to promote and raise awareness about financial inclusion among potential and existing partner organisations. To some organisations, this policy area was relatively unknown and Champions reported a widespread lack of knowledge about financial inclusion across local authorities.

Champions found it effective to promote their work with partner organisations, particularly local authorities, by emphasising the links between financial inclusion and broader policies. While there was not a specific National Indicator for financial inclusion, Champions pointed out that a number of existing National Indicators were underpinned by financial inclusion policy. In doing so, they highlighted how a financial inclusion strategy could support a wider policy agenda including economic development, worklessness, child poverty, and health and well-being.

Champions strived to embed financial inclusion in the local agenda by working with Local Strategic Partnerships (LSPs) and establishing new partnerships where they did not exist. LSPs proved an important point of contact for Champions to start to build and co-ordinate local partnerships with local authorities, social landlords and other financial inclusion intermediaries. Champions also engaged with existing LSPs in order to put financial inclusion issues on LSP agendas and, ultimately, to ensure that local strategies included financial inclusion policy. Champions also focused on developing other strategic partnerships with and between local agencies.

The provider survey suggests that Champions tended to have had more sustained engagement with organisations if they worked with individuals with strategic roles, rather than with purely operational responsibilities. The type and number of organisations with whom Champions engaged varied depending on the Champions’ thematic interests and objectives. For example, the SNA suggests that thematic Champions worked with a smaller, closely knit group of providers than regional Champions – reflecting the more specialised nature of the thematic Champions’ work.
Table 3.1 (based on information collected by the Department for Work and Pensions on the activities of Champions) shows the range of organisations external to the FIC initiative with which Champions have engaged. Although this table shows just the percentage of contacts – and not the efficacy of these contacts or, as discussed above, the degree of involvement, it is interesting to note that the majority were individuals from local authorities, housing associations, credit unions and CDFI, and LSPs. The next most common contacts were with voluntary and charitable organisations and advice agencies (including debt and money advice). A significant number of contacts were also made with other organisations including banks and FSA.

Table 3.1  Percentage of individuals with whom Champions had been in contact by organisation type (based on all 18 Champions)

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Per cent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Training Services</td>
<td>3</td>
</tr>
<tr>
<td>Advice Agencies (incl. debt advice)</td>
<td>7</td>
</tr>
<tr>
<td>Housing Associations/RSLs/ALMO</td>
<td>10</td>
</tr>
<tr>
<td>Banks</td>
<td>2</td>
</tr>
<tr>
<td>Charitable, Voluntary and Faith Organisations</td>
<td>8</td>
</tr>
<tr>
<td>Community Enterprises/CDFI/Credit unions</td>
<td>10</td>
</tr>
<tr>
<td>FSA and Money Made Clear</td>
<td>2</td>
</tr>
<tr>
<td>Govt. Offices</td>
<td>3</td>
</tr>
<tr>
<td>IMLTs</td>
<td>1</td>
</tr>
<tr>
<td>Local Authority/Other Government Organisations</td>
<td>36</td>
</tr>
<tr>
<td>Forum/LSPs</td>
<td>10</td>
</tr>
<tr>
<td>Other</td>
<td>6</td>
</tr>
<tr>
<td>Regional Development Agencies/Sub regional agencies</td>
<td>2</td>
</tr>
</tbody>
</table>

3.4  Types of activity

Champions’ activities can be understood as falling into three types: developing strategies; building capacity; and supporting providers’ operation.
3.4.1 Strategic work and capacity building
Examples of strategic work, at the area level, include the development of local forums and production of shared strategy documents which individual agencies can then draw on. At the agency level there are examples of where Champions have worked to embed financial inclusion within organisational policy, and where they have worked with agency personnel to promote inter-agency working.

In order to support providers’ work, Champions developed practical tools and good practice guides. As an example, the Champion team for East and South Midlands developed a Local Authority Financial Inclusion Toolkit to provide accessible information to help local authority officers to assess needs and design a strategy. This product has been used successfully by the other regionally-focused Champions to work with local authorities across the country. Champions in the survey also noted the value of materials such as reports, research evidence of the economic benefits of financial inclusion, toolkits and resource guides and the sharing of best practice which were used to demonstrate the importance of financial inclusion and how it can benefit the organisation and its service users. Much of the Champions’ work was also about building capacity among providers – often a prerequisite for implementing strategy and turning FI policy/objectives into practice. Key activities here included supporting organisations to bid for funding, and building internal FI capacity in organisations through, for example, supporting organisations to create staff positions to provide face-to-face advice. Discussions with providers also suggest that a key role of the Champions is developing ‘knowledge capital’ which is perhaps a less obvious outcome of the Champions work. Developing knowledge capital refers to the role of the Champions in working with partners to share and develop skills and information, which in turn seems to enhance the confidence of the providers and improves their overall awareness of financial inclusion. Several Champions in the survey had provided or accessed staff training on financial inclusion for provider organisations.

3.4.2 Operational work
Examples of operational work, at the area level, include the development of shared standard systems and processes (e.g., a joint referral system) and the development of a shared action plan to improve inter-agency working. At the agency level there
were examples of where Champions have worked with personnel to improve service provision which may also include adapting service delivery and developing new services. For example, the Merseyside and West Lancashire team worked with a local credit union to negotiate a business review which led to rent-free premises and the provision of a wider and more accessible service. This also involved liaison with a local Housing Trust to assist with the refurbishment and the Post Office who donated shopfittings. The Greater Manchester and East Lancashire team also reported helping a credit union with rate reduction and refurbishment costs.

Champions in the survey reported helping partners work to provide services and support to benefit some particularly vulnerable groups. Specific examples include signing up Registered Social Landlords and Housing Associations to an Illegal Money Lending Team (IMLT) to promote a rehousing protocol for victims of loan sharks. In London, Champions had set up a project with a fostering provider to reduce reliance on cash among children and young people in foster care. Several Champions mentioned working with prisons/probation officers and other partners, for example, establishing a steering group and protocol with Registered Social Landlords to let prisoner’s property but rehouse them on release to prevent accruing arrears, the provision of financial education to help reduce re-offending, a prison saving/borrowing project, and the extension of Credit Union services to prisoners.

3.5 Challenges encountered by Financial Inclusion Champion teams

Financial inclusion Champion teams reported a range of challenges which they had needed to overcome in order to achieve objectives or engage with partner organisations. Some related to factors at the level of partner organisations, others were at the broader strategic level.

3.5.1 Organisational level factors

Table 3.2 (based on the Champions’ survey) shows the barriers most frequently experienced in Champions’ work with providers. The effects of these barriers included: delaying Champions’ ability to engage with partners for longer than was anticipated; increasing the resources required to secure engagement with partners; and mediating Champion’s decision-making about where to focus effort in order to secure greatest return.
Table 3.2  Type of barriers and frequency

<table>
<thead>
<tr>
<th>Issues identified by Champions as barriers to their work with providers</th>
<th>Number of FIC teams identifying this issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provider had other priorities</td>
<td>12</td>
</tr>
<tr>
<td>Lack of understanding of FI</td>
<td>9</td>
</tr>
<tr>
<td>Financial constraints</td>
<td>8</td>
</tr>
<tr>
<td>No Clear FI policy in organisation</td>
<td>7</td>
</tr>
<tr>
<td>Competing interests with other organisations</td>
<td>7</td>
</tr>
</tbody>
</table>

Source: Champions’ survey 2010/2011

Other Priorities
All Champions in the survey identified a common barrier being where providers had other organisational commitments and, consequently, had limited interest in or ability to develop financial inclusion. Half of the teams found this an issue within credit unions (6), but also local authorities (4), Registered Social Landlords/Housing Associations (4) and debt advice agencies (3). Sometimes organisations’ priorities differed from the FIC team at the point of contact. One commented that third sector organisations tended to prioritise their focus on where there was funding.

Poor understanding of, or commitment to, the financial inclusion concept
Half of the Champion teams in the survey (7) reported that some partner organisations had no clear financial inclusion policy, including government agencies (4) and local authorities (3). Furthermore, nine Champion teams encountered a lack of understanding of financial inclusion, including, again, government agencies (5), local authorities (5), and also other third sector organisations (3). Here, Champions reported that potential partners could not see the relevance of financial inclusion to their organisation, for example, they considered it to be an issue for the third sector, or could not see where financial inclusion fitted into their organisation. This could mean that organisations were reluctant to invest resources. It was also felt that some organisations had a narrow view of financial inclusion, for example, as limited to financial capability or debt advice rather than the wider financial inclusion agenda. They, therefore, did not see the business case, the need for preventative work or the
link to other services such as affordable credit. Some organisations were just found to be unsure of the role of the Champions and did not see the benefit of engaging with them. These challenges were addressed by raising awareness of financial inclusion among partners.

Financial constraints
Eight teams reported resource issues within organisations to be an issue inhibiting engagement with partners. A third of teams experienced this in relation to credit unions (4), local authorities (4), debt advice agencies (4), and Citizens Advice Bureau (CAB) and third sector organisations (3).

Issues related to organisations’ restricted capacity were reported by half of the FIC teams in the survey. Champions found it difficult to engage where organisations were already busy and services in demand as they could lack the resources (time and funding) to take on additional work. For example, Champions discussed difficulties when trying to engage with debt and money advice agencies which lacked time and were already dealing with long waiting lists, and with credit unions which were small, lacked organisational resources and were reliant on individuals and volunteers.

Other issues
Champions also mentioned that the set up and changes within organisations could act as potential barriers to engagement. For example, one Champion explained how internal restructuring, staff turnover and relevant people not being in post made it difficult to identify appropriate contacts for engagement. One team felt that other government agencies’ commitment was inhibited by their changing priorities in response to the economic downturn and the pressing need to tackle the rise in unemployment.

Finally, some teams referred to a reluctance to engage for more general reasons. Issues here included resistance due to organisations’ previous bad experiences of partnership working. Others were hesitant about ‘another strategy’ or ‘outside influence’.
3.5.2 Competing interests with other organisations

Over half of the Champions in the survey reported partners’ competing interests with other organisations as a barrier to their engagement or achieving objectives. This was most often referred to in CAB (4) and debt advice agencies (3). Competing interests could arise where organisations had different ‘values’ or purposes, such as between credit unions and CAB where the former supported access to credit and encouraged responsible financial management while the latter was crisis-focused and dealt with people facing a range of problems including financial difficulties. Competition could arise too among credit unions with overlapping ‘common bonds’, that is, the criteria which specify who may become a member of a credit union (for instance members must work for the same employer or members live within a defined geographical area). On occasion this could mean that credit unions were competing with each other to attract members. (At the same time, however, there are several examples of collaborative projects among credit unions supported by FICs, such as setting up joint websites to market credit union services across financial inclusion Champion regions).

Champions in case study areas reported that difficulties were encountered with some local organisations, where organisations should theoretically have worked together, but in fact had competing interests. In such circumstances, Champions acted as a broker to overcome differences between partners. These difficulties were encountered in situations in which Champions were working, for instance with independent sector organisations. Examples include:

i) small size organisations trying to protect their own business whilst managing conflicting business priorities; and

ii) organisations such as credit unions and Citizen Advice Bureau having ‘different values’, the former encouraging responsible management of financial matters the latter supporting people facing a wide range of problems including financial difficulties.

3.5.3 Broader strategic issues

Although the Champions were positive about the initiative, they also reflected on a number of lessons to be learnt for the future delivery of financial inclusion work. These issues were associated with the operation of the Financial Inclusion
Champions initiative itself, central government support and communication, and a changing political and economic environment.

Financial Inclusion Champions initiative issues
A few FIC teams commented that the fact that they were unable to offer funding meant that some potential partners felt they had no incentive to engage with Champions. One team explained that it was difficult and time-consuming to engage with providers with particular funding-needs, despite their offer of support and influence. A couple of Champions found that as the national financial inclusion strategy was not supported with local targets or funding, there was limited leverage that could be applied to engage organisations.

As discussed in Chapter 2, the timing of the initiative meant that it took longer for some Champions to be in post than others. This resulted in delays in and less time for engaging with providers, particularly for those whose contracts did not start until mid-2009. Also, Champions felt that it could have been made clearer to providers from the outset that they would be requested to provide data about service use as part of the management information.

Centralised co-ordination and support
Five of the FIC teams in the survey identified challenges relating to the degree of co-ordination and support given to financial inclusion from central government.

Some Champions felt that their work could have been more effective with a clearer, more ‘joined-up’ national FI strategy. Concerns here mainly referred to the responsibility for FI falling across government departments and the flow of communication between national financial inclusion projects about FI work and development.

Champions had some suggestions as to how the initiative could be improved, for instance ‘smoothing the way’ with providers by raising awareness of the initiative before its inception. Several teams found that partners who had not been engaged in financial inclusion work had been unclear about the FIC initiative and this had led to inaccurate referrals (for example, to Council Tax/Rent teams). Promoting financial
inclusion and raising awareness through workshops and events was a way to inform providers about the initiative and to convince them of its credibility.

Political change and economic downturn
The FIC initiative has been operating amid a period of significant economic and political change and several Champions in the survey reflected that this had had implications for their work. Several felt that the change in Government and comprehensive spending review have had an impact on their work. For example, one Champion explained how cut backs and fear of cuts made it harder for partners to prioritise financial inclusion, given the need to focus on future planning, getting funding for existing work, and individuals’ concerns over job security. On a broader note, one team found that a lack of trust in high street banks and other mainstream financial institutions was a recurring theme in discussions with front line staff.

