

# Helping people find a way forward

A snapshot of our impact in 2015/16



**citizens  
advice**

# Everyone experiences problems



**Nearly 3 in 4**

of our clients said their problem affected their lives, including causing anxiety and financial difficulty



**Almost 5 times**

as likely to be on a low-income when comparing our local Citizens Advice clients to England and Wales population

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## Who we help



**6.2 million**

issues dealt with directly



**2.7 million**

people helped face to face, by phone, email or webchat



**36 million**

visits to our website to get advice

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## How we do this



**2,900**

locations where we provide free and independent support across England and Wales



**23,000+**

volunteers donated an estimated £114 million worth of volunteering hours

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## The difference this makes



**2 in every 3**

clients have their problem solved



**4 in 5**

clients said advice improved their lives, including reducing stress and improving finances



**90%**

of our clients reported satisfaction with the overall service

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All of this benefits individuals and society

# Gillian Guy, Chief Executive

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Each year, Citizens Advice helps millions of people find a way forward. We do this by providing advice, education and support, and influencing policies and practices that affect our clients.

We have a responsibility and are committed to understanding our value and the difference we make to communities across England and Wales. We also apply the lessons of our analysis to ensure we continue to provide effective services that make best use of our resources and meet client needs.

Our impact work was recognised as an example of best practice across the sector at the 2015 Charity Times Awards, where we were thrilled to win 'Charity of the year'.

This impact report shows the incredible work carried out across Citizens Advice, and the benefits this brings both to government and society more widely.

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Using a Treasury-approved model, we know that in 2015/16, for every £1 spent on Citizens Advice, we benefit our clients by £11. We saved the government and public services at least £361 million. We estimate our total social and economic value to society to be £2 billion.

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We're able to demonstrate this because we have credible evidence of why people need support from our service, how we help and what this achieves.

In this report, we've shown this in depth about one topic - helping people manage their money - showcasing what we know about our clients' financial capability, what we do to address problem debt, and how we ensure people can make effective consumer choices.

Part of this is understanding our clients' day-to-day challenges. Our research shows that 1 in 2 clients who come to us are not confident about taking action on money matters.

In such an uncertain and challenging financial climate analysing and illustrating our impact is crucial to improving the services we provide to clients and securing funding. I will be championing the value of the Citizens Advice service to the new government, and I call on colleagues to ensure local funders and partners recognise the hugely positive impact we have on our local communities.



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This is a snapshot of what we do and know about our impact. Where you see this symbol, you can click to continue our story online.

# Why we're needed

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## Everyone experiences problems - we're here to help

Life is complicated. Sometimes people encounter challenges and problems that they don't know how to deal with, and they need help to overcome.

These might relate to querying rights at work, understanding housing options, struggling to meet financial commitments or negotiating changes to benefits eligibility.

Sometimes these issues can be quickly resolved. Other times it's not that simple.

More complex situations rarely come neatly packaged up as a single problem. A loss of income, for example, can affect someone's ability to keep a roof over their head, stay out of problem debt and feed their family.

Problems can arise suddenly, affecting anyone without warning. You lose your job. You or your partner become ill. Or your relationship breaks down. In some cases there is a slow escalation - if you'd got help at the start, other issues could have been avoided.

The effect of one problem can be the cause of another. Problems multiply, creating further difficulties and often a vicious cycle. In these situations people might feel isolated or that things are out of control. This makes it hard to think clearly and to take action.

Problems often affect other aspects of people's lives - the effect on mental well-being can be acute. Issues can affect family and friends too, as well as society as a whole should public services need to intervene in the short or long-term.

Knowing how to find a way forward can be challenging. Anyone in these situations should be able to access support that helps them make informed decisions.

Nearly 3 in 4 clients say their issues caused difficulties in other parts of their life.<sup>1</sup>



**2 in 3**

felt stressed, depressed or anxious

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**Nearly 1 in 3**

had less money or escalating financial difficulties

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**Over 1 in 5**

had to move home or worried about losing it

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**Nearly 1 in 3**

felt their physical health had got worse

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**Nearly 1 in 5**

had difficulties in their relationships with other people

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**1 in 10**

struggled to keep their job or find a job

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<sup>1</sup> National outcomes and impact research, 2014.

## We understand people have different needs

Individuals' needs are often neither simple, singular or stationary. When personal circumstances align with various external factors, some people may be at greater risk of detriment or require more in-depth support from our service.

Identifying when and how people experience need can't be just surface-level.<sup>2</sup>

Instead, our understanding has to take into account a variety of complex factors that can interact with each other:

 **The nature and complexity of someone's problem**

 **How personal characteristics and circumstances can lead to disadvantage**

 **Whether someone has the knowledge, skills or mindset to take action**

 **How different situations might impair anyone's capacity at a given time**

## Why does this matter?

We are here to help everyone in society who needs us. People should be able to get help in the way that works for them and meets their needs.

Understanding need is crucial because it affects how we deliver our services:

### Need

Need can act as both the underlying cause of someone's problem, as well as a barrier to solving the problem.



### Effort

The effort required to support someone is often linked to the complexity of their problem and someone's capacity to take action.



### Efficacy

Need can also affect the extent to which someone is able to make material differences to their lives without ongoing support.

People from all backgrounds use our website and consumer helpline.

But the people we serve through our local network are often among the most disadvantaged in society with the greatest needs.

<sup>2</sup> Others in the public landscape have also considered a broader working definition of what counts as 'vulnerability', rather than looking at specific profile groups. For example, Financial Conduct Authority. (2015) *Occasional paper No. 8: Consumer Vulnerability*; Ofgem. (2016) *Protecting vulnerable consumers*.

## We work with some of those most in need

Disadvantage can result from many things. Someone's personal characteristics or circumstances can lead to situations where they experience inequality.<sup>3</sup>

Changes to the way society operates can also exclude people and cause them detriment.

Being on a low-income, having health issues or being digitally excluded are all ways in which someone could be disadvantaged.

There are often greater hazards and costs when these individuals' problems escalate. There may be additional value in helping those most in need to find a way forward.

Compared to the general population, the clients we help locally are more likely to:

- £ live on a low income
- 👤 be unemployed
- 🏠 rent their home
- ⚕ be disabled or have a long term health condition
- 💻 lack basic digital skills
- 🌐 not have access to the internet

## Low income and deprivation

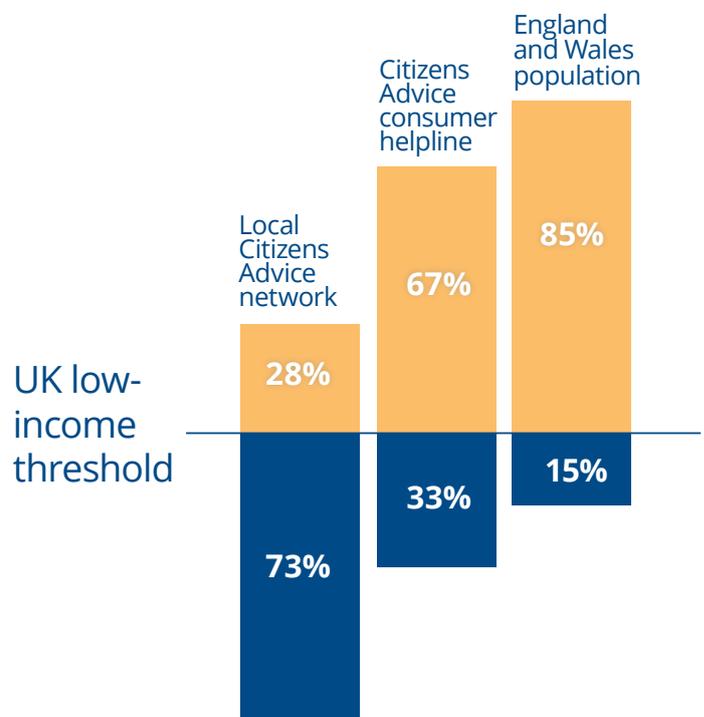
Local Citizens Advice clients are almost five times as likely to live on a low income than an average member of the England and Wales population.

This could lead to not having enough money to eat healthily, maintain adequate accommodation and fully participate in society.

A lack of access to upfront capital or affordable credit can mean those on a low-income pay an annual £1,000 'poverty premium' for essential goods and services, cutting into already tight finances.<sup>4</sup>

This can mean living without a financial buffer or safety net should something go wrong. Having a low income also means you may not have money to overcome problems, by for example, paying for the services of a solicitor.

