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# Financial Resilience Broxtowe

## Impact Report – Year 2

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## 1. Executive Summary

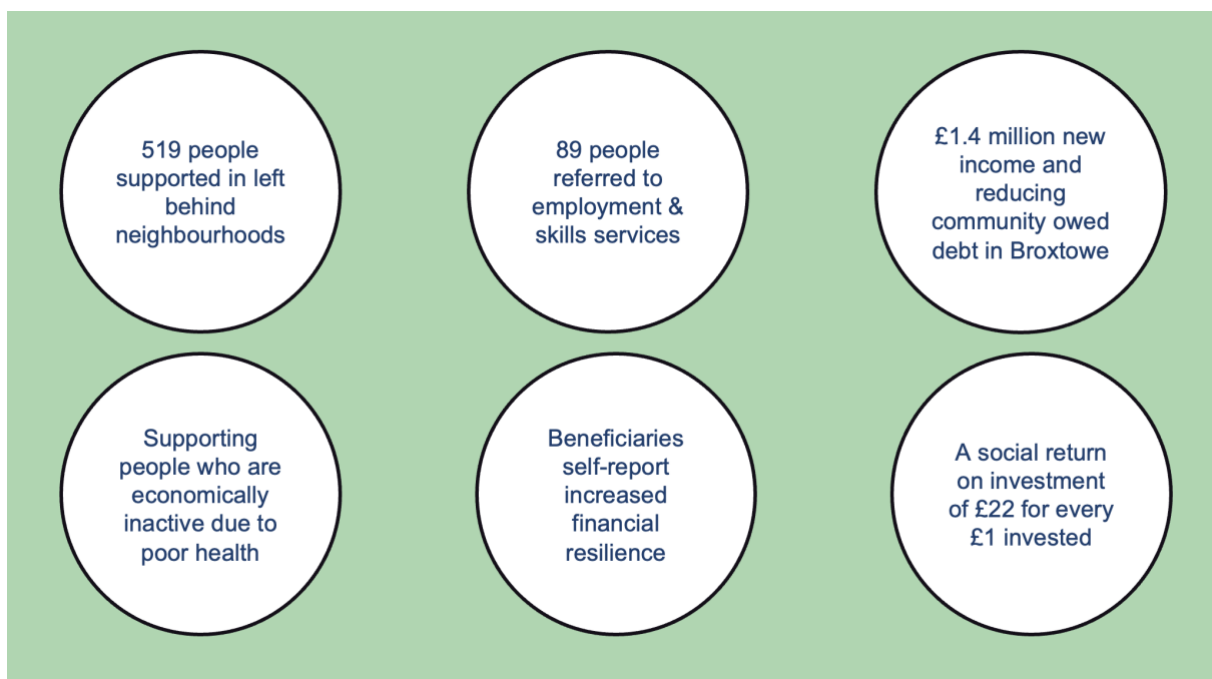
In order to have a fully functioning society, people need the ability to be effective and informed consumers making good choices on what and how they spend, making the most of the money they have. This is of course only possible if they have sufficient means on which to live in the first place and are able to take advantage of the opportunities the economy presents. This is the assumption by which our financial resilience project measures success and to achieve this outcome we have developed a theory of change that is reflected in each beneficiary's Financial Resilience Action Plan.

The project itself is part of a coordinated approach by Broxtowe Borough Council to provide support to residents who require help with financial wellbeing. The whole package included:

- ⇒ Cost of Living Working Group to ensure that services and partners have a joined up approach.
- ⇒ Funding to support Citizens Advice Broxtowe's Financial Resilience programme.
- ⇒ £27,200 of direct support to residents through the Household Support Fund and additional support with the purchase of white goods.
- ⇒ £10,000 extension of the Mayor's Christmas Hamper Appeal to provide warm hampers and items like slow cookers and air fryers to help people reduce their energy usage and stay warm.
- ⇒ £13,000 to support Broxtowe food banks and food clubs.

In evaluating our success in Year 2 of the project we have established some key findings evidenced in detail within this report. They are:

- The project offers effective support to communities which do not traditionally benefit from economic investment and growth.
- it exceeded the projected key performance indicators
- reaches a cohort of people who have become economically inactive due to poor health
- delivered £1.4 million in additional income for beneficiaries
- proactive intervention has lowered indebtedness for the client group
- provides beneficiaries with the skills to manage problems in the future
- improves mental wellbeing reducing isolation and increasing optimism
- 90% of beneficiaries report a measure of improved financial resilience
- 89 people accessed jobs and skills support
- Financial Resilience Broxtowe is a lead partner reducing the level of debt owed by the community in Broxtowe
- a social return on investment of 22:1 or £22 for every £1 invested.



## 2. What is Financial Resilience Broxtowe?

The Financial Resilience programme was based on learning from our Early Intervention (Changing Lives) project that works with clients experiencing severe and multiple deprivation. The principles of that project are to work proactively with clients who experience repeat crises and who's problems are multiple, defined as more than the Citizens Advice average of three problems per client. Each client received an action plan tailored to their needs with defined medium term goals and long-term outcomes. A panel of people with lived experience were involved in the design and scrutiny of the project helping to develop a theory of change.

A comprehensive evaluation process was established to measure the success of the Changing Lives project. What we discovered was that Changing Lives was successful in keeping clients out of crisis and helping them to manage their lives better resulting in improved mental health and general wellbeing. It also benefited stakeholders as many of the clients were mutual to a number of organisations that included the local authority, health and voluntary sector.

Faced with a cost-of-living crisis, evidence was growing that over 50% of Citizens Advice clients had a negative household budget after applying nationally agreed expenditure levels. It was clear that many of these clients were in work but inflation had driven household costs beyond a sustainable level for the household.