3.6 Champions’ success in influencing partner agencies

Four key activities were recognised in the Champions’ survey as aiding Champions’ success in influencing partner agencies.

3.6.1 Key activities
The identification of key people or groups to speak to within an organisation was seen as vital. This included establishing contacts with key individuals in organisations with responsibility for strategic issues, and accessing active local networks, local authorities and regional bodies. Champions stressed that acquiring knowledge about the role and work of agencies and who to speak to within these agencies was invaluable.

Training and dissemination of FIC information was seen as important in order to raise awareness of financial inclusion and the Champions work, for example, hosting or speaking at events and meetings. These events were used to demonstrate the benefits of the FI programme strategy, through highlighting best practice and other research evidence. Events were used to disseminate information on specific subjects such as ‘loan sharks’ or as an opportunity to broker between organisations. Websites were set up to share information and promote for example, credit unions.
Collaborative work with agencies and partnership development and promotion was another important area. Developing and encouraging networks and partnerships with and between various agencies and organisations was seen as vital in order to support planning and service development. This included, for example, Champions serving as trustees or board members for organisations.

Finally Champions saw the coordination of projects and partners as beneficial in order to avoid duplication of efforts and use efficiently limited resources. Coordination provided also support for joint working and cross-sector networking and to share best practice and resources.

3.6.2 Enabling factors
The Champions’ survey asked teams about the importance of certain factors in achieving their objectives. Table 3.3 shows the relative importance of these different factors.

### Table 3.3   Facilitators to Champions’ work

<table>
<thead>
<tr>
<th>Issues identified by Champions as facilitators to their work with providers</th>
<th>Not at all important</th>
<th>Quite important</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presenting good practice</td>
<td></td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>Establishing new contacts</td>
<td>2</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Persistence</td>
<td>2</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>Existing contacts</td>
<td></td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Regional Champions</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thematic Champions</td>
<td>3</td>
<td>5</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: Champions’ survey 2010/2011

Facilitating the sharing of good practice
Sharing best practice was seen as the most important factor, particularly to help agencies wanting to improve their services or provide new services. Demonstrating good practice was a powerful tool for engaging with organisations and encouraging
them to develop their FI work and strategies. Examples include one FIC team which established a credit union forum to share best practice and resources, and to generally raise the profile of credit union services. Another example is where a Champion team brought together a Welfare Rights Advisory Group and the Pensions Service to share good practice, resulting in more efficient joint working.

**Making new contacts**
Building new contacts and partnerships was seen as vital. This was particularly necessary to ensure that FI was tackled by organisations which were relatively new to FI and had not identified the relevance of financial exclusion to their business. One Champion noted that although establishing new relationships required time, it paid off over the longer term as it then became easier to get organisations to work together.

**Persistence**
Persistence was seen as particularly important in getting reluctant stakeholders to engage and others with entrenched views to see the benefits of what Champions were trying to get them to do. One Champion reported how their ‘dogged persistence’ led to all of the local authorities in their area participating in the initiative, despite the fact that some were undergoing restructure. However, whilst persistence was vital, one Champion also noted that this needs to be balanced with having an awareness of when to move on and focus attention on those agencies where most difference can be made, especially given the time limits of the programme.

**Exploiting existing contacts**
Existing contacts were important, particularly in the early stages of the Champions’ work to provide initial access to other potential contacts and to establish strategic groups. Also utilising existing contacts and networks enabled Champions to start working in an area more quickly without the need to prove/establish credibility. However, despite their use as a starter, several Champions felt that existing contacts were not as critical as establishing new ones and building new partnerships throughout the project.
In addition, several Champions highlighted other strategies to help deal with the challenges they encountered. Champions talked about the importance of concentrating their resources and effort where they were most likely to pay dividend. This included ‘rating’ local authorities to avoid wasting time trying to engage those that were not interested, or concentrating on larger Registered Social Landlords due to accessing greater economies of scale and achieving greater impact.

It was also important to focus on making the business case for financial inclusion in order to encourage the engagement of partners with doubts about pursuing FI objectives. This involved convincing them of the need to ‘spend to save’, for example, spelling out to them how this could translate into a reduction in rent arrears, evictions, and money leaking out of the local economy.

**Regional and thematic Champions**
Champions felt that inter-working among Champions was important. Regional Champions helped thematic Champions by providing links to organisations in the regions and brokering relationships with cross-sector partners. Thematic Champions provided regional Champions with expertise and support in the area of housing, banking and rural issues. Sharing and drawing on ideas was seen as crucial to Champions’ work, together with being able to demonstrate to partners the availability of specialised knowledge, skills and expertise. The knowledge drawn from the Housing, Rural and Banking Champions provided expertise that stakeholders appreciated, for instance, in joint events and meetings.
4 INFLUENCE OF CHAMPIONS

Key findings

- Financial Inclusion Champion (FIC) teams engaged successfully with a range of organisations, including service providers (e.g., credit unions, housing associations and debt advice services) and strategic partners (e.g., local authorities).
- The Champions had a key role in instigating new relationships between partners and providers. Within the local financial inclusion (FI) networks examined, over 25 per cent of contacts between organisations had been made as a result of the Champions’ work. In over 40 per cent of existing relationships in those networks, the quality of relationships improved as a result of the Champions’ work.
- Thematic Champions worked closely with a smaller number of providers, compared with the regional Champions who worked less closely with more providers.
- Where providers had worked with Champions, nearly all (95 per cent) found their advice valuable. Over half found it very valuable.

4.1 Introduction

This chapter looks at the extent to which Champions had an influence on the work of service providers and strategic partners. We begin by considering the Champions’ perspective on their engagement with providers. The main focus of the chapter, however, is on providers’ perspectives of this relationship and evidence for this draws on the social network analysis (SNA) in the six case study Champions’ areas and the provider.
4.2 Champions’ perspectives

As discussed in Chapter 2, the Champions were highly motivated and experienced individuals from a range of backgrounds, often with extensive personal networks among local FI providers. The overarching activity of Champions was strategic networking.

Champions were hosted by well-established organisations with a track record in the area of FI. As an example, the Housing Champion was hosted by the Chartered Institute of Housing (CIH) and the East and South Midlands Champions by Leicester Money Advice. The role of host organisations was to support Champions to draw on links already established with other organisations in the area of FI work. These hosting arrangements meant that Champions were immediately engaged with providers or were greatly assisted in becoming engaged.

As an example, the Rural Champions’ team reported that their host organisation had been fundamental in enabling them to identify and work with rural stakeholders across the country. This was essential in enabling them to meet their national remit of working across 30 local authorities, and they would not have had the capacity to initiate relationships independently across this wide area. As the host organisation for the Housing Champion, CIH provided senior staff to endorse and broker contact between the Champion and other professionals in the field in order to support the initiative at the outset. This meant that the Housing Champion was able to draw on the expertise of housing specialists and access a wide range of networks and stakeholders.

Overall, Champions reported engaging with providers and partners on a range of issues encompassing the operational, the strategic and capacity building levels. Table 4.1 reports findings from the Champions’ survey. This shows that Champions engaged with providers in relation to all five FI objectives, and that they were more likely to report having ‘substantial’ engagement with providers than ‘limited’ engagement. The area of greatest engagement between Champions and partners was in relation to affordable credit, while they were more likely to have limited engagement in promoting home contents insurance.
Table 4.1  Extent of engagement in FI objectives by FIC teams

<table>
<thead>
<tr>
<th>Activity</th>
<th>Not pursued</th>
<th>Limited engagement</th>
<th>Substantial engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saving</td>
<td>1</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Banking</td>
<td>3</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Debt and money advice</td>
<td>4</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Affordable credit</td>
<td></td>
<td></td>
<td>12</td>
</tr>
<tr>
<td>Home contents insurance</td>
<td>9</td>
<td></td>
<td>3</td>
</tr>
</tbody>
</table>

(Source: Champions’ survey 2010/2011)

The management information collated by the Department for Work and Pensions (DWP) infers Champions had been successful in engaging with partners in terms of the number of Local Strategic Partnerships (LSPs) they joined and how many new strategic partnerships they developed. Table 4.2 shows that, overall, Champions joined over 100 LSPs and developed around 700 strategic partnerships.
Table 4.2  Champions’ stakeholder outcomes

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of LSPs that Champions have joined</th>
<th>Strategic partnerships developed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bristol</td>
<td>2</td>
<td>9</td>
</tr>
<tr>
<td>Cumbria</td>
<td>6</td>
<td>43</td>
</tr>
<tr>
<td>Durham &amp; Tees Valley</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>East &amp; South Midlands</td>
<td>12</td>
<td>69</td>
</tr>
<tr>
<td>East Yorkshire</td>
<td>12</td>
<td>108</td>
</tr>
<tr>
<td>London</td>
<td>3</td>
<td>113</td>
</tr>
<tr>
<td>Manchester</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Merseyside</td>
<td>1</td>
<td>21</td>
</tr>
<tr>
<td>Northumberland Tyne &amp; Wear</td>
<td>5</td>
<td>19</td>
</tr>
<tr>
<td>Rural</td>
<td>8</td>
<td>59</td>
</tr>
<tr>
<td>Scotland</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td>South Coast Cities</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>South Yorkshire</td>
<td>3</td>
<td>140</td>
</tr>
<tr>
<td>Wales</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>West Midlands</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>West Yorkshire</td>
<td>1</td>
<td>12</td>
</tr>
</tbody>
</table>

TOTAL 102  672

(Source: DWP Management Information, December 2010)

4.3  Champions’ influence on partner networks

The role of Champions in network development

This section discusses the SNA undertaken in the six case study Champions’ areas. SNA is a technique used to map out, describe and assess social networks. In this research, Champions were asked to provide up to 15 names of providers with whom they had worked with and on whom, in their opinion, they had had an impact. The providers named by the Champions were then contacted and asked to fill in a questionnaire (Appendix G) and it is on this information, provided by providers, that the SNA is based.
Table 4.3 shows the number of providers each Champion nominated (all of whom were sent a questionnaire) and the number of providers who responded. The number of responses for each Champion’s area range from between 6 and 12.

Table 4.3  Number of providers contacted and responses received

<table>
<thead>
<tr>
<th>Champions Team</th>
<th>Number of providers suggested</th>
<th>Number of providers who responded</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIC 6 (thematic Champion)</td>
<td>16</td>
<td>7</td>
</tr>
<tr>
<td>FIC 5 (thematic Champion)</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>FIC 1 (thematic Champion)</td>
<td>14</td>
<td>8</td>
</tr>
<tr>
<td>FIC 4 (regional Champion)</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>FIC 2 (regional Champion)</td>
<td>25</td>
<td>12</td>
</tr>
<tr>
<td>FIC 3 (regional Champion)</td>
<td>15</td>
<td>11</td>
</tr>
</tbody>
</table>

The questionnaire included questions about the organisations with which providers most worked on FI matters, and whether the Champions had played a role in establishing the relationship. It is important to note that not all organisations in networks were surveyed so the SNA provides only a partial view of these networks. Nevertheless, the analysis provides an important insight into the role played by Champions in network development.

4.4  Overall networks

As shown in Table 4.4, the providers reported that their networks range in size between 42 and 73 organisations. Overall, thematic Champions nominated fewer providers, had fewer responses from providers (see Table 4.3 above) and Table 4.4 suggests that, the networks developed by Thematic Champions include fewer organisations than those developed by regional Champions. This is consistent with the more specialised nature of the thematic Champions’ work.
Table 4.4  Number of organisations in Champions’ networks

<table>
<thead>
<tr>
<th></th>
<th>Thematic Champions</th>
<th>Regional Champions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FIC 5</td>
<td>FIC 6</td>
</tr>
<tr>
<td>Number of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>organisations</td>
<td>42</td>
<td>56</td>
</tr>
<tr>
<td>in network</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.5  Impact of Champions on network development

The SNA suggests that Champions have had a significant, constructive effect on the relationships in the networks. In particular, it shows that Champions were involved in instigating new relationships and developing existing relationships.