We see a correlation between where our clients live and areas of local deprivation. And so we often place our offices and outreaches directly within these communities. Our local Citizens Advice reach 4.4% of any local population - this rises to 9% on average in areas of deprivation.



<sup>3</sup> We have a broad definition of equality: 'our common humanity makes us equal in worth, dignity and rights.' This covers all of us rather than specific equalities groups, such as the characteristics or circumstances covered by the Equality Act 2010. We adopted this definition in 2004, based on Article 1 of the Universal Declaration of Human Rights. For more details, see our *Stand Up For Equality* strategy.

<sup>4</sup> Strelitz, Jason & Kober, Claire. (2007) *The Poverty Premium: How poor households pay more for essential goods and services*. Save the Children.

## Digital exclusion

As many private and public services move to digital delivery - such as managing welfare benefit claims - some people risk being excluded from services they need if the necessary support is not in place.<sup>5</sup>



**Our face-to-face clients are twice as likely to lack basic digital skills and are more likely to lack internet access compared to the general population.<sup>6</sup>**

There are many benefits to being online: getting information when you need it, the opportunity of getting better deals, and communicating with others more easily. But not everyone can take advantage of this, because they do not have access to the internet or they don't have the basic skills to manage digital tasks. These factors also interact: individuals might be less likely to develop digital skills if they're unable to get online to learn.

People who are digitally excluded need practical help to complete any digital tasks necessary to access services. They may also need support to increase their skills and confidence so they can learn to do it for themselves. For some, due to barriers to digital inclusion, ongoing support is required.

We're continuing to learn about the factors that affect if people can manage online, how these interact and how to best provide support. We're also using data and insight to ensure our online content is as accessible as possible and meets user needs.

<sup>5</sup> A further example is, because of the change to Individual Electoral Registration, digitally excluded individuals might face additional barriers to registering to vote. This was one aspect of our *No Vote, No Voice, No Power* voter registration drive that encouraged local Citizens Advice clients to register.

<sup>6</sup> Findings from our forthcoming report: Citizens Advice. (2016) *Digital capability*. Results from a survey of 3,000 face-to-face network clients, using the Basic Digital Skills Framework, developed by Go On UK (now merged with doteveryone).

<sup>7</sup> Office of National Statistics. (2016) *Labour Market Statistics - May 2016*.

## Health

**Our clients are more likely to be disabled or have a long term health condition**



**39%**  
Citizens Advice



**21%**  
England and Wales  
population

Disabled people or those with long term health conditions may have reduced access to work or social opportunities. For example, there is a 33% gap between the employment rate of non-disabled and disabled people.<sup>7</sup>

If reasonable adjustments haven't been made to ensure equal access, disabled people can face additional barriers to being able to get or keep a job, or to use everyday goods and services.

If someone has been treated differently from other people because of who they are, this might be discrimination. We play a vital role in helping people understand if they've been discriminated against and challenge where this has happened.

# We help to find a way forward

We aim to help people find a way forward. Everything Citizens Advice does shares this aim.

As a service, we:

- help people overcome their problems through advice, support and education
- campaign on the big issues when people's voices need to be heard
- benefit society through the way we work



**Advice and support**



**Research and campaigns**



**How we work**



## Find a way forward

2 in every 3 clients have their problem solved



## Change lives

4 in 5 clients said advice improved their lives, including reducing stress and improving finances



## Make society fairer

We value diversity, champion equality, and challenge discrimination and harassment

## Temi's story

"I'd been privately renting for a few months when my landlord said he wanted six months rent in advance. This was to cover the fees he was going to be charged for switching letting agents. He said if I did not pay he would evict me and my children.

I became depressed about my situation so I went to Citizens Advice. I saw an adviser who informed me about my legal rights and responsibilities. I had such a feeling of relief and empowerment that someone was there to help. This enabled me to write to my landlord and as a result the fees were dropped. Thanks to Citizens Advice I was able to stay in my home."

Through our local network we recognised that private renters did not have the necessary legal protection to challenge bad landlord practice. Using our evidence, we campaigned for change. The subsequent Housing Bill introduced a new banned list for rogue landlords, and fines of up to £30,000 for private landlords who breach a banning order.

We also suggested ways to protect the most vulnerable from being evicted through amends to a new abandonment measure. These changes should prevent more people suffering in the first place, or provide ways for people to seek recourse where it does.

Temi's story doesn't end there - many of our clients go on to volunteer with us:

"Before getting help I didn't know how essential volunteers are to Citizens Advice. Being self-employed, I had some free time and decided to become a volunteer. I get so much from knowing that I can help people. It's a really good feeling and brings home the importance of volunteering."

# Our advice and support

## We provide services directly

 People came to us with over 6.2 million issues

 We provided support to 2.7 million people directly

We aren't driven by a one size fits all approach. We know people need different types of support at various times in their life.

One of our greatest strengths as a service is the flexibility to deal with most issues that people bring to us.

We provide both generalist and specialist advice and understand the way people's problems can interact and overlap.

We aim to solve problems, reduce their impact on individuals' lives, and improve people's circumstances.

Putting our clients' needs at the heart of our decision-making means we work in partnership, and can refer clients to other organisations to get the most relevant support.

All issue figures are in millions.

-  Benefits and tax credits
-  Debt
-  Housing
-  Employment
-  Consumer goods and services
-  Relationships and family
-  Legal
-  Discrimination
-  Other

## Direct services

## Online services



## In 2015/16:

Our local services	Pension Wise	Our consumer helpline	Our Witness Service
provided support on any issue out of 600 local Citizens Advice and 2,000 outreaches.	provided face to face information on pension choices from 50 local Citizens Advice.	provided access to telephone support 9-5 every working day. <sup>8</sup>	provided information and support to witnesses in 280 courts.
<b>5.6 million issues</b>	<b>1.96 million clients</b>	<b>550,000 issues and clients</b>	<b>180,000 witnesses<sup>9</sup></b>

 **49%** were helped face to face

 **44%** by telephone

 **6%** by email or webchat

<sup>8</sup> Our consumer service is a GB wide telephone helpline and email service, figures presented here are England and Wales only.

<sup>9</sup> Clients we see through the Witness Service are only included in the client statistics as they do not come to us with defined 'issues'.

## We offer advice online

 36 million visits

 55 million page views

There is significant value to society in ensuring everyone has access to free and independent advice, about any issue, at any time.

People access our online support from a range of devices:

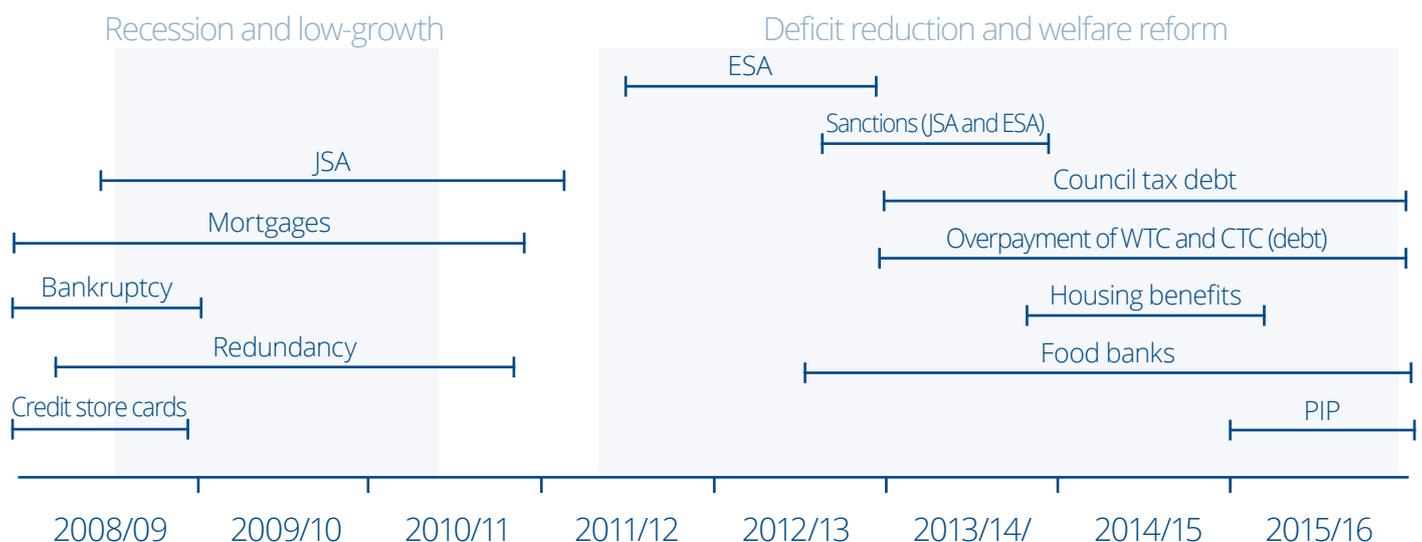
 **46%** desktop or laptop

 **41%** smartphone

 **13%** tablet

People use our pages in a way that works for them: to 'self-help' and solve the problem themselves, or to understand their options before they seek help from us directly.

