

The Community Financial Inclusion Project

Final Report



THRIVE (supported by Church Action on Poverty)

October 2010

Contents

Executive Summary	4
Section 1: Background to the Project	6
Existing services	6
The need for the project.....	7
Main objectives of the project.....	8
Main outcomes of the project	8
Section 2: Action research methods	9
The Sustainable Livelihoods Approach	9
Mentors.....	11
Section 3: Delivering the project	12
Volunteer Mentoring and Support	12
Reviewing the Method.....	13
A positive outcome	14
Section 4: Households in profile	15
Being out of work.....	15
Health.....	16
Informal working.....	16
Debt.....	17
Referrals to services.....	19
Section 5: Meeting Outcomes	20
1. Improving health and wellbeing	20
2. Developing community networks.....	21
3. Community actions and civic engagement.....	22
4. Working with other agencies.....	23
5. Financial Capability Training and support	23
6. Action to tackle financial exclusion	25
7. Action to tackle predatory lending	26
8. Action on energy.....	29
9. Resistance to change	33
Conclusion	36
Future Delivery of the Community Financial Inclusion Project.....	37
Appendix 1: Feedback from events	39
Appendix 2: Livelihoods Baseline Assessment	40
Appendix 3: Warwick Edinburgh Mental Health & Well-being.....	45
Appendix 4: Example of a household interview.....	46
Appendix 5: Lender Investigation.....	49

NOTE:

eaga Charitable Trust has contributed to the funding of the research but the conclusions and views expressed should not necessarily be taken to be the views of eaga Charitable Trust or those of other funders.

eaga Charitable Trust would like to acknowledge the Friends Provident Foundation as a partner funder of the Community Financial Inclusion Project

The names of interviewees in this report have been changed in order to protect their identity.

Sharon Gollan Associates

Tel: 0191 3892888

Email: info@sharongollanassociates.co.uk

Web: www.sharongollanassociates.co.uk

eaga Charitable Trust

PO Box 225

Kendal, LA9 9DR

Tel: 01539 736477

e-mail: eagact@aol.com

Website: www.eagacharitabletrust.org

Thrive

Thornaby Methodist Church

Stanstead Way

Thornaby

Stockton-on-Tees

TS17 9DZ

Tel: 01642 769570

email: mail@thrive-stockton.org.uk

Introduction

In January 2010, Thrive commissioned Sharon Gollan Associates to produce a report on the extent to which Thrive has met its objectives in developing and delivering its Community Financial Inclusion Project. The following report outlines what the project has achieved in its pilot year and highlights how it has helped people to make positive changes in their lives.

Executive Summary

Thrive is a community-based initiative, established by and with the support of Church Action on Poverty, working to tackle poverty and exclusion in the borough of Stockton-on-Tees. Thrive has been developed in collaboration with local churches, community groups, and people with direct experience of poverty and disadvantage.

In 2008, Thrive embarked on a programme of action research, focusing on financial inclusion in some of the most deprived areas of North East England. Thrive's own previous research (supported by a survey by Experian carried out for the Financial Inclusion Taskforce) showed that areas within Stockton-on-Tees suffer significant levels of debt and financial exclusion. Thrive developed a Community Financial Inclusion project - which received funds from **eaga Charitable Trust** and Friends Provident Foundation to develop relationships with people experiencing poverty so that practical solutions could be found to help them tackle the problems that were important to them.

To help address these problems Thrive used a Sustainable Livelihoods (SL) framework - an anti-poverty initiative used by Oxfam and the UK government's Department for International Development (DfID), which aimed to get alongside people experiencing poverty and to understand the strategies they use to 'get by'. Using this framework Thrive set about showing that poverty isn't only about money, it's about a lot of other factors too: good health, access to services, a decent living environment and good social networks and support mechanisms.

Thrive engaged **50 hard-to-reach households** on to the project and recruited and trained **fifteen local people as volunteers** to work with them. Some of the volunteers had themselves experienced financial exclusion firsthand, which brought a more understanding approach to the project and to their success in mentoring individual householders to access a range of support agencies. Taking people as a starting point and looking at their strengths instead of needs, mentors began to highlight the 'gaps' between a household's situation and services at different levels.

After one year of the project, 31% of the 50 households involved recorded a positive change following a number of interventions by Thrive. Interventions such as developing social bonds and links with others had positive impacts for local women; introducing them to a social group (Women of Thornaby) **improved the self-confidence and esteem** of a number

of women **leading to improved access to services** such as the Credit Union or Five Lamps. **Improved wellbeing** was also recorded by those that took part in community assemblies. The project established social bridges amongst different cultural, faith, ethnic, interest groups and different generations, and between and across the different neighbourhoods that the householders live in. These bridges encouraged local people to collectively take action against a disreputable doorstep lender, to take the lead on a community safety issue, to resolve longstanding issues with the Job Centre and to take on civic engagement activities.

Other interventions by Thrive included developing positive social links, highlighting appropriate services, and working closely with a range of agencies to deliver activities, projects and initiatives within the community, where historically those agencies have found it very difficult to have real engagement or 'buy-in' from local people. Overall the unique holistic approach of the project has empowered a number of households to manage a more sustainable financial future for themselves through mentoring, establishing social networks and building trust and confidence.

Overall, of the 50 households in the project, 37 were referred to a range of services in order to establish social networks and build social capital, most frequently to services that provide advice about more sustainable financial practices and services. Significantly, there is more positive feedback from householders about how they were able to manage their finances more confidently, or take an alternative approach to shopping such as using bonus points/saving schemes, learning to assess their own need and 'doing without', or meeting people 'just like them,' than there is about how much their individual debt has been reduced.

Through this approach, Thrive was able to demonstrate that inclusion is about **local people creating change**, and that tangible changes can be achieved in a relatively short space of time. The project brought people together to share experiences, **to develop communities of trust and learning**, and to take action against companies and agencies that profit through poverty. The benefits of this scheme have been in giving people more confidence in their actions about what they do and their approach to managing money, as well as just paying off debt. Many of the households can now make informed choices about their future finances because they have the confidence to do so or at least have the confidence to ask. In this, Thrive achieved what it set out to do; to have people living with poverty and disadvantage **moving towards financial inclusion by changing their behaviour, using their own assets and engaging more confidently with financial services.**

Section 1: Background to the Project

Thrive is a community-based initiative established by Church Action on Poverty¹ (CAP), which works to tackle poverty and exclusion in the borough of Stockton-on-Tees. Thrive exists to provide the borough with support for people living in poverty and has been developed in collaboration with local churches, community groups and people with direct experience of poverty and disadvantage. It is supported by key public agencies including the Mayor of Stockton, the local Director of Public Health and local MPs.

Stockton-on-Tees suffers significant levels of debt and financial exclusion according to Thrive's own previous research within households in two disadvantaged neighbourhoods. This is also supported by a survey by Experian carried out for the Financial Inclusion Taskforce.² The Experian report placed the borough on its 'amber' list of authorities, as an area with significant unmet need for affordable third sector credit. This was in spite of a range of local initiatives such as the Citizens Advice Bureau (CAB) Tees Credit Union (TCU), CAP, and others attempting to address financial exclusion in the area. Household surveys identified the specific problem of so-called "hard to reach" groups – people not currently being reached by existing services such as financial advice, banking and affordable credit. This was also confirmed by the national evaluation of the Financial Inclusion Fund's debt advice programme, and by the Experian survey.

Thrive received funding from eaga-CT to further develop relationships with people experiencing poverty, so that practical solutions could be identified to tackle issues and disadvantages that households themselves prioritised. The project also aimed to help households to develop sustainable solutions to financial exclusion. It also aimed to bring together existing services in the area, in order to complement and consolidate the services that were available to excluded people.

Existing services

Previous research had outlined that many services set up to help financially excluded people were operating 'in silo' and as such, support for clients might often only address one particular aspect of their financial problems. Thrive's programme aimed to identify gaps in existing services and to develop a means to address them, thus ensuring that key service providers - that included agencies such as Stockton Citizens Advice Bureau (CAB); Stockton-on-Tees Advice and Information Service - became involved in the shaping of services available to their clients.

¹ Church Action on Poverty is a national ecumenical Christian social justice charity, committed to tackling poverty in the UK. They work in partnership with churches and with people in poverty themselves to find solutions to poverty, locally, nationally and globally.

² Experian and the Financial Inclusion Taskforce (2007) "*Mapping the demand for, and supply of, third sector affordable credit.*" : www.hm-treasury.gov.uk/d/research.pdf

Other service providers included:

- Tees Credit Union - a community bank governed by the Financial Services Authority, open to anyone living or working in the borough of Stockton and run by volunteers supported by paid staff, operating from convenient community locations across the borough
- The Five Lamps³ - a leading regeneration business offering a number of services including personal loans

Being responsible lenders, both Tees Credit Union and The Five Lamps spend a lot of time signposting and referring clients to other agencies that are able to offer alternative support and assistance, when a loan is not the answer. As part of their work to improve services to members they also work closely with CAB, Tristar Homes, Stockton Borough Council and are part of a Financial Inclusion Forum⁴ (FIF) that brings together a range of partners from the voluntary and statutory sector to raise the profile of services, and of financial inclusion in general, to enable greater partnership working.

The need for the project

Thrive's earlier research had identified areas where they might provide complementary services and add value to existing work delivered by other key providers. This could include helping people to find out which service they might need in the first place, providing them with the information to use financial services and by helping people to build upon the positive aspects of their lives. Simple positive actions might include supporting people to use and attend the CAB's debt counselling service; in practical terms this might be encouraging them to make the phone call and escorting them to the CAB office.

Thrive also recognised that service providers are often only able to tackle one particular aspect of a financial problem. In a typical CAB debt case, caseworkers would help a client to draw up a budget, identify how much disposable income was available, and negotiate a realistic repayment schedule with creditors. As a means of reducing debt, CAB can help clients in a number of practical ways. However, the service is unable to further explore interrelated issues such as why clients are facing financial exclusion, the pressures they face to take on new debt or indeed how they might survive without debt. Thrive's project aimed to work with people that need help, referring them to agencies such as CAB but also

³ The Five Lamps Organisation is a registered charity and one of the largest community led social enterprises within the North East. Established in 1989, the Five Lamps provides a holistic approach to economic and social renewal.

⁴ Financial Inclusion Forum is a cross-agency community strategy known as Infinity, set up in 2007, which meets monthly and consists of a number of different organisations including: Third Sector Organisations, Housing Associations, Stockton Borough Council, Barclays Bank and Job Centre Plus.

providing the background information that could make a great deal of difference as to whether the clients are able to remain debt-free.

The project also involved monitoring clients to make sure they were not vulnerable to other external pressures. For example, if a client leaves the CAB service after clearing their debt through a payment scheme, there was no means of monitoring to see if the circumstances that led them to debt had been resolved; whether they could manage their finances afterwards; or indeed cope with the pressures that had placed them in debt.