Table 4.5 shows the number of relationships between organisations within the six areas and distinguishes which relationships existed before the initiative or were instigated independently of Champions, and which were new relationships developed as a result of the Champions' intervention. The findings here show that Champions were involved in networks which were established and active independently of the initiative. Three quarters of the number of relationships between providers had been developed without Champions’ help. However, over a quarter were new relationships resulting as a consequence of the Champions’ work.
Table 4.5  Number of relationships between organisations with networks and how these relationships were initiated

<table>
<thead>
<tr>
<th></th>
<th>Thematic Champions</th>
<th></th>
<th>Regional Champions</th>
<th></th>
<th></th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FIC 5</td>
<td>FIC 6</td>
<td>FIC 1</td>
<td>FIC 2</td>
<td>FIC 4</td>
<td>FIC 3</td>
<td></td>
</tr>
<tr>
<td>Number of contacts initiated by FIC’s work</td>
<td>11</td>
<td>23</td>
<td>12</td>
<td>28</td>
<td>33</td>
<td>22</td>
<td>129</td>
</tr>
<tr>
<td>Number of contacts not initiated by FIC’s work</td>
<td>31</td>
<td>39</td>
<td>66</td>
<td>64</td>
<td>54</td>
<td>87</td>
<td>341</td>
</tr>
<tr>
<td>Total</td>
<td>42</td>
<td>62</td>
<td>78</td>
<td>92</td>
<td>87</td>
<td>109</td>
<td>470</td>
</tr>
</tbody>
</table>
Table 4.6 suggests that the quality of networks improved as a result of the work of Champions. Overall, 44 per cent of relationships between providers had been strengthened, or contact had become more frequent, as a result of the Champions’ involvement. None of the providers felt that the Champions’ involvement had adversely affected relationships.
Table 4.6  Impact of the Champions on relationships between service providers

<table>
<thead>
<tr>
<th></th>
<th>Thematic Champions</th>
<th></th>
<th>Regional Champions</th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FIC 5</td>
<td>FIC 6</td>
<td>FIC 1</td>
<td>FIC 2</td>
<td>FIC 4</td>
</tr>
<tr>
<td>Relationship is closer/more frequent</td>
<td>11</td>
<td>21</td>
<td>27</td>
<td>23</td>
<td>20</td>
</tr>
<tr>
<td>Relationship is unchanged</td>
<td>20</td>
<td>17</td>
<td>37</td>
<td>41</td>
<td>34</td>
</tr>
<tr>
<td>Total</td>
<td>31</td>
<td>38</td>
<td>64</td>
<td>64</td>
<td>54</td>
</tr>
</tbody>
</table>

N.B.  The number of relationships does not correspond to those in Table 4.5 due to missing data. Only contacts which were not initiated by the FIC are included in this table.
4.6 Strategic relationships

SNA provides ‘maps’ or visual representations of networks. Two examples are provided below: Diagrams 4.1 and 4.2. For these two networks, the dots represent service providers and strategic partners and the lines indicate the contacts between these organisations.

Diagram 4.1 SNA map of thematic Champion’s network
Champions’ teams do not appear in these maps, but the maps do show the Champions’ roles in the networks. First, this is indicated by the colour of the lines. The red lines show where Champions were involved in putting the organisations in contact. The blue lines indicate relationships developed independently from Champions. Second, the role of Champions in networks is indicated by the colour of the dots:

- dark blue dots represent organisations which worked most closely with Champions;
- light blue dots represent organisations which worked with Champions but less closely than others;
- black dots are organisations which did not work with Champions; and
- white dots are organisations whose relationship with Champions is unclear.
As there is not space on the diagrams to name organisations, abbreviations are used and the key to these is presented below.

<table>
<thead>
<tr>
<th>Code</th>
<th>Type of organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>AS</td>
<td>Advice service (providing a range of advice, not just advice on money and debt management).</td>
</tr>
<tr>
<td>Bank</td>
<td>Bank or similar financial institution.</td>
</tr>
<tr>
<td>CDFI</td>
<td>Community Development Finance Institutions.</td>
</tr>
<tr>
<td>CU</td>
<td>Credit Unions.</td>
</tr>
<tr>
<td>DA</td>
<td>Development Agencies.</td>
</tr>
<tr>
<td>ED</td>
<td>Educational organisations (schools, colleges and universities and adult education groups).</td>
</tr>
<tr>
<td>FIP</td>
<td>Financial Inclusion Partnerships – i.e. a collection of organisations who have banded together specifically to work on FI.</td>
</tr>
<tr>
<td>FOR</td>
<td>Forums (these were not formed specifically to work on financial inclusion. There are some professional groups here, e.g., the association of British Insurers, along with groups of third sector organisations).</td>
</tr>
<tr>
<td>Govt</td>
<td>Government departments or initiatives.</td>
</tr>
<tr>
<td>HA</td>
<td>Housing associations and Registered Social Landlords.</td>
</tr>
<tr>
<td>IMLT</td>
<td>Illegal Money Lending Teams.</td>
</tr>
<tr>
<td>LA</td>
<td>Local authorities.</td>
</tr>
<tr>
<td>LSP</td>
<td>Local Strategic Partnerships.</td>
</tr>
<tr>
<td>MAS</td>
<td>Money and debt advice services.</td>
</tr>
<tr>
<td>Other</td>
<td>Any other type of organisation.</td>
</tr>
</tbody>
</table>
These diagrams offer a useful visual overview of the networks. Comparison of Diagrams 4.1 and 4.2 reveals the difference between thematic and regional Champions’ networks. The thematic Champions network is smaller and less complex than that of the regional Champions. Both diagrams show clearly that Champions operated within well-developed and well-established networks, as illustrated by the number of blue lines (independently established relationships) and black dots (organisations with no contact with Champions).

However, what the diagrams most usefully demonstrate is the strategic nature of the Champions’ networking. For example, Diagram 4.1 of a thematic Champion’s network shows how the Champion significantly expanded the thematic FI network. If the diagram is viewed without the red lines (see Diagram 4.3) it shows, on the left hand side, an established network and, on the right, a number of disconnected organisations.
Diagram 4.3  SNA map of regional Champion’s network not including contacts initiated by Champion

Diagram 4.4  SNA map of regional Champion’s network including contacts initiated by Champion
In fact 4.4 shows that the Champion joined these organisations within the same network. The Champions worked closely with two organisations – a government agency (Gov2) and a provider forum (For20) and helped build a relationship between them. At the same time, the Champion was involved in this forum to develop its own contacts with a range of organisations including debt and money advice services, housing associations and an illegal money lending team.

On the other hand, Diagram 4.2 suggests how the regional Champion ‘filled gaps’ in their local FI network to build a more connected, cohesive whole. This is seen most clearly in terms of the dark red connections in Diagram 4.5:

a) the relationship built by the Champion between a Government agency (Gov2) and local authority (LA35), both of which had their own networks; and

b) the relationship the Champion initiated between a well-established advice service (AS1) and a local authority (LA37) and, in turn, contacts between that local authority and a number of new organisations with whom neither the Champion nor local authority had worked before.
The two diagrams presented in this chapter are reasonably representative examples of the other Champion networks shown in the appendices (see Appendix H).

4.7 The perspective of providers on the advice offered by Champions

The SNA is based on data arising from a subset of the provider survey. This section reports findings from the whole service provider survey. The survey targeted individuals who had contact with Champions. Almost a third were working for local authorities while a smaller number worked for credit unions, housing associations and money advice organisations (Table 4.7), providing a range of services relating to FI (Table 4.8).
Table 4.7  Type of organisation worked for

<table>
<thead>
<tr>
<th>Type of Organisation</th>
<th>Frequency</th>
<th>Per cent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit union</td>
<td>37</td>
<td>12</td>
</tr>
<tr>
<td>Social landlord (including Housing Associations (HA))</td>
<td>37</td>
<td>12</td>
</tr>
<tr>
<td>Money advice (including Citizen’s Advice Bureau (CAB))</td>
<td>46</td>
<td>14</td>
</tr>
<tr>
<td>Local authority</td>
<td>102</td>
<td>32</td>
</tr>
<tr>
<td>Other third sector (e.g., Age UK, faith groups)</td>
<td>46</td>
<td>14</td>
</tr>
<tr>
<td>Other (e.g., Jobcentre Plus, landlord associations)</td>
<td>52</td>
<td>16</td>
</tr>
</tbody>
</table>

Total respondents = 320

100%

Table 4.8  Type of Financial inclusion work undertaken (multiple response)

<table>
<thead>
<tr>
<th>Type of work</th>
<th>Frequency</th>
<th>Per cent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt and money advice</td>
<td>178</td>
<td>56</td>
</tr>
<tr>
<td>Affordable credit</td>
<td>121</td>
<td>38</td>
</tr>
<tr>
<td>Saving</td>
<td>100</td>
<td>31</td>
</tr>
<tr>
<td>Banking</td>
<td>71</td>
<td>22</td>
</tr>
<tr>
<td>Home contents insurance</td>
<td>70</td>
<td>22</td>
</tr>
</tbody>
</table>

Total respondents = 320

In some cases, initial contact with a Champion did not develop into a significant working relationship. However, where a collaboration emerged, Champions often became involved in both strategic and operational work (Table 4.9), with 70 per cent of respondents citing collaboration in the strategic domain (such as developing a FI strategy) and 46 per cent citing joint working on operational projects (for example, facilitating access to credit). In addition, 30 per cent mentioned other types of work,
particularly capacity building (such as the Champions helping providers with a Growth Fund bid).

Table 4.9 Type of collaboration with Champions (multiple response)

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Per cent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic</td>
<td>175</td>
<td>70</td>
</tr>
<tr>
<td>Operational</td>
<td>115</td>
<td>46</td>
</tr>
<tr>
<td>Other</td>
<td>75</td>
<td>30</td>
</tr>
</tbody>
</table>

Total respondents = 249

Among the subset who had worked with Champions on strategic tasks, respondents acknowledged a number of specific issues involving Champions. A selection of these are presented in Table 4.10.

Table 4.10 Strategic help provided by Champions (multiple response)

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Per cent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joined local strategic partnership</td>
<td>80</td>
<td>46</td>
</tr>
<tr>
<td>Advised on developing strategic partnerships</td>
<td>91</td>
<td>52</td>
</tr>
<tr>
<td>Advised on devising a strategy document</td>
<td>86</td>
<td>49</td>
</tr>
<tr>
<td>Raised awareness of benefits of collaborative working</td>
<td>81</td>
<td>46</td>
</tr>
<tr>
<td>Advised on embedding FI agenda into organisation’s strategic development</td>
<td>61</td>
<td>35</td>
</tr>
</tbody>
</table>

Total respondents = 175

When asked what type of strategic activities they had undertaken as a result of the Champions’ work, 61 per cent reported that they had developed FI strategies, 43 per
cent credited the Champions with facilitating working in LSPs and 33 per cent reported setting up a strategic partnership.

For the subset who reported that the Champions had worked with them on operational issues, many reported that they had been helped to develop new services or had received advice on adapting service delivery to improve access, developing an action plan or improving service provision (Table 4.11).

Table 4.11  Operational help provided by Champions (multiple response)

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Per cent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Champions helped develop new services</td>
<td>60</td>
<td>52</td>
</tr>
<tr>
<td>Advised on adapting service delivery to improve access</td>
<td>47</td>
<td>41</td>
</tr>
<tr>
<td>Advised on development of an action plan</td>
<td>39</td>
<td>34</td>
</tr>
<tr>
<td>Advised on the improvement of service provision</td>
<td>31</td>
<td>27</td>
</tr>
</tbody>
</table>

Total respondents = 115

Where providers had worked with Champions in an operational capacity, this had often led to enhanced access to a range of services (Table 4.12).
Table 4.12  Operational help provided by Champions (multiple response)

<table>
<thead>
<tr>
<th>Improved access to:</th>
<th>Frequency</th>
<th>Per cent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable credit</td>
<td>82</td>
<td>71</td>
</tr>
<tr>
<td>Debt and money advice</td>
<td>80</td>
<td>70</td>
</tr>
<tr>
<td>Saving</td>
<td>53</td>
<td>46</td>
</tr>
<tr>
<td>Banking</td>
<td>52</td>
<td>45</td>
</tr>
<tr>
<td>Home contents insurance</td>
<td>26</td>
<td>23</td>
</tr>
</tbody>
</table>

Total respondents = 115

Nearly all respondents (95 per cent) who had worked with Champions said that they had found their advice valuable with over half (54 per cent) saying they had found it very valuable. This finding suggests that FIC provided service providers and strategic partners with relevant advice on FI issues.

The high percentage of respondents who found FIC advice valuable is found across different types of organisation (Table 4.13). It can be argued that FIC teams have exerted an influence across the spectrum of organisations involved (or potentially involved) in FI work.
Table 4.13  Value placed on Champions by organisational type

<table>
<thead>
<tr>
<th></th>
<th>Count</th>
<th>Not at all valuable</th>
<th>Quite valuable</th>
<th>Very valuable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit union</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>5</td>
<td>11</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>17</td>
<td>37</td>
<td>47</td>
<td></td>
</tr>
<tr>
<td>Social landlord (including HA)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>0</td>
<td>8</td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>.0</td>
<td>30</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>Money advice (including CAB)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>3</td>
<td>20</td>
<td>12</td>
<td></td>
</tr>
<tr>
<td>%</td>
<td>9</td>
<td>57</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>Local authority</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>2</td>
<td>30</td>
<td>35</td>
<td>63</td>
</tr>
<tr>
<td>%</td>
<td>2</td>
<td>35</td>
<td>63</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Count</td>
<td>2</td>
<td>33</td>
<td>35</td>
<td>50</td>
</tr>
<tr>
<td>%</td>
<td>3</td>
<td>47</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Total respondents = 249</td>
<td>Count</td>
<td>12</td>
<td>102</td>
<td>135</td>
</tr>
</tbody>
</table>

The advice that Champions offered to providers was valued on both strategic work and on operational issues and was valued similarly by respondents who were focused on one or multiple areas of FI work (analysis not shown). This finding highlights the relevance of the FIC work across the five objectives and underlines the ability of the Champions to promote all aspects of FI work. The data tables for the service provider survey are available in Appendix I.
5 IMPACT ON BENEFICIARIES

Key findings

- As well as strategy development, the Champions influenced the delivery of financial inclusion (FI) services on the ground.
- All the Financial Inclusion Champion (FIC) teams had substantial engagement with agencies to facilitate the promotion and provision of affordable credit. A key part of this work was for Champions to ensure that credit unions were integral members of FI forums.
- Most Champions engaged in activities to promote the savings objectives and worked with agencies in the development and delivery of services in this field.
- Although the Banking Champion had a leading role at the national level in working with the main British banks, some regional teams were also active in this field and set up successful projects.
- Most Champions had substantial engagement with debt and money advice agencies, mainly through networking and promoting services. Although Champions were less likely to work on expanding access to affordable home contents insurance than on other FI objectives, there were still examples of achievements in this area.
- For a number of Champions, a key aspect of their ongoing work was to support partner organisations with the development and expansion of their services. This was particularly the case where Champions were working with credit unions to expand.
- Interviews with individuals who used services influenced by Champions suggested that these services were reaching groups at risk of financial exclusion.
- Debt and money advice services had a number of impacts, including: greater knowledge about financial services and entitlements; increased income as a result of reduced utility bills or rent arrears; and improved emotional well-being.
• Affordable credit services had a number of impacts, including: more knowledge about financial services and greater control over personal finances; and, in some cases, they deterred people from using doorstep lenders or weekly payment stores where they would have incurred high interest.
• Home contents insurance had a positive impact for some people, particularly when they had been helped to access low cost policies. Some participants reported that they would not have been able to afford home contents insurance had it not been available through their housing associations.