## The main issues we see reflect major themes in society, or changes to policy and practice.



JSA – Job Seekers Allowance

ESA – Employment Support Allowance

WTC – Working Tax Credit

CTC – Child Tax Credit

PIP – Personal Independence Payment

## We understand the big issues

Because we help millions of people a year, our data enables us to have our finger on the pulse of what's happening in society.

The chart below shows the main problems people have asked our help with over recent years. It demonstrates that we are a frontline service, responding to major changes.



Learn more about the issues people bring to us in our Advice Trends analysis, and on our live traffic and online searches dashboard.

# The impact of our advice

## Solving problems

We have robust evidence of the effectiveness of our advice provision, showing that our service really works.<sup>10</sup>



**2 in every 3**

clients have their problems solved



**78%**

said that they would not have been able to resolve their problem without us<sup>11</sup>

This level of consistency is testament to our local advisers' skill in knowing how to deliver the right advice and best support to clients, regardless of issue or circumstance.

In our research, we followed-up with clients 3-5 months after receiving advice – often problems need more time to be resolved. Only 1 in 7 clients reported that their problem was not sorted.

Where a problem has not been resolved, our evidence shows there are often systemic barriers or market failures which prevent problems being solved. Our research and campaigns work aims to remove these barriers by improving policy and practice.

Whoever you are, whatever your problem and however you access our advice locally, we're just as likely to solve your problem.

## Changing lives

Our advice does more than help solve the immediate problem: it can reduce stress, improve finances and stabilise housing or employment.

**4 in 5 clients say we improved their lives – they say this even when problems are not resolved<sup>10</sup>**



**4 in 5**

felt less stressed, depressed or anxious



**1 in 2**

had more money or control over their finances



**Nearly 1 in 4**

had a more secure housing situation



**Nearly 1 in 2**

said their physical health had improved



**1 in 5**

had better relationships with other people



**Nearly 1 in 5**

found it easier to do their job or find a job

<sup>10</sup> In 2014 we completed a large scale national follow-up phone survey of over 2,700 clients to find out what happened to them following advice, posing a simple question: 'What did Citizens Advice do for you?' Our national outcomes and impact research was representative by problem type, channel of advice, work level and client profile.

<sup>11</sup> This is based on responses from clients that received Citizens Advice support primarily. For clients that we referred to another agency as part of our advice provision, 70% said they would not have known to contact that organisation without us.

# Our value to society

In 2015/16 Citizens Advice received £237 million in funding.<sup>12</sup>

This report demonstrates that we use this resource to help millions find a way forward, change lives and make society fairer.

Achieving these outcomes has a positive impact on our clients' lives and for society. It also prevents detriment from occurring or escalating.

**In 2015/16, for every £1 invested in Citizens Advice we generated at least:**



**£1.52** in fiscal benefits

#### **Savings to government**

Reduction in health service demand, local authority homelessness services, and out-of-work benefits for clients and volunteers.

**Total: £361 million**

**£8.08** in public value

#### **Wider economic and social benefits**

Improvements in participation and productivity for clients and volunteers.

**Total: £1.9 billion**

**£10.97** in benefits to individuals

#### **Value to our clients**

Income gained through benefits gained, debts written-off and consumer problems resolved.

**Total: £2.6 billion**

## **This is a minimum return**

It's impossible to put a financial value on everything we do - some of the crucial things we can't put a pound sign on. We've only included the main areas where we can credibly evidence our impact and that fit within a Treasury-approved model using arguments.<sup>13</sup>

We create additional value in many other ways including:

- additional benefits of advice, such as the £413 million of debts rescheduled
- how we benefit local government through helping clients negotiate local processes and helping priority bills such as council tax to be rescheduled
- the value of our work equipping and supporting clients, in building financial capability, informing energy consumer decisions, as well as our Pension Wise and Witness Service functions
- our research and campaigns work adds value for individuals who are not directly in touch with our service
- how our local network is embedded within communities - with the flexibility to adapt to local needs - and the value added by our national network



To learn more, we've put together a full technical annex on our methodology:

**Modelling our value to society in 2015/16.**

<sup>12</sup> Annual report and accounts from Citizens Advice and each local Citizens Advice detail the funding bodies and amounts. This is a provisional figure covering all that we do, running and staff local advice offices, telephone call centres, developing our website, and our corporate roles including research and campaigns.

<sup>13</sup> Available from New Economy: [neweconomymanchester.com](http://neweconomymanchester.com).

In focus:

# Our debt advice

We see people across the debt spectrum: from tight finances, to first arrears, through to bailiffs at the door.

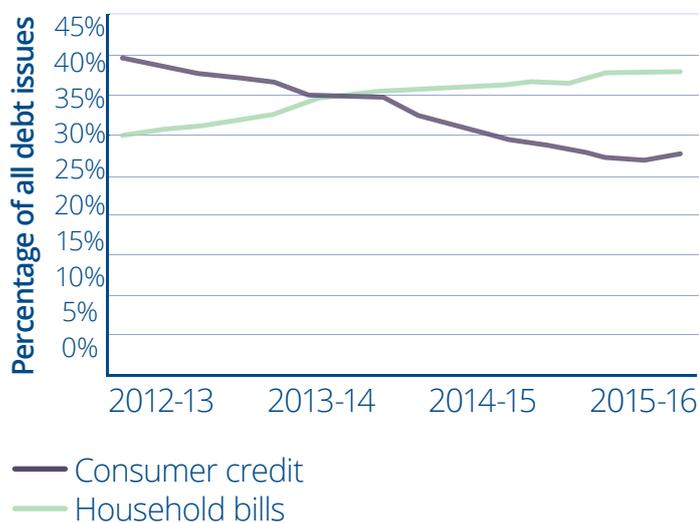
We aim to stop escalation, stabilise people's finances now and improve an individual's financial circumstances for the future.

We've built up a detailed understanding of how people experience problem debt, its complexity, and how it can best be managed.

## Our clients' experience of debt

### People are struggling to pay for the basic costs of living

The type of debt problems people are coming to us with is changing, with proportionally more household bill debt issues and fewer consumer credit problems. This reflects constraints on consumer credit and incomes not keeping pace with rising household bills.



## Welfare reform has affected levels of client debt



We advised on **212,000** council tax arrears problems in 2015/16 – a 10% increase on the previous year.<sup>14</sup>

Since Council Tax Benefit was abolished and replaced by localised support, council tax arrears have become our biggest debt issue.

As a priority debt, not making these payments can have severe consequences, including enforcement through bailiffs and even imprisonment.

## Clients coming to us about government debts doubled between 2005/6-2014/15.

People can suffer detriment when public bodies have uncoordinated and variable approaches to debt. Our research shows that public practice can have inconsistent approaches to affordability, be poor at communication and use aggressive tactics.<sup>15</sup>

## We address considerable amounts of debt



**£1.9 to £3.1 billion**  
in estimated total value of client debts<sup>16</sup>



**£2,078**  
average debt owed to government, such as benefits overpayments



**£2,122**  
average credit debt, such as credit card debt



**£1,310**  
average household debt, such as energy or electricity bills

<sup>14</sup> Citizens Advice. (2016) *Catching up: improving council tax arrears collection*.

<sup>15</sup> Citizens Advice. (2015) *The state of debt collection: the case for fairness in government debt collection practice*.

<sup>16</sup> To find out more about how we've estimated the financial detriment and benefits to our clients, see our full technical annex: *Modelling our value to society in 2015/16*.

## Why can debt be a problem?

Having manageable finances is vital: it underpins everything else in a person's life. However, 1 in 6 people in the UK have debt problems - an estimated 8.2 million people.<sup>17</sup> Unsecured debt is also now growing faster than secured lending and faster than wages.