What was also clear (from our client and ONS data) is that irrespective of economic investments in the area, the same people from the same communities struggled to benefit from economic growth when it came and remained vulnerable to personal financial crises when the economy was on a downturn.

To quote our Impact and Evaluation Manager: *"The East Midlands and Nottinghamshire has historically enjoyed less strategic investment than other parts of*

*the country and when we do receive investment it seldom trickles down to the most disadvantaged areas in terms of long-term economic outcomes. In short, the people we (Citizens Advice) help due to the financial crisis are the same people from the same community's decade after decade."*

The challenge we set ourselves was to contribute to economic levelling up in Broxtowe. We looked at existing financial resilience partnerships but felt that they only really succeeded in improving networking opportunities for debt, welfare benefits and other advice workers. We could not find evidence of system change. We set out to build our own theory of change based on learning from the Changing Lives project.

The challenges were:

- The cost-of-living crisis had exposed an underlying weakness in household budgets. Just earning minimum wage, even when topped up with Universal Credit (UC) was insufficient. What was required was a shift in earnings capacity if financial resilience was to be achieved. This required increased financial capability matched to the development of new partnerships with employment and skills services.
- The second was the cliff edge in benefits. The income difference between clients qualifying for Personal Independence Payments (PIP) and those who were considered too ill to work but not defined as disabled for PIP qualification is extreme. To achieve financial resilience for those with poor health as a barrier to the workplace we need to ensure they can secure good quality work that is flexible to their needs. For this cohort the benefits system acts only as a safety net.
- With an ageing population the role of carer is becoming increasingly common creating a conflict between care responsibilities and work. The peak age for clients referred to Financial Resilience Broxtowe was the older working age group. This cohort is more likely to be reaching a point of poorer health and acquiring caring responsibilities.

It was at this point that we began to design a personal financial resilience planning process that encompassed all aspects of income, expenditure and assets. With help from stakeholders, staff and volunteers as well as reference back to our Citizens Panel, we identified key swim streams of financial resilience that we would address in each beneficiary's Financial Resilience Action Plan.



Assessment	Issues exposed	Client participation	Partner	Follow-up establish outcome or further action	Log final outcomes
Income	<ul style="list-style-type: none"> <li>Employment</li> <li>Skills/training</li> <li>Benefits</li> <li>Charitable grants</li> <li>Long-term health &amp; dis benefits</li> </ul>	<p>Is client willing/able to consider employment advancement?</p> <p>Establish clients agreement to explore all options</p>	<ul style="list-style-type: none"> <li>Futures</li> <li>CACN</li> </ul>	<p>FRW to contact and conclude actions/survey participation encouraged</p>	<p>Client surveys where feedback has been consented to. Tag on Casebook for 'Employment Outcome'</p>
Spending	<ul style="list-style-type: none"> <li>Consumer (including low income tariffs)</li> <li>Energy (tariffs)</li> <li>Debt assessment</li> <li>Housing affordability</li> <li>Budgeting skills</li> <li>Scams &amp; Fraud</li> <li>Home energy efficiency</li> <li>Tax problems</li> </ul>	<p>Provide client options</p>	<ul style="list-style-type: none"> <li>CACN</li> <li>CACN (possible specialist)</li> <li>CACN (possible specialist)</li> <li>CACN</li> <li>Green Doctor</li> <li>Tax Aid/Tax Help for Older People</li> </ul>	<p>FRW to contact and conclude actions/survey participation encouraged</p>	<p>Client surveys where feedback has been consented to. Tag on Casebook for 'Employment Outcome'</p>
Assets	<ul style="list-style-type: none"> <li>Savings</li> <li>Pensions</li> <li>Home ownership saving</li> </ul>	<p>Provide client options</p>	<ul style="list-style-type: none"> <li>Pension Wise</li> </ul>	<p>FRW to contact and conclude actions/survey participation encouraged</p>	<p>Client surveys where feedback has been consented to. Tag on Casebook for 'Employment Outcome'</p>

At the heart of the project is the principle to remove barriers to all aspects of economic activity. A principle of the design is that everyone should be able to fully participate in the economy as a consumer, saver and ideally as a worker or a retiree having secured economic security in later life.

Initial funding was secured to pilot the project from Nottinghamshire County Council's Local Community Fund. Based on the success of the pilot we were grateful to be supported by Shared Prosperity Funding from the UK Government as part of the Broxtowe UK Shared Prosperity Plan.

This report sets out the achievements and learning from Year 2 of the UKSPF grant.

### **3. Case Study Examples (names changed)**



#### **Study 1 – helping client towards a return to work**

Mike was referred to the project after losing his job. He was finding it difficult to find new work that he could balance with being a carer for his father. He didn't know where to turn for help and was feeling overwhelmed. We initially assisted him with his Universal Credit and carers allowance. Along with receiving support from Nottinghamshire Mind the combined actions helped stabilise his situation financially and he began to feel more positive to a point where we could develop a medium and long-term action plan.

We also checked to establish if Mike's father was in receipt of his full benefit entitlements. This revealed an unclaimed entitlement to Pension Credit.

Essential to enabling the client to begin to look for work again was ensuring a care package was in place. Carers are now coming in to support with day-to-day care for his father, which means he has been able to find work. Income projection calculations were completed so that the client was aware of all the options and the interaction between work and carers allowance.

This allowed him to make decisions about how to balance his commitment to work and his caring responsibilities.

After a meeting was arranged with Futures (careers service) Mike has now been offered employment with additional hours albeit still part time. This means he is no longer reliant on benefits himself and has more disposable income. The additional hours mean that the client and his employer are also contributing to a retirement pension.



## **Study 2 – supporting client to better paid work**

Jennifer approached the office as she was struggling with debt repayments. There were multiple financial resilience issues and we immediately referred the client to a Financial Resilience Worker. An Action Plan was drawn up. The key points of that plan are highlighted below.