5.1 Introduction

This chapter considers the potential impact of Champions ‘on the ground’ – on the lived experience of people at risk of financial exclusion. Chapter 4 reported that Champions had a significant impact on providers. This Chapter begins by detailing examples of how the Champions influenced aspects of service delivery, showing their more direct impact on beneficiaries. It also considers their ongoing priorities and future objectives. The second part of this chapter traces the remainder of these ‘routes of influence’ by discussing the experiences of beneficiaries who have used services influenced by Champions.

5.2 Impacts on services

The Champions’ survey provided numerous examples of their work with providers to help develop operational and service delivery aspects of their services. Some of these examples are discussed here in relation to the main financial inclusion themes.

5.2.1 Affordable credit

All the FIC teams had substantial engagement with agencies to facilitate the promotion and provision of affordable credit. There were a number of examples from the Merseyside and West Lancashire team, including:
• working with Preston and East Lancashire Money Lines to promote affordable credit;
• supporting to develop a successful bid for Barclays Community Finance programme; and
• engaging with Credit Unions by promoting their service at forums and inviting credit unions to speak to Registered Social Landlords.

A further example came from the East and North Yorkshire Champions team which had worked closely with the credit unions and Community Development Financial Institutions (CDFIs) in a number of areas, particularly with those delivering Growth Fund. They supported the credit unions in their delivery of affordable credit, as well as saving and banking services, as they played an active role in developing business plans with credit unions and CDFIs and practically assisted them to expand their capacity and geographical reach. As part of this work, the Champions ensured that the organisations were integral members of Financial Inclusion forums. Furthermore, the North East Yorkshire and North East Lincolnshire team helped the credit unions and CDFIs to obtain funding to expand their product range and the marketing of their services to a wider audience.

5.2.2 Savings
Most Champions engaged in activities to promote the savings objectives and worked with agencies in the development and delivery of services in this field. The Merseyside and West Lancashire team, for example, worked with the Growth Fund providers to increase savings opportunities. Also, with the support of a major bank, the team launched the Mersey Money website which markets credit unions and Community Development Financial Institutions.

There were examples of how changes to the local and national socio-economic landscape had impacted on how the champions worked to achieve this objective. For example, in London following the withdrawal of the Saving Gateway and Child Trust Fund, the team engaged in a campaign to set up a saving scheme with a Credit Union by payroll deduction.
5.2.3 Banking

Fewer regional teams were active in this field as banking activities were co-ordinated nationally by the Banking Champion and the Financial Inclusion Taskforce (FITF). The Banking Champion focused on engaging and starting a dialogue with the banking sector. The Champion, together with the Chair of the FITF, acted as a broker between the banking sector and third sector organisations. One banking representative recognised that:

‘Generally, I have found it difficult to engage with some individual credit unions. The Champions have been helpful in establishing contact with and structuring relationships with some of the credit unions and also ABCUL [Association of British Credit Unions Limited].’

(Bank A, Representative)

One of the main key successes achieved by the Banking Champion has been to co-ordinate national data collection and intelligence from UK banks around the increase in take up, and use of basic bank accounts. The results were reported nationally for Financial Inclusion Taskforce and Government Ministers, and regionally for other Champions to inform their work to increase the take up of accounts.

However, there were important examples of partnership work between the banking sector and the third sector from the Merseyside and West Lancashire team, who worked with the Banking Champion. Examples include:

- obtaining funding from Bank A\(^1\) to produce and maintain Mersey Money website for three years;
- the provision of volunteers by Bank A to work with credit union A on risk management, marketing and financial areas; and
- local Registered Social Landlords were given trusted partner status by Bank B, a major retail bank, to help open bank accounts on behalf of their tenants.

Examples of other key successes are noted below.

- Bank C completed a feasibility study for Stoke where the Growth Fund is now being delivered via East Lancs Moneyline, a Community Development Financial Institution.

\(^{1}\) All major high street banks named in this report have been anonymised.
• Detailed discussions are being held between Bank B and three Community Development Finance Institutions who collectively cover 15 of the 25 priority areas originally identified by Experian in 2007. Bank B has taken an equity stake in these CDFIs and is committed to investing into a CDFI equity bond issue.

• A major retail bank is also involved in My Home Finance, the National Housing Federation pathfinder project to deliver large scale affordable credit across the West Midlands in collaboration with major Registered Social Landlords. They have committed substantial funding to the project.

• Bank D is providing inbound telephone support for Northern Money and general staff expertise to assist credit unions. Northern Money is a project which set up a website to create on brand for all of the credit unions and the CDFIs in the north east of England.

• A bank charitable foundation has announced a programme of support for financial inclusion.

• Bank A has funded a feasibility study for affordable credit in London and provided grant funding to three credit unions in the north west of England. Bank A has also provided funding for the development of two websites modelled on Northern Money.

• Bank E completed a feasibility study on affordable credit in South Lanarkshire, which was identified as a key issue by Scottish Government, the Scottish Champions Team and their partners. The Scottish Champions and the Department for Work and Pensions (DWP) FI Team are now working with Bank E to take forward the recommendations of the report.

• In West Yorkshire, the team worked with the Banking Champion to get financial and in-kind support from the banks to support their local credit unions and to help them become more sustainable and viable businesses. They worked with all their stakeholders to reduce the number of unbanked people in their sub-region and to better target financial capability training so that people were not paying unnecessary bank charges.

5.2.4 Debt and Money Advice
Most Champions had substantial engagement with debt and money advice agencies, mainly through networking and promoting services. In East and North Yorkshire and
Lincolnshire for example, there was evidence that they had built relationships and encouraged greater collaboration between different advice providers in their area (including Citizens Advice Bureau (CAB), a community legal advice centre, a young people’s housing support/advice service and a debt counselling charity) and with the CAB regional partnership manager. To facilitate these working relationships the team also presented at the CAB regional managers’ meeting. In fostering good working relationships with, and between, partners it was often necessary to broker difficult relationships between providers and to assist partners with the identification and acquisition of funding. In bringing partners together, a key aspect of the Champions’ work was to ensure that different advice agencies were members of FI forums and to encourage partnership working as opposed to individual funding when submitting bids to ensure sustainability of services and greater joined up working. Others also mentioned helping organisations obtain funding, for example, by assisting a CDFI in the north west of England to develop a bid for the Barclays Community Finance initiative.

A further aspect of the Champions’ work was to increase awareness of and access to debt and money advice services. Several teams mentioned their promotion of Money Made Clear and increased take up of the service. The London Champions promoted telephone and internet Money Advice services as part of the London Local Authorities Financial Inclusion Toolkit. They also found that their own advice backgrounds and networks useful in raising awareness among advice workers about the organisations providing financial capability and affordable credit and in developing joint initiatives. The Merseyside and West Lancashire team reported that their attendance at Community Events targeting people in need of debt and money advice resulted in referrals being made to Money Guides or CAB advisors for debt and money advice.

5.2.5 Home contents insurance
Although Champions were least likely to work on expanding access to affordable home contents insurance, there were still examples of achievements in this area. In Durham and Tees Valley, for example, as part of the Tenant Engagement Group (TEG) pilot, the team engaged with Registered Social Landlords to include home contents insurance in their financial inclusion agenda.
In Lancashire, although there was a separate DWP pilot to engage with Tenant Engagement Officers, this agenda was pursued with the Merseyside and Lancashire Registered Social Landlord forums which were established as a result of the Champions. Their home contents insurance work included supporting the DWP’s Tenant Engagement programme, sharing best practice ideas within the Registered Social Landlord forums to discuss ways in promoting home contents insurance to tenants and circulating the home contents insurance trainer resource pack.

East and North Yorkshire Champions pursued limited initiatives around home contents insurance as this was being taken forward at a national level by the Housing Champion and through the Tenant Engagement Officers. However, the team did conduct some work around home contents insurance with individual Registered Social Landlords, promoted the Association of British Insurers/Financial Inclusion Champions insurance training toolkit and arranged for the Association of British Insurers to speak at strategic housing events.

Several teams engaged more substantially with agencies on home contents insurance issues. For example, from a starting point at which Registered Social Landlords/Arms Length Management Organisations did not monitor home contents insurance, the West Yorkshire Champions managed to raise awareness of the issue and highlight to housing associations the importance of increasing the number of tenants with home contents insurance. To support the home contents insurance agenda, the West Midlands team piloted a training programme on the benefit of home contents insurance, a measure of its success being that the Association of British Insurers have placed it on their website for other organisations to download.

5.2.6 Future and ongoing activities
The Champions who took part in the survey reported a number of priorities in their ongoing work. These included:

- to continue to pursue the main financial inclusion objectives;
- to target particular organisations and groups (e.g., children in foster care, prisoners);
• to support the expansion of partners’ services (particularly credit unions);
• to ensure that financial inclusion strategies and networks are in place and;
• to ensure the overall sustainability of services following the end of the Champions initiative.

Many of the Champions reported that they were aiming to complete some of these key tasks before the end of the Financial Inclusion Champion initiative in March 2011. As well as continuing their general activities in relation to the main financial inclusion themes, Champions also referred to specific aspects of their ongoing activities with partner organisations such as:
• working with Registered Social Landlords on Financial Inclusion objectives;
• supporting credit union and CDFI in their website development;
• achieving greater activity with government organisations;
• supporting Illegal money lending team/Consumer Financial Education Body to promote services and roll-out Money Made Clear;
• developing a training programme with a private sector landlords group; and
• specific projects such as financial inclusion for children in foster care, prisoners and probationers.

For a number of Champions, a key aspect of their ongoing work was in supporting partner organisations with the expansion of their services. This was particularly the case where champions were working with credit unions to expand into a wider area and achieve growth. In this respect, one Champion referred to supporting Growth Fund partners to increase their membership and savings.

A further priority was for Champions to ensure that financial inclusion strategies and networks were in place so that they, and the services they provide, would be sustainable when the Champions initiative ends in March 2011. Work here included finalising and embedding financial inclusion strategies and establishing forums and ensuring that processes for their sustainment were in place and would continue when the Champions teams ceased working.
5.3 Impact on Beneficiaries – Beneficiary Interviews

As explained in Chapter 1 the evaluation raised a methodological challenge in terms of establishing a causal relationship between the work of Champions and impact on service users. This challenge was addressed by looking separately at the relationship between champions and providers on the one hand, and providers and service users on the other. Having established the influence of Champions on service providers, the remainder of this chapter considers the experience of beneficiaries using these services. Findings here come from qualitative interviews conducted with 48 service users drawn from eleven service providers, all of whom had engaged with Champions.

These service providers were involved in delivering:

- affordable loans and savings;
- home contents insurance; and
- advice including money and debt advice, welfare rights advice and fuel/energy advice.

The role of the Champions in working with these providers varied. Some providers reported that the role of the Champion had been in providing support and guidance, e.g., with submitting a funding bid. Other providers reported that the role of the Champion was at a more strategic level, e.g., at a partnership level. Others reported involvement of the Champion in developing how new services were delivered, or in establishing new partnership links and referral routes.

Some providers had developed new services as a result of the Champions’ influence, for example, housing associations who had bid for DWP funding to deliver home contents insurance pilot schemes. Another example was a local authority that had linked up with a credit union to provide affordable loans to people using their money advice service. Other providers had extended their existing service provision. For example, credit unions which had been successful in securing Growth Fund (GF) money were able to offer affordable loans to more people. In these cases, beneficiaries were identified as those who had received affordable loans funded by
this GF money. In another example, a local authority debt advice service had extended the reach of its service through the development of new partnership links and referral routes. Here beneficiaries were identified as people who had come to the service via these new referral routes.

5.3.1 **Beneficiary characteristics**

While the interview participants were not necessarily representative of service users, their characteristics suggest that the financial inclusion services they used were reaching people at risk of financial exclusion, where this is defined as:

- living on a low income;
- in receipt of state benefits;
- living in socially rented accommodation; and
- living in single-headed households (for instance, single people or lone parents).

As well as service users in employment (some in unskilled work and some in receipt of working tax credit), the interview participants included:

- pensioners;
- lone parents in receipt of Income Support;
- people in receipt of sickness and disability benefits; and
- unemployed people in receipt of Jobseeker’s Allowance.