People can struggle with financial commitments for many reasons.<sup>18</sup> Planned and unplanned circumstances or major life events can stretch people beyond their means. For those on low incomes - such as many of the clients we help locally - there isn't much of a financial buffer to begin with. It doesn't take much to fall behind.

### Our debt clients' profile reflects key characteristics linked to problem debt:<sup>17</sup>

 **72%** rent their homes  
28% privately | 44% social housing

 **42%** have dependent children

 **38%** are disabled or have a long term health condition

When problematic debt escalates, the issues are more than financial and can be acute, including on mental wellbeing.

## Nearly 4 in 5 of our debt clients say issues caused other difficulties in their life.<sup>19</sup>



**73%**

of our debt clients



**66%**

of all our clients

## felt stressed, depressed or anxious



**27%**

of our debt clients



**21%**

of all our clients

## had to move home or worried about losing it

Debt becomes critical when significant action is being taken by creditors: individuals may face legal action, eviction or repossession. The average societal cost of debt is £1,000, giving a sense of the level of state intervention needed, such as temporary accommodation, if debt gets to this stage.<sup>20</sup>

Unfortunately, fewer than 1 in 5 people seek advice about debt.<sup>21</sup> People can attempt to solve problems on their own, or turn to friends and family for help, but often there is a lack of awareness of rights and responsibilities.<sup>21</sup> There are also critical advice gaps where people are unable to get the support they need.<sup>22</sup>

17 Money Advice Service. (2016) *A picture of over-indebtedness*. There are five key characteristics leading to over-indebtedness: being a renter; families with three or more children; single parents; having an income below £10,000 and being aged between 25-34.

18 Department for Business, Innovation and Skills. (2013) *Credit, debt and financial difficulty in Britain*. 1 in 5 respondents constantly struggled to keep up with bills or payment or were falling behind, and 12% of households were one or more months behind with at least one bill or credit payment.

19 National outcomes and impact research, 2014.

20 Legal Services Research Centre. (2007) *A Helping Hand: The Impact of Debt Advice on People's Lives*.

21 Law for Life. (2015) *Legal Needs, Legal Capability and the Role of Public Legal Education*: Only 40% are aware of their rights and responsibilities. Our national outcomes and impact research shows following advice, 86% of debt clients report an improved understanding of their rights and responsibilities.

22 Citizens Advice. (2015) *The Four Advice Gaps*. Our research highlights that there are a series of gaps which lead to a range of people missing out on the benefits of money advice and the security that it affords, affecting those who want advice but can't afford it or where preventative advice would have helped.

## How we help locally

We work with people face to face, over the telephone, on email and through webchat to find the best solution to their debt problems.



We saw 353,000 clients with over 1.5 million issues in 2015/16

We take stock of people's financial situation, create a sustainable budget and help them find a solution to their debt problems. This includes insolvency remedies, renegotiation of payments and asking for time for a financial shock to be resolved.

We work out how serious clients' debts are, taking immediate action when there are emergencies. We also look at what the connected issues are, such as low income, a lack of financial capability or financial abuse.

Clients often come to us for help with problems where debt is the hidden, underlying cause. We have the knowledge and experience to manage the way people's problems can interact and overlap.

Where the clients are able to repay their debts, establishing a credible and affordable plan that people can stick to is essential, to ensure sustainability. We make sure that people pay priority bills such as rent, council tax and fuel payments first - the legal consequences of not doing so threatens their housing stability, living standards or risks imprisonment.<sup>23</sup>

We support the management of a debt solution, and help clients to understand their bills and contact creditors. Where possible, we help people make payments or negotiate for debt to be written off where a client simply can't pay, preventing creditors incurring further administrative costs.

### Due to their complex circumstances, our clients often receive more intensive support from us



**1 in 3** receive information and one-off support

We'll have understood the client's problems, checked for further issues, and provided the right support to meet their needs. This can include signposting or making referrals.



**2 in 3** receive advice and further support

Through advice, we'll help clients consider their options and next steps to manage their debts.

Where required, our casework provides more in-depth support, working directly with clients to implement next steps.

### The majority of our debt clients - 54% - have additional issues that require our support



**1 in 3** clients

also have a problem with benefits or tax credits



**Over 1 in 10**

also have a problem with their housing



**Over 1 in 10**

also have a problem with financial services or products



Learn more about how interconnected our clients' issues are, including how many clients have multiple debts.

<sup>23</sup> 28% of people would prioritise consumer credit debts - such as credit card bills, personal loans or overdraft repayments - ahead of household bills, like rent, mortgage or utility bills. Citizens Advice and YouGov (2016) online survey with 2,100 adults, weighted to be representative of the UK adult population.

## The difference we make



**2 in every 3**  
clients have their debt  
problem solved<sup>24</sup>

This is an estimated 236,000  
people last year.



**9 in 10**  
debt clients say we improved  
their lives

They say this even when problems  
are not fully resolved.

In 2015/16 we estimate we helped:<sup>25</sup>



**£413 million**

total worth of debts successfully  
rescheduled for 82,000 clients, an  
average of £5,000 per client



**£647 million**

total worth of debts written-off for  
47,000 clients, an average of £13,000  
per client

The financial value to society of our debt advice:<sup>25</sup>



We saved the government  
and public services at least  
**£123 million**



We estimate the total  
social and economic  
value to society to be  
over **£493 million**

## People also seek support online:

 5.6 million page views of  
our debt pages online

People seek support on different issues online:  
there is a greater proportion looking for  
support and information about debt solutions,  
such as bankruptcy and debt-relief orders.

We're developing self-help tools to help people  
think practically about their finances. Our  
budgeting tool, for example, gives people a  
sense of where their finances are at, to help  
them decide on any potential courses of  
action.

### Amirs' story

"I first fell into arrears with his council tax  
due to a misunderstanding about the bill. I  
immediately contacted the council to repay  
this debt but was subsequently sent a request  
for the wrong amount. Even though it was  
their error, the council passed my account  
over to bailiffs, who added over £300 in  
various charges.

With threatening bailiffs at my door, I sought  
help from Citizens Advice. I was advised about  
how to avoid extra charges, of my rights  
against the bailiffs and how to negotiate with  
the council."



Learn more about the insight we have  
about our clients and our impact for all  
our primary advice areas.

<sup>24</sup> National outcomes and impact research, 2014.

<sup>25</sup> To find out more about how we've estimated the financial detriment and benefits to our clients, see our full technical annex: *Modelling our value to society in 2015/16*.

In focus:

# Financial capability

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## Having the knowledge, skills and mindset to take action

When trying to solve a problem - or simply managing everyday life - individuals need the right knowledge, skills and mindset to make decisions and to take action.

As we move through life from school to work, in and out of employment and beyond, the capabilities we need to manage well and deal with our problems will change.

Sometimes our knowledge, skills and mindset might not keep pace with our changing circumstances. There are also times in our lives, such as a period of bereavement, that impair our ability to manage and deal with our problems.

Our advisers help clients with this every day, carefully working out what level of support is needed to help someone find a way forward, and so that they can better manage their circumstances.

We're developing consistent ways of understanding client capability so that we are best placed to provide appropriate and empowering support.

Financial capability is one example.

## Why does financial capability matter?

Financial capability underpins the way we deal with a range of planned and unplanned life challenges. It means having the right skills, knowledge, habits and behaviours to make the most of your financial situation now and in the future.

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For example, if you become unemployed, live on a low income or get a divorce you need a particular set of skills to cope.

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Equally, changes to the way people need to claim and manage benefits, with Universal Credit rolling out, make it essential to have the knowledge and actions to be financially capable.

Experience tells us that determining how good someone's financial capability is - and what works to improve it - is complex and nuanced.

Focusing on a single characteristic isn't enough to capture the significant financial challenges that our clients face on a day-to-day basis.

## Our financial capability areas

Over the course of the last year, we've defined the interlinking aspects of financial capability, developing measures that have been tested and validated with experts and through our research.<sup>26</sup>

 **Keeping track of money:** what's going out, coming in and calculating what's left over - including checking balances and keeping paperwork in order.

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 **Controlled spending:** spending or saving what's affordable after covering the basics needed to live.

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 **Having enough money to live:** having enough money to cover the basics needed to live like food, housing and electricity.