This posed a significant problem for those people that could be targeted by less-reputable lenders, where easy available credit meant that there was a strong possibility that they would relapse into further debt. It had been found that some clients took advantage of the CAB service to ‘wipe the slate clean’, then simply took out more credit. Essentially, existing advice and support services were found not to have the resources to be as fully embedded in the community in the way that many less-reputable lenders were. Thrive’s project aimed to fill this gap making direct contact with people experiencing financial difficulty to direct them to the appropriate support agencies, and by tackling head-on some of those issues that had led people into poverty.

Main objectives of the project

Thrive aimed to demonstrate that by working to bring into action the social assets (the relationships people create to address the needs of everyday life) that exist even within areas of relative deprivation, they would be able to engage with people who are regarded as “hard to reach” by other agencies. The Thrive project was to run for one year, with the objectives being to:

- Work with partner agencies to **train 15 volunteer mentors** in advocacy, befriending and engagement
- **Engage 75 households** (75–200 individuals) through monthly visits, as well as signposting and other service interventions in between, to assess their strengths and needs, and help them develop strategies for getting by
- **Share findings** with partners and financial service providers locally
- Enable volunteers and households to **engage directly with financial service providers**
- Explore the creation of a **task group** to continue the work at the end of the pilot project
- Produce a **report** to share research findings and new ideas nationally.

Main outcomes of the project

Thrive also aimed to establish ongoing engagement with households that do not normally participate in neighbourhood groups or existing structures – those who are deemed to be

'hard to reach' by existing agencies in the borough. It was intended that people living with poverty and disadvantage would be enabled to **move towards financial inclusion by changing their behaviour**, using **their own assets and engaging more confidently with financial services**. Similarly, the action around financial inclusion aimed to **bring people together** so that **communities of trust and learning could be formed**. Local people were to have a central role in and ownership of the process, one of the key characteristics that set Thrive apart from other regeneration schemes.

Outcomes of the project would see individuals benefiting from:

- Improved **self-confidence** and esteem, leading to improved access to services
- Improved **mental health and wellbeing**
- Reduced levels of debt and financial exclusion
- People living with poverty and disadvantage are enabled to use their own experience to develop **innovative solutions** to the problems they face
- **Providers of financial services in the borough** are enabled to improve their provision, through involvement with a strong, informed group of citizens
- **Improved service access and delivery.**

Section 2: Action research methods

The Community Financial Inclusion project began in November 2008 as a 12 month project that saw Thrive promoting the use of sustainable financial 'products' in relatively deprived communities. At household level, the project aimed to help people identify what their personal priorities were and recognise the positive assets they had, so that they might concentrate on the issues they felt were most important to them.

The project aimed to promote practical solutions to the issues that people themselves had highlighted, and then empowered them to solve their problems, or to engage with the service providers that could help them do this, or to find a better way of getting what they needed. Thrive explored whether people could be helped in a sustained way to address often entrenched behaviours, by an approach which also enabled them to build their own assets at the same time; assets such as confidence and self-esteem having friends, membership of groups or networks, counselling, health care, etc. This approach is known as the **Sustainable Livelihoods Approach**.

The Sustainable Livelihoods Approach

The Sustainable Livelihoods Approach was brought to the UK by international development organisations such as Oxfam and the UK government's Department for International

Development (DfID). It has been used extensively in international development⁵ to get alongside people experiencing poverty and understand the strategies they use to 'get by', as well as understanding the structural issues or barriers such as lack of training, skills, education, fewer suitable job opportunities etc. which stop them from doing so. Since 2005, Oxfam and CAP⁶ have been working with local partners to pilot the approach in the UK, to explore whether it offers any new insights into UK anti-poverty work.

Thrive's Community Financial Inclusion Project implemented the Sustainable Livelihoods Approach at community level. It took an holistic and 'people-centred' approach to regeneration rather than a traditional needs-based approach, and built upon existing community and household strengths, so that people might be better equipped to survive in difficult times. Thrive noted in previous research that many financial inclusion strategies attempted to tackle financial exclusion without dealing with other forms of disadvantage that make people 'poor'. Thrive's approach provided a framework for understanding how people's situations are also shaped by non-financial assets such as personal health and confidence, social networks, physical assets, and public assets and services. By understanding this broader context and by working intensively with people themselves, Thrive aimed to develop interventions that were more effective and sustainable than would be possible through an approach that focused only on financial assets.

Thrive's previous work had successfully drawn upon lessons from 'lived experience' and created opportunities for socially excluded people so that they might participate in the social and economic life of their area and the borough. Research identified the critical role played by social networks that helped people to cope and adapt – particularly as a way of helping them to access appropriate services. The report on their research and associated work has been published as '*When Ends Don't Meet.*'⁷ By understanding this broader context, and by working intensively with people themselves, Thrive developed more effective ways to give people the confidence to manage and sustain transitions from survival to coping, adapting and eventually to accumulating 'assets.' These accumulated assets include:

- Human – **skills, knowledge, education, ability to work, health**
- Social – **membership of groups, networks, family, friends**
- Physical – **homes, tools, transport, access to information**
- Financial – **income, benefits, cash, savings, pensions, other assets e.g. jewellery etc**
- Public – **libraries, parks, public transport, other public amenities**

It was by investigating these assets within households that were financially excluded that Thrive sought to develop longer term strategies to help tackle poverty within the community.

⁵ See www.livelihoods.org

⁶ May et al (2009) *The Sustainable Livelihoods Handbook* Oxfam & Church Action on Poverty

⁷ Orr et al (2006) *When Ends Don't Meet* Church Action on Poverty & Oxfam

Thrive recruited an independent researcher to develop qualitative and quantitative output indicators at the outset of the project. These have been used to gather various data as part of the assessment framework. Mentors carried out 'Livelihoods' interviews with households using the **Livelihoods Baseline Assessment**⁸ developed by Andrew Orton, Durham University, to provide a robust evaluation tool for the project. Thrive's Community Financial Inclusion Project also aimed to improve people's wellbeing through making their livelihoods more sustainable. One of the tools used to assess this was the **Warwick-Edinburgh Mental Wellbeing Scale**⁹ which clients completed at the first interview. The form was then completed again following the interventions to track a client's improvement on the scale to provide evidence of distance travelled. The results from all the scales will be assessed on a population basis as part of a report into another Thrive project which is focussing on mental health.

Mentors

Using the Sustainable Livelihoods Approach framework research method, Thrive planned to collect information about the households that could then be used to plan interventions, to empower the households to develop effective strategies for increasing their financial and other assets through social networking, civic engagement and building social capital. Thrive's approach was to use 'participatory action research' or 'action by doing' – with the intention being that the participating householders themselves were involved in the research and collaborated in the action for change.

The approach was to use a combination of methods that included the use of volunteer mentors being placed with participating households, assessments of each householder's lifestyle and livelihood, and the development and referral to training programmes. Volunteers would be recruited from a variety of backgrounds that included local financial service agencies and householders that had formerly been involved in Thrive's research projects.

It was envisaged initially that 75 households would be engaged in the project, with 15 mentors working closely with five households each over a one-year period. The volunteer mentors themselves would receive advocacy, befriending and engagement training and then meet with hard-to-reach households through a number of channels. Through initial questioning and then by ongoing engagement for the duration of the project, they assessed the strengths and needs of each household individually by using the Sustainable Livelihoods Framework i.e. human, social, physical, financial and public assets¹⁰, and then plan interventions or actions with the householders that they would feel comfortable doing. This approach combined two elements:

⁸ Appendix 2

⁹ Appendix 3

¹⁰ See Appendix 4: Example of Household Interview

- Prevention – intervening to help people before they reach crisis point
- Continuity – supporting people to continue making the right financial decisions once they've sought help

During the year, Thrive would use the assessments that the mentors has produced to plan interventions and 'actions' within the community on issues that had a direct bearing on the ability of householders to cope with their lives i.e. safety and employment issues, and to improve livelihoods.

Section 3: Delivering the project

Previous research had recognised that the livelihoods of householders –including debt and ill-health – were intrinsically related to wellbeing and surroundings. Thrive aimed to undertake community level action to tackle financial exclusion by bringing together people sharing similar problems, and by involving key agencies to help provide more solutions. This would include looking at lending practices, working with agencies to resolve issues, and recruiting clients to training and/or other support groups. Mentors played a significant role within the project in collecting and collating the information from householders and assessing their needs. The mentoring also included providing longer term support for the clients such as helping them make phone calls or referring them to agencies.

Volunteer Mentoring and Support

In order to complete assessments and to develop household mentoring, a team of 15 volunteers were recruited at the start of the project, from a variety of backgrounds including a professional, retired group who were involved in community action research, volunteers from the local CAB, partner agencies, students from Durham University and former household 'interviewees.' The use of volunteers who had also themselves experienced poverty and disadvantage was seen as vital to the relational aspect of the work. The main role of the mentor was, after an initial interview lasting 2-3 hours, to visit clients about once a month on an informal basis and build up a relationship of befriending and trust.

Mentors were able to offer households one of a combination of the following interventions or actions following an initial interview and assessments:

- Signposting and familiarising households with financially sustainable products such as bank accounts, credit unions, CDFI, advice services and CAP (but *not* providing financial advice)
- Help in take-up of Ebico energy products
- Help with budgeting

- Help with accessing services, e.g. taking them along to the credit union for the first time
- Providing moral support and encouragement
- Tracking CAB clients for “journey travelled” – how far they have come as a result of CAB intervention
- Telephoning CAB offices and accompanying clients along to the offices.

Mentors also undertook livelihoods appraisals, assessing the financial assets of each household at the start of the project, and then tracking their progress away from financial instability.

Reviewing the Method

Within six months of the project start, it became apparent that there were two limitations to the planned approach. Firstly, it was planned that 75 households would be engaged in the research within the one year period. However, due to the complex, unpredictable and often vulnerable nature of some of the households involved in the research and the length of time it took to establish relationships of trust, there was larger than anticipated drop off rate from households who previously had indicated their willingness to be involved. There was also a smaller than anticipated number of referrals from financial agencies and other partners.

To counter this, Thrive managed to involve households in the project from links with community, health, faith and social services contacts. It was also agreed that there would be a reduction in the number of households in the project from 75 to 50 which, it was felt, was a more realistic target. Establishing contact with householders had taken longer than anticipated and maintaining contact with some of the most unpredictable householders had proved challenging within the time period.

This early review highlighted practical challenges for future research and a valuable lesson learnt was that it was not possible to presume or predict that people would accept new ways to tackle old problems; establishing social relationships and building up trust over time is an important aspect of researching communities.

The second limitation to the approach concerned the use of volunteers as mentors. The volunteers also had a higher drop-off rate than anticipated, mainly as the demands of intensive research exceeded the commitment that some volunteers were able to give. Some found that doing the research was more difficult than they had originally realised and the required follow up visits, which they undertook in conjunction with an initial Sustainable Livelihoods interview, were too onerous. Furthermore, the amount of time required to engage with households proved too much for some volunteers given their volunteer status (unpaid), their other personal commitments and the amount of time they were able to give.