The majority of interviewees lived in the social rented sector. This partly reflects the fact that many of the providers who supplied contact details for their clients were housing associations. The research included some interviewees who rented in the private sector and two who owned their property outright. The majority of interviewees were in receipt of Housing Benefit and Council Tax Benefit, again indicating that they were low-income households.

5.3.2 **Access to financial services**

The majority of interviewees had a current account while some held a basic bank account. Most of those with accounts had their benefits/pension paid directly into their accounts, and many used their accounts to pay and manage bills by direct debit.
Only one interviewee had neither a bank account nor a Post Office card account.

Only a few interviewees used mainstream sources of credit such as credit cards, store cards and bank loans. For some of those with a credit card, this was seen as a financial safety net, to be used in emergencies and then paid back in full as soon as possible to avoid interest charges. Few interviewees wanted mainstream sources of credit, but those who did were prevented from accessing it because of low credit ratings and old debts. Some interviewees had used more expensive forms of credit, predominantly doorstep lenders and a high interest rate retail store. A few interviewees had outstanding loans with doorstep lenders, which had typically been taken in order to cover financial shortfalls, for example, in relation to Christmas or unexpected financial outlay. There was a common recognition amongst those who had used doorstep lenders that the service they offered was a convenient, but very expensive, way of borrowing money.

Excluding those who had joined credit unions as a result of taking up a provider’s offer, no interviewees reported being members. There was generally low awareness of the existence of local credit unions amongst non-members and a similar lack of awareness of the services offered by credit unions.

5.3.3 Access to and experiences of services
This section looks at the ways in which interviewees accessed the Champion-influenced services and their experiences of these services. The section is organised around the three main service types: affordable loans and savings; home contents insurance; and money advice (comprising debt, welfare and fuel advice). Overall, participants found provision useful and were satisfied with the service they received.

Affordable loans and savings
Affordable loans and savings accounts were predominantly delivered by credit unions. The exception was a local authority who had partnered up with a credit union so that they could offer affordable loans to clients of their social work service.
Interviewees found out about affordable loans and credit unions in a variety of ways including:

- receiving information leaflets;
- receiving a letter;
- seeing promotional information such as a poster; and
- talking to a member of the service’s staff.

One interviewee had received information in a text message from their housing association. Access was therefore reactive for most people. There were also examples of interviewees proactively seeking out local credit unions or being referred to these services. Most interviewees had not accessed such help before, which may be linked to the lack of awareness of credit unions amongst interviewees.

There were a number of interviewees that had joined a credit union specifically as a means of saving. These interviewees were saving between £2 to £5 a week for a variety of reasons, including saving for their children’s future financial needs and to finance Christmas. Interviewees accessing affordable loans also gave a range of reasons for joining credit unions. Commonly, interviewees were attracted to the low interest rates, particularly in comparison to doorstep lenders which some interviewees had used in the past. An additional benefit of joining a credit union given by interviewees was the requirement to make regular savings. One interviewee stated that she had used a credit union because it was a safe way in which to borrow money:

‘Well I know it was OK, it was safe, because one of the staff at [women’s support group] they gave you a ring on my behalf and I knew it would be safe, because there was just no way I had the money and I needed it. And also you didn’t have to pay so much back and also I am saving a little bit. Not a lot because I haven’t got it to save.’

(Female, aged 44)

The process of joining a credit union or accessing an affordable loan was similar for most interviewees. In most cases, interviewees phoned providers to make face-to-face appointments, at which time information about the services was offered by the provider and application forms were completed.
Interviewees who accessed affordable loans or joined a credit union had not generally received advice relating to wider financial issues. Where other financial products had been covered, this was predominantly in relation to savings products, as most credit unions require individuals to make regular savings when they take out a loan.

Where interviewees had accessed affordable loans, in most cases the money was available within a few days of the initial meeting. The amount borrowed by interviewees ranged from £200 to £800, with repayments ranging from £6 to £25 a week (this excludes the amounts that interviewees were also saving each week).

Interviewees who had accessed the service were generally satisfied with both the process and the outcome, and felt that the service had met their expectations. Where there was a lack of satisfaction, this was related to the outcome (i.e., being refused a loan) rather than the process.

Home contents insurance
This service was provided by a number of housing associations to their tenants. Some housing associations were delivering a DWP-funded pilot scheme to increase take up of home contents insurance in the social sector, others were promoting home contents insurance as part of a wider package of support and advice offered to tenants.

People found out about home contents insurance schemes in a variety of ways including:
- receiving leaflets;
- direct mail; and
- by talking to a member of housing association staff.

Access to home contents insurance was therefore reactive for most people. One interviewee, for example, received a booklet from the housing association when they started their tenancy which included information about the home contents insurance available to tenants. Most interviewees accessing contents insurance had not
previously held insurance. However, there were some examples of where people had cancelled an existing policy in favour of the home contents insurance policy offered by the housing association. In some cases, interviewees had looked into taking out insurance in the past. Where this was the case, cost was often a significant barrier and there was also a common perception amongst interviewees that they had little of value to insure. There were also examples of interviewees who had previously been insured but because of changes in their financial circumstances, they had been unable to maintain their insurance payments.

The low cost of cover was the main feature attracting interviewees to take out home contents insurance offered by housing associations. However, interviewees also commented that, in comparison to other home insurance schemes, those offered by housing associations were easier to understand, and also that they had a greater degree of trust in housing associations than in large commercial insurance companies.

The process of taking out home contents insurance was similar for interviewees across providers. Interviewees receiving information about contents insurance either filled in an application form or completed the process over the phone. Interviewees paid for insurance in a variety of ways including direct debit, through the Post Office and as a one-off annual payment.

Of those interviewees that had accessed the service, most were satisfied both with the process and the outcome. However, one interviewee, who had completed the process over the phone did comment that it was difficult to take in all of the information in this way and that it would have been useful to have had terms and conditions sent out to her. The level of cover accessed by interviewees ranged from £10,000 to £25,000, with repayments ranging from £2 to £17 a month.

**Money advice: debt/money advice**

A range of different organisations were involved in delivering debt/money advice services. These included organisations whose primary function was debt advice, housing associations, and a mental health charity that wanted to provide in-house money advice rather than referring vulnerable clients to external organisations.
Referral was the main route through which people accessed debt and money advice. Referrals were predominantly made by organisations or individuals that interviewees were already in contact with, for example, Jobcentre Plus, a local authority homelessness unit, their mental health team worker or GP. Where interviewees had not been referred by other organisations, they had proactively sought help because of growing debt, rent arrears, an unexpected loss of benefits or a lack of knowledge of what benefits they were entitled to. Interviewees accessing advice services had not generally sought help in the past.

Interviewees received advice in a range of formats from regular face-to-face meetings, to one off phone calls with debt advisors. The structure and content of the advice service interviewees received was, to some extent, dependent on the issue that had brought them to the service. For example, one interviewee who had been referred to the money advice service by her therapist had met with the money advisor six times, discussed a range of financial issues, and received ongoing emotional support and advice in relation to her Employment and Support Allowance tribunal. Another interviewee, who contacted the money advice service provider to discuss benefits and rent arrears, had one home visit from an advisor, who went through the interviewee’s finances and checked her benefit entitlement.

Interviewees accessing money and debt advice were commonly provided with information about a range of financial issues. In this sense money and debt advice adopted an holistic approach, rather than focusing specifically on the issue that had brought people into contact with the service. The range of issues covered by advisors included benefit checking, information about affordable credit, and advice about reducing fuel costs through switching energy suppliers.

Interviewees who had accessed debt/money advice services generally felt that these had satisfied their expectations and needs. In particular, they valued the face-to-face nature of the service and the ongoing support provided. Some interviewees would have valued more follow-up, but acknowledged that there had been no commitment made by the service to maintain contact.
5.3.4 Impacts and benefits to service users

A wide range of benefits were identified from the interviews and the majority of service users were positive about the service they had received. However, the extent of the impact varied widely, particularly across different service types. It is important to note that where interviewees had a negative impression of a service they had received, this was often shaped by a negative outcome such as being refused a loan, irrespective of whether the actual ‘service’ had been good.

Money advice

Most beneficiaries that had received money advice were positive about the experience, in particular it was common for them to appreciate being able to discuss the sensitive issues around personal financial circumstances face to face. Of those interviewees that had received money advice, many gave examples of direct outcomes. Where direct outcomes were identified, interviewees had often sought advice about a particular issue such as problematic debt or a need for financial assistance. The direct outcomes included the following:

- reduction of debts, including bankruptcy, insolvency, reduced arrears (e.g., rent, water, etc.);
- better management of debts, including debt management plan, debt consolidation and negotiated payment plans;
- receiving new/higher levels of benefit payments, including Jobseekers Allowance, Housing Benefit, Council Tax Benefit and Disability Living Allowance; and
- practical support, for example, with completing an application form or assistance with an appeal to DWP in relation to benefits being stopped.

Where there were examples of direct outcomes, interviewees usually benefited financially, either by gaining an additional source of income or by reducing or eradicating existing debt. In this respect, interviewees often reported that they felt better-off financially. Some interviewees reported changes in their behaviour in relation to direct outcomes, such as better money management and changes in their spending habits. This was particularly the case for those interviewees that had
sought advice about debt. In this respect, interviewees often reported that they felt better off financially.

Some interviewees reported changes in their behaviour in relation to direct outcomes, such as better money management and changes in their spending habits. This was particularly the case for those interviewees that had sought advice about debt. As one interviewee explained:

‘I used to be one of those people that would go to the shopping channels on television… I don’t watch those shopping channels on television at all now and I have a PC and I have set up a wee programme on the PC to keep an eye on my finances. And I also have internet banking…’

(Male, age 66)

For some interviewees, the advice they had received was broad in nature, thus illustrating the holistic approach of money and debt advice discussed above. In this sense, beneficiaries often talked about seeking advice regarding a particular issue and actually receiving advice about other issues relating to their financial circumstances. For example, one interviewee had contacted the money advice service because of concerns over his debts, but the debt advisor who visited him went through all of his financial circumstances, including energy advice, accessing the best deal for TV/Internet/Phone, and setting up a debt management plan to repay his debts. In this way, debt/money advice provided a multi-issue service, making links between different aspects of interviewees financial circumstances and the available financial services.

As a result of seeking money advice, many interviewees reported wider benefits, including a greater sense of well-being. Where the advice given was broad in nature, service users often reported feeling empowered by the experience as they were left with a greater awareness of the range of financial services available. Interviewees talked about the sense of security gained from knowing where to get support in the future should they need to, and about being more confident with regards to money management, particularly where they had been given tools to help with budgeting. As one woman explained:
‘...she gave me a budget sheet and I think, well, that is a help because you’ve got it in black and white...I am sticking to it…’

(Female, age 55)

Linked to feeling more empowered and confident, some beneficiaries reported a positive impact on their wellbeing and, in some cases, their health. As one interviewee put it:

‘I’m a lot happier because I am aware of things...I would have had a nervous breakdown.’

(Female, age 26)

Another interviewee reported that seeking money advice had eliminated suicidal thoughts and given her a new lease of life:

‘I was just about suicidal, I was actually contemplating it you know in the past, because of the debts...you know sometimes when I wake up, I just can’t believe it, it is like a dream...it is like somebody give me a start of life again.’

(Female, age 50)

Home contents insurance

Many of the interviewees would not have been able to take out home contents insurance had it not been available through the housing association. In most cases this was due to the cost of other premiums being too high. Some interviewees talked about how home contents insurance met their need for flexible payment options and for a lower insurance value. The most common impact of obtaining home contents insurance was the peace of mind it offered service users. As one interviewee explained:

‘I can sleep soundly knowing that the house is covered for the contents.’

(Female, age 58)

However, some interviewees reported that the home contents insurance policy had a more tangible impact on their financial circumstances, particularly where it had reduced their outgoings if their previous cover was more expensive. Where interviewees did have an existing policy, many were over-insured and welcomed the lower level of cover offered by home contents insurance through the housing association.
Affordable loans and savings
For those interviewees that had joined a credit union, the impact was generally positive as it gave them the opportunity to access an affordable loan and/or provided them with a savings account. For those interviewees that had accessed an affordable loan the impact was often immediate as it enabled them to make large purchases (such as new white goods) and furnishing accommodation, to purchasing Christmas presents and going on holiday. One interviewee took out an affordable loan every six months as a means of affording Christmas and summer holidays for her children. For others, the loan was used to pay off debts, often with a high interest rate, which had a positive impact on their financial circumstances as it reduced their outgoings.

When talking about the overall impact of joining a credit union a number of interviewees talked about how it had generally ‘eased their worries’. This sense of relief often went hand in hand with an overall sense of being more in control of their finances.

Linked to financial confidence, a number of interviewees talked about how their awareness of the credit union and the ability to access affordable loans had made them feel positive about the future. For some interviewees, joining a credit union and accessing an affordable loan was considered to be a good way of improving their credit rating whereas for others, the credit union was seen as a safety net for the future.

Many interviewees were particularly positive about the ability to save and this was often seen as having a positive impact on their quality of life and social participation. Indeed, a number of interviewees had joined the credit union primarily as a means of saving and where this was the case, they emphasised the convenience of saving in this way. There were several examples where the savings they had built up as a result of joining the credit union had made Christmas more affordable and avoided them running up debts. As one interviewee explained:
‘it took a hell of a weight off my shoulders over Christmas.’  
(Female, age 58)

5.3.5 Alternative services

The impact of using these services can be suggested by considering the alternative services available to users had the Champion-influenced services not existed.