Jennifer presented with both priority (council tax) and non-priority debts. A debt appointment was arranged for support to negotiate with her creditors.

The Financial Resilience team looked into Jennifer's situation in more detail. She worked part-time, averaging 18.5 hours a week and also received Universal Credit but this fluctuated monthly because of variable working hours.

Jennifer lived in a 2 bed council property. She is subject to the under occupancy charge for having an extra bedroom. Jennifer is claiming council tax reduction and the single persons discount but still has to pay council tax.

We started by running a benefit check to ensure that Jennifer was claiming all the benefits she was entitled to. We helped the client claim the Big Difference water scheme. Her gas repayment per month was lowered because she was in credit. She was paying a lot for home broadband so was helped to switch to the social tariff as well as being directed towards the Household Support Fund.

Jennifer did not want to consider downsizing her council home to make it more affordable because she was settled there and had good support from neighbours. She chose instead to explore increasing her working hours or getting another part time job.

An appointment was arranged with Futures at our Beeston Office to look at options for alternative employment or extra work to increase her income long-term.

Citizens Advice are able to assist clients in situations such as this helping them make informed decisions about the impact of work on their benefit entitlement. We can offer an income calculation that estimates universal credit and council tax reduction based on earnings and the costs of taking work.

This is a typical case of a working client with a household budget that just didn't balance resulting in the development of priority debts. There was only really one viable option in this case and that was to increase the client's income through increased earnings. With the help of our partnership with Futures we were able to help the client towards that journey.



### **Study 3 – helping a full-time carer improve financial resilience**

Aaliyah approached the office for support relating to poor social housing conditions. However, the holistic approach of our core service exposed multiple problems including low financial resilience.

Aaliyah lives with her adult son who has significant disabilities. She is his main carer and does not work.

Over a year before visiting our office, the landlord had inspected the property and advised structural repairs were needed to prevent black mould. These had never been completed with the result that mould had now become an issue that was affecting the Aaliyah's health.



She had been to her GP with breathing issues. They had written to say the mould was a contributing factor.

Citizens Advice supported the Aaliyah to raise a complaint with the landlord, who went out to view the property again as a result. They have now arranged for the repairs to be completed.

### **Other (financial resilience) actions taken in this case**

#### **Income:**

In discussions over the state of the property Aaliyah advised she was struggling to pay the energy bill and because of this she had not had the heating on much over the coldest few months of the year.

We organised household support vouchers via Nottinghamshire County Council, for the client and her son, to alleviate immediate need, these were worth £120.

We put the client through for the Severn Trent Big Difference water scheme to lower the household water bill.

We ran a full financial check, this revealed that both Aaliyah and her son could claim a severe disability premium on top of their existing benefits.

This extra payment had been due to the clients for a significant length of time and yet had gone unclaimed. The result was that they were both due considerable backdating.

The client is still working with the Financial Resilience team but is now better off by £69.40 a week and has since received the backdated entitlement figure. This has come to over £17,000.

#### **Expenditure**

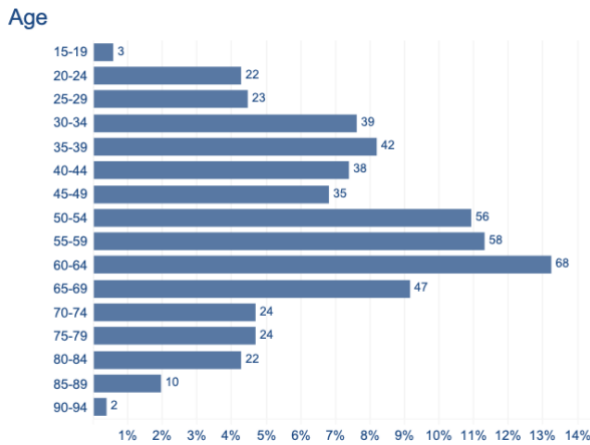
The Financial resilience Worker (FRW) helped the client access home energy insulation which was installed by the council now reducing the mould issues and improving the properties energy efficiency. This referral by the FRW will reduce the client's outgoings on fuel.

The FRW has also worked with the client to reduce their expenditure on communications contracts that were very expensive and supported the client to improve financial capability.

### **4. Project outputs**

During Year 2 (1<sup>st</sup> April 2023 – 31<sup>st</sup> March 2024) 519 clients were supported by the Financial Resilience Team. We identified 2,436 issues (problems) averaging 4.7 issues per client.

The majority of the clients were of working age with a peak at the older working age group 50 – 64. However, the whole spectrum of the working age population was represented.

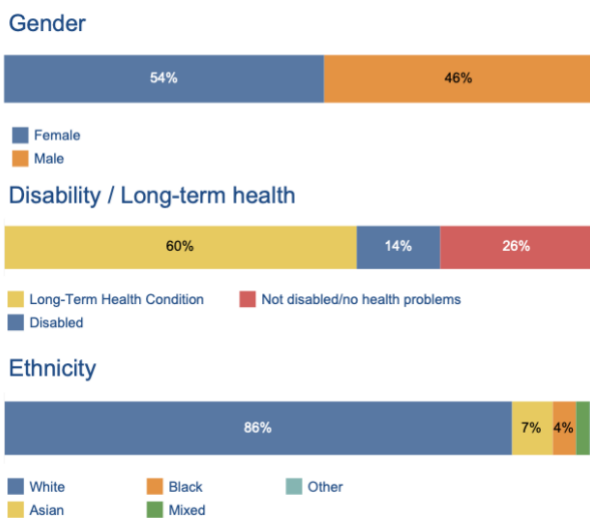


Significantly, 74% of the beneficiaries reported having a disability or long-term health problem putting them firmly in the growing group of people who have become economically inactive since the pandemic. The ONS reports that 21.9% of the working age population are not economically active or seeking work. They state:

*“The annual increase was driven by those inactive because they were long-term sick, which remains at historically high levels (ONS February 2024).”*

Therefore, the project is addressing one of the key challenges our economy faces.

