

# Saving Money, Insuring the Future

*A partnership between Prince Bishops Community Bank,  
Derwentside Homes and RSA Insurance*



Toynee Hall

Learning from local action | developing national solutions

## Acknowledgements

This research was funded by the Royal Bank of Scotland Group and written by Helen Aynsley, Evaluation and Policy Manager on RBS Innovate at Toynbee Hall.

The author would like to thank Lesley Richardson at Prince Bishops Community Bank for providing the data for this report and for her on-going support and collaboration. Thanks also go to Derwentside Homes for providing additional data and also to members of Prince Bishops Community Bank for taking part in the focus group.

# Contents

- Executive Summary..... 4
- 1 Introduction to RBS Innovate..... 8
- 2 The Programme: Save and Insure..... 10
  - The Credit Union: Prince Bishops Community Bank..... 10
  - The Social Landlord: Derwentside Homes..... 12
  - The Insurance Provider: RSA..... 13
  - Save and Insure: Aims..... 15
- 3 The Model..... 16
  - Establishing partnerships..... 16
  - Engaging the target group..... 16
  - Continued support..... 18
  - Costs..... 18
  - Recommendations for the model going forward..... 19
  - Diagram: Save and Insure..... 20
  - Diagram: Save and Insure – The Recommended Model..... 21
- 4 Evaluation..... 22
  - The trouble with evaluation..... 22
  - Evaluation Stage 1: Set up of evaluation..... 24
  - Evaluation Stage 2: Methodology..... 26
  - Save and Insure evaluation framework..... 31
- 5 The Findings..... 33
  - Evaluation of Save and Insure..... 33
  - Evaluation of the model..... 37
  - Evaluation of the evaluation..... 38
- 6 Conclusions and recommendations..... 39
- 8 Appendices..... 41
- 9 References..... 45

## Executive Summary

### 1. Introduction to RBS Innovate

1.1 From 2005 to 2009 RBS provided funding for small projects to test out new approaches to financial inclusion. This programme, called RBS Innovate and run through Toynbee Hall, helped 13 organisations get new financial inclusion initiatives off the ground. After three successful years the decision was taken that, in order for projects to provide maximum learning, it was important to focus on lessons learned and the long-term impact of interventions. The focus therefore shifted to the evaluation of projects with emphasis on three aims:

1. Help projects to set up their own internal evaluation structures;
2. Share the resulting evaluation frameworks with the rest of the financial inclusion sector and apply to other organisations where appropriate;
3. Showcase the work of the projects and offer models of replication.

1.2 RBS Innovate's role was therefore restructured to work with four organisations, each based in different areas of the UK. The decision of which four to choose was based not only on the projects themselves but also on the combination of the four projects – it was important to ensure a good mix of size, remit, population served and geographical location. The four selected projects are:

1. Money Wise at Centrepoint (London)
2. Debt Gateway and Money Active at Plymouth CAB (Plymouth)
3. Save and Insure at Prince Bishops Credit Union (Consett)
4. Your Money Garden (Belfast)

### 2. Save and Insure

2.1 Save and Insure is a scheme operated in partnership with Prince Bishops Community Bank, Derwentside Homes and RSA insurance group. Through Save and Insure, tenants of Derwentside Homes sign up to become members of the Prince Bishops Community Bank. If they save £10 per month for six months they receive a £20 credit to their account at the end of it. They also get free home contents insurance through RSA (£40 value) for the duration of the six months. The aim of the scheme is to encourage tenants to join the credit union, develop a sustainable savings habit and take out home contents insurance. After saving with the credit union for ten weeks members are also able to access low-cost loans.

2.2 There are four key aims of the Save and Insure scheme:

2.2.1 **Increase membership of the credit union:** Membership drives take time and resource, neither of which was available when Prince Bishops Community Bank was two separate credit unions. Since the two credit unions have joined to form one, resources are better pooled. Save and Insure offers another opportunity to attract new members and its original aim was to sign up 500 tenants of Derwentside Homes to the credit union through the scheme.

