

Debt Outreach - Lessons from a Pilot

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Overview

- I. Background to the money advice outreach pilots
- II. Evaluation approach
- III. Results from three evaluation phases
- IV. Conclusions

Introduction

- To tackle financial exclusion, HM Treasury announced in 2004:
 - Financial Inclusion Fund: £120 million
 - Financial Inclusion Taskforce
- ⇒ **Key initiative: Increase free face-to-face debt advice**
- **Legal Services Commission received £6 million to pilot money advice outreach (2005-2008)**
- **BERR: expansion of free-to-user face-to-face advice**
- Policy background reflects **key Government concerns:**
 - Help people address **debt problems**
 - Tackle **financial and social exclusion**
 - Outreach advice to meet specific needs of **disadvantaged and 'hard to reach' groups**

Money Advice Outreach Pilots

Objectives of the pilots:

- Aimed at areas/groups with high levels of **deprivation and financial exclusion**
- Take debt advice to locations **already visited** by potential clients but where debt advice cannot ordinarily be accessed
- Reach those **who would not normally** seek help from mainstream advice services
- Provide advice via **new methods and partners**

Money Advice Outreach Pilots

- 22 contracts awarded
- Projects worked with wide range of partners, delivering advice in over 150 outreach locations:
 - **Family support** e.g. Sure Start Children's Centres, family resource centres
 - **Housing support** e.g. housing offices, hostels, refuges
 - **Organisations in the justice system** e.g. prisons, young offender institutions, probation service, courts
 - **Other community-based organisations** e.g. community centres, Jobcentre Plus, local authority customer service centres, one stops shops, mental health units, libraries
 - **Home visits and videolink**

Evaluation of the Pilots

- **Combination of LSRC in-house and externally commissioned research (ECOTEC and PFRC)**
- **Comprehensive: investigating processes and outcomes**
- **Phase I:** Face-to-face survey in different types of outreach location
- **Phase II:** Provider and partner perspectives: process and effectiveness (ECOTEC and PFRC)
- **Phase III:** Impact evaluations
 - Qualitative interviews with clients/target groups (ECOTEC and PFRC)
 - Cost and effectiveness analysis

Phase 1 Evaluation: Target Groups

- Survey in 5 outreach location types, 563 users interviewed:
 - Family and children centres
 - Credit unions
 - Housing offices
 - Community centres
 - Prisons
- Key questions:
 - Were outreach location users deprived and financially excluded?
 - Were they 'hard to reach'?
 - Did they have money problems?
 - Advice-seeking attitudes and behaviour?

Phase 1 Evaluation: Some results

- **Users of locations met criteria** of being financially and socially excluded
- **Significant variation**
 - Financial exclusion: 19% in community centres, 73% in prisons
 - Usage patterns
 - Awareness of mainstream advice

- **Advantages of outreach**

Trust *'It's a professional establishment so people would know what they are talking about and people would trust the advice they gave.'*

Local/accessible *'People like myself have no money to shell out for transport'*

Advice for multiple problems *'Because it's community based, there should be this kind of service available. This would be suited as a mini one service stop.'*

Example: Prisons

- 60% of first-time prisoners and 80% of repeat-prisoners were **financially excluded**
- Only 6% receiving advice on how to manage their money
- 30% of prisoners, notably financially excluded, said they had **always run out of money** before the end of the week/month before going to prison
- 38% of those who had serious financial problems before going to prison said their **debt problems had got worse** since the start of their sentence
- 12% had fallen into debt **since being in prison**
- 30% of those with debts said that their **family had experienced problems** because of this

Phase II and III Evaluation methods

- Analysis of documentation
- Interviews with policy stakeholders
- Telephone survey of all projects
- In-depth case studies of eight projects
- Analysis of monitoring data
- Qualitative interviews with 41 clients

Setting up Services

- Early engagement with partners
 - Strategic level
 - Operational level
- Maintain clear channels of communication
- Ongoing relationship management
- Re-establish relationship if key staff members leave

I think the other thing that we've learnt is that we need to be much more coordinated with our partners, there is no point us seeing there's a need and then finding that we're going to have operational difficulties when we try and go into a prison, so we need to know and have active support from whichever prison we're trying to get into, from senior staff... it's about finding win/win really, what's good for them and what's good for us.

[Project co-ordinator]

Engaging Target Groups

- Referrals from delivery partners
 - Screening e.g. prisons
 - Problem noticers
- Self-referrals
 - Flyers, posters, leaflets
 - Through delivery partners' materials
 - Targeted approaches
- 'Warm referrals' from delivery partners reduced delays in clients contacting services

Maintaining Client Referrals

- Establish clear referral process
- Training for delivery partner staff
 - who to refer, when to refer, how to refer
- Regularly attend staff/team meetings
 - But informal contact important too
- Regular feedback/progress updates
- Identify and resolve potential conflicts of interest
- Monitor take-up, remedial action if necessary

If the project falls behind, you have to re-market or they will forget you. You can't just be a money adviser, you have to be a project manager and a marketing person.

[Project adviser]

Delivering Advice

- Mainly face-to-face by appointment
- Regular pattern of sessions
- Drop-ins not best use of adviser time
- Non-attendance
 - Build trust
 - Personalised letters to confirm appointment
 - Telephone or text reminders
 - Some level of non-attendance inevitable?

It is important not to write people off... these are the really excluded groups. Some circumstances can be acute, beneficiaries with mental health problems, needing 24/7 care. Persistence is part of the process.