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 **Planning ahead with money:** knowing when payments are due and keeping on top of priority bills - putting some money aside for big or unexpected costs.

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 **Looking for the best deals:** considering options and buying the best deal for products and services, taking on board opinions from reviews and comparison websites.

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 **Staying informed about money services:** reading the main information about money services, staying on top of changes and getting support when needed.

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 **Mindset:** being confident about taking action on money matters.

## Our latest research

We recently conducted a survey of our local face-to-face clients using our measures and a screener developed by National Numeracy.<sup>27</sup>

Initial results show a nuanced spectrum of our clients' strengths and needs, reflecting the complexity of financial capability: everyone has their strengths, but some areas need a bit of work and others need a lot of work. Looking at all these things together empowers clients to find a way forward.



**1 in 2**

**of our face-to-face clients have low confidence about taking action on their money matters**

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**1 in 4**

**were able to demonstrate reasonable numeracy**

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Our clients' day-to-day maths skills were screened. We're now exploring some of the methodological challenges of understanding the needs of the remaining 3 in 4.

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**Clients tended to score high in keeping track of money and low in staying informed about money services**

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Clients were asked to rate their knowledge and how often they do these things, in terms of keeping track of money going out, coming in and calculating what's left over, and staying informed on the main information about their money services.

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<sup>26</sup> They have also been developed to align with outcomes in the Money Advice Service (MAS) UK Financial Capability Strategy Adult Outcomes Framework. The measures will be signposted as part of the financial capability evaluation toolkit developed by MAS.

<sup>27</sup> Financial capability and numeracy baseline survey, 2016: based on a representative sample of over 1,000 face-to-face clients across England and Wales.

We split our questions by knowledge, behaviour and confidence to get a sense of what information clients need, where they need help taking action and to understand their mindset about money.

Full results will be published soon, illustrating the relationships between our clients' knowledge and behaviour for each financial capability area. We'll also explore how these interact with other factors such as people's personal characteristics, any life events they are facing and additional needs to do with digital capability and literacy.

## How we help

We try to help people deal with their finances regardless of problems they face - particularly when money is tight and needs to be carefully managed. Our advice often includes checking a client's finances, finding ways to maximise their income and providing some form of financial capability support - one that is tailored to their needs, relevant to their situation and presenting problem.



In 2015/16, we worked directly with 41,200 clients

Where someone needs support, we offer one-to-one or group financial capability sessions, aiming to integrate this into a holistic package of advice provision.<sup>28</sup>

One study found that our clients were on average £10 a week better off than those in a control group who had received support.<sup>29</sup>

We also train frontline workers, who cascade financial skills training to their clients.

## Measuring our impact, improving our services

As well as enabling us to better understand client need, our measures will allow us to consistently test and evaluate new and existing services, by robustly tracking our clients' financial capability progress.

We'll be able to consider how we can make the most of the opportunities we have to engage clients in improving their capability, such as when they're experiencing key life events or when managing problem debt.

This will contribute towards a valuable evidence base of what works to improve people's financial capability, as well as future development of our education services.



Learn more about how robustly measuring financial capability is a part of our approach to understanding what works.

<sup>28</sup> For example, our Digital Money Coaches support clients to build financial capability through digital inclusion, and in Wales we piloted face-to-face Money Advice to help clients make the most of their money and make good financial choices. Citizens Advice supports local offices by producing quality assured financial education resources, co-ordinating a Financial Capability Forum Network that brings together organisations delivering financial capability work to share knowledge, opportunities and good practice.

<sup>29</sup> Citizens Advice. (2012) *Quids In: the impact of financial skills and training for social housing tenants*.

In focus:

# Our support and education

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As well as helping to solve people's problems, we provide education and support. Empowering clients to have more voice and influence, to have control in their lives and more agency, is central to keeping clients at the heart of everything we do.

## Introducing Pension Wise and the Witness Service

### We deliver face-to-face pensions guidance

Pensions changed in April 2015, giving people more choice about how they can access their pension pot - as well as the responsibility to make an informed decision that affects their financial future.<sup>30</sup>

Deciding on the right option is dependent on a wide range of personal circumstances, and there is further complexity added by risks from the host of pension scams targeting pension savers.<sup>31</sup> Making the wrong choice can be costly: from an unnecessarily large tax bill, to leaving people with insufficient income for their retirement.

Pension Wise helps people to understand their choices and delivers essential information that is free and impartial. Our local network delivers the face to face element, making use of our geographical reach to ensure people can access support. Due to the complexity of pensions choices, consumers value a multichannel offer of support - more than 3 in 4 consumers would choose face to face as one of their top two channels.<sup>32</sup>

In our first year, 32,000 face-to-face appointments were delivered to people with pension pot values ranging from less than £1,000 to more than £1 million.



**96%**

told us they are either 'delighted' or 'very pleased' after their session

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The close partnership between the service and our local network means that we can easily meet any other advice needs our clients have.



**1 in 4**

Pension Wise clients have also received advice on either a debt, benefit or taxation issue

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<sup>30</sup> Citizens Advice. (2016) *Drawing a pension: A consumer perspective on the first year of pension freedoms*. Our research found that consumers are not shopping around for pension products and, although most are enjoying good access to their pensions, a significant minority are experiencing problems in the new market.

<sup>31</sup> Citizens Advice. (2016) *Too good to be true? Understand consumer experience of pension scams of year on from pension freedoms*.

<sup>32</sup> Citizens Advice. (2015) *Approaching Retirement*. 79% of consumers said they would opt for face-to-face support with pensions choices in their first two preferences, with 42% opting for phone support and 42% opting for web support.

## We support witnesses to give their best evidence

Our criminal justice system relies upon witnesses giving their testimony accurately and confidently, but giving evidence can be a difficult and emotional experience for any individual.<sup>33</sup> Standing in front of a court can be an intimidating process, with unfamiliar formalities and conventions.<sup>34</sup> This is likely to be even harder for vulnerable or intimidated witnesses, especially those that have been victim to the crime, as they may have to come face to face with the defendant in court.

With the right support, a witness should be able to give their best evidence, which in turn supports the effective delivery of justice.



**180,000**  
witnesses supported at  
280 magistrates and crown  
courts

Our Witness Service provides practical information about magistrates and crown court processes, including details of what giving evidence involves to allow them to feel informed and prepared. We also offer emotional support and a safe waiting space to ensure individuals feel valued and respected.

Our service is free and impartial; works closely with other criminal justice and support agencies; and is adapting to best support witnesses through our changes and enhancements.

## We make a real difference for witnesses:<sup>35</sup>



**96%** said their needs were met



**94%** felt more informed about the court process



**80%** felt more confident about giving evidence

A crucial measure of our success is the high numbers of witnesses that would give evidence again:



**83%**  
supported would be prepared to give evidence again

69% said this was because of our support

## Nick's story

"Having no legal experience or knowledge of the court system, the pre-court visit arranged by the Witness Service helped me feel more comfortable. The service also supported me through the two week trial, taking really good care of me. It was a daunting experience.

If I hadn't had their support I would have carried on, but it would have been really difficult. I know there are plenty of people who would have given up without such support.

I was so grateful for the help I got, I decided to start volunteering for the Witness Service myself."

<sup>33</sup> Citizens Advice. (2015) *Responsive Justice: how citizens experience the justice system*. Looking more broadly at the court system, our research shows that user experience can leave a bad feeling: one in five people who have been involved in courts in any way say they came out with a worse opinion of them than when they started.

<sup>34</sup> Jacobson, J. Hunter, G. and Kirby, A. (2015) *Structured mayhem: Personal experiences of the Crown Court*.

<sup>35</sup> Statistics are from management information and 58,900 witnesses' feedback following Witness Service support.

## Education

Through our education programmes, we aim to build clients' skills and confidence to better manage their current and future circumstances.

### Energy education

Ensuring consumers - especially those at risk of fuel poverty - make informed decisions about their energy supply is a vital component of healthy finances and maximising income.

Last year, as part of a broader programme of energy advice and education, we provided Energy Best Deal group sessions to 13,000 consumers and 5,700 frontline workers, many of whom would be considered vulnerable (due to low-income, pensionable age, child dependents and health status).

### Consumer education

There is often a lack of knowledge about consumer rights and responsibilities - many people are not even aware that they are losing money. Our awareness raising activities aim to help prevent problems - and therefore consumer detriment - before they arise. Helping consumers understand and act on their rights makes it easier for everyone to maintain good practice.