The mentors, for example, visited householders and talked with them for 2-3 hours at a time.

Overall, the level of skill and dedicated time required was underestimated in the original proposal and therefore at the end of the project there were 3 active volunteers and 4 available in a support role (i.e. accompanying other mentors and the project manager). The volunteers, however, brought a range of other skills and training that were really effective within the project. One such volunteer included a former trainer of bailiffs who previously worked for Mental Health Matters and was also undergoing CAB debt counselling training. This volunteer was placed with financially vulnerable clients.

The recruitment of community representatives (interviewees and householders in previous Thrive research) as volunteer mentors was also a very positive step. Thrive was able to use the experience and local knowledge of these volunteers to help access hard-to-reach households, while the volunteers gained new skills and confidence. One particular volunteer had previously suffered from mental health problems and, as a formerly financially excluded person herself, found the training and work with Thrive to be invaluable and, in her case, life-changing.

“I suffer with depression...I became quite isolated and going to this group has built my confidence. This time last year I was admitted into hospital because of depression where now I’m going round, I’m talking to people. I’d never dream of doing this and it’s given me the confidence to want to go into college and train...”

A positive outcome

The mentors were considered an integral part of the research action project in that they were able to work with householders within their own environment. The unique holistic approach of the project enabled mentors to develop relationships of trust with households, to bring together social networks and build social capital within the group of householders and signpost them to services within the borough.

This approach successfully established social bonds amongst the householders and also led to some of the householders joining a women’s group called ‘the Women of Thornaby’ (WOT), which had been set up in an earlier project with Oxfam’s UK Poverty Programme

The Sustainable Livelihoods framework gave mentors the opportunity to establish social links whereby referrals could be made to the service providers in the community and/or decision makers, allowing the householders to exert an influence and reach resources outside their usual circles. Overall this approach empowered a number of households to

manage a more sustainable financial future for themselves through mentoring, to establish stronger social networks and build trust and confidence.

“It felt good talking and opening up about what happens in my life.”

Section 4: Households in profile

The Sustainable Livelihoods assessments revealed a range of strategies developed by householders themselves to cope with restricted finances and also highlighted worrying behaviour from lenders. Mentors interviewed 50 households, focussing on the different assets people needed to build a sustainable livelihood - a way to ‘get by.’ The following section provides a profile of the households in the project.

Being out of work

From the assessments, the lifestyles and livelihoods of the householders were charted, which showed that of the households within the project:

- 11% of people were working
- 4 people were in full-time work
- 4 were in part-time work
- 15% of people were actively looking for work
- 21% were carers for children or for a significant ‘other’
- 32% had a physical or mental health problem

Figure 1 shows the employment status of the householders and also indicates the reason for their being out of work.

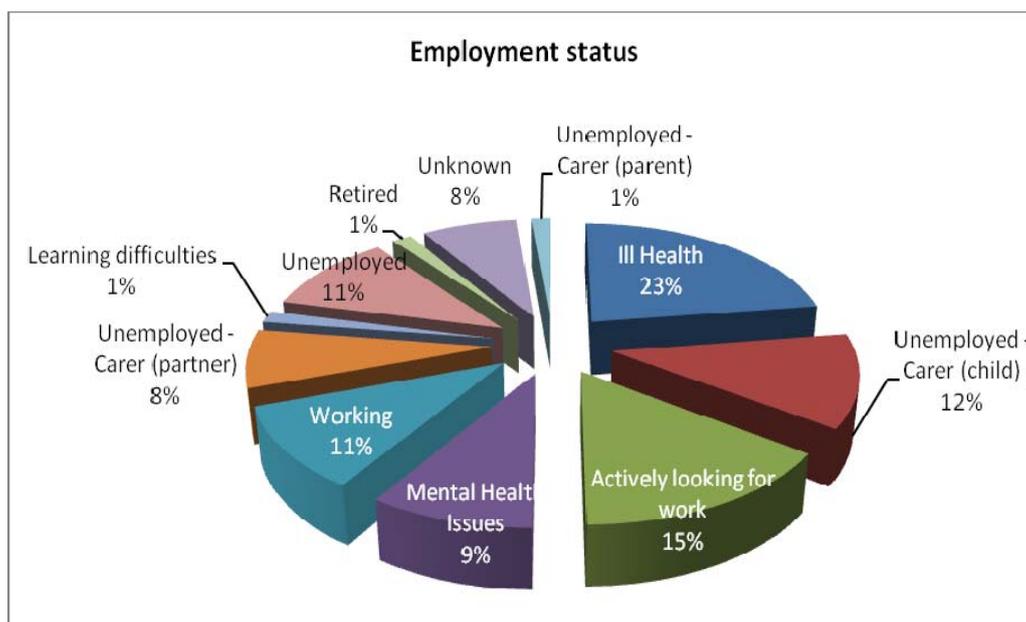


Figure1. The employment status of householders

Health

For the most part, assessments showed that depression was cited as the main reason for the incidence of mental health problems. In other assessments, householders stated that they were 'on the sick' or had ill-health, which they later described as depression. Reasons for depression for men included being bereaved, stopping smoking, bullying at work and redundancy. Three women had suffered post-natal depression, one suffered depression following domestic abuse and three following the breakdown of a relationship. Other catalysts mentioned were debt, falling out with a family member and having to care for a relative. In some cases the depression was caused by a combination of circumstances.

Informal working

From the interviews, there were many instances of householders wanting to work - indeed 15% were actively seeking work but felt and feared that their income may be adversely affected in doing so.

“When he was working we had nothing at all... we were worse off with him working.”

It was evident that working for cash in hand i.e. the 'informal economy' was one of the strategies that some used to cope with living on a low income.

'Peter'

'Peter' has had some work with a local business. One of his strategies has been to get cash-in-hand work for this. He later 'went formal' with them. He earned £130 per week with this and he says he liked it because they didn't take away too much of his housing benefit, and he could rely on the money.

Many people stated that they would prefer to be able to work 'officially' but the rate of pay was too low for them to be able to survive once their benefits had stopped.

“If you work full time, they take it [tax credits] off you anyway.”

Some householders worked 'off the books' at times when they needed cash urgently i.e. at Christmas, or to pay off outstanding loans or to cover emergency debts such as higher than anticipated fuel bills etc.

Others stated that their lack of qualifications meant that the only jobs they could go for were low-waged, which again meant that they might be financially worse off as benefits such as Housing Benefit might be reduced. Housing Benefit appears to be the source of income that, if reduced or stopped, could cause most financial difficulty.

“R...has got no qualifications...we wouldn't be able to survive on a normal wage.”

“My advisor at the job centre says it's no good you getting a job if you're going to be worse off.”

Debt

The research found that debt problems were often related to broader factors that were beyond the realm of householders i.e. they had no influence on them. In such instances, debt could be related to external factors outside of a person's ability to pay, such as the rise in energy bills, the benefits system, antisocial behaviour, and even the Job Centre.

'George'

'George' is 42 and has been working in his present job at a local factory for about 5 years. He says it's "borderline" whether it's worthwhile for him to work, as he has to pay "full rent, full council tax, full everything" but "you've got to have a decent work history." He kept doing more vocational courses, including plastering and sage accounting, when the children were younger as "I learned a long time ago the worst thing you can do is have a gap [in your CV] and it was more to keep myself in with it and keep the benefits off my back." He's had a varied work history and you "go where the work is". George was in rent arrears, which he's now starting to pay off but only because his rent has decreased from £100 to £85. His arrears started due to a period between jobs, when George 'fell foul' of the benefits system. He had handed in his notice in expectation of starting a new job but which was subsequently delayed. Despite his not receiving an income, the Job Centre claimed he'd made himself unemployed and told him "there's nothing we can do about it".

Credit, however, also played a significant part in the householders' financial exclusion. 73% of the people interviewed had a hire purchase debt or doorstep loan and in some instances were taking out more subprime loans to pay off those that became urgent. One householder described it as "robbing Peter to pay Paul." Incidents of predatory lending were found to be commonplace in the lives of households interviewed. The assessments highlighted the fact that in most instances the taking on of loans and HP appeared to be an accepted and even entrenched behaviour.

"You couldn't blame the lender, could you?" one householder reflected. "But they do shove it in your face like and if you're in dire straits, you're gonna take it."

Typically, doorstep loan companies appeared to be advertising and targeting people that would find it difficult to secure a loan from high street lenders, had poor credit rating, could not prove their income, were in arrears or had County Court Judgements against them. These subprime loans often had extremely high levels of interest attached to them. But it was remarkably easy for householders to secure loans and the householders often had a pragmatic approach to it:

"Christmas before last I got a doorstep loan ... but P___ they come to your door, round about Christmas and go on and on and on at you."

Within the 50 households, the debts ranged from:

- High street banks loans
- Door-step loans
- Hire purchase
- Loans from family members
- Housing rent arrears
- Council tax arrears
- Energy bill arrears.

Figure 2 shows the percentage of debt by type that householders had taken on.

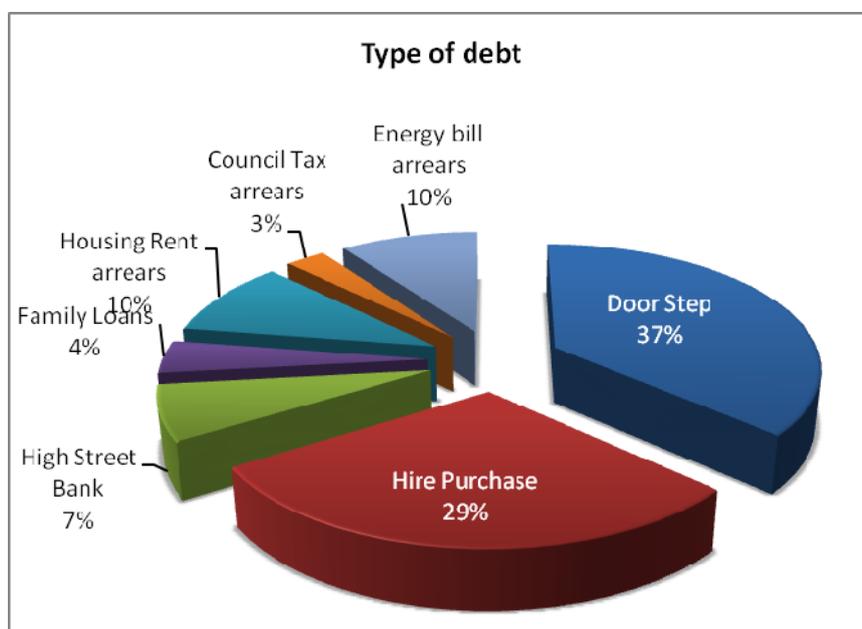


Figure 2 Debt by type

Similar sorts of accepted lending patterns were evident in the way energy bills were paid i.e. householders might take the payment method that was easiest for them to acquire, rather than the best rate or tariff. The level of debt owed in energy payment arrears was also not insignificant. 10% of the households who disclosed energy payment information had energy arrears for instance, ranging from £600 to £4,700. The amount paid on pre-payment meters was weather dependent; the average was £10-15 per week when the weather was good and £20-25 when the weather was bad.