- 2.2.2 **Encourage savings:** Many people, and particularly those living on low incomes, feel that they are not able to save. While it can be difficult, sometimes having an extra incentive to save can be the key to changing people's perception, which is why Save and Insure offered £20 to those that saved £10 in their account every month for six months.
- 2.2.3 **Increase take up of home contents insurance:** Previous research shows that housing association tenants often perceive barriers when it comes to taking out home contents insurance. In order to incentivise home contents insurance, policies from RSA were offered for free for the first six months of the scheme with the hope that at least 50% of tenants would continue with their scheme after the free period was over.
- 2.2.4 **Increase access to affordable credit:** Members of Prince Bishops Community Bank are eligible to apply for a loyalty loan through the credit union after saving with them for twelve weeks. Doorstep lenders and even illegal money lenders are active on housing estates and so providing tenants with the opportunity to access significantly lower cost credit is important.

### 3. The model

- 3.1 There are three key steps to the Save and Insure Model:
  - 3.1.1 **Establishing partnerships:** Partnerships between housing associations and credit unions can be positive for both parties; it increases membership and therefore strengthens the credit union and it provides the housing association with a trusted source of savings and loans for their tenants. It was the existing relationship between Prince Bishops Community Bank and Derwentside Homes that provided the platform for Save and Insure.
  - 3.1.2 **Engaging the target group:** All 6,000 tenants of Derwentside Homes received a leaflet on Save and Insure. Around 200 reply cards were received back from tenants interested in joining the scheme. These were collated and given to Lesley Richardson, Manager at Prince Bishops Community Bank and Lesley then visited every tenant in person to sign them up to the scheme. Lesley stresses that the face to face visit was key to engaging tenants.
  - 3.1.3 **Continued support:** Members who consistently saved at least £10 for six months received a letter informing them that £20 had been credited to their account and that they were now eligible for a loan from the credit union. As might be expected, a few members had stopped saving every month so, in order to encourage them to continue, Prince Bishops Community Bank sent them a letter to remind them of the benefits. After the free period for the home contents insurance ran out, Derwentside Homes took on the task of collecting the payments. Tenants are given the option of paying by swipe card, standing order or at one of the collection points – three methods designed to make payments as easy as possible.

### 4. The evaluation

- 4.1 Key questions to ask when evaluating an internal project:

- 4.1.1 **What are the key objectives of the project?** To start the evaluation process an initial meeting was held with Prince Bishops Community Bank and Derwentside Homes. The purpose of the meeting was to gain an understanding of the two separate organisations, their history, their work and what they were hoping to achieve through their joint scheme Save and Insure.
- 4.1.2 **How to strike the right balance between 'perfect' methodology and actual capacity to deliver?** In order to embed evaluation activities within an organisation successfully, it is necessary to be realistic about what is achievable as regards funding, staff, and available time. As Lesley was the prime contact for the duration of the evaluation we designed an evaluation framework that would realistically fit in with her time and other commitments. This is an important process for any organisation setting up an internal evaluation; you could design the most robust evaluation framework that would guarantee a wealth of rich information, but if it is not realistic to gather that information it will not be achievable.
- 4.1.3 **What information is already being captured?** Prince Bishops Community Bank already collects information on when accounts are opened, how much members save and what amount on their central database. Derwentside Homes already collects demographic information on their tenants. This meant that a lot of the information that would normally be necessary to gather through an evaluation was already available or easily accessible.
- 4.1.4 **What kind of evaluation do we want to undertake?** Do we want the evaluation to be *formative* or *summative*? A formative evaluation asks "how can the programme be improved?" and is undertaken in order to provide feedback with the goal of progress. Summative evaluations on the other hand ask "what is the overall merit or worth of the programme? Should it be modified? Should it be continued?" Prince Bishops Community Bank and Derwentside Homes decided that they wanted the evaluation to be both formative and summative.
- 4.1.5 **What methods are we going to use?** Sometimes quantitative data such as numbers and figures will provide the most important information while other times more descriptive, qualitative information will be most useful; sometimes it will be both. Whilst an external evaluator can provide information about the different kinds of data and their respective benefits, it is up to the organisation to decide which method will give the richest data to suit their needs and help them to inform their decisions going forward.