As a main partner of the Consumer Protection Partnership, we run various campaigns and educational projects, including National Consumer Week and Scams Awareness Month.

These use our local network and national relationships to coordinate public awareness work to highlight and prevent scams.

## During Scams Awareness Month:

**15%**  
more scams  
reported to  
our consumer  
helpline

**9%**  
increase in  
referrals to Action  
Fraud by our  
consumer helpline

We also provide consumer advice and information through our local network and consumer helpline.



**1 in 2**

**clients successfully resolved their problem using our consumer helpline<sup>36</sup>**

Evidence suggests that our helpline plays a vital role for consumers who cannot resolve their problem alone without specific support.<sup>37</sup>

Our helpline clients reported feeling less confident about taking action to resolve their issue - alongside evidence that their problems were more complex and of higher value - compared to individuals who had not contacted Citizens Advice about their problem. 7 in 10 helpline clients had also tried using other sources of consumer help, such as information websites, before contacting us.

As the statutory consumer advocate for energy and postal services, we also have an unparalleled wealth of information about consumer problems.<sup>38</sup> Our advice and policy work therefore reinforce each other, allowing us to spot and act on emerging market trends.

36 Consumer helpline satisfaction surveys 2015/16: based on a sample of over 3,700 helpline clients, representative by issue type.

37 Telephone research with 1,200 Citizens Advice clients, completed jointly with the Department for Business, Innovation and Skills. 42% of helpline clients reported feeling confident in taking action, compared to 70% of non-users. Problem complexity has been established based on: the nature of a client issue, the method of problem resolution and client self-reported measure of issue complexity.

38 Our responsibilities include representing consumer interest to businesses, regulators and policy makers, referring companies for breaches of licence, and collaborating with others to develop and implement practical solutions to consumer problems.

In focus:

# Health and wellbeing

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Through the wide-reaching effects of our advice and by co-locating in health settings, we improve our clients' mental and physical health and their wellbeing.

## Mitigating social inequalities and health inequalities

Our clients' experience of low income, deprivation or poor living conditions can affect their health.<sup>39</sup> For example, not having the necessary income to heat your home can increase the risk of minor illnesses, respiratory and cardiovascular diseases, as well as exacerbating existing health problems.<sup>40</sup> It also affects the whole household, including children: it can have a detrimental impact on life chances.<sup>41</sup>



**37%**

**of clients advised on debt and benefit issues have dependent children**



**100,000**

**clients advised on energy related consumer problems and/or fuel debt**

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Enabling people to improve their standard of living - by maximising income through benefit take-up or debts managed - helps mitigate the social inequalities that give rise to health inequalities.<sup>39</sup> We also provide advice and education to help people make better choices about their energy, and increasingly are looking at preventing circumstances that lead to cold homes.

## Co-location in health setting

On average, GPs spend a fifth of their consultation time on non-clinical matters such as housing, employment, welfare benefits and relationship issues.<sup>42</sup> This leaves less time for patients' healthcare.

4 in 5 GPs refer patients to advice provision in the community.<sup>42</sup>

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Where possible we work directly with health and mental health providers, and provide outreaches in 690 GP surgeries and other health locations.

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For example, there have been advice services operating in GP surgeries across Derbyshire for nearly 20 years.

By resolving problems that affect health, as well providing direct referral routes, this may increase the speed or likelihood that clients gain the benefits of advice provision. It may also improve the effectiveness of GP time, by making more time for clinical health matters and providing greater holistic care to the patient.

39 The Marmot Review (2010) *Fairer Society, Healthy Lives*: This review provides clear evidence that people in lower socioeconomic groups have less chance of leading a healthy life than those in higher socioeconomic groups: areas of inequality include mental health, self-reported health and morbidity.

40 Marmot Review Team. (2011) *The health impacts of cold homes and fuel poverty*.

41 Social Mobility and Child Poverty Commission. (2015) *State of the Nation 2015*.

42 Citizens Advice. (2015) *A very general practice: how much time do GPs spend on issues other than health?*

## The impact of advice on clients' health

Having a problem is often worrying. Sometimes, it can damage a person's mental and physical health to such an extent that they need to seek help from health services.

### As a result of their problem



**2 in 3**  
felt stressed,  
depressed or  
anxious

**Nearly 1 in 3**  
felt their physical  
health had got  
worse

### Following advice



**4 in 5**  
felt less  
stressed,  
depressed or  
anxious

**Nearly 1 in 2**  
felt their physical  
health had  
improved

Problems most often result in a deterioration in mental health. Our advice makes a significant difference, regardless of how someone felt prior to advice. Additional research also showed an improvement in clients' average mental well-being scores – these ratings can be well below the national average before advice.<sup>43</sup> People with mental health problems have long been an important client group and we have a strong record in supporting them.

## Helping those with existing health conditions<sup>44</sup>

Being sick, disabled or having a long term health condition can create barriers to employment. Social welfare benefits are a vital safety net to make sure anyone in this situation can afford the basics - housing, heating, clothing and food.

The welfare system is essential, but also complex - not everyone takes up the benefits they are entitled to.<sup>45</sup> Welfare reform has added additional complications. Benefit type, administrative processes and eligibility criteria have all changed, making it difficult to navigate if and how a claim should be made. We help clients - including those with complex needs - consider claims for Employment Support Allowance (ESA) or Personal Independence Payment (PIP). We can quickly confirm eligibility or challenge wrong decisions.

### Eric's story

**"I worked as an engineer manager, but my health started deteriorating so I had to leave work. I have several health issues including being partially sighted and have had six of my toes amputated. I applied for PIP and was turned down, despite my surgeon stating I'm unable to walk unaided. I appealed the decision, but my paperwork was lost. I became depressed and anxious. My doctor suggested I visit my local Citizens Advice.**

**They helped me apply for mandatory reconsideration. It took nearly a year to get a decision. I won and my award was backdated. I am really grateful for the support Citizens Advice has given me. Without their help, I would not have won my appeal."**

<sup>43</sup> Using the Warwick-Edinburgh Mental Well-being Scale (WEMWBS), we measured our clients' well-being before and after advice, comparing it to the national mean.

<sup>44</sup> Citizens Advice sees a higher proportion of clients who are disabled or have long term health conditions compared to the England and Wales population

<sup>45</sup> Eurofound. (2014) *Access to benefits, Unpublished Working Paper*. Personal choice, administrative difficulty and a lack of knowledge or access to information about eligibility means that not everyone takes up entitled-benefits. In 2009/10, an estimated £7.5bn-12.3 billion was left unclaimed. [Department of Work and Pensions. (2012) *Income Related Benefits: Estimates of Take-Up in 2009/10*]

# Research and campaigns

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Some problems are too difficult to solve through advice alone, often where there is a systemic issue with a market, a policy or a set of regulations.

This is why our research and campaigning functions are so important.

By listening closely to the people who come to us, using our real-time data and gathering insight and intelligence from consumers, citizens and frontline advisers, we spot emerging issues and policies, practices and regulations that are not delivering for society.

We then take action, nationally and locally.<sup>46</sup>

## What does impact look like?

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Our impact is where we can demonstrate our actions have benefitted people by addressing the original systemic issue - through preventing detriment occurring, mitigating potential adverse impacts or ensuring recourse is available.

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Sometimes success is obvious: we've helped to bring about a major policy change that will positively affect people's lives and reduce detriment.

Our research and campaign work to bring about improvements for private renters in the Housing Act, mentioned earlier, is a prime example.

## Other times it is subtler - but no less meaningful in its value to society:

 Preventing detriment by improving consumer savviness and public awareness, including highlighting the dangers of subscription traps;<sup>47</sup>

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 Adding clarity to public debate through our unique data and insight, such as our research and campaign on domestic abuse;<sup>48</sup>

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 Reducing detriment by advocating for greater consumer choice, like our groundbreaking work within the telecommunications market;

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 Preventing problems by informing and influencing policy implementation, such as ensuring that people get six months' notice in relation to the benefit cap before their support is changed;

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 Providing the evidence for a regulator to take action that will benefit people, such as our work with Ofgem for energy consumers.

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<sup>46</sup> This involves publishing analytical reports, raising awareness through national and local media, working with regulators, and providing evidence to government through briefings and consultations.

<sup>47</sup> Citizens Advice. (2016) *Locked In: Consumer Issues with Subscription Traps*.