The interviewees had mixed opinions about the availability of alternative services and in most cases it is difficult to say whether people would have sought alternative sources of support. Some interviewees felt they had no alternative and where this was the case they were generally positive about the service they had accessed, as without it they would have gone without or been unable to address their needs. Where people were aware of alternative services there were some that would have used a less favourable service, such as a more expensive form of credit or HCI. Others would have used a comparable service i.e. another advice agency or credit union.

When discussing alternative services there were some marked differences depending on the service in question as discussed below.

Money advice
With regard to money advice there was general awareness of the advice services that are available, with a number of interviewees referring to CABs. While some interviewees said they would have sought advice from another agency, others felt they would not have gone elsewhere for advice or support and therefore their situation would have remained the same. This was particularly the case where interviewees had been contacted by their housing association or by an advice agency rather than proactively seeking support.

Affordable loans and savings
Where interviewees had obtained an affordable loan some felt they had no alternative, regardless of whether they had experience of applying for a loan elsewhere. This sense of having no alternative was often based on an assessment of their personal finances and a general feeling that they wouldn’t be considered for
a loan, either because they were on a low income or because they had outstanding debts.

Many interviewees were fully aware of the alternative sources of lending available (bank loan, doorstep loans, weekly payment stores), but often talked about how the bank was the only source of lending they would want to consider as an alternative as the others incur high interest charges. However, most interviews did not think the banks would offer them a loan given their low income. In this respect, interviewees often referred to doorstep loans or weekly payment stores as the only viable option for them, but were often reluctant to use such services because of concerns over high interest rates. Amongst those who were aware of doorstep lenders and weekly payment stores, this awareness was often grounded in experience and many had run into difficulties in the past by using these services. There were also some examples of where interviewees would have used more expensive forms of credit if they had not been able to access an affordable loan. As one interviewee explained, the affordable loan was a welcome alternative to doorstep lenders:

‘Now I know there [are] places out there you can go to help you save. They are not pushy like these door stop lenders - constantly at your door, you know, “do you want loans, do you want vouchers” …when they knock on your door and ask, [I used to be] more tempted to say yes, whereas I now turn them away really.’

(Female, age 27)

Interviewees who were saving with a credit union tended to see this as a safe and secure alternative to other methods of saving, such as putting money into a piggy bank or letting money build up in a standard bank account. Amongst those interviewees that were saving with the credit union, some talked about how they had been unsuccessful at saving using alternative methods. As one interviewee explained:

‘...I’ll be honest with you, I’m one of those people if I’ve got money in the bank I tend to sort of take it out and spend it on something. But with these, as it’s in a saving scheme, I know it’s not just a case of walking in and getting it. So to me, it’s a way of saving which I have never had before.’

(Male, age 49)
Home contents insurance
Of those interviewees that had taken out home contents insurance there was widespread awareness of alternative companies and a number of people talked about how they would have shopped around had they not been able to get home contents insurance through the housing association. Where interviewees talked about shopping around, they often referred to the internet as an effective way of seeking alternatives. However, for many interviewees, taking out a policy with a private insurance company was not considered to be a viable alternative as the premium, or the level of cover, were thought to be too high.
6 ASSESSING ‘NET’ IMPACT

Key findings

- Champion-influenced services were used by an absolute minimum of 60,000 people (largest single category: number of loans made) and an absolute maximum of 270,000 (total number of users of the nine different categories of services i.e. assuming no overlaps).
- The evaluation estimates the minimum number of financially-excluded people in the areas (defined as working-age benefit recipients without bank accounts) as 230,000.
- The number of people benefiting from the Champions’ work is equal to one in four of all the financially-excluded people in the Champions’ areas.

6.1 Introduction

This chapter assesses the ‘net’ impact of the initiative. That is, it considers the scale of the Champions’ impact in relation to the total population of financially-excluded individuals. Champions’ primary role was to influence and galvanise partners at a strategic level, and impact on beneficiaries was indirect, via providers. As such, while examining the net impact of the initiative on beneficiaries does indicate something of the initiative’s success it cannot be interpreted in isolation from other evidence presented in this report. Assessment of the initiative’s net impact is not based on a direct calculation based on a survey of the total financially-excluded population. The size of a survey required for this would have been very large and beyond the scope of the project. Instead, a three-step method was used to provide an indicative estimate of the net impact.

1 The evaluation identified the number of people who have benefited from the work of the Champions, using the management information about final outcomes (see Chapter 2).
2 The evaluation assessed levels of financial exclusion in the Champions’ target areas. As explained in Chapter 1, people are defined as being financially-excluded if they have limited or no access to mainstream financial services such as bank and building society accounts and mainstream sources of credit. Chapter 1 also notes that people most at risk of financial exclusion includes those on benefits.

3 The number of beneficiaries of Champion-influenced services are compared alongside the number of financially-excluded people in areas in which the initiative operated.

The analysis takes into account all of the Financial Inclusion Champion (FIC) areas, with a specific focus on local authorities where the Champions have primarily undertaken their work. The target area also includes the whole of Scotland and Wales.

6.2 Number of beneficiaries of Champion-influenced services

The initiative management information is used to estimate the number of people who used FIC-influenced services. This information was collated by Champions in order to monitor final outcomes in their area, in terms of:

1. increase in credit union members;
2. number of loans made by new/modified financial services projects;
3. number of savings accounts opened;
4. number of bank accounts opened, (CUCA, Benefits Plus, etc.);
5. number of home contents insurance policies taken out;
6. number of referrals to debt advice agencies and financial service providers;
7. number of people receiving debt advice and financial services;
8. number of referrals to Illegal Money Lending Team (IMLT); and
9. number of referrals to Money made Clear.

Champions collected this information, in turn, from service providers. Champions often found it difficult to gather this information from service providers because of, for example, the work involved for providers in collating it. For this reason, Champions felt that the figures underestimated their impact.
Table 6.1 shows the final outcomes achieved by Champions teams in the nine different categories of financial inclusion work. It is important to note that these categories are not mutually exclusive, for example, it is reasonable to assume that there is a significant overlap between the increased number of credit union members and the number of loans made by new or modified financial services. As a result, it is not possible to produce a single, composite figure of service users.

However, it is possible to obtain an indication of the scale of those helped by the initiative. On the one hand, Table 6.1 shows that at an absolute minimum the initiative influenced services used by, was 62,748 people, based on the largest single category (‘number of loans made’). While the total number of users of FIC-influenced services is probably much larger than this figure – for example, there is likely to be only partial overlap between those taking out new loans and those receiving debt advice – we know that the number of users is not less than this figure. On the other hand, if beneficiaries under the nine categories are exclusive and there is no overlap, then the maximum number of users is 274,218. Again, the likely overlap in service users means that this is probably an over count, but it provides an upper ceiling to the headcount of FIC beneficiaries.
Table 6.1 Final Outcomes - Breakdown by FIC Area

<table>
<thead>
<tr>
<th>Region</th>
<th>Increase in credit union members</th>
<th>Number of loans made by new/modified financial services projects</th>
<th>Number of savings accounts opened</th>
<th>Number of bank accounts opened, (CUCA, benefits plus, etc.)</th>
<th>Number of HCI policies taken out</th>
<th>Number of referrals to debt advice agencies and financial service providers</th>
<th>Number of people receiving debt advice and financial services</th>
<th>Number of referrals to IMLT</th>
<th>Number of referrals to money made clear</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td>59,569</td>
<td>62,748</td>
<td>50,016</td>
<td>13,864</td>
<td>1,914</td>
<td>16,580</td>
<td>56,355</td>
<td>429</td>
<td>12,806</td>
</tr>
</tbody>
</table>

(Source: Department for Work and Pensions (DWP) Management Information, as at 31st December 2010)
6.3 Levels of financial exclusion in target areas

Estimating levels of financial exclusion are difficult, largely because of defining and identifying people as financially-excluded. Being financially-excluded can be defined as wanting but being unable to have sufficient access to mainstream financial services such as bank and building society accounts and mainstream sources of credit, such as personal loans. It can further mean wanting but being unable to access other financial products such as saving accounts and home contents insurance which can protect individuals and households in problematic circumstances. People who are financially excluded may have access to some, but not other, financial services. People who do not want or chose not to access financial services are not necessarily financially excluded.

While there is no exact, simple fit between being financially excluded and service use, if a single indicator is required, it is reasonable to suggest that this should be access to a basic bank account. As an essential prerequisite to accessing all other financial services, a bank account can be viewed as a basic household service and, indeed, as little as two per cent of all adults do not have access to such an account (HM Treasury, 2010).

People’s ability to be financially included is mediated by a number of socio-economic characteristics. People most at risk of financial exclusion include those:

- living on a low income;
- in receipt of state benefits;
- living in socially rented accommodation; and
- living in single-headed households (for instance, single people or lone parents).

On this basis, the minimum number of financially excluded people can be estimated by looking at the number of benefit recipients without bank accounts. This can be assumed to be the number of claimants who receive payments in cheque (where the only reason for being paid in this form is because claimants do not have bank accounts). Recent figures put the number of benefit recipients paid by cheque at 250,000 claimants (BBC, 2011).
While this indicator is likely to underestimate the population of the financially excluded, for example, it does not include pensioners or working-age adults in employment, it is useful in order to put the scale of the Champions’ influence in perspective.

Levels of financial exclusion in FIC areas were assessed using the following datasets:

- Benefits Data: Working Age Client Group, February 2008 (counts) – Downloaded from the Neighbourhood Statistics website.
- Jobseekers’ Allowance (JSA) Claimants paid by cheque (counts) – Provided by the Department for Work and Pensions and collated by Experian.
- Basic Bank Account (percentages) – Supplied by banks to Banking Champion and FITF and collated by Experian.
- Index of Multiple Deprivation – Downloaded from the Neighbourhood Statistics website.

The number of financially excluded individuals among working-age adults on out-of-work benefits was estimated based on the proportion of Jobseekers’ Allowance (JSA) claimants paid by cheque in the target area. The total group size was then calculated based on the assumption that a similar proportion of Income Support (IS) and Incapacity Benefit (IB) claimants are paid by cheque, as is the case among JSA claimants.

In 2008, out of 606,125 JSA claimants in the target areas, 7.4 per cent were paid by cheque (see Table 6.2). If the same percentage of all working-age benefit claimants received payments by cheque, it would suggest a minimum of 229,829 financially excluded people in initiative areas.
Table 6.2  Estimation of benefit claimants paid by cheque

<table>
<thead>
<tr>
<th>Area</th>
<th>Number of JSA claimants paid by cheque</th>
<th>Total number of benefits claimants</th>
<th>Total number of JSA claimants</th>
<th>Percentage of JSA claimants paid by cheque</th>
<th>Total number of Incapacity Benefit claimants</th>
<th>Estimated total number of IB claimants paid by cheque</th>
<th>Total number of Income Support claimants</th>
<th>Estimated total IS claimants paid by cheque</th>
<th>Estimated total number of claimants paid by cheque</th>
<th>Estimated percentage of benefits claimants paid by cheque</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bristol</td>
<td>971</td>
<td>88400</td>
<td>11440</td>
<td>8%</td>
<td>46655</td>
<td>3959.97</td>
<td>13360</td>
<td>1133.97</td>
<td>6065</td>
<td>7%</td>
</tr>
<tr>
<td>Cumbria</td>
<td>285</td>
<td>41125</td>
<td>5045</td>
<td>6%</td>
<td>23265</td>
<td>1314.28</td>
<td>4195</td>
<td>236.98</td>
<td>1836</td>
<td>4%</td>
</tr>
<tr>
<td>Durham and TV</td>
<td>4600</td>
<td>269800</td>
<td>45475</td>
<td>10%</td>
<td>142980</td>
<td>14463.07</td>
<td>33955</td>
<td>3434.70</td>
<td>22498</td>
<td>8%</td>
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<tr>
<td>E &amp; S Midlands</td>
<td>5650</td>
<td>277375</td>
<td>45995</td>
<td>12%</td>
<td>137410</td>
<td>16879.37</td>
<td>39465</td>
<td>4847.86</td>
<td>27377</td>
<td>10%</td>
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<tr>
<td>East Yorkshire</td>
<td>2838</td>
<td>129560</td>
<td>23905</td>
<td>12%</td>
<td>60500</td>
<td>7182.56</td>
<td>17345</td>
<td>2059.20</td>
<td>12080</td>
<td>9%</td>
</tr>
<tr>
<td>Rural FIC</td>
<td>2527</td>
<td>273755</td>
<td>36405</td>
<td>7%</td>
<td>142335</td>
<td>9879.98</td>
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<td>2186.87</td>
<td>14594</td>
<td>5%</td>
</tr>
<tr>
<td>G. Manchester and E. Lancashire</td>
<td>2931</td>
<td>276330</td>
<td>39665</td>
<td>7%</td>
<td>151545</td>
<td>11198.25</td>
<td>37100</td>
<td>2741.46</td>
<td>16871</td>
<td>6%</td>
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<tr>
<td>London</td>
<td>5191</td>
<td>704445</td>
<td>127850</td>
<td>4%</td>
<td>307215</td>
<td>12473.63</td>
<td>153900</td>
<td>6248.69</td>
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<td>3%</td>
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<td>Merseyside</td>
<td>2476</td>
<td>255085</td>
<td>42855</td>
<td>6%</td>
<td>133490</td>
<td>7712.55</td>
<td>33570</td>
<td>1939.55</td>
<td>12128</td>
<td>5%</td>
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<tr>
<td>Northumberland TW</td>
<td>153</td>
<td>27700</td>
<td>4970</td>
<td>3%</td>
<td>14315</td>
<td>440.68</td>
<td>2955</td>
<td>90.97</td>
<td>685</td>
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<tr>
<td>Scotland</td>
<td>4338</td>
<td>522655</td>
<td>75025</td>
<td>6%</td>
<td>294250</td>
<td>17013.75</td>
<td>60030</td>
<td>3470.98</td>
<td>24823</td>
<td>5%</td>
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<tr>
<td>South Yorkshire</td>
<td>2579</td>
<td>137350</td>
<td>21015</td>
<td>12%</td>
<td>71890</td>
<td>8822.47</td>
<td>17095</td>
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<td>10%</td>
</tr>
<tr>
<td>South Coast Cities</td>
<td>1243</td>
<td>111660</td>
<td>17130</td>
<td>7%</td>
<td>55380</td>
<td>4018.53</td>
<td>17130</td>
<td>1243.00</td>
<td>6505</td>
<td>6%</td>
</tr>
<tr>
<td>Wales</td>
<td>3000</td>
<td>334165</td>
<td>42300</td>
<td>7%</td>
<td>192430</td>
<td>13647.52</td>
<td>37435</td>
<td>2654.96</td>
<td>19302</td>
<td>6%</td>
</tr>
<tr>
<td>West Midlands</td>
<td>2842</td>
<td>176385</td>
<td>32190</td>
<td>9%</td>
<td>85000</td>
<td>7504.50</td>
<td>25370</td>
<td>2239.87</td>
<td>12586</td>
<td>7%</td>
</tr>
<tr>
<td>West Yorkshire</td>
<td>3210</td>
<td>202965</td>
<td>34860</td>
<td>9%</td>
<td>100595</td>
<td>9263.05</td>
<td>28165</td>
<td>2593.51</td>
<td>15067</td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td>44834</td>
<td>3828755</td>
<td>606125</td>
<td>7%</td>
<td>1959255</td>
<td>145774</td>
<td>552575</td>
<td>39220</td>
<td>229829</td>
<td>6%</td>
</tr>
</tbody>
</table>
6.4 Achieved outcomes compared to overall levels of financial exclusion