#### **4. Evaluation of Save and Insure**

- 4.1 By the end of the scheme 195 participants had taken part in Save and Insure; 29% cancelled their accounts leaving a population of 138 participants.
- 4.2 Save and Insure attracted a slightly different client base – younger (by 6 years) with a higher proportion of males than previously (39% male as opposed to 28% male).

- 4.3 68% of participants signed up to both the credit union and the home contents insurance.
- 4.4 52% of participants in the scheme saved continuously for the six month period and received a £20 credit to their account at the end of it.
- 4.5 17% of participants took out loans with the credit union and those that did emphasised how much cheaper their loan through the credit union was compared to other popular sources.

## **5. Evaluation of the model:**

- 5.1 Signing tenants up face to face worked very well and is a necessary element for the success of the model.
- 5.2 Tenants had to understand how the scheme was relevant to them before agreeing to sign up; this partly involved Lesley explaining how saving £10 a month was achievable "I said right well, if you do it now, and you save your £10, it's only £2.50 a week, it's only a pint of beer, we relate it to what they think about in their lives".
- 5.3 Now that the new web-site for Prince Bishops Community Bank is fully functional, this will be a useful way to advertise Save and Insure in the future and hopefully attract more participants. Participants also said that letters dropped through the door would be better than leaflets.
- 5.4 In future the leaflet/letter drop will be followed up by a phone call before anyone makes a home visit so that Lesley has the opportunity to explain the scheme to potential participants before going to their homes to sign them up.
- 5.5 An original aim of Save and Insure was to sign up 500 new tenants but in the end it reached 195. This is purely down to resource and Lesley is keen to see more resource directed at the scheme in future.

## **6. Evaluation of the evaluation:**

- 6.1 This model of evaluation provides a good balance between internal and external; the evaluation framework was developed in partnership with the external evaluator and the organisations and all major decisions were made jointly. Balanced alongside this is the fact that the evaluator offers an outside view and a different perspective.
- 6.2 Capturing data both before the start of the scheme and after provided a good baseline of data and therefore a strong basis for comparison. In many cases this approach is preferable to only conducting 'retrospective' evaluation that occurs at the end of a project or programme.
- 6.3 Evaluation frameworks run more smoothly when conducted in house as all data is readily available. There are some drawbacks associated with conducting an evaluation remotely such as lack of access to data and participants.

## Part 1 – Introduction to RBS Innovate

From 2005 to 2009 RBS provided funding for small projects to test out new approaches to financial inclusion. RBS called this programme RBS Innovate and through it helped 13 organisations get new financial inclusion initiatives off the ground. The overall aim of the RBS Innovate programme is to “increase financial inclusion through the improvement of local financial inclusion services” and the emphasis throughout the programme has been on innovative interventions, meaningful work with long term impact, improvement and development and dissemination of learning and best practice. The 13 projects that RBS Innovate funded were very diverse – some helped individuals gain access to financial products, some produced guides and resources for trainers, others supported housing association tenants with specific needs – but all focused on helping people experiencing financial exclusion.

As the programme progressed RBS decided that in order for financial inclusion interventions to provide maximum learning for the sector, it was important to focus on lessons learned and long-term impact. The focus of RBS Innovate therefore shifted in the period 2009 – 2011 from funding interventions to the evaluation of projects with the emphasis on three aims:

- 1. Help projects set up their own internal evaluation structures;**
- 2. Share the resulting evaluation frameworks with the rest of the financial inclusion sector and apply to other organisations where appropriate;**
- 3. Showcase the work of the projects and offer models of replication.**

Good projects are often under-evaluated so exploring how they can be scaled up and how this can work across different geographies and with different clients groups is key to promoting success in financial inclusion. RBS and Toynbee Hall therefore restructured the role of RBS Innovate to work with four organisations based in different areas of the UK over the course of one year. The four projects were selected using an open tender process. In December 2009 RBS Innovate announced that evaluation support was available for any organisation working in financial inclusion or financial capability. This announcement was disseminated via Transact, the National Forum for Financial Inclusion, the DWP Champions Initiative and the Citizens Advice National Financial Capability Forums. The application form was posted on the Transact web-site and the deadline was set for January 2010. In all, 33 applications were received and 4 projects were selected. Using an open tender process guaranteed that every organisation that applied was interested in setting up their own internal evaluation frameworks, having their organisation evaluated and sharing learning with the sector. Choosing only four organisations to work with was difficult as there were many interesting, innovative organisations interested in RBS Innovate and in the end the decision was based not only on the projects themselves but on the combination of the four projects; it was important to ensure a good mix of size, remit, population served and geographical location. The four organisations selected are outlined below.