<sup>48</sup> Our 'Talk about abuse' campaign blended policy research with awareness raising - to encourage people to look for signs of domestic abuse among their friends and family, to talk about it, listen and support, and suggest further help.

## Advocating for greater consumer choice

### Ensuring consumer choice in evolving markets

We have the capacity to highlight sharp practices which put consumers at an unfair disadvantage.

4 in 5 UK households now have a fixed broadband connection,<sup>50</sup> but we found that hidden charges in broadband ads made it very difficult for consumers to work out how much they would actually pay and compare deals.<sup>51</sup>



**From October 2016, providers will no longer be allowed to hide the true cost of broadband in the small print.**

Our research and high profile media interventions persuaded the Advertising Standards Agency to crack down on misleading adverts.

### Basic bank accounts for everyone

We have conducted research and campaigned on this issue for many years.<sup>49</sup>



**In 2015, as a result of our advocacy, legal changes were made that required banks to offer free basic bank accounts to undischarged bankrupts.**

Restricting access to the most basic financial service - a bank account - causes financial exclusion. It can prevent individuals from obtaining the best deals for basic services and create barriers to employment.

## Ensuring changes to post office services work for the public

We're the statutory watchdog for post office consumers.

Three-quarters of the post office network is undergoing changes that could improve consumer experience, through greater access and more sustainable services. However for the benefits to be realised, the basics need to be right, including consistent and reliable provision.



**This matters for thousands of communities that will come to rely on them to access essential postal, banking, bill payment and government services.<sup>52</sup>**

We've provided insight and feedback on all aspects of the branch restructuring programme, including scrutinising proposed changes to ensure they deliver for consumers.

49 Citizens Advice. (2010) *Called to account*.

50 Ofcom. (2015) *The Communications Market Report*.

51 Citizens Advice and Com Res research with 2,000 adults, with data weighted to be representative of all adults in Great Britain (2015).

52 Citizens Advice. (2015) *Fixing the Foundations: Branch and service standards in Post Office locals*.

## Providing the evidence for a regulator to take action

Alongside our unique data and insight, we've got a public duty to provide vital intelligence to regulators that informs where action might need to be taken, and provides the evidence to do it.

Ofgem recently levied the following enforcement fines over misconduct as either a direct result of the Citizens Advice Services' referral or as a result of extensive evidence from across our network:

### £ Enforcement fines:

- Economy Energy – £250,000
- Spark Energy – £250,000
- Business Electricity Solutions – £980,000
- npower – £26 million

Funds go directly to the individuals involved, addressing any consumer detriment as well as compensating consumers for any distress caused.

Where this is not possible, a consumer redress payment will be made to charities like ourselves, to fund direct services that will help other energy consumers, and prevent detriment in the first place.<sup>53</sup>

## Our impact isn't just realised in this year alone

Sometimes our advocacy work takes time to come to fruition and the benefit to individuals will be seen in future years. As a result of highlighting particular issues and working closely with public and private agencies, we have commitment for:

 The British Banking Association guidelines for banks and creditors on financial abuse following our report, ensuring that abuse can be effectively challenged and that victims are properly supported.<sup>54</sup>

 There is now cross-government commitment to review what counts as self employment following our awareness raising - a new definition should make it harder for employers to put people on bogus self-employment contracts.

Equally, previous research and campaigns achievements, such as those highlighted in our impact report last year, still positively impact society today, such as our work into payday loans.

Following tighter industry regulation, we've seen a dramatic drop in the number of payday loan issues seen by our local network.<sup>55</sup> We'll continue to monitor this to ensure consumers have truly benefitted from the new regulations.<sup>56</sup>



Learn more about what else we achieved in 2015/16, as well as previous research and campaign successes.

<sup>53</sup> Citizens Advice and Citizens Advice Scotland. (2016) *Citizens Advice consumer advocacy: what we did in 2015/16*. This is our joint annual report that looks at what we've achieved their year against our stated aims.

<sup>54</sup> Citizens Advice (on behalf of the Addressing Financial Difficulty Group). (2016) *Addressing financial abuse*. This outlined a framework to help banks, other creditors and advice providers.

<sup>55</sup> See our 2014/15 impact report to find out more about the intelligence we provided and action taken on payday loans.

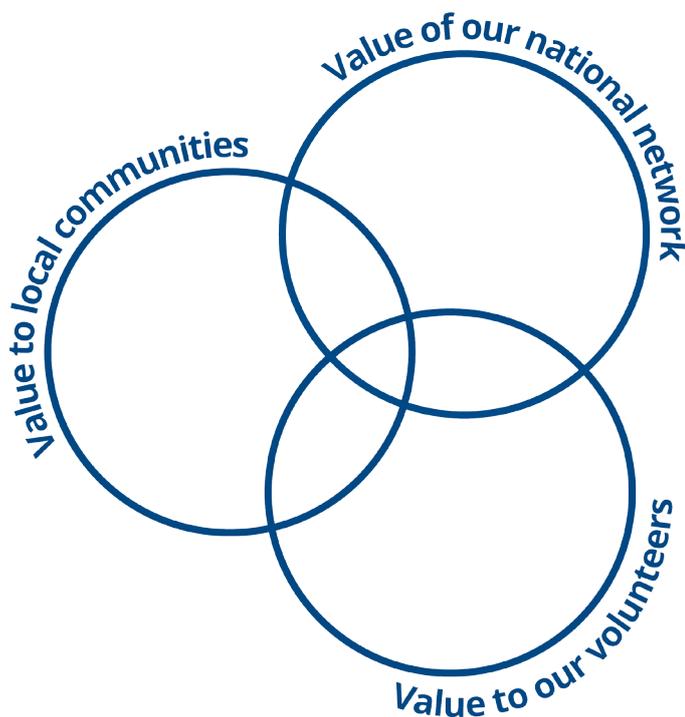
<sup>56</sup> Citizens Advice. (2016) *Payday loans: an improved market?*

# How we work creates value

We also benefit society through the way we deliver our services, in addition to the impact our principle activities have on clients' lives.

This is our social value.

It covers what is most unique about the Citizens Advice service, and the extra value that would be lost to society if our service and core work were removed from communities.



## The benefits of working with volunteers

We couldn't reach as many people as we do without our 23,000 volunteers.

They come from a wide range of backgrounds, helping us deliver advice and education through our local network, and supporting witnesses in courts.



Our 23,000 volunteers contributed an estimated **£114 million** working hours to our service<sup>57</sup>

There are also considerable benefits for our volunteers: gains around employability and skills; soft skills and resilience; health and wellbeing and community engagement. These come as a result of their experience working directly with clients, as well as the support we provide that ensures clients receive a quality service.<sup>58</sup>

For our local network volunteers, we've been able to evidence these benefits and consider the financial value to society as a result.



**35%**

of local network volunteers left us last year for education, employment or training<sup>59</sup>



**£98 million**

in wider economic and social benefits as a result of volunteering<sup>60</sup>

<sup>57</sup> For our local network, we know through our management information that our 20,700 volunteers donated £108 million of hours.

We don't capture this information for our 2,500 Witness Service volunteers, but using minimum estimates, this is likely to be at least £6 million.

<sup>58</sup> Citizens Advice (2014). *CAB volunteering: how everyone benefits*.

<sup>59</sup> We've provided figures from 2014/15, ahead of 2015/16 figures being available in late summer.

<sup>60</sup> This forms part of our estimate of the value to society of Citizens Advice the public value of volunteering: (improvements in health, well-being, participation and productivity). See our full technical annex: *Modelling our value to society in 2015/16*.

## Our support for local communities

We act as one service, with one vision, yet are rooted in each and every community across England and Wales.

Local Citizens Advice have provided an independent local service for over 75 years, gaining a deep and credible understanding of community needs, cemented by up-to-the-minute data on local issues from our daily interaction with our clients. Our structure enables us to be flexible in our service delivery across our network, using our insight to respond specifically to community need, benefitting local people and government. This means we can:

-  Tailor our advice provision, helping clients navigate local systems such as council tax support and local housing processes more effectively.
-  Provide advice and support in the locations that matter most - we have outreaches in GP surgeries, local community centres and local authority offices.
-  Recognise emerging local problems - and aim to tackle them ourselves or use our insight to campaign locally to change policies and practices.
-  Share resources, working practices, and locations with a range of organisations, making it easier for clients to access relevant services now and in the future.<sup>61</sup>



Learn more about our social value, including our research with volunteers.