[Project adviser]

Working with Housing Providers

- Mainly targeted at social tenants with rent arrears
- Housing officers, rent recovery officers well-placed to act as problem noticers
- Independent advice integral to good practice in managing rent arrears
- Protocols for potential conflicts of interest e.g. once formal proceedings instituted

Case study: Fulham CAB

- Worked in partnership with several housing associations and local authority housing providers to provide debt advice to social tenants.
- Outreach sessions generally held at estate-based housing offices, which tenants were familiar with and used to visiting e.g. to sort out rent queries.
- Housing officers, reception staff and others trained to act as problem noticers but tenants encouraged to make their own appointments to foster ownership and engagement with the advice process.
- The venues operated an appointment system for the project's two advisers. This meant the advisers did not waste time arranging or re-arranging appointments.
- The project reported high levels of referrals and high take-up of debt advice.

Working with Prisons/YOIs I

- Practical and cultural challenges
 - Unfamiliar environment for advisers
 - Restrictions on items allowed in prison
 - Physical access into/around prison
 - Relationships with prison staff
 - Different regimes in different prisons e.g. resettlement vs higher security prison

Working with Prisons/YOIs II

- Delivering advice
 - Lack of interview rooms
 - No mobile phones or laptops
 - Physical access to clients
 - Prisoners don't have ready access to paperwork
 - Delays in follow-up appointments
- What about prisoners' families?

Working with Prisons/YOIs III

- Limited scope to help short-stay inmates
- Advice options limited by lack of income
 - Usually involved freezing debts
 - Release may trigger further action by creditors, so advice required post-release
- Debt repayment for resettlement prisoners in paid work

Case study: CitA OSS

- Delivered debt advice at seven prisons and three Probation Service offices
- Referrals came through the screening of new prisoners but also through self-referrals as word-of-mouth recommendations spread.
- Advisers had to adapt their working practices to the different regimes at each prison. At one resettlement prison, for example, prisoners were allowed to move around freely and onus was placed on prisoners to make their own appointments for debt advice and other services. In higher security prisons, prisoners' movements were restricted and advisers generally had to be accompanied to and from appointments by a prison officer.
- One of the project advisers had successfully fostered links with prisoners' families, as a means of screening for potential debt problems amongst other family members. This was done on a very informal basis, by raising awareness of the outreach service at family days. The referrals generated in this way were largely attributed to the adviser's personality, motivation and commitment.

Other Delivery Partners

- Community finance organisations
 - Credit unions
- Family support services
 - Children's Centres
- Employment support services
 - Jobcentre Plus
- Community-based
 - Health and social care providers, community centres

Phase III Evaluation

Cost and Effectiveness Analysis

- Closed case data comprising 4,885 client records, quantitative monitoring data, LSC administrative records
- **Key results:**
 - Very successful in delivering to financially excluded and 'hard to reach' clients (less than 10% had previously sought advice)
 - Particularly successful in reaching younger, male and non-white clients
 - LSC providers with existing non-outreach contracts able to reach different client compared to those funded by mainstream contracts
 - In 1-year period, pilots gained £1.9m as income for clients

Phase III Evaluation

Cost and Effectiveness Analysis

Outcome	% cases
Payment Plan	34.9 (n=2047)
Debt written off	8.9 (n=519)
Client represented in court	5.2 (n=306)
Increase in month income	7.7 (n=451)
Referral to other advice/support	5.4 (n=317)
IVA	0.4 (n=23)
Client becomes bankrupt	5.0 (n=293)
Avoidance of threat of loss of home	5.0 (n=290)
Securing lump sum	4.4 (n=259)
Avoidance of threatened utilities disconnection	2.6 (n=153)

Results: Cost and Effectiveness Analysis

- Difficulties in meeting performance targets
- Outreach cases tended to take less time and therefore cost less, than standard LSC funded debt work
 - Financial exclusion status little impact on amount of time spent on case
 - Significant predictors of case time: gender, ethnicity, housing tenure, family status, employment status and number of debts
- When costs considered in terms of total project funding, outreach costs more than standard advice
- **Unavoidable costs associated with non-casework outreach activities**

Summary of evaluation: Reaching further

- **Highly successful in reaching out to target groups**
 - Excluded and ‘hard to reach’
- **Multi-dimensional positive outcomes for clients**
 - Debt management, financial behaviour, income, stress
 - Future advice-seeking behaviour
- **Advice moulded to clients and different locations**
- **Success in building new partnerships**
- **Evaluation adds to body of research**
 - On financial and social exclusion, debt
- **Clear picture emerging**
 - Advantages of outreach services
 - Factors that make them a success

Further Information

- **Buck, A., Tam, T. and Fisher, C. (2007)** *Putting Money Advice Where the Need is: Evaluating the Potential for Advice Provision in Different Outreach Locations*, London: LSRC
- **Day, L., Collard, S. and Davies, V. (2008)** *Money Advice Outreach Evaluation: The Provider and Partner Perspectives*, London: LSRC
- **Day, L., Collard, S. and Davies, V. (2008)** *Money Advice Outreach Evaluation: Qualitative Outcomes for Clients*, London: LSRC
- **Smith, M. and Patel, A. (2008)** *Money Advice Outreach Evaluation: Cost and Effectiveness of the Outreach Pilots*, London: LSRC

All downloadable from www.lsrc.org.uk/publications