Interestingly there were more female than male participants.



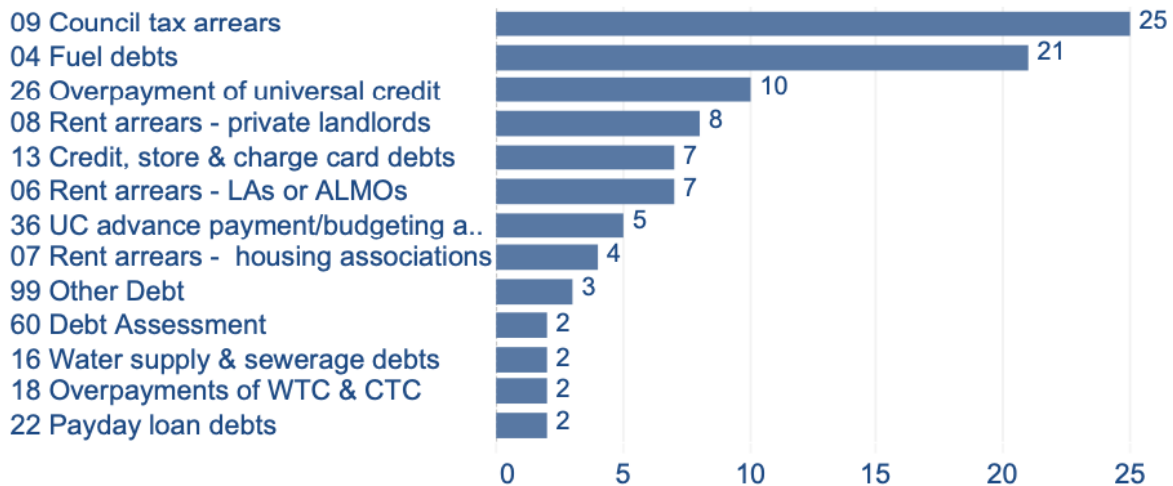
The project has delivered a staggering £1.4 million of total financial gains giving an average gain for each beneficiary of £2,768. This has been achieved by a mixture of welfare benefit claims (the largest area of gains), increased earnings, one-off grants, reimbursements where the client has been overcharged for a service as well as a range of miscellaneous gains.

We know that 50% of our clients' facing indebtedness have a negative budget. The fact that an increasing number of household finances simply don't balance is reflected in the types of debts clients present with. The majority of debts handled by

the project are priority debts with the top two being council tax arrears, closely followed, not surprisingly by fuel debts.

It is worth noting that these levels of debt are relatively low (52 clients from 519) by comparison to other areas. This is reflective of the proactive nature of the project. Clients who are struggling financially are quickly referred to the project before significant debt builds. We feel our proactive approach has driven the system change of indebtedness in Broxtowe reported below.

## Top debt issues



## 5. Stakeholders

This project is built and an existing strong partnership between Broxtowe Borough Council and Citizens Advice but set out to be inclusive of all the partners within the UK Shared Prosperity Plan for Broxtowe.

The project adopted a purposeful approach to stakeholder relationships. Not simply networking but identifying key partners who can add value to the outcomes. The organisation already works closely with the local authority, health and key voluntary sector providers in Broxtowe and wider. Significant work has been undertaken through communications to explain the work of Financial Resilience Broxtowe and generate referrals.

As can be seen from the chart on page 5 that Citizens Advice identified the tasks within each swim stream that it (Citizens Advice) was best placed to deliver and those where a partnership was required to ensure all aspects of income, spending and assets were covered to address each element of the individuals Action Plan. Involvement of people and organisations with the appropriate level of expertise was essential.

Some partnerships were already in existence or there was an established referral process. These included Pension Wise, Tax Aid and Tax help for Older people. Others required more formal development and the offer of delivery from one of the Citizens Advice offices in Broxtowe. In effect creating a one stop shop for financial

resilience. In particular these included Green Doctor and Futures but also our existing specialist debt and housing services.

In developing partnerships, we paid particular attention to organisations that were also delivering within the UKSPF Plan for Broxtowe which in effect made them a preferred provider.

As always with the not-for-profit sector, partner delivery is often less flexible than we would wish due to contractual and grant requirements that create a mismatch between what we envisaged within the Financial Resilience Plan and the constraints created by specific funding requirements (key performance indicators). This is a lesson for future delivery of any financial resilience programmes. Mainly ensuring that the key deliverables to financial resilience programmes are funded within the overall plan.

Despite these challenges the partnerships have worked well and the overall impact is to increase take-up of services like home energy efficiency and employment & skills services. This from a target group that may not have previously accessed such opportunities.

## **6. Outcomes (social value)**

Social Value UK define social value as; *“a broader understanding of value. It moves beyond using money as the main indicator of value, instead putting the emphasis on engaging people to understand the impact of decisions on their lives. The people’s perspective is critical.”* As with all our services and activities we seek to measure the social value of what we do.

**Employment outcomes** – 89 beneficiaries were helped to improve their economic activity through employment. These outcomes ranged from a simple referral for a Futures appointment (36 direct referrals and additional signposting). This support was not only aimed at people trying to return to the workforce but also those seeking to improve their skills in order to positively shift earnings capacity.

Others were directly supported by the Financial Resilience Workers. This support included help with a specific employment issue such as securing reasonable adjustments in the workplace so that they could return to work after a period of illness, help to apply for employment such as CV writing and in some cases accessing help with childcare costs to allow them to increase their hours.