Table 1 shows the number of households (who disclosed information) obtaining their gas and electric via the most expensive option – key and card pre payment meters.

Way of paying energy bills	Number of households
Pre-payment Key/Card	28
Quarterly Bill	4
Not disclosed	18

Table 1 Number of households using pre-payment cards

Whether the debts were short-term or longstanding or the bills expected or unexpected, factors beyond the households' control often contributed significantly to householders' vulnerability and isolation. From the action plans drawn up from the Livelihood Assessments, Thrive was able to refer householders to a range of different services for advice and to address the financial exclusion.

Referrals to services

Of the 50 households involved in the research, 37 households were referred to a range of services, amounting to 74%. Table 2 shows the type of service provided through partnerships with other agencies involved in the Community Financial Inclusion project, as well as the numbers of referrals made to each service.

Type of Service	No. of referrals
Financial Capability Course (CAB run)	34
Five Lamps	4
Aspire	2
Stockton Welfare Advice Line	3
Tees Credit Union	21
Debt Counselling	7
Citizens Advice Bureau (CAB)	13
Tristar Debt Management	1
Police	2
ASB Team	1
Stockton Residents' Association	2
Counselling	4
DSS Mentor Support	1
Bereavement Counselling	3
Harbour Project	1
Entitledto.com	1

Table 2 Number of referrals to each type of service

By far the most frequent referrals have been to the Financial Capability Course with 34 referrals and to the Tees Credit Union with 21 referrals. These referrals were seen as an important aspect of changing the behaviour of householders to use more sustainable financial practices. Referrals to other services were lower in numbers but the range of

referrals points to the complex needs of households and the interrelationship between the social and financial aspects of their lifestyles. For instance, the referrals to the police, the Anti-Social Behaviour Team (ASB) and the Stockton Residents' Association were related to antisocial behaviour issues that were having an impact on a number of householders' health, wellbeing and finances (see case study 'Clare', page 21).

Referrals to bereavement counselling were also made where the loss of a child or parents was directly affecting the health and wellbeing of the householder, and in turn their ability to cope with finances and day to day living.

Section 5: Meeting Outcomes

The assessments and interviews undertaken by the volunteer mentors were used to build profiles of the households involved in the project and to capture the emergence of issues that were particular to these financially excluded people. Some of these issues form the basis of the following case studies, which show the key themes emerging through the project and the interventions made by Thrive to address them.

1. Improving health and wellbeing

Emerging from the assessments was that a major factor in people's **inability to work and earn, was their health**. Only 8 adults of working age were in employment; 32% of householders had health issues with depression being the most frequently cited. Thrive established that those who stated they were suffering from depression often disclosed that they lacked confidence, had reduced social networks or were lonely. Most of these were women.

'Julie'

'Julie' lives with her husband and 2 school-aged children. Both adults are out of work and reluctant to leave the house, due mainly to a fear of creditors calling. They have been taken to court previously for non-payment of debt and are currently in arrears with their rent and other overdue sub-prime loans. "I'm happy with my family unit but it's nice to have adult conversations. We have adult conversations but now we're both out of work, both doing nothing, both stuck in the house, what can we find to talk about?"

Thrive's intervention aimed to help to improve networking amongst the householders by facilitating social networking amongst some of the female householders and encouraging them to join WOT. WOT aimed to help women by encouraging social interaction and to lower feelings of social isolation. Simple actions such as getting out of the house once a week to meet and talk with women in similar situations **helped to build confidence and self esteem**.

'Helen'

'Helen' had been on anti-depressants before she fell pregnant with her latest child. She says that going to the WOT group has been good as it's "getting out talking to people. Good to just talk to someone." She enjoyed the tips on money-saving and "it's picked me up a little bit and everyone's dead friendly."

Activities such as running stalls, cooking or becoming involved in the committee have provided an opportunity for the group members to self-organize and this in turn contributed to their sense of responsibility, empowerment and purpose. Furthermore, the WOT group provided a platform that other agencies could access in the financial inclusion project, such as the CAB and Tees Credit Union, to provide courses and advice on sustainable financial practices, and to reach more people.

"It got me out the house on a Wednesday afternoon. The trips n that. It's teaching me to start opening up a bit more...even if what you've got to say has nothing to do with the group, you can just say it."

2. Developing community networks

Through the assessments, it became apparent that for many there **was a feeling of shame or embarrassment**. People needed to feel that they were not alone, that there was someone they could talk to so that they did not feel so isolated. Isolation brought with it feelings of worthlessness and being unable to cope. For some householders, having the support of the mentor provided them with the impetus to access other services. Householders were referred to a range of organisations, which helped to establish stronger community networks. For instance, referrals to the CAB for its debt advice service produced some very positive feedback.

The sense of ownership and of being in control of one's finances and being able to navigate one's own way through financial obstacles, was seen as a very positive step for many householders. Householders referred to CAB for debt counselling reported that they felt "reassured" after receiving advice and Thrive's intervention. After Thrive's mentoring support, one commented, ***"I learnt that there are people out there who can help with debt matters and other matters in life."***

'Elaine'

'Elaine's' wellbeing was severely affected because she had a number of subprime loans which were causing her to worry as she said "I was waiting for the bailiff". Due to Thrive's ongoing mentor support and a referral to CAB for debt counselling Elaine now has her financial situation under control. Of her referral to CAB she said: "Enjoyable - it brought hope. I feel much, much better – many thanks. I feel stupid that I put it off for so long. Thrive is a good initiative there is nothing like it."

3. Community actions and civic engagement

During the year there were **issues involving community safety and employment**, where households involved in the project benefited from Thrive's intervention. These interventions related directly to an ongoing issue of antisocial behaviour that was adversely affecting the health and wellbeing of a number of householders.

In a neighbourhood in Thornaby, six households involved in the Thrive project were experiencing antisocial behaviour associated with a games area located near their homes. Thrive intervened in this community safety issue by providing resources for the householders to meet and share their problems and to give the householders a voice. Thrive's intervention recognised that in situations like this, the livelihood of householders – including debt and ill-health - is intrinsically related to their wellbeing and surroundings.

'Clare'

'Clare' had experienced ill health and this had a profound effect on her lifestyle. Having fallen and injured herself she was off work on the sick, which led to a cycle of debt resulting in rent arrears of around £800. Part of the debt arose when she withheld her rent in protest at the way her life was being adversely affected by the anti-social behaviour of local youths. Clare had complained that nuisance noise and threatening behaviour of the young people gathering round her house was "torture" that was affecting her health. "[Thrive Project Worker] helped me through my worst time with it...he definitely helped me. He involved our estate in the meetings."

In this instance, antisocial behaviour problems experienced in the physical environment surrounding the neighbourhood appeared to greatly affect the ability of some residents to manage their lives. Indeed, environmental issues appear to play an important role in a person's ability to cope. Thrive engaged with six householders in this particular neighbourhood who were affected by the antisocial behaviour **to look at solutions and to empower** them to take appropriate action.

4. Working with other agencies

Emerging from the assessments was that householders felt that they **were unable to communicate effectively** with other agencies, about issues that affected them. The Thrive Customer Involvement Group (CIG) - a task group involving householders referred by mentors - was established to raise these concerns with local agencies. The Group highlighted issues that related directly to clients' ability to correspond with and communicate with external agencies such as Job Centre Plus. CIG met with the Job Centre in July 2009 with four issues of concern to address with them. Feedback had shown that people within the project households often felt overwhelmed and/or 'worthless' when it came to dealing with them. CIG was able to bring the following recommendations:

- Respect towards Job Centre Plus clients,
- Improved signposting to relevant agencies if a client has other issues such as debt or child care,
- An appearance record to monitor attendance at Job Centre Plus
- An improved message/information system such as a jobs fair board at the entrance and a LED system to alert clients to any delays.

As well as tackling issues that the householders felt adversely affected their wellbeing, the group members later also described a sense of belonging, of worth and the realisation that they were not alone.

"I've never been to anything like that before...interesting. It was good listening to other people's stories. You don't know what other people are actually going through...it felt good talking and opening up about what happens in my life."

"I learnt much about what may be coming up from Job Centre Plus and the readiness of the management to accept a number of our suggestions. It makes you feel more worthwhile that our ideas to improve the system will in several cases be implemented. This is the most positive use of Thrive time."

"It was good knowing that Job Centre Plus were listening to what we had to say as a collective and that they are going to take the necessary steps to rectify things."

5. Financial Capability Training and support

From interviews, Thrive was able to identify patterns of behaviour that householders were falling into in relation to their dealing with debt. Assessments **showed entrenched behaviour** used by householders who then found it difficult to manoeuvre out of financial difficulty. Research showed that households often planned to get out of debt by switching between different financial products or restructuring their payments. In many instances,

householders felt that they had no control over their growing debt. Households rarely used the CAB however, even though debt problems were often quite significant.

The positive partnership between the CAB and Thrive led to the development of a rolling programme of Financial Capability classes which helped support people to use financially sustainable products. 34 households were referred to these classes.

'Mary'

Mary is over 50 years old, widowed, and lives in social housing in Thornaby. She has worked previously as a cook and a cleaner but now is unemployed. She has two children but neither is dependent on her. She has health problems as she suffers from asthma and arthritis and consequently she receives Incapacity Benefit. Mary is struggling to balance her finances; she has door step loans and HP debts but she feels she has them more under control since she was referred to Five Lamps for advice and support. Mary's weekly income is £90. Her outgoings include:

- *£45 per week in door step loans*
- *After paying £600 for a laptop from a doorstep lender she still owed two years payments and so she sent it back*
- *£147 for a television stand that she has been repaying for over a year and still owed £120*
- *Electric meter key for which she pays £6 a week*
- *Quarterly gas bills of approximately £130*

Mary was receptive to referrals for financial advice: "Because I'm sick of picking money up on a Wednesday and by the time I've paid everything out I've just got nothing left to live on. Robbing Peter to pay Paul... I'm just sick of it! The financial training gave me more confidence as the leaflets showed me what I could go to court for and things you couldn't and looking at that I thought: 'that's not too bad.' The outcome wasn't as bad as I was picturing. I thought I was going to end up inside [prison]. That helped in that area. ...I want to focus over the next couple of years to get out of debt."

While at Five Lamps, a local voluntary sector service, Mary felt confident to take up training in IT, Maths and English. She enjoyed this and is now considering an Open University course:

"I think I would like to get into work. I know I'm getting on but still a bit of work life left in me.....Yeah, even if it is just filing, something lower level, just getting me back into work and not necessarily office work, just something where I'm not doing heavy lifting. Or wherever that leads...it may lead nowhere. At least I feel like doing something and building up my confidence."