Read more about the role and achievements of Citizens Advice nationally in our annual report.

## Our national network

Together we are greater than the sum of our parts. Our national infrastructure provides our local network with additional support and services, and enables sharing of knowledge so that we can best support clients. In addition, we strive to be as effective as possible and have minimum standards across the network, ensuring clients can expect the same consistent quality of support.

We improve our service offer to clients, including using data and insight to create dynamic online advice. Thanks to extensive user research and analysis, we understand why people use our online service, what information they really need, and how we can best communicate what they need to do to solve their problem.

We are rewriting our online content so that it provides tactical and practical advice focused on solving people's problems. Our new immigration content reflects the excellent tactical information given by advisers on the frontline. Our new energy tool helps people understand complex energy bills so they're more likely to switch supplier. Our new Personal Independence Payment (PIP) guidance takes clients through the complex application process step by step.

Our content is designed with a deep understanding of client behaviour and the state of mind they're in, and are rigorously tested for accessibility. All of our products are designed side by side with volunteer advisers and clients. We've had over 1,000 advisers and over 900 clients or prospective clients involved in testing our new digital products. This all ensures that we're designing with, not for our users.



Learn more about how we're improving our online content on our digital blog.

<sup>61</sup> A recent example of this is local Citizens Advice's leading role in 75% of advice partnerships funded through the Advice Services Transition Fund (ASTF). ASTF aimed to provide advice partnerships in local authority areas across England with the opportunity to reform and restructure in order to face the future with greater resilience.

# Moving forward

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Free, independent, confidential, impartial advice and support makes society better.

Citizens Advice is the first port of call for millions of people across England and Wales, including some of those most in need. Our support is essential in helping people overcome their problems and find a way forward with their lives.

Our support is highly valuable. Every pound spent on Citizens Advice saves the taxpayer at least £1.50. It also boosts individuals' incomes, and benefits society through better health, confidence and participation.

It is vital that Citizens Advice is able to continue to offer free advice in every community, on a full range of issues, through a range of channels, so it is available to everyone who needs it.

We also have the infrastructure to adapt to clients' changing needs as well as the agility

## We call on government to:



Protect and support the provision of Citizens Advice services locally, including assisted digital support, through our essential frontline service.

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Work with Citizens Advice to trial what works in financial capability and debt advice, recognising our existing role in the money advice sector, and our research and insight capacity.

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Ensure Citizens Advice have the necessary resources to prepare and support people as they transition to Universal Credit, given we already reach those with financial capability and digital needs.

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to respond to the ever increasing demand for advice, despite the significant pressures on our services locally.

We've established new opportunities to help more people. We deliver pensions guidance and support witnesses in the court system. We work alongside GPs so they can prescribe advice alongside medical care.

Our work as the consumer champion, educating clients to better manage their finances and get the best deals, continues. As does our support for people who are making the transition to universal credit. And we carry on alerting government to any systemic problems our clients experience.

Solving problems and changing lives is in everyone's interest. And so is using our unparalleled evidence and experience to ensure government policy and private markets are effective and responsive to people's behaviour and needs.



Support the expansion of Citizens Advice work in GP surgeries and other health settings, to save the NHS money and improve people's wellbeing.

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Collaborate with Citizens Advice to use our real-time information and our unique frontline insight to ensure that policies and markets deliver for all.

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# Our approach to impact

## Why do we produce an impact report?

Alongside holding true to good impacting reports principles,<sup>62</sup> we produce an impact report because:



### **We must demonstrate our impact and value**

We need to communicate to stakeholders our critical value to society, using credible evidence that we can stand by.



### **It is an essential part of good governance**

Understanding our organisation's intended impact and what is actually achieved is vital - it helps show how our resources are used and ensures that we are well run.



### **It helps us be more effective in our mission**

By understanding what works, we can best use our resources and prioritise services that effectively meet our aims. We can also identify delivery gaps and new opportunities.



### **We're committed to being transparent about our impact**

This is in what we know, as well as how we've reached these conclusions.

These principles also lie at the heart of why we aim to understand our service's impact and effectiveness - to embed good impact practice across Citizens Advice.<sup>63</sup>

## How we define, evidence and demonstrate our impact

When we were awarded 'Charity of the Year' at the 2015 Charity Times Awards, our impact work was held up as an example of best practice across the sector.

This hasn't happened overnight. Instead, we've developed an approach that delivers meaningful findings that help with organisational decision-making.

We only measure what matters, and this is proportionate to service delivery. We only ask what's appropriate of our clients, putting their needs first.

### **We have a clear theory of change<sup>64</sup>**

We understand how problems affect lives and our clients' needs; how our activities meet these needs; and how this ultimately benefits local communities and society. This provides a common narrative to consider how our organisational aims connect to the services we deliver, as well as the key arguments we need to evidence to understand impact.

### **We make use of our unique client data**

Our centralised CRM and standard method of recording details of clients' problems gives an unprecedented understanding of our clients' profile and issues. This is the starting point for understanding our impact: a nuanced picture of client need and what we do.

### **We have shared measurement**

We have designed and implemented shared outcomes measures across our local network, to systematically understand the advice outcomes achieved for our clients. These are built into our CRM, and are reviewed to ensure they best fit the likely issues and outcomes experienced.

62 New Philanthropy Capital. (2011) *The Principles of Good Impact Reporting*.

63 Inspiring Impact. (2013) *The Code of Good Impact Practice*.

64 Theory of change is a technique commonly used in impact measurement and reporting. Citizens Advice's high-level theory of change is shown on p.8.

### **We carry our robust research to fill in evidence gaps**

We undertake follow-up client research. Our national outcomes and impact research, for example, asked 2,700 clients about what Citizens Advice did for them. Working with our local network, we can also survey clients about specific areas of need: our financial capability and digital capability research used this approach.

Research is not always with our clients: we've also surveyed nearly 1,500 of our volunteers about the social value of volunteering with our local service.

### **We use external measurement tools as well as develop our own**

Where appropriate, we use sector-standard measures to embed good practice and allow comparison with other datasets. Our research projects into our clients' income, their wellbeing and digital capability used external measures that allowed comparison to the general population.

Where external measures don't meet our needs, we develop our own, thoroughly researching and testing these with our clients before implementing them in evaluation and research projects.

For example, we now have measures that will allow us to understand our clients' financial capability, and measure any change following our interventions.

### **We carry out evaluations of specific services**

Our evaluations are designed to ensure that we're equipped to make evidence-based decisions about the effectiveness of our services, as well as building up our evidence and understanding about what works for whom.<sup>65</sup>

### **We make use our impact understanding**

We create benchmarks for what good looks like, informing internal decision-making and resource-use.

We demonstrate our impact to stakeholders to national and local stakeholders, providing support to local Citizens Advice. Where appropriate, we apply Treasury-approved methodology to understand the financial benefits to society of our work.

We also share our learning with others in the sector.

### **What's next**

Covering the sheer breadth of the work of Citizens Advice is no simple task.

We'll continue to take this forward: identifying evidence gaps, evaluating new services, and maintaining our transparent and credible approach.

<sup>65</sup> Evaluations are primarily delivered in-house by our team, as our understanding of Citizens Advice processes is essential to ensuring that evaluations meet organisational needs. The impact and evaluation function is independent of those delivering our services, providing additional credibility to evaluation findings. It also enables us to build-up our internal learning of the most appropriate evaluation approaches, best practice and tools. Where an evaluation requires a specialist approach we will engage the services of external evaluators.

## Report authors

This report has been written by the impact and evaluation team at Citizens Advice.

Lead author: Siân Whyte

Specific sections and research led by: Hugh Stickland, Satdeep Grewal, Carolyn Budd and Alex Hayes.

Additional content and support from: Stephen Rocks and Richard Williams.

The impact and evaluation team demonstrates the overall impact and value of Citizens Advice, and of specific projects, programmes and services. Through customer insight research, we deliver robust evidence on why we are needed and the difference we make to clients and society. We assess service effectiveness, seeking to show what works, why and for whom - to continually improve our service offer to our clients.

We work with others in the sector around impact and evaluation, shaping approaches and sharing findings.

## Acknowledgements

Thanks first and foremost to all of the Citizens Advice clients who were involved in our impact research projects, as well as our colleagues in local Citizens Advice across England and Wales who helped facilitate this work.

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This is a snapshot of what we know about our impact and effectiveness - go online to find out more.

To find out more about our work contact us:

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