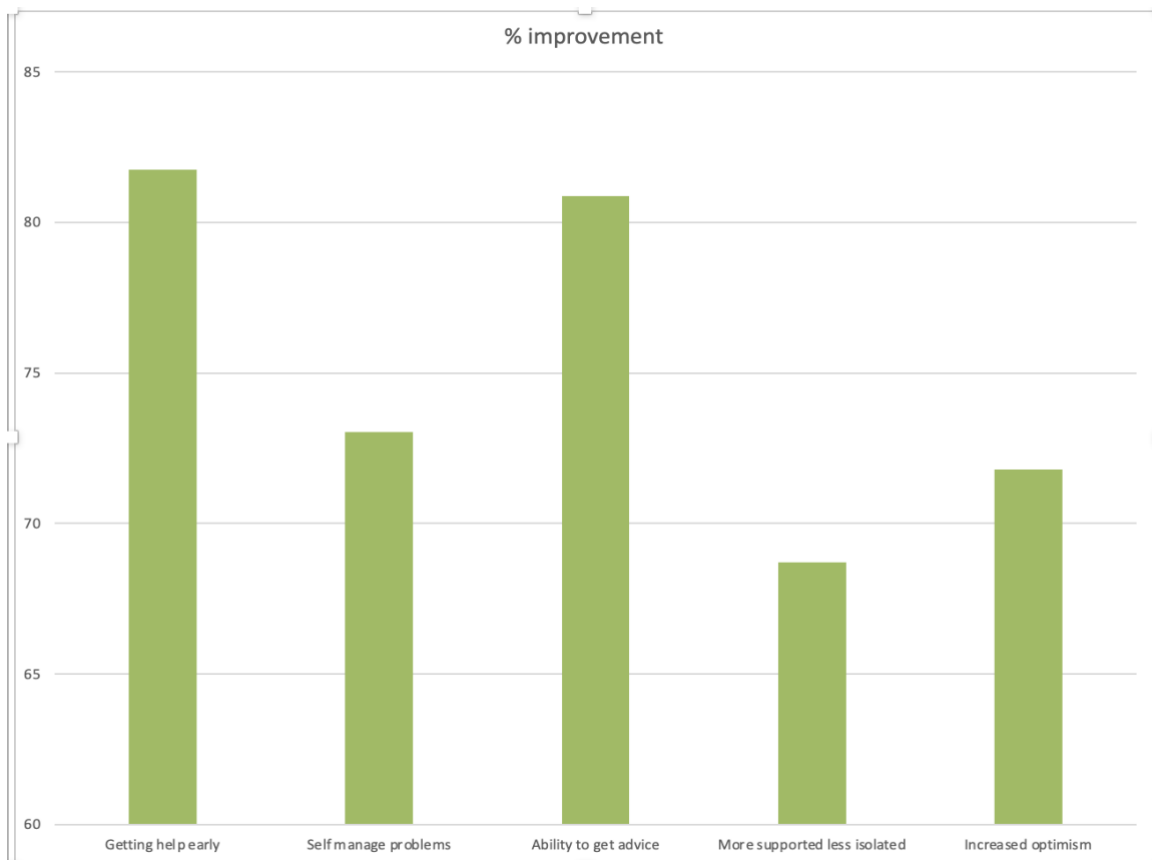
**Client survey** – 23 clients completed our voluntary outcomes survey. Feedback on the way we deliver support was largely supportive of our approach to offer the first contact in person. Just over 75% of the respondents told us they prefer to receive help face to face whilst 25% expressed a preference for telephone contact. We recognise that the latter may be preferable when work and caring commitments restrict attendance. In reality we maintain a flexible approach to the delivery channels with most clients receiving support through a mixture of communication channels.

## How we contribute to early intervention and wellbeing outcomes

Project participants were asked a series of wellbeing questions to identify if the advice they received increased their ability to manage problems in the future, access help before a crisis emerges (early intervention) and knowing where to go for help.

In all cases a positive response was received with an average score of 81-73% improvement.

We also asked about some key indicators of mental wellbeing. The beneficiaries told us that they felt more supported and less isolated (68%) and more optimistic about the future (71%). These findings offer an indication that the project can contribute to public health outcomes.



Improvement measures	% improvement	Survey score
Know when to get help early before crisis	81.73913	4.086957
Ability to self-manage problems	73.04348	3.652174
Ability to get advice when needed	80.86957	4.043478
Feeling more supported less isolated	68.69565	3.434783
Increased optimism	71.8	3.59