FC Classes were available for those particularly affected and debilitated by debt caused by exceptionally high interest rates on borrowings. These classes were not merely about CAB

‘wiping the slate clean’ of debt obligations **but increasing the financial capability and wellbeing of clients in the longer term through positive choices**. The topics covered included priority and non-priority debts, affordable credit and budgeting. Participants in the course were assigned to mentors to continue their support after the programme. Participants said they found the work both empowering and informative.

The success of the programme was seen to be the availability of practical ideas that could help householders to budget effectively. While householders assessed what constituted a ‘priority’ and non-priority’ debt, CAB negotiated affordable repayment plans with their creditors.

‘Anne’

‘Anne’ has a weekly household income of £162 that comprises Income Support £102, Child Benefit £22 and a job that pays £40. Anne decided after taking the course that the £40 she gets from her job would be her food money. Her coping strategy is to make a food shopping list and stick to it. It seems to be a small step but this decision, made by the client herself, is empowering and guarantees at least that the family has food for the week rather than to pay a non-priority debt. “The CAB course was alright – found out what was a priority debt and what was non priority: rent, gas and electric - priority; catalogues and doorstep lenders - non priority. One can chuck you out; the other can add more money on.”

Another positive aspect of the training was that it was able to effect a **change of behaviour** for some householders with regard to borrowing and debt, which will have a much longer lasting impact than merely clearing their debt.

“I learned what was non-priority and priority. The budgeting did help.”

‘Fiona’ said they were moving away from high interest debt and when prompted about the reasons for this change in behaviour she said ***“It’s only since you got involved with us.”***

“Once I would just get this catalogue but I won’t be doing it again. I used to pay it direct debit – since the course I’ve stopped that now and now pay just what I can. This is because they told me it’s a non-priority debt. I am better off in a way. They were taking [money] out my bank – one month they could take £140, the next month £180. I might only be getting in £40 - £60 per month.

6. Action to tackle financial exclusion

The interviews highlighted an aspect of financial planning that is not always incorporated into debt management plans - having to **change attitudes to borrowing**. It became apparent that while many householders were very aware of a wide range of subprime lenders they

could use, they weren't aware of more reputable sustainable lenders. Whilst most households were aware of the cost of extortionate credit, they were unaware of sustainable voluntary sector financial products or organisations, such as the Credit Union.

'Jenny'

'Jenny' is in unsustainable debt. She says that: "We've been paying them [doorstep loans] off for ages trying to get out of debt." For her family, £80 of their £140 weekly income is spent on three doorstep loans with three different companies that collect on the same days as they receive their income. They have paid off P___ and Jenny says of doorstep credit: "It's extortionate isn't it?"

Assessments also provided indications of reasons why households might take on debt e.g. an 'expected' debt or 'unexpected' debt. Unexpected debt might cover emergencies or having to pay for things such as school trips for the children; expected debt includes buying Christmas presents, etc.

Thrive's intervention was to have householders look at alternative borrowing options. For example, many householders took out doorstep loans every Christmas to cover the cost of presents etc. Providing an alternative means of saving or indeed promoting reputable agencies to borrow from, has helped to change some householders' financial habits. Another householder also used doorsteps loans to cover Christmas spending but following Thrive's interventions and the FC course they got a loan from Five Lamps who offered instant loans at lower interest rates. The loan came with advice on financial planning and cheaper borrowing.

Training about cheaper borrowing options and also about starting early, looking for bargains/cheap shops, saving clubs, was particularly popular:

"I have been paying into a savings scheme at the off-licence for the last two years and then I can buy cans, bottles and chocolates for presents and it's convenient. You don't miss it over the year.

"I also use Tesco quite a lot and get the club card points. And my mum and her friend give me their points. They had an offer this week - two bottles for £20 - so I got a bottle of Baileys for my Mum and a bottle for my brother for Christmas."

7. Action to tackle predatory lending

Emerging from the Sustainable Livelihood household assessments was a worrying **pattern of predatory lending** by a particular hire-purchase company (stated here as B___) which was becoming a problem for many households in the borough. Examples of their lending practices include charging 49.9% APR and taking £2500 for a television which could be purchased new for approximately £900. Thrive found this company operating in

approximately 25% of the households that were interviewed. Companies such as B___ were also targeting families that were living in poverty, offering them more credit.

'Jane'

Jane is paying B___ about £70 every 8 weeks. There's a fault with the television but that would cost £60 to fix. Watching the television costs £1 for every three hours' viewing and she sometimes has to ask the neighbours if she can borrow a pound. She says she likes the convenience of B___ though she knows "it's extortionate".

In response to this, Thrive established a task group to challenge the current lending practices. The group included long-term customers of hire-purchase companies who had paid out thousands of pounds in interest over and above purchase price. The group met with lenders, private companies and media to highlight current practices. They explained their experiences and the financial impact that it had on their households. The action led to a cross-sector, media initiative that highlighted extortionate lending practices aimed at economically excluded people. The task group began an awareness campaign to alert families of the potential cost and dangers of buying from companies such as this. Individuals affected by this company began working with the local MP, Tees Credit Union and media to tackle the problem.

This element of work sets the Thrive project apart from other financial service providers as it is not merely alleviating the symptoms of predatory extortionate interest companies, but challenging these companies through a publicity and awareness-raising campaign. It has succeeded in **bringing people together to build networks of trust and develop solutions with local agencies** that have the influence to be able to effect change.

"You know the things I've got from B___ and P___? The poor seem to pay a lot more for things, if you know what I mean! I thought it [FCC course] was good - the options are there for you. I look at it as something I've got to get myself out of. I don't intend to get any more."

When B___ turns up to take money from these customers, they are now more aware of their rights and able to challenge the collectors. At the very least, they are able to make an informed choice. One former customer said that it is through the involvement of Thrive and the community mentors that they are now moving away from using these companies.

'Carol'

'Carol' shares her rented home with her husband and 30 year old son - both of whom have health problems and take medication and morphine to help control their pain. Carol is their main carer and also often looks after her grandchildren from her other three children. The family has been greatly affected by other life events including the loss of the family business, a bankruptcy and the son's break up of a previous relationship. The loss of the business had a profound impact on the family's wellbeing.

Carol's husband rarely leaves the house. Carol has had a variety of work experience - firstly running their family business, then latterly as a care worker. Ill-health and low wage meant that she found it difficult to continue working when her family became ill. Carol has a number of vocational qualifications and she had been attending classes in an effort to keep her mind active.

Carol's finances had become a great worry to her; she had a number of sub-prime loans and HP debts, which she was really struggling to keep under control. With support from her volunteer mentor, Carol began attending the financial inclusion training with CAB and set about sorting out her debts. She also set up an account with the Credit Union. Her strategy now is to pay off more debts and then plan to save a little each week with the Credit Union. She states that she's been able to buy gifts for the grandchildren for Christmas where in the past she'd have taken out a loan to cover it. She's been offered more credit by other companies but she's refused it. She became more involved in working with Thrive's task group that was taking action against predatory lending practice.

Carol became a key speaker in a community action on predatory lending and took part in the Radio 4 programme "You and Yours" talking about the hire-purchase company B___. She also met with Dari Taylor MP along with representatives of the company to discuss issues. B___ sent two senior representatives to Carol's house about a month later where, supported by her mentor, she was able to challenge them. She later received a very dismissive letter from them. Dari Taylor asked some questions of the finance ombudsman and got a reply which Thrive has filed. In reviewing the way she manages her finances now, Carol states: "...everything only lasts for a time. I mean, on my list I need a new fridge freezer. B___ sent me a catalogue - in it is a fridge freezer to die for...if it hadn't been for Thrive and the financial inclusion training I'd have gone for it."

According to householders involved in the project, their involvement in this initiative has significantly increased their confidence. They are now a key element of a group working with service providers in financial services from the voluntary sector.

Thrive has also organised civic engagement activities during the year such as an assembly that was attended by around 100 people to discuss issues that affected them. Such community events were invaluable in having householders involved to outline their concerns themselves. It highlighted an important fact, that householders were not alone.

“I haven’t got the confidence to get up in a room full of people...I’m alright with people I know. But after the meeting I realised there are people worse off than you...especially with that poor woman who got harassed all the time. There are people there with different problems.”

8. Action on energy

In many instances, households highlighted **instances of fuel poverty**¹¹; many of the householders were paying for their electricity with a key meter and their gas with a card meter. For many the key/card meters were seen as an easy way of managing weekly fuel bills and they believed that this was a less expensive option to managing their fuel bills. The costs however could actually be considerably higher but many householders were not aware that there were other options. Few householders knew about or had asked their energy suppliers about social tariffs¹².

There were some customers who did notice they were paying a lot for their energy:

“I’ve put £30 on since last Thursday. I put £20 on the Thursday, then £5 on the Saturday, then another £5 on the other day”

“Claire pays out £32 per fortnight on her gas...[she] says it’s very expensive.”

Householders affected by fuel poverty resorted in many instances by managing the cost of paying for their meter-supplied fuel either by limiting its use, or by becoming indebted. One lone male, whose only income was job seekers’ allowance of £51.50 after deductions and who couldn’t afford a new cooker, used a camping gas stove to cook his meals at his home and relied on his mother to cook his main meals and do his washing. Another low-income household (which the interviewers noticed was particularly cold) admitted:

“Sometimes we have to struggle to heat the house in winter. Nine times out of ten you’ll catch me up there [in bed]”.

Young couples and young families often called upon support from their wider families:

“Yeah, she [her mother] just lives up the road, helps out with money – says if we haven’t got enough to put on the electric or gas bill-wise she’ll help with that.”

¹¹ A household is said to be in fuel poverty if it needs to spend more than 10% of its income on fuel to maintain a satisfactory heating regime.

¹² All energy providers have to offer social tariffs to help their most vulnerable customers cope with the high costs of gas and electricity. And according to new Ofgem rules, all social tariffs must equal the supplier’s cheapest deals.

They economised by washing clothes by hand instead of the washing machine just to **“keep the electricity on a little bit longer for the freezer”**.

10% of the households who disclosed energy payment information had energy arrears for instance, ranging from £600 to £4,700.

‘John’

‘John’ as a householder controlled the amount of money he spent on gas by limiting the heating times to an hour in the morning and an hour last thing at night. He said, “I don’t feel the cold that badly.”

Positive action on fuel poverty by Thrive has included signposting vulnerable households to suppliers who could offer a special tariff for low incomes e.g. Ebico. Mentors were also able to help households look for cheaper suppliers using online comparison websites. Through collaborative partnerships, Thrive’s mentors forwarded information about Warm Front (insulation and cavity walls) and the Decent Homes Standard, whereby the local housing authorities (in this case Tristar) were retro-fitting all their properties with double glazing, kitchens and bathrooms. The intention here was to encourage energy conservation as well as providing information about appropriate rates and tariffs for people who were vulnerable to fuel poverty.