Table 6.3 below shows the figures derived to indicate the number of beneficiaries using FIC-influenced services, and the total number of financially-excluded individuals in FIC areas. Caution is necessary when considering these figures. The management information is likely to underestimate the number of FIC-influenced service users. The estimate of the total financially excluded population is also likely to be an underestimate, based on a narrow count of working-age adults on benefits without basic bank accounts. Nevertheless, the exercise provides a useful indication of the scale of the Champions’ influence. In particular, it suggests that, as a minimum, the number of people benefiting from the Champions’ work is equal to one in four of all the financially-excluded people in FIC areas.

Table 6.3  Indicative estimate of scale of impact of FIC

<table>
<thead>
<tr>
<th>Beneficiaries of FIC (min=recipients of one FIC service; max=total of beneficiaries to whom services were delivered, assuming no overlap between recipients)</th>
<th>Financially excluded population (JSA, IB and IS claimants paid by cheque in FIC areas, no bank account; n. 229,829)</th>
<th>Number of FIC beneficiaries as % of financially-excluded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Min</td>
<td>Max</td>
<td>Min</td>
</tr>
<tr>
<td>62,748</td>
<td>274,281</td>
<td>27%</td>
</tr>
</tbody>
</table>
7 VALUE FOR MONEY

Key findings

- In addition to the funding from the Department of Work and Pensions (DWP), Champions obtained funding from a range of other sources. For some of the Champions, the level of funding leveraged or enhanced was substantially more than the funding provided by DWP.
- A number of alternative unit costs for the initiative have been calculated, as a guide for agencies planning Champion-type activities in the future.
- The findings suggest that the initiative has offered Value for Money. The evidence suggests that funding for the initiative was used efficiently and effectively to support and expand financial inclusion services and strategies.

7.1 Introduction

The Financial Inclusion Champions (FIC) initiative has received funding of £7 million over three years, from 2008/09 to 2010/11, based on salaries and operational costs. This chapter will explore whether the initiative has delivered value for money for the level of investment made and will also explore whether the activities carried out by Champions have been delivered economically and achievements have been made efficiently.

The extent to which the evaluation can provide a full, definitive analysis of the cost efficiency of the initiative is limited by a number of factors. The evaluation scoping report highlighted the problems of identifying and linking causality in terms of savings and benefits in the longer term (SQW Consulting Ltd, 2009). As outlined below, unit costs have been calculated based on the stakeholder and intermediate outcomes achieved by the Champions, and on an indicative estimate of the number of service users. It has not been possible to carry out a cost benefit or cost effectiveness analysis because consideration of comparators was outside the remit of the
evaluation. This means that it has not been possible to compare the benefits or effectiveness of the Champions in comparison with areas without Champions. Moreover, expected types of unit costs measurements are not applicable. Funding for the initiative was to enable Champions to develop and sustain delivery partnerships, not to directly support services, and so the Champions’ impact on service users is indirect. Even if it was direct, single measures of impact would be insufficient because the financial inclusion impacts vary in relation to the range of services being provided and are thus not comparable.

Furthermore, to fully explore whether an initiative has offered value for money, it is essential to consider the longer term impact of that initiative and acknowledge that costs at the beginning of an initiative will be higher than future costs once the work or service has been established (Holmes, Ward and Westlake, 2008). Given that the evaluation was undertaken as the initiative is concluding, this full assessment of value for money has not been possible. Because much of the Champions’ work was developmental – focused on strategic planning, capacity building and service development – it will take some time before the full value of the initiative will be realised.

7.2 Methods

Exploration of the value for money offered by Champions focused on the six case study areas. The analysis involved linking expenditure and funding information from the six case study sites with findings about the impact of the Champions from the wider evaluation. Specifically, use has been made of the data from the social network analysis. Information about the in-kind contributions from the host organisations has also been examined.

The Management Information (MI) provided by the DWP was also utilised to explore the intermediate and stakeholder outcomes reported by the Champions. While most of the discussion in this chapter relates to all six case studies, the MI data are only available for four of the Champions and the Housing and Banking Champions have been excluded from some of the analysis because of their different remits.
Contextual information from the survey and interviews with Champions has also been examined to consider whether the initiative has delivered value for money.

Several, alternative indicative unit costs have been calculated:

- the cost per strategic partnership developed by Champions;
- the cost based on a composite measure which combines the number of strategic partnerships developed, the number of Local Strategic Partnerships joined, the number of local authorities that have included Financial Inclusion in their Local Area Agreement, and the number of Financial Inclusion strategies and action plans developed and/or influenced; and
- a cost based on an indicative estimate of the total number of beneficiaries using services influenced by Champions.

Unit costs have been calculated using a ‘top-down’ approach. The ‘top-down’ approach assembles all relevant expenditure and divides it by units of activity; this approach has the virtue of being relatively simple to apply. The alternative ‘bottom-up’ approach identifies different resources tied up in the delivery of a service and assigns a value to each; this approach requires every detail of every element of a service to be examined. This ‘bottom-up’ approach facilitates the exploration of variations in costs for different types of services and different beneficiaries (see Beecham, 2000). As outlined in this chapter, the funding from DWP was allocated in a systematic manner and, as such, detailed exploration of the different funding elements would be relatively meaningless, particularly as the role of each of the Champions was substantially different. Furthermore, the purpose of this evaluation is to explore the impact of the Champions on providers and, indirectly, the impact on beneficiaries. Detailed ‘bottom-up’ unit costs would only be possible to estimate if Champions had delivered services directly to beneficiaries themselves.

7.3 Funding

The programme and salary funding for the Champions was provided by DWP. The amount received by each case study varied. Funding for each of the Champions was determined by DWP using Experian data. DWP also allocated a notional
amount for salaries taking into account factors such as London weighting and geographical areas. The final salary costs were agreed at post-tender negotiations between DWP and the host organisations. There was some variation in the salary funding across the Champions as a result of the number of Champions in post and the length of their posts (some started later than others and some left before the end of the initiative).

The programme costs were allocated to support the Champions in meeting their aims and objectives. They were used to develop and sustain delivery partnerships, and they were not to directly support service delivery.

### 7.4 Sufficiency of funding

On the whole, the Champions were pragmatic about the level of funding they had received from DWP. Although most acknowledged that ‘there could always be more money’ they felt that the level of funding had enabled them to focus on their core objectives and to have considerable success in terms of their stated outcomes.

As well as funding from the DWP, Champions both leveraged funding from a range of other sources, and received in-kind support from hosting bodies.

### 7.5 Funding leveraged

The ability of the Champions to secure funding from other sources was considered to be one of the intermediate outcomes, or outputs of the initiative (SQW Consulting Ltd, 2009). The total funding leveraged or enhanced was submitted by the Champions for inclusion in the MI data; the total amounts are detailed in Table 7.2 for four of the Champions (as outlined above, MI data was not available for the Banking and Housing Champions).
Table 7.2  Funding leveraged

<table>
<thead>
<tr>
<th>Champion</th>
<th>Funding leveraged (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIC1</td>
<td>3,656,067</td>
</tr>
<tr>
<td>FIC2</td>
<td>1,776,482</td>
</tr>
<tr>
<td>FIC3</td>
<td>256,600</td>
</tr>
<tr>
<td>FIC4</td>
<td>1,645,906</td>
</tr>
</tbody>
</table>

For some of the Champions, the level of funding leveraged or enhanced was substantially more than the funding provided by DWP. The proportion of DWP funding to funding leveraged varied substantially between the Champions, with one of the Champion raising funds of nearly nine times as much as the total DWP funding and another raising around half of the amount of DWP funding.

7.6  In-kind contributions

To varying degrees, Champions received in-kind support from their hosting organisations. Details about this support was collected in the MI information and through interviews and questionnaires with the case study Champions. In-kind resources can include accommodation, office supplies, administrative support, hosting facilities for seminars and/or conferences, access to information sources or data, and introductions to key partners or invitations to existing forums or networks. Some of these in-kind contributions were monetarised – such as accommodation and office costs. Others were less easy to monetarise but nonetheless significantly mediated the Champions’ efficacy.

The initiative was designed so that Champions would tap into existing systems and partnerships to minimise the use of initiative resources and to encourage partners to work together to support the principles of financial inclusion. The rationale behind this objective is that given the limited resources (both financial and in terms of time and intellectual property), the sharing of tools, good practice examples, strategies and resources make working toward financial inclusion more effective and less
resource-intensive for individual partners. Some examples of where in-kind benefits have been shared between organisations are outlined below.

- The Welsh Champion talked about their work with housing associations and credit unions, in particular working with the housing associations to encourage them to support the credit unions with their financial inclusion strategy. As the Champion explained, it is considered to be more beneficial to encourage the housing associations to provide a member of staff, on a secondment basis to support the credit union with their financial system than it is to contribute financially. The key in this respect is to build capacity within and across the partner organisations.

- The Housing Champion worked with housing providers to encourage them to provide in-kind support (e.g., office space, board expertise), in addition to financial support for third sector lenders.

- The Banking Champion worked with Bank D to provide inbound telephone support for Northern Money. The service commenced on 30 September 2010 covering 22 credit unions and two is promoting this as a national flagship programme within their organisation to boost volunteering in the charity sector.

- With the support of the Banking Champion, a bank had engaged with the regional Champions with an offer to support local third sector organisations in Manchester.

- The Rural Champion had secured officer support from Devon County Council and pro bono office space from Wiltshire council.

The evaluation suggests that Champions hosted by well-established organisations with strong networks and contacts were at an advantage in terms of having a ‘captive audience’ with whom they could immediately engage. However, several Champions asserted that their work was ultimately successful because of their personal time and commitment spent building up respect between themselves and the partner organisations. Nevertheless, Champions, ability to tap into existing systems and partnerships, was said to free up their time to develop new partnerships or to meet their other aims and objectives.
7.7 Costs and impacts

As noted in the introduction to this chapter, a single, definitive unit cost for the initiative cannot be identified for a number of reasons. By design, the initiative led to variety of outcomes, both strategic and operational, from high level strategic planning to staff training in a specific area of financial inclusion. Even if there was a single type of impact to focus on, variation in unit costs would be expected to reflect, for example, the local organisational and socio-economic contexts. This is marked for the initiative, where Champions’ work was mediated significantly by a) their hosting arrangements - the extent to which hosts facilitated Champion’s presence in local influential networks; and b) the status of financial inclusion in local agendas – the extent to which the concept was understood when Champions began their work and the level of commitment there was to developing financial inclusion among local agencies. Another important reason for approaching unit costs with caution is that, given the developmental nature of much of the Champions’ work, the outcomes of the initiative cannot be fully assessed until this work has had time to come to fruition.

For these reasons, three alternative unit costs are presented tentatively here. While these may not serve as useful for assessing the initiative, they may help inform future financial inclusion planning by offering an indicative guide to the costs of providing Champion-type services. In all cases, these unit costs refer to a proxy ‘unit of influence’. That is, the unit measures is meant to represent a package of work or series of activities, including the promotion of and capacity building in financial inclusion, training and information provision, and networking and contact brokering. Not all Champion activity necessarily resulted in outcomes, so these unit costs also need to be considered as encompassing strands of work which did not come to fruition.