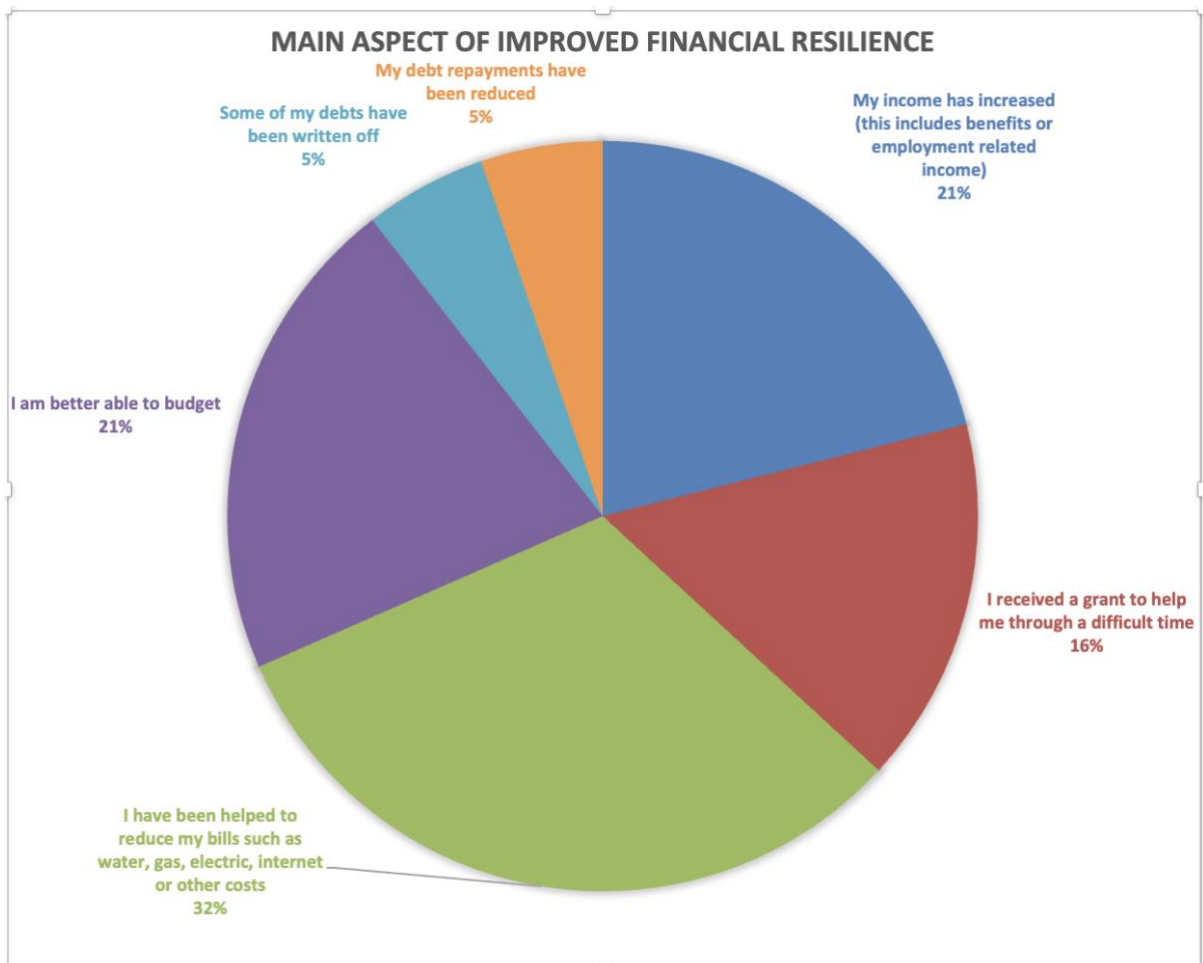
In terms of the beneficiary's self-perception of improved financial resilience over 90% self-reported an improved financial resilience measure. When asked to state what is the main area of improvement 53% chose the option of 'being better able to budget' or they had 'been helped to reduce their household bills.' This is of little surprise

given that there is good evidence from our own data and that of The Money and Pensions Service (MaPS) that financial capability and not just income is a key determinant of financial wellbeing. Put simply, the poorest people are most likely to pay more for goods and services. MaPS state in their 'Analysis of the relationship between deprivation and financial wellbeing 2021,' that; *“even when we accounted for income, we still found people in more deprived areas had lower financial wellbeing.”*

Even so, since the start of the cost-of-living crisis Citizens Advice nationally have reported that 50% of debt clients have a negative budget after expenditure was adjusted to reflect reasonable levels (the standard financial statement). Therefore, it is not surprising that our work to maximise income, be that through work or the benefits system is the next most reported reason why beneficiaries feel their financial resilience has improved.

Increased income and one-off payments to get them through a tight spot is the most common reason why financial resilience has improved (37% combined).

This is why the holistic approach of our model, income-spending-assets is so crucial to the success of the project and long-term outcomes for clients.