The following table shows a selection of interviewed households that currently use energy key cards, along with comments about the level of debt and costs for energy usage.

Household Number	Key Meters	Amount £	Comments
2	Key meters	£600 bill	
3	Key meters	£3000 gas bill £1700 Electric	In dispute with partner who has Stockton CAB acting for her so can't act for him. Recommended him for Middlesbrough CAB
5	Key meters Pre-payment		Switched back to BG from EDF as it was expensive
6	Key meters	Key meters £10 per fortnight on Gas	"Only has heating on for an hour first and last thing"
7	Key meters	£25 on key meters	
8	Key meters	£20-25 when cold, £10-15 when ok	
9	Key meters		"couldn't tell you" how much
10	Key meters	About £15 each so £30	Mum provides support: "yeah she just lives up the road, helps out with money, if say like we haven't got enough to put on the electric or gas bill wise she'll help with that." Key meters "we cope better that way than if we get a bill in every three months. At least if you have got it on there you don't have the telly on, where if it was on tap all the time, you would keep everything on wouldn't you? Basically if it starts to run out and we don't have enough well that's it. My mam gets paid monthly and we don't have enough then it gets switched off. Wash the dishes by hand instead of the dish washer; wash your clothes by hand instead of the washing machine, just to basically keep the electricity on a little bit longer for the freezer.
11	Key meters	£80 a week	1 Family of 7
14	Key meters	£10 gas, £15 electric	
17	Key meters	£10 a week on each	EDF – "Alright". House insulated – Warm Front have been in. Made a bit of a difference.
19	Key meters		The money situation is "unreal". I've put £30 on since last Thursday. I put £20 in on the Thursday, then £5 on the Saturday, then another £5 on the other day." With Npower. "It was going up and down."
20	Key meters	£12 electric £10 Gas, Goes up in the winter £20 electric £15 gas	Only the ones that don't have a standing charge. We changed over to British Gas.

Household Number	Key Meters	Amount £	Comments
21	Key meters - Elect Card	£18 per week electric £20 on gas	All of a sudden, came out, read it [the meter], “there’s a £2.5k bill for you”. Red letters after mix up with electric.
22	Key meters - Elect Card	No electric on No gas on – in debt	Gas – in total debt with that – I think I’d have to put about £100 on before I got any gas”.
25	Keys	EDF	“Alright” but had to put emergency credit on now for gas.
28	Key meters Pre- payment Cards	Qtr £90 Gas £70 Electric	Won’t have key meters in Nomad housing.
29	Key meters Pre- payment Cards	£5 per week electric £5 per week gas	Gets bills quarterly. Got B Gas bill of £88. Switched to EDF. “I’m paying a fiver a week on them all.”
32	Key meters Electric key, Gas quarterly	Electric £6 per week gas bill £136 per quarter	J says she tries to use less in order to not end up paying large bills
39	Key Meters	Gas £10 a fortnight, £5 a fortnight electric	Southern electric “Alright”
40	Key meters Electric, pre- payment card gas	£20- 25 for both	Rebate from Gas. Warm front insulation there – has noticed a difference
42	Key Meters	£5 gas per week keep it topped up £10 electric	Warm front came round a few years ago. Have left this estate out a few years ago, now going to get windows etc. Have to go to bed in the winter. Never have the gas central heating on in winter. “Sometimes we have a struggle” to heat the house in winter. “9 times out of 10 you’ll catch me up there [in bed]”
43	Key meter	£32 per fortnight	X pays out about £32 per fortnight on her gas bill. This is with British Gas and she says it’s very expensive. Advised her to read the meter on the machine and make a note of how much it is running at. She is on a low- income. She thinks her gas is expensive at £32 a fortnight though she says there is some kind of new rate coming in April. She says she can’t really afford the heating.

Household Number	Key Meters	Amount £	Comments
45	Key meters		His mother cooks his main meals and does all of his washing. "X" is a large man enjoying good physical health. He said his mental health isn't as good as his physical health, unemployment, poverty and relationship problems cause him to feel depressed at times. He lives in a flat on his own. He cooks using camping gaz.
47	N/A		Explained that he now had a house of his own. He said, "I have paid £1000 for it and there is no heating or boiler, I have waited in for them 5 times".
48	Pre-payment cards	£8 Gas £5 electric	Both EDF
49		Electric about £500 now	Thought was free electric as above chip shop – "I shouldn't have to pay that". Water - £140.
50	Pre-payment		Is on pre-payment card plan with the utilities. She says B Gas is "expensive" and a friend (who worked for them) said she'd be "better off" with Southern Electric

Table 3 Households using pre-paid energy key meters

9. Resistance to change

Despite the interventions that Thrive was able to make, for over 60% of participating households it is likely that more time would be needed to see any effects of lasting change. While a number had been referred to other agencies and are therefore included as positive outputs, it was not possible to identify change in their circumstances and it is likely that more time would be needed to record this.

It was apparent, however, that 8% of the householders **were resistant to change**. Householders in these instances appeared to accept their circumstances as being out of their control and were not amenable to developing their social assets. Emerging also from these households was an indication that their isolation was often self-imposed i.e. they appeared resistant to want to develop local social networks.

'Jane'

'Jane' and 'Steve' are both unemployed and live 'informally' in rented accommodation (Steve is not a registered co-habitant) with their 2 school aged children. The couple feel pressurised by the benefit system to keep looking for work and taking up work, and feel resentment towards those they feel 'escape' that pressure: "Alcoholics, drug dealers, druggies - they can sit on benefits for as long as they want. They are not forced to go back out to work and get themselves clean, they burgle people to get by and I think it's pretty damn shocking."

Jane is in rent arrears as her Housing Benefit was stopped when she started short term work. She's had a number of jobs including shop assistant and a home care assistant. She feels that she will always end up in what she describes as 'brain dead' jobs; no qualifications required and no excitement either. Jane has no confidence in her abilities to change her circumstances; she has no qualifications and struggles with literacy and numeracy. Previously, she's struggled to cover child care costs and so felt that she was worse off working. She feels it is likely that she will have to take up work in the near future.

Despite having a very low income, the couple have significant debts: "That's how half of the people on this estate live either by Bright House or that other company, B____. It's daft because it's on high interest rates but we do it because we like our house to be nice. It's a risk you take buying on HP." They had sought help from CAB previously when they were taken to court for non-payment of their debts on two occasions and they were under threat of eviction for rent arrears. As they owe about £2,000 in rent which will take over 2 years to clear, Jane feels that they'd be no better off working as they'd also lose their Housing Benefit.

The couple have no friends locally and are frightened to go out for fear of being burgled; their safety relies on their not leaving their home, particularly as they have no insurance. Jane is also frightened of increased debt repayments if they found work, and of who might call to recover an outstanding debt: "It bothers me [debt], it is a fear, it sounds daft, but this is a place where my kids should feel secure and I don't feel secure myself because of money, either you pay or they take something out of the house."

The couple's mentor made suggestions for the couple regarding their finances and for networking but these were not acted upon. The mentor also checked back on the house through subsequent visits across the summer but there was no response. Jane has started working as a care assistant whilst Steve remains unemployed.

Other householders did not want to engage in talking to agencies that could help them outside of those that had the capacity to pay off or reduce a debt i.e. Job Centre Plus. In this the intervention was unachievable. Another householder preferred to **'wait to win the lottery'**.

A number of households were also **reluctant to take the first step to accessing advice**. Of the households seemingly on the margins of financial sustainability or deep in debt only one was accessing advice. One household had debts from doorstep lenders of over £1,000 yet “wouldn’t know where to go” for advice. One household that had reduced some of their debt felt they’d “learned the hard way” and that visiting an advice worker was “unnecessary.” Many households weren’t aware of products tailored for financially excluded people, such as the Credit Union, though some saved with them. Thrive mentors provide a regular follow-up call to all of their households to offer on-going support.

Conclusion

Thrive set about showing that poverty isn't only about money, it's about a lot of other factors too; good health, access to services, a decent living environment and good social networks and support mechanisms. Thrive has succeeded in this and has achieved what it set out to do; to have people living with poverty and disadvantage **moving towards financial inclusion by changing their behaviour, using their own assets and engaging better with financial services.**

The Thrive Community Inclusion project has successfully engaged 50 **hard-to-reach households** and to do this it recruited and trained 15 **local people as volunteers** – some of whom had experienced financial exclusion first hand - to mentor individual householders to access a range of support agencies. While some volunteers left the project due to other commitments, others that stayed have found the project has empowered them too.

Taking people as a starting point and looking at their strengths instead of needs, mentors began to highlight the 'gaps' between a household's situation and services at different levels. They have been able to demonstrate that inclusion is about local people creating change, and that tangible changes could be achieved in a short space of time; bringing people together to share experiences, **to develop communities of trust and learning**, and to take action against companies and agencies that profit through poverty.

In total, 31% of the 50 households recorded a positive change. Interventions have included the setting up, continuation and development of a group to bring women together to develop positive social links, highlighting appropriate services, and actions in the community such as that against predatory lending practices that affect often very vulnerable people.

Interventions such as the referral of women to a social group (WOT) has **improved the self-confidence and esteem** of a number of women, **leading to improved access to services** such as the Credit Union or Five Lamps. **Improved wellbeing** was also recorded by those that took part in community assemblies. The project has also established social bridges amongst different cultural, faith, ethnic, interest groups and different generations, between and across the different neighbourhoods that the householders live in. The social bridges include the 'actions' on a door-step lender, a community safety issue, the Job Centre and the civic engagement activities.

Thrive has worked closely with a range of agencies to deliver activities, projects and initiatives within the community, where historically those agencies have found it very difficult to have real engagement or 'buy-in' from local people. Feedback from other agencies and financial services has also shown that Thrive's approach has been sound and effective, which is essential for the future development of the project.

Of the 50 households, 37 have been referred to a range of services in order to establish social networks and build social capital, most frequently to services that provide advice about **more sustainable financial practices and services**. Significantly, there is more positive feedback from householders about how they were able to manage their finances more confidently, or take an alternative approach to shopping such as using bonus points/saving schemes, learning to assess their own need and 'doing without', or meeting people 'just like them,' than there is about how much individual debt has been reduced. The benefits of this scheme appear to be in giving people more confidence in their actions about what they do, and their approach to managing money, rather than just paying off debt. Many of the households can now make informed choices about their future finances because they have the confidence to do so or at least have the confidence to ask.

Future Delivery of the Community Financial Inclusion Project

Thrive's project has achieved a great deal in twelve months and with a modest budget compared to the benefits and indeed the lasting change brought about for clients. While those benefits are not necessarily quantifiable in terms of cost per person, it could be said that the project has helped to dissuade financially excluded people from taking on unsustainable levels of debt, has helped to improve the wellbeing of people living in poverty, and has brought about a greater understanding of the methods that people use to 'get by.' It would be useful to continue to monitor the households and record changes to their circumstances and outlook as the mentoring continues.