At the same time, no judgement can be made here about the value (rather than cost) of partnerships. It should be noted that some partnerships are likely to be more effective than others, for a range of reasons. However, evidence is not available from this evaluation to assess the relative efficacy of the partnerships developed by the case study Champions.
The first unit cost is based on the number of strategic partnerships developed by Champions. Drawing from the management information, Table 7.3 outlines the number of strategic partners developed by four of the Champions. As outlined in Chapter 1 the limitations of the MI data suggest that these totals may be an underestimate.

Table 7.3  Strategic partnerships developed

<table>
<thead>
<tr>
<th>Champion</th>
<th>Strategic partnerships developed</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIC1</td>
<td>59</td>
</tr>
<tr>
<td>FIC2</td>
<td>15</td>
</tr>
<tr>
<td>FIC3</td>
<td>20</td>
</tr>
<tr>
<td>FIC4</td>
<td>69</td>
</tr>
</tbody>
</table>

Table 7.4 shows the annual unit costs based on the number of strategic partnerships developed by Champions. These suggest that the cost of undertaking a package of work to develop a strategic partnership – to identify need, network and nurture commitment, design partnerships and negotiate objectives, broker agreements, etc. – ranged from between £2,500 and £15,000 a year.

Table 7.4  Annual unit cost per strategic partnerships developed

<table>
<thead>
<tr>
<th>Champion</th>
<th>Annual unit cost per strategic partnerships developed (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIC1</td>
<td>2,758</td>
</tr>
<tr>
<td>FIC2</td>
<td>14,653</td>
</tr>
<tr>
<td>FIC3</td>
<td>8,448</td>
</tr>
<tr>
<td>FIC4</td>
<td>2,485</td>
</tr>
</tbody>
</table>

A second, alternative unit cost can be derived from a composite measure. The development of strategic partnerships was only one aspect of the Champions’ work. Champions also joined Local Strategic Partnerships (LSPs) and influenced or
developed action plans, and they worked with local authorities so that financial inclusion became included in their Local Area Agreements (LAAs) as a result. Furthermore, it was evident that in the initial phase of their work Champions raised awareness of financial inclusion by promoting the concept with potential and existing partner organisations. These outputs can be combined as a composite measure (see Table 7.5) and, as such, the annual cost per ‘unit of influence’ would be substantially lower (Table 7.6), from between around £2,000 and £4,000.
Table 7.5  Composite measure of Champions’ activities

<table>
<thead>
<tr>
<th></th>
<th>Number of LSPs that Champions have joined</th>
<th>Numbers of LAs that have included FI in their LAA</th>
<th>Strategic partnerships developed</th>
<th>Number of Financial Inclusion strategies (or other strategies which include financial inclusion) and action plans developed and/or influenced</th>
<th>Total partnerships developed, action plans developed or enhanced, LSPs and work with LAs to include FI in LAAs</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIC4</td>
<td>12</td>
<td>4</td>
<td>69</td>
<td>21</td>
<td>106</td>
</tr>
<tr>
<td>FIC1</td>
<td>8</td>
<td>6</td>
<td>59</td>
<td>17</td>
<td>90</td>
</tr>
<tr>
<td>FIC2</td>
<td>7</td>
<td>25</td>
<td>15</td>
<td>9</td>
<td>56</td>
</tr>
<tr>
<td>FIC3</td>
<td>10</td>
<td>10</td>
<td>20</td>
<td>13</td>
<td>53</td>
</tr>
</tbody>
</table>
### Table 7.6  Annual unit cost based on composite measure

<table>
<thead>
<tr>
<th>Champion</th>
<th>Annual unit cost per output (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIC1</td>
<td>1,808</td>
</tr>
<tr>
<td>FIC2</td>
<td>3,925</td>
</tr>
<tr>
<td>FIC3</td>
<td>3,188</td>
</tr>
<tr>
<td>FIC4</td>
<td>1,618</td>
</tr>
</tbody>
</table>

A third, alternative unit cost can be derived based on the total number of beneficiaries using services which have been influenced by Champions across the initiative as a whole. As discussed in Chapter 6, the MI shows an absolute minimum of 60,000 beneficiaries. This means that if the total cost of the initiative was £7 million then the maximum unit cost per beneficiary is £117. To put this figure into context, it is interesting to note that the National Consumer Council estimates that people with household income in the lowest quintile spend an average of £129 per month repaying high cost credit (NCC, 2005).

### 7.8 Conclusion

The findings suggest that the initiative has offered Value for Money. The evaluation suggests that Champions worked strategically and effectively with partners to pursue the objectives of the initiative. Champions expressed strong personal commitment to their work, adopted a ‘bottom up’ approach so as to build on and make best use of local financial inclusion work, and directed their resources where there was greatest likelihood of return. The input and level of in-kind contributions from the host organisations has contributed to the Champions ability to carry out their activities economically and efficiently, with particular use being made of hosts’ pre-existing relationships, partnerships and networks. There is further evidence that the Champions’ work served to improve financial inclusion networks and that their advice directly assisted the development of both services and strategies. For example, the social network analysis identified that the Champions not only expanded networks but also had a positive impact on the quality of partnerships, with the Champions’ facilitating more frequent contacts between partners. The providers’ survey found
that nearly all respondents (95 per cent) who had worked with Champions said that they had found their advice valuable with over half (54 per cent) saying they had found it very valuable. Overall, the evaluation suggests that the funding provided for the initiative was used, as planned, to make progress on financial inclusion objectives.

The innovative nature of the Champions initiative means that there is no similar service to compare it with in order to critically assess the extent of its cost effectiveness. How the cost of the initiative – £7 million – compares to the cost of financial exclusion is difficult to estimate, but it is helpful in terms of context to note that DTI (2006) suggests that £80 million a year is paid in interest to illegal money lenders alone.

Analysis in this chapter has only been able to consider cost in relation to the immediate impacts of the initiative. The developmental nature of the Champions’ work means that the initiatives cost-effectiveness of the initiative can only be fully appreciated over a longer period of time – in terms of, for example, how successful the partnerships brokered by Champions are in fulfilling their agreed objectives. The initiative clearly represents an ‘invest to save’ strategy: strategic, finite funding invested to create lasting solutions to help improve financial inclusion in the short term and, in the longer term, help break cycles of financial exclusion. This is clearly the potential legacy of the initiative, but it will need to be revisited to assess the extent to which investment over the past three years leads to longer term efficiency savings.
8 CONCLUSIONS

8.1 Introduction

The evaluation suggests that the Financial Inclusion Champions (FIC) initiative has been successful in terms of:

- expanding and improving local social inclusion networks;
- providing a valued resource to agencies working in this field;
- influencing the development of services which reach a significant proportion of the financially excluded population and which can make a felt difference in the lives of service users; and
- representing value for money.

As originally planned, the FIC initiative together with the Financial Inclusion Taskforce ended on 31st March 2011.

The purpose of this chapter is to consider the sustainability of the Champions’ influence on local financial inclusion work, Champion’s views about future financial inclusion strategies and, in particular, what lessons can be drawn from the Champions’ work to inform future practice and strategies.

8.2 The Champions’ legacy

The evaluation findings, particularly those relating to cost effectiveness, are conditional on the extent to which the Champions’ work continues to influence future networks, strategies and services. If the Champions’ influence is short lived, then the cost of the initiative will have been higher and less effective. On the other hand, if networks developed by Champions are expanded and if their capacity building work and contribution to service planning are fully realised then the initiative’s cost effectiveness will be far greater than currently estimated.

Unsurprisingly, the research offers limited evidence to be able to assess the sustainability of the Champions’ influence. The research shows that all Champions...
operated within extensive, existing networks and, while they were responsible for expanding and developing networks, these networks were not dependent on Champions. Indeed, Champions deliberately aimed to work with partners and providers to build ‘bottom-up’ capacity and capabilities, rather than impose agendas and strategies. In this sense, there is nothing inherent in the way in which Champions worked that would mean that their absence would necessarily result in the cessation or deterioration of networks.

The Champions survey revealed variation in the extent to which Champions believed that sustainability for financial inclusion policy and services had been achieved in their region. Some were more confident about this sustainability, largely because they had named partners already in place or likely to take the lead. Some Champions, while relatively confident, believed that the cover and intensity of financial inclusion work would vary across their regions, for example, where partnerships were set up to cover certain areas or to serve certain client groups. Other Champions were less confident. Even if partnerships have been set up, these Champions felt that local financial inclusion could only be sustained if someone took over the FIC role of driving and support networks.

While several Champions were confident that their own work to date would have a lasting legacy, they were concerned that momentum for ongoing development would be lost without the FIC team, particularly as other priorities emerge for lead organisations, and that there would still be a need for someone to ‘bang the drum’.

Even where partnerships are set up to take over, Champions expressed concern that the sustainability of financial inclusion work depended on the level of local funding and subsequent commitment of partners. Such concerns were set in context of spending cuts following the Comprehensive Spending Review and how these would affect local authorities and third sector organisations. It was suggested that the extent of Government priority given to financial inclusion would mediate agencies’ chances in competing for resources for financial inclusion work. One Champion team explained that future financial inclusion work would be required to pass the ‘Treasury Test’, that is, to demonstrate that it is essential to meet Government
priorities, that it needs to be Government-funded rather than provided by non-state means, and that it represents good value for money.

8.3 Champions’ recommendations for the future of Financial Inclusion

Champions in the survey were asked about what aspects of FIC work should be continued post-March 2011. Champions felt that financial inclusion work will become increasingly important in the current economic environment, in the face of rising unemployment and risks to funding of money advice services. In order to sustain the financial inclusion agenda, Champions recommended that:

- local authorities should be engaged at a strategic and national level to lead the agenda;
- the Local Authority Financial Inclusion Toolkit and resources should be centrally maintained;
- the Government should maintain a national policy to increase banking take-up, ensure money guidance is targeted to financially excluded people, and tackle illegal money lending;
- the Growth Fund is continued;
- particular support is given to Credit Unions and Community Development Finance Institutions;
- housing associations and Registered Social Landlords are set a standard requirement to promote financial inclusion services to residents; and
- a coherent, proactive approach towards financial inclusion is enabled by making a single Government department responsible for taking it forward.

8.4 Lessons for the future

Champions discussed the barriers they encountered in developing effective networks and progressing financial inclusion services, and the factors which aided their success in overcoming these hurdles. Champions identified three elements which aided their success in influencing partner agencies:

i. the identification of key people or groups interested and able to take matters forward;
ii the provision of training and dissemination of FIC information; and
iii adopting a collaborative/partnership approach to their work with agencies.

These were achieved through:
- rigorous networking to identify influential and collaborative contacts, including
  establishing new contacts and exploiting existing contacts to reach more
  agencies;
- the presentation of opportunities to partners through examples of good practice;
- persistence in pursuing agencies and working to achieve planned programmes;
- strategic concentration of resources and effort where dividends were most likely;
- presenting the FIC programme at a strategic level; and
- making the business case for financial inclusion strategies and services.

The evaluation was not designed to assess ‘what works best’ in terms of meeting the
different financial inclusion objectives. This is a difficult judgement, not least
because different approaches are required to address specific financial inclusion
needs. Moreover, to varying degrees, each objective involves both high level
strategic and practical service delivery considerations, and requires attention at both
the national and local levels. With this in mind, some reflections from the project can
be tentatively posed.
- Increasing access to basic bank accounts is dependent primarily on ongoing,
  high level dialogue with national financial institutions. Improving local service
delivery here is dependent ultimately on the business plans of national banking
institutions and the products they provide and promote.
- The dominant approach towards increasing the availability of affordable credit
  has become the expansion of credit unions. National government policy and
  support from the financial sector are essential to maintain this momentum, but
  there is considerable scope for driving this expansion through partnership work
  at the local level.
- Increased debt and money management services: a common experience across
  Champion areas was that local demand for debt and money advice outstripped
capacity. This would suggest that the efficacy of localised strategies to develop
this service provision will be inherently limited until national strategies make greater progress on addressing these demand and capacity problems.

- Efforts at increasing access to affordable home contents insurance are mediated by a number of factors which suggest that this objective needs to be addressed at a national level. First, unlike all other objectives, this is a preventative measure, with no immediate impact in terms of service delivery or crisis management. In practice, when competing for attention with other objectives which offer more guaranteed, tangible and immediate impacts, it is difficult to give HCI priority in local financial inclusion work. Second, the key factor mediating effectiveness in increasing the uptake of HCI is whether there are low cost policies on offer, and these can be more difficult to negotiate with brokers at the local level. Third, uptake needs to be promoted via housing associations and registered social landlords. Targeting the promotion of this role on larger, national housing organisations offers greater return than working with smaller, more local housing providers.

- Increasing access to savings requires intervention nationally – particularly in terms the design and promotion of appropriate financial products – and locally, for example, via local advisory services.

In practical terms, the success of the initiative must be recognised as being dependent on the skills and efforts of the Champions. In turn, this was the result of the strategic recruitment of experienced and motivated individuals, committed to and knowledgeable in the field of financial inclusion, and with good existing networks and honed networking skills. As a general lesson, the initiative highlights the cost-effectiveness of employing field leaders to promote and implement Government policy in and across Government, charity and independent sectors. This suggests the potential efficacy of the Champions’ approach for other areas of Government strategy.
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