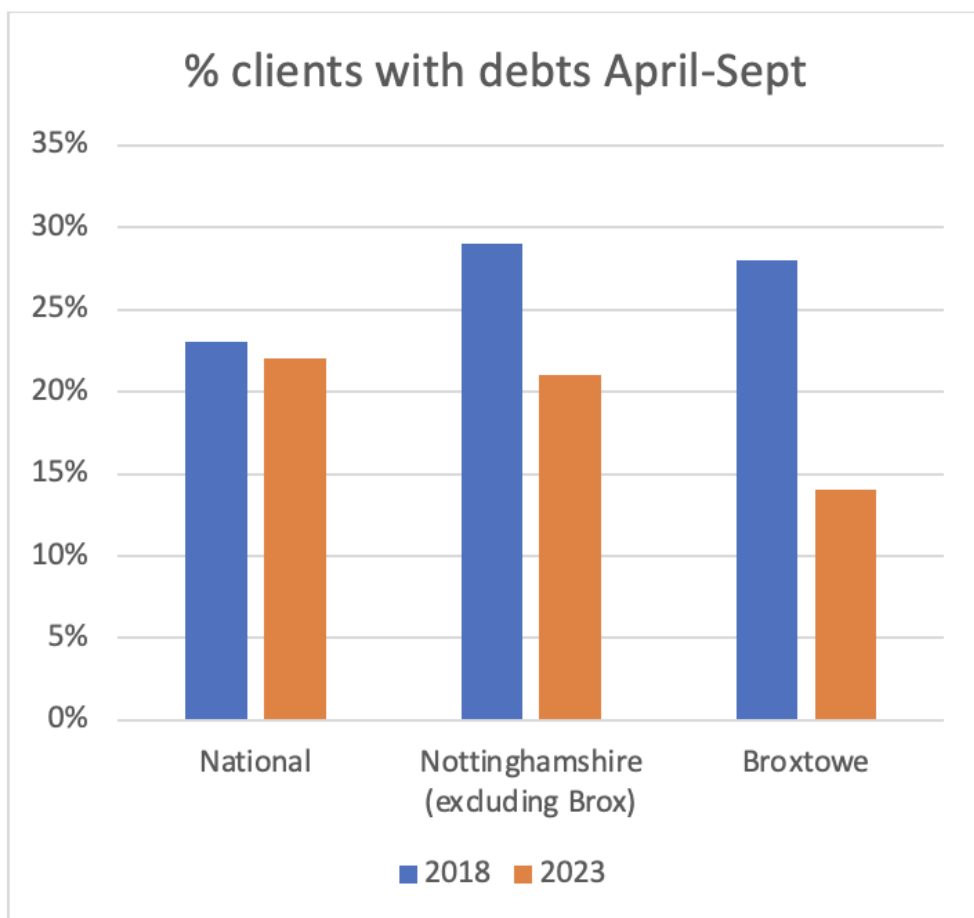


What is the main improvement on your household budget?	Responses
My income has increased (this includes benefits or employment related income)	19.05%
I received a grant to help me through a difficult time	14.29%
I have been helped to reduce my bills such as water, gas, electric, internet or other costs	28.57%
I am better able to budget	19.05%
Some of my debts have been written off	4.76%
My debt repayments have been reduced	4.76%
	<b>90.48%</b>

**Changing the debt landscape in Broxtowe** – In November 2023 we reported on how the project had significantly reduced the number of people approaching Citizens Advice services in Broxtowe who were in debt. The evidence suggested system change thanks to the Financial Resilience Broxtowe project and the collective actions taking place in the Borough that focused on our partnerships with Broxtowe Borough Council’s housing and revenues and benefits teams. For the purpose of this report, we have updated the data and reviewed the evidence.

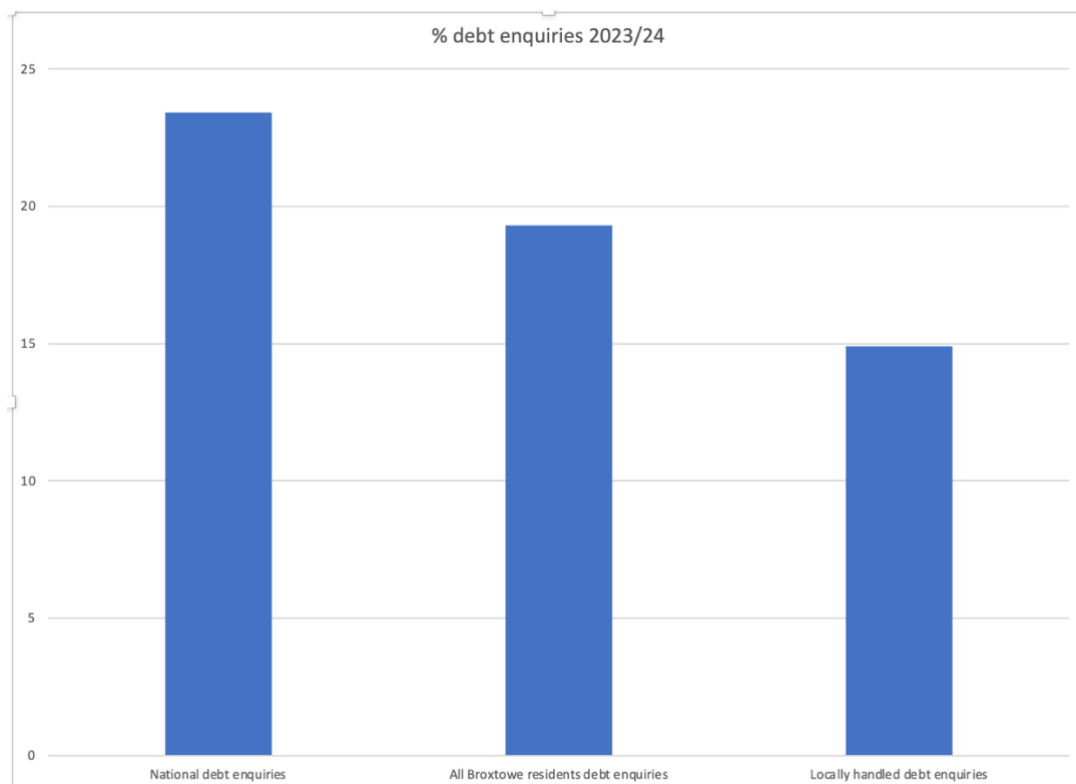
Nationally the percentage of clients seeking help with debts from Citizens Advice stands at 22%. In Nottinghamshire (excluding Broxtowe) the figure is 21%. In Broxtowe that figure stands at 14%. This represents a 36% reduction in debt clients in Broxtowe over the same period.

(data taken from Casebook reporting 17/11/2023)



We carried out further research because these findings could not be explained by local variations. We discovered that debt rates in Broxtowe were roughly in line with the Nottinghamshire figures pre-pandemic (2018) levels at 28% (Broxtowe) to 29% (Nottinghamshire). These were both higher than the national average for the same period (23%). There was a national drop-off in debt clients during the pandemic, mainly due to reduced enforcement actions and additional government support for people on low incomes. Nationally demand for debt advice picked up again as the cost-of-living crisis began to bite with a return to pre-pandemic debt support provided by Citizens Advice. The national upward trend has not been reflected in Broxtowe post pandemic. Through implementation of our Financial Resilience model, we have reversed the trend driving the percentage of debt clients in a downward trajectory. We can only explain this by the organisation's early intervention approach for people facing both financial exclusion but also those who experience severe and multiple deprivation.

During May 2024 we reviewed the current debt data to give us a full picture for the 2023/24 financial year and to include data for debt enquiries from Broxtowe residents who contacted Citizens Advice at a local or national level. What the data shows is that debt levels in Broxtowe for all residents, irrespective of whether they accessed local or national Citizens Advice debt services is lower than the national average, 19.3% compared to 23.4%. If we apply the data for debt enquiries handled locally this figure is much lower, 14.9%.