Thrive's achievement so far marks the start of a process that could be rolled out to benefit a much wider audience and in doing so there may be a number of implications for Thrive to consider. Perhaps the first consideration might be given to how the project will be funded in the future. With charitable donor funding coming to an end, the work is in danger of ending with it, unless it can be absorbed into core services. However, this is likely to mean a significant scaling down of the project.

To roll out the project Thrive may need to recruit, train and manage new mentors into the project. The ability of the mentors to build relationships with hard-to-reach households has been shown to be a very effective means of engaging with 'hard-to-reach' people; retaining volunteers has been more of a problem. To some extent the capacity to roll out the project is limited due mainly to the need for additional funding that would be required to enable significant development. With additional funding, it would be possible to make contact with and develop the relationships with other providers or statutory agencies that could refer to the project.

Given the current economic climate and with Teesside suffering the recent mothballing of steelworks with the loss of 1,700 jobs, the Community Financial Inclusion Project may have a place in providing services to more people in the area facing financial exclusion. It may therefore be an appropriate time for Thrive to promote the outcomes of their project,

particularly bearing in mind the level of unemployment that is set to increase in the area, and the subsequent financial effect on families in already depressed neighbourhoods.

But the pilot has been very successful in highlighting the fact that financial exclusion is about more than just being in debt or about managing money and as such the project might benefit from being further marketed to reflect this. This would be particularly useful for organisations (and funders) that provide services for health and wellbeing. Revisiting householders to plot the wellbeing assessments might therefore be a useful means of providing a broader picture of distance travelled for participating householders in terms of their health. More opportunities may emerge therefore for agencies such as Primary Care Trust, Social Services, Job Centre Plus and others, to become more involved in supporting Thrive's project to help their clients develop self confidence and social assets.

Appendix 1: Feedback from events

The following provides a sample of responses to community interventions and events:

J R, resident: *“Very good meeting and well organized. Good engaging and particularly lucid actions.”*

I F, resident: *“A model of how to run a meeting! Brilliant! I am appalled at what unscrupulous money-lenders can get away with – at a time when we hear about the continuing obscene pay levels of top bankers and executives.”*

L. H, local resident: *“I was very impressed at the professionalism of this organization Thrive. All the speakers who experience such difficulties in their lives were incredibly eloquent and it is obvious that Thrive are empowering them. I feel you will grow in strength and in numbers. Such good work being done and very hard work. Excellent! I am not in a position to offer practical help at the moment but I will do what I can. Thank you.”*

J R, qualified social worker: *“Very good awareness raising meeting. Great to see so many people here. Very powerful messages. Very excited by debriefing meeting and idea of training and being part of a body that is going to be a major instrument of change.”*

K F, Project participant and audience member: *“I was very interested to hear other people’s views.”*

A F, Project participant and audience member: *“It has been a pleasure to come to your meeting.”*

B H: *“Excellent meeting! Powerful to have people raising personal issues in a way that made police/job centre/councillors take notice. Thank you.”*

J W: *“Excellent attendance with a lot of thought and planning gone into preparing for the event. A variety of response came from the guest speakers but some positive results for those who spoke out and voiced their concerns.”*

C G, Project participant and audience member: *“Well structured. No shouting out.”*

Sergeant H S (on an antisocial behaviour issue): *PC S went down to the problem area after the meeting: “We’re down there regularly”*

Local Resident, (anonymous): *“In their particular circumstances, I thought it was incredible. I just really wanted to let you know. When you go along, you realise it informs you a bit more about the society in which you live...people tend to think they’re scroungers and they’re not, they just live in very poor circumstances.”*

Appendix 2: Livelihoods Baseline Assessment

PHYSICAL CAPITAL

Housing	
The following statements describe aspects of unsuitable housing:	
<ul style="list-style-type: none"> • Inadequate for my basic needs • Poor condition / needing repair • Very insecure tenure • Poor physical security (likely to be broken into) • Overcrowded • Putting my health at risk • I can't afford to heat 	
<input type="checkbox"/>	All of the above are true about the house where I live
<input type="checkbox"/>	Most of the above are true about the house where I live
<input type="checkbox"/>	Some of the above are true about the house where I live
<input type="checkbox"/>	A few of the above are true about the house where I live
<input type="checkbox"/>	None of the above are true about the house where I live
Environment	
The following list contains some aspects of a good local environment:	
<ul style="list-style-type: none"> • Good air quality (not polluted) • Pleasant public spaces that you enjoy being in • Feel safe when walking about alone • Absence of graffiti, litter and noise • No anti-social behaviour 	
<input type="checkbox"/>	None of the above are true about the area where I live
<input type="checkbox"/>	A few of the above are true about the area where I live
<input type="checkbox"/>	Some of the above are true about the area where I live
<input type="checkbox"/>	Most of the above are true about the area where I live
<input type="checkbox"/>	All of the above are true about the area where I live
Transport	
The following list describes some possible opinions about the transport that is available to you when you need to travel somewhere (e.g. to health facilities, work, visiting family, social events, etc.).	
<ul style="list-style-type: none"> • Expensive • Inconvenient (e.g. getting anywhere requires me to change several times) • Unpleasant • Unsafe • Hard to access 	
<input type="checkbox"/>	All of the above are true about the transport I have access to.
<input type="checkbox"/>	Most of the above are true about the transport I have access to.
<input type="checkbox"/>	Some of the above are true about the transport I have access to.
<input type="checkbox"/>	A few of the above are true about the transport I have access to.
<input type="checkbox"/>	None of the above are true about the transport I have access to.

HUMAN CAPITAL

Skills	
Which of the following statements is most like you:	
<input type="checkbox"/>	I don't feel like I have even the basic skills that I need to get by from day to day
<input type="checkbox"/>	I have some basic skills which help me get by day to day, but they are not much use in getting me a job
<input type="checkbox"/>	I have enough skills to get me a routine job, but all the jobs I'm qualified for are low paid, and I'd need to develop my skills further to improve this
<input type="checkbox"/>	I have sufficient skills to get a job which is OK, but I need more skills to get my ideal job
<input type="checkbox"/>	I feel I am highly skilled and constantly learning new skills that develop my career

Health	
How would you describe your general health:	
<input type="checkbox"/>	Very poor. My health often prevents me from doing many things that I would otherwise want to do.
<input type="checkbox"/>	Not good. My health often prevents me from doing some things that I would otherwise want to do.
<input type="checkbox"/>	OK. My health occasionally prevents me from doing some things that I would otherwise like to do.
<input type="checkbox"/>	Good
<input type="checkbox"/>	Very good

Well-being and happiness	
To what extent are you happy with your life?	
<input type="checkbox"/>	I feel like there is nothing positive in my life and I am very unhappy with this, but I don't see things changing.
<input type="checkbox"/>	There are occasional things in my life which make me happy, but I'm generally unhappy, and there is a lot that I would like to change.
<input type="checkbox"/>	I am neither happy nor unhappy with my life.
<input type="checkbox"/>	I am happy most of the time
<input type="checkbox"/>	I'm very happy with my life and wouldn't change a thing

Personal Support Networks	
If you needed to talk to someone confidentially about a problem, how many friends/relatives/neighbours could you easily talk this through with?	
<input type="checkbox"/>	There's no-one I could go to that I trust / If I did, it would only make matters worse.
<input type="checkbox"/>	There's no-one I would be comfortable going to.
<input type="checkbox"/>	There are one or two people who I could go to, but I'd rather not if I could help it. / Those I could go to would not always be much help.
<input type="checkbox"/>	There are several people who I can go to when I have a problem, and at least some of these are generally helpful when I do.
<input type="checkbox"/>	I have a wide circle of friends/relatives who I can go to for support, and I can always rely on them to support me when I need to talk about any problems.

SOCIAL CAPITAL

Opportunities to Meet New People	
How easy would you say it is to meet new people, particularly those who are from different backgrounds to you?	
<input type="checkbox"/>	I never have opportunities to meet new people – it's always the same few people that I see every day.
<input type="checkbox"/>	I occasionally have opportunities to meet new people, but they are generally people who I share a lot in common with.
<input type="checkbox"/>	I have opportunities to meet new people quite often, but they are generally people who I share a lot in common with.
<input type="checkbox"/>	I have opportunities to meet new people quite often, including occasionally people who are from different backgrounds to me.
<input type="checkbox"/>	I regularly have the opportunity to meet and get to know new people, including some people who are from very different backgrounds to me.

Neighbourly Trust	
On the whole, would you describe people who live in your local area as trustworthy?	
<input type="checkbox"/>	Almost all people in my area are untrustworthy
<input type="checkbox"/>	Most people in my area are untrustworthy
<input type="checkbox"/>	Some people in my area are untrustworthy, but others are trustworthy
<input type="checkbox"/>	Most people in my area are trustworthy
<input type="checkbox"/>	Almost all people in my area are trustworthy

Changes over time	
Over the last 12 months, do you think that the likelihood of you making new friends has got :	
<input type="checkbox"/>	Much less likely
<input type="checkbox"/>	A bit less likely
<input type="checkbox"/>	No change
<input type="checkbox"/>	A bit more likely
<input type="checkbox"/>	Much more likely

PUBLIC CAPITAL

Availability of information and support services	
When I have a problem or need to find something out:	
<input type="checkbox"/>	I feel like I'm completely on my own, and don't feel like I can get support from anywhere.
<input type="checkbox"/>	I know a few people and places where I can get support, but I feel that they are often not available or accessible when I need them
<input type="checkbox"/>	I know several agencies where I can get support, but they are occasionally not available or accessible when I need them.
<input type="checkbox"/>	I generally know where to go for information and support, and have sufficient places that I could go to for help when I need it.
<input type="checkbox"/>	I always know where to go for information and support, and have plenty of places that I could go to for help when I need it. I also have ways of finding out about new sources of information and support when I encounter new problems.

Influence on decision-making	
To what extent do you feel you can influence decisions that are made about your local area?	
<input type="checkbox"/>	I don't think I could have any impact on these decisions at all and getting involved would only make things worse.
<input type="checkbox"/>	I don't think I could have any impact on these decisions at all.
<input type="checkbox"/>	I don't think I'd have much potential to influence these decisions.
<input type="checkbox"/>	I could influence some of these decisions, but not others.
<input type="checkbox"/>	I would be able to have an effective say in these decisions when I wanted to.

Knowledge about decision-making processes	
To what extent do you feel you know how decisions are made about your local area?	
<input type="checkbox"/>	I wouldn't have a clue how decisions are made about my local area.
<input type="checkbox"/>	I feel like I have a vague idea about how some decisions are made.
<input type="checkbox"/>	I have some ideas about how some decisions are made, but not all.
<input type="checkbox"/>	I feel like I have a reasonable idea about how most decisions are made in my local area, and who is responsible for them.
<input type="checkbox"/>	I feel like I know how decisions are made in my local area, and could identify who is responsible for them.