We believe this change has come about thanks to a joined up approach within the UK Shared Prosperity Fund Plan for Broxtowe with key shareholders working together but largely coordinated by Financial Resilience Broxtowe's work. This has enhanced the partnership working that was already taking place with Broxtowe



Borough Council’s housing and revenue & benefits departments. At a Citizens Advice operational level the data supports the general early intervention approach.

## 7. Performance against KPIs

Output/outcome	Actual	End of year target
Total clients FRWs	519	410
Employment & skills support	89	50
Client self-rating of Improvement in Fin Res	90%	80%
Financial gains	£1,436,808	£400,000

## 8. Measuring social return on investment (SROI)

Measuring our social return on investment is challenging. The Cabinet Office of the Third Sector described SROI in the following way:

*“SROI measures change in ways that are relevant to the people or organisations that experience or contribute to it. It tells the story of how change is being created by measuring social, environmental and economic outcomes and uses monetary values to represent them. This enables a ratio of benefits to costs to be calculated. For example, a ratio of 3:1 indicates that an investment of £1 delivers £3 of social value”.*

We know from the collection of data (our outputs) and evaluation (our outcomes) that the project is having a positive impact in a number of ways that will certainly result in economic outcomes for the not for profit and statutory sector as well as the local economy. However, there is real difficulty in measuring the monetary value of these without drifting into speculation. These tangible benefits include:

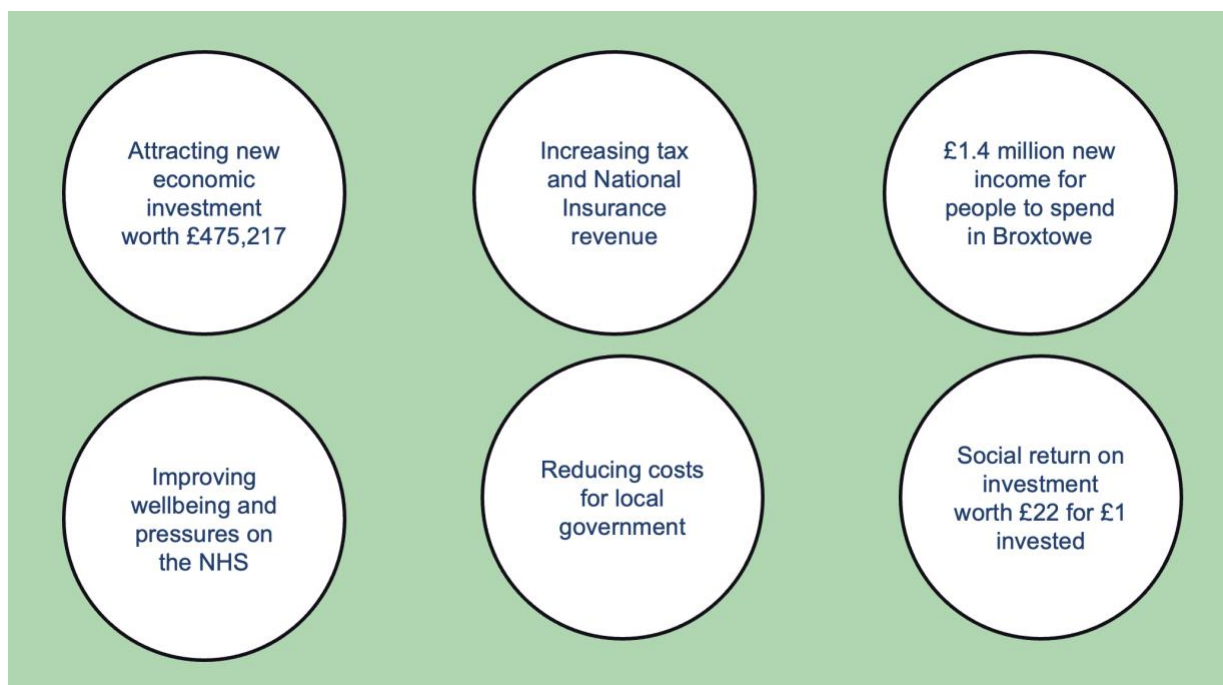
- client employment outcomes that result in increased government revenue
- employment outcomes that result in reduced welfare benefit claims
- helping other not-for-profits fulfil contracts through increased referrals rates to our partners operations
- increase in revenue to local government through clients being able to meet their financial obligations to pay rent and council tax
- reduced indebtedness to local government (rent & CT arrears) and the cost of enforcement
- improved wellbeing resulting in savings for the NHS

Citizens Advice Central Nottinghamshire continues to make the case for investment in the resources to fully evaluate our SROI to include the outcomes as described above.

There are however some monetary gains that are measurable. For example; new investment into the county through evaluation & impact of the project that has led to the funding of similar projects in Ashfield and Newark & Sherwood, jobs created

(project workers) and the additional revenue they pay to the government (tax and NI) and the financial gains we secure for project beneficiaries.

Based on these calculations we estimate that during Year 2 the project achieved £22.56 for every £1 on UK Shared prosperity Fund invested (or a ratio of 22:1). But as we say, this may be the tip of an impressive iceberg.



**Below is the measurable social return on investment.**

	Number	Value	Formula
New investment - Ashfield/N&S	2	£ 475,217.00	New grants based on evidence of project
Client income gains		£1,400,000.00	Financial gains for clients
Government revenue from Jobs created	2	£7,732.00	Tax & NI revenue
Total		£1,882,949.00	
<b>Client deadweight calculation</b>		<b>£420,000.00</b>	<b>30% of client gains</b>
Adjusted value		£1,462,949.00	
Difficult to measure values not included: health improvements reduction in cost to NHS/keeping people out of statutory intervention (debts/courts/crime reduction).			

Grant value Year 2	£64,850.00
<b>SROI</b>	<b>£22.56</b>

**Neil Clurow**  
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**Citizens Advice Central Nottinghamshire**

**June 2024**