Quality of available information and support services	
When you get in touch with local services for information and support, how effective do you think these services are?	
<input type="checkbox"/>	When I contact services for information or support, they never provide any help.
<input type="checkbox"/>	When I contact services, the information/support they provide is very limited and not very helpful or accurate.
<input type="checkbox"/>	When I contact services, the information/support they provide is occasionally helpful, but the quality tends to be variable.
<input type="checkbox"/>	When I contact services, the information/support they provide is generally helpful and of a good standard, but is occasionally limited.
<input type="checkbox"/>	The services I use are of a high standard, and always provide me with accurate information and appropriate support.

FINANCIAL CAPITAL

Income	
Which of the following statements best describes your situation in terms of the money your household has coming in?	
<input type="checkbox"/>	I never have enough money coming in to survive.
<input type="checkbox"/>	I barely have enough money coming in to survive, and it only takes a small, unexpected expense to cause real problems
<input type="checkbox"/>	The money I have coming in generally gets me by day to day, but there's little chance of saving anything or treating myself
<input type="checkbox"/>	The money I have coming in is sufficient and I'm able to treat myself occasionally
<input type="checkbox"/>	The money I have coming in enables me to have a good standard of living and I can make financial decisions which enable me to plan for the future

Assets

Assets are items like:

- savings in the bank,
- a car (if it is not on hire purchase or bought with a loan), *or*
- a house (if it is worth at least a bit more than any mortgage or other loans which are outstanding on it).

Which of the following statements best describes your situation in terms of your assets?

<input type="checkbox"/>	Overall, I owe much more than I own
<input type="checkbox"/>	I don't have any savings or assets, but I don't owe more than I own
<input type="checkbox"/>	I own a few small assets, but they are not increasing in value, and I can't afford to replace consumer items when they wear out without taking out more loans.
<input type="checkbox"/>	I can afford to make payments to build up the assets that I need, and I think I'll be able to maintain and replace these in future without taking out additional credit.
<input type="checkbox"/>	I own several assets, and the value of my assets is growing overall.

Debt

<input type="checkbox"/>	I owe lots of money, I can't afford to make the repayments, and I'm getting into regular trouble with these lenders (e.g. being taken to court, getting charged for non-payment).
<input type="checkbox"/>	I owe lots of money and I struggle to make even the minimum repayments, but I make these minimum repayments more often than not.
<input type="checkbox"/>	I owe some money, but can always pay off at least the minimum amount, and usually pay any money loaned back as quickly as possible.
<input type="checkbox"/>	I only take out loans for manageable amounts which I can guarantee to pay back within an agreed term.
<input type="checkbox"/>	I don't have any loans (except perhaps a manageable mortgage) and don't see any need to take out any loans in the future.

Changes over time

Has your overall financial situation got worse or better in the last 12 months?

<input type="checkbox"/>	Much worse
<input type="checkbox"/>	Worse
<input type="checkbox"/>	The same
<input type="checkbox"/>	Better
<input type="checkbox"/>	Much better

Appendix 3: Warwick Edinburgh Mental Health & Well-being

Below are some statements about feelings and thoughts. Please tick the box that best describes your experience of each over the last two weeks.

STATEMENTS	None of the time	Rarely	Some of the time	Often	All of the time
I've been feeling optimistic about the future	1	2	3	4	5
I've been feeling useful	1	2	3	4	5
I've been feeling relaxed	1	2	3	4	5
I've been feeling interested in other people	1	2	3	4	5
I've had energy to spare	1	2	3	4	5
I've been dealing with problems well	1	2	3	4	5
I've been thinking clearly	1	2	3	4	5
I've been feeling good about myself	1	2	3	4	5
I've been feeling close to other people	1	2	3	4	5
I've been feeling confident	1	2	3	4	5
I've been able to make up my own mind about things	1	2	3	4	5
I've been feeling loved	1	2	3	4	5
I've been interested in new things	1	2	3	4	5
I've been feeling cheerful	1	2	3	4	5

Appendix 4: Example of a household interview

This is a typical household interview from a new household involved in the project. People and place names have been omitted or changed.

Context

'Lucy' lives with her husband 'Peter'. They have several younger children at home with them. The grown-up children now live in their own areas and visit the house occasionally.

Human assets

The household has endured reduced human assets through the onset of ill health in recent times, though all of the children are healthy, except for one who has autism. About five years ago, Peter was diagnosed with a degenerative disease. This led to him losing his job, despite the best efforts of his employer to keep him in work. Peter's illness has affected the household in a number of ways and put a strain on the family. As a result the couple are on anti-depressants which they started taking about the time they moved to the area, though there were other factors involved such as the death of Lucy's mother. Lucy says that she was crying all the time, but now things are "a little better" thanks to the medication.

Peter used to work as a manager and clearly enjoyed his work, though it was physically demanding. He was headhunted by the competition. Many members of the family have pursued similar careers including the elder children. Lucy used to work as a cleaner at a school, then in the kitchens. She loved it though thought it was "not worthwhile financially" and she had to stop when Peter took a fall and she had to become his full-time carer. She enjoyed her work as it was something to do and she made lots of friends there.

Lucy has many caring responsibilities, and looks after some extended family too – her sister's children. She reflects that she has very little time for herself. The couple do not spend much time socialising and Peter spends all of his time now in the house – "just sitting here all day on the computer". They describe their routine as basic, getting up around 6.30 and going to bed around 9pm. She says "it's hard" looking after a child with autism.

Financial assets

When Peter was working the couple had a surplus from his income, but now they have "no savings, nothing". They also have sizeable high-interest debts, which "got worse when Peter lost his job", including:

- G_____ £138 per week.
- P_____ – not at the moment – "have to pay back". Lucy says they "will insist on pursuing you [for more loans]" and now she just "rips 'em up and puts 'em in the bin". CAB had the payments reduced to £1 per month, though there is still about £900 outstanding. "Provi are the awkward ones" according to the couple.

- On hire purchase, the couple have lots of goods, from B _____. They've got "all sorts", including a bed, washer and drier, from B _____ and have been with them "donkey's years". They don't seem dissatisfied with the company – "we've never had any problem" and are paying them every 8 weeks, though there is a "rebate sometimes".
- The couple were paying B _____ £40 per week, but are now paying £9 as the payments have gone down. They have a bed and laptop.
- They pay P _____ £17.25 for their suite.
- They only have a basic bank account – an instant saver – and had been penalised with £30 daily charges at one point on their other account at Yorkshire.

The couple's income is made up of child tax credit, child benefit, two lots of DLA and one lot of carers' allowance totalling about £X. Lucy says that "I've got £10 left this week" (the interview took place on a Friday and the benefits are paid on a Monday and Thursday).

Physical assets

One factor which has an impact upon the household's human assets is their environment and anti-social behaviour. Lucy says that, "If I could pick my house up and move it, it would be ok." She likes her house, just not the area. Problems include environmental issues as well as anti-social behaviour.

Public assets

The family haven't been in touch with the Council as they "wouldn't know where to start". They have had the involvement of a social worker at some point, though "there's not a lot they can do for you" and they say "let 'em out and play" about the kids. Peter accessed secondary care services for mental health, though he didn't find it beneficial on the whole as he just "sat around". The couple also feel they have been "left out on a limb" with regard to both Peter's illness and their child's autism. They have sent their children out of the area to a primary school in their old area as they received better support there for their son who has learning difficulties.

In terms of support from social housing, they say they do "nothing", though they do mention later that the association plan to build a play area, along with a community house. The couple are going to move house and they will receive Local Housing Allowance to a rate of £x. They will have to cover the shortfall on the rent of £x for the new house rent of £x, but they say this is "nothing really".

Social assets

The couple are missing the friendships they had built up in their old area– the "backing is there"– especially for Lucy – "my neighbours would take my washing in for me". Her brother also lives there and her friend who also has an autistic child. The couple had to move due to

Peter's illness as the house was inaccessible for him. Her son has autism and has been bullied as "kids are cruel". She says "He's fine in the house, it's when he goes out there".

The relationships on their current road are predominantly negative, with the next door neighbour, a single man, playing loud music late at night. Two doors down the neighbours are also intimidating. The owners of the house before them were drug dealers and when the couple arrived, they were getting people knocking on the door for drugs. The family allow their teenage son to stay with their eldest son as he has a room there and it's close to his college.

Gender relations

A lot of the caring responsibilities in the household are undertaken by Lucy. Peter used to be the main breadwinner, but has suffered a decline in mental and physical wellbeing since he had to give up his job.

Livelihood strategies and risks

The household is managing on an unsustainable financial strategy, which needs intervention. Much of the care work is performed by Lucy, and she is vital to the household's functioning. The couple would appear to get by better when they are closer to their social networks in their old area and they hope to move closer to there in the near future.

Response

This household has been referred on as a matter of urgency to Christians Against Poverty, and will be monitored and asked to participate in further work around financial inclusion and accessing other services.

Appendix 5: Lender Investigation

Intro 1:

Thrive, a community development project run by Church Action on Poverty, has been conducting community research across the Stockton area. Using a new approach called Sustainable Livelihoods, the project has been able to shed light on the inequalities which people face in getting by, as well as the strengths which they draw upon.

One of the headline findings from Thrive's research has been the prevalence of high interest home credit financial in deprived areas. There are several companies delivering different goods or services with higher than average interest rates, including so called 'doorstep lenders' and hire-purchase companies.

Intro 2:

In its research, Thrive, a community development partnership between Church Action on Poverty and Oxfam's UK Poverty Programme, has discovered a company operating which charges over £1000 interest and additional charges on a TV and stand costing £1300.

One such hire purchase company was found to be operating in 20% of Thrive's overall household sample, with several other similar companies operating in many more. Typically, though not always, the system operates as follows:

- A salesperson calls at the house and drops off a catalogue/sells you goods immediately
- You choose the electrical equipment /soft furnishings from the catalogue
- A coin meter is placed on a TV which the company delivers to your house, or sometimes your existing TV
- Customers put money into the coin meter to watch TV – typically £1 for every 3 hours' viewing
- The salesperson from the company calls round periodically, usually once every 6 to 8 weeks and collects the money from the coin meter
- If there is a surplus in the meter, the customer can choose whether to put it towards paying off the balance of the goods, or receiving a rebate there and then.
- If the balance for the collection period hasn't been reached, the salesperson can increase the tariff for the next payment period or threaten to have the goods removed

Alternatives

As Thrive is part of the Stockton Financial Inclusion Forum, it is keen to spell out that there are cheaper forms of credit available. For example, a loan of £100 from the credit union will incur an interest charge of £6, compared to £65 interest from many doorstep companies.

Agencies represented on the Forum include:

- Stockton and District Advice and Information Service
- Tees Credit Union
- Stockton Borough Council
- The Illegal Money lending Team