### **‘Moneywise’ at Centrepont (London)**

Centrepont's vision is to end youth homelessness and Moneywise fits into this vision by providing training on financial capability to educate Centrepont young people

about personal financial management. While advice services regarding financial capability are available, young people find them difficult to access due to travel costs, intimidation and their adult focus. Embedding financial capability into wider work with homeless young people and young people at risk of homelessness helps to create socially and economically viable citizens.

The objectives of Moneywise are achieved through AQA accredited workshops, one to ones with young people, capacity building through staff training and signposting to specific agencies where necessary. This holistic programme ensures that Centrepont residents have access to high quality advice and leave Centrepont services fully informed of the importance of financial capability.

### **Money Active at Plymouth Citizens Advice Bureau (CAB) (Plymouth)**

At Plymouth CAB at least 70% of the issues staff deal with are related to financial inclusion and their Debt Rights and Remedies Unit provides specialist money and benefits advice to help tackle these issues. Through providing these services the bureau has become aware that, unless they find a way of equipping their service users with the skills and confidence to manage their financial affairs more effectively, they are likely to return – possibly within a fairly short timescale – with the same issues. To eradicate this, Plymouth CAB decided to refer a number of debt service users to management sessions delivered within the Money Active programme. Some service users are referred to a one to one session and some to a group session, both of which help service users deal with issues such as budgeting, borrowing and saving, debt and where to get help.

### **Save and Insure at Prince Bishops Community Bank (Consett)**

Many people fall into financial difficulties when an unforeseen event such as a burst pipe or burglary occurs and they have no insurance or savings to replace lost items. As a result they often resort to doorstep lenders. Problems of loan sharks were recently highlighted when a resident paid £88,000 interest on a £500 loan.

Through the Save and Insure scheme, tenants of Derwentside Homes in County Durham have been encouraged to open a credit union account. If they save at least £10 a month for six months they will receive a £20 credit to their account from the scheme. In addition new members receive a voucher worth £40 towards Derwentside Homes/RSA low cost contents insurance which covers a six month premium, based on a £9000 sum insured. After saving for twelve weeks individuals also have access to low cost loans from the credit union.

### **Your Money Garden (Belfast)**

Your Money Garden is a project that provides financial capability education training primarily to women across Belfast, Newtownabbey and surrounding areas. The training is delivered across a series of workshops and aims to address gaps in knowledge around finances. The training helps participants to develop their money management, budgeting and practical skills so that they may increase their level of financial knowledge and economic activity.

Financial learning sessions are delivered to existing groups (community women's centres, etc.) as an effective way of reaching people in need. In order to ensure that participants have all the support they need, Your Money Garden works with partner organisations such as local CAB and credit unions.

For the past year RBS Innovate has been working with the four projects to evaluate the impact of their work, provide evaluation frameworks for the sector and use lessons learned to make recommendations on how to replicate these models in different areas of the UK.

## Part 2 – The Programme: Save and Insure

Save and Insure is a scheme operated in partnership with Prince Bishops Community Bank, Derwentside Homes and RSA insurance group. Through the scheme, tenants of Derwentside Homes sign up to become members of Prince Bishops Community Bank. If they save £10 per month for six months they receive £20 credit in their account at the end of it. They also receive free home contents insurance through RSA (£40 value) for the duration of the six months. The aim of the scheme is to encourage tenants to join the credit union, develop a sustainable savings habit and take out home contents insurance. After saving with the credit union for twelve weeks members are also able to access low-cost loans with a typical APR of 12.68%.

### 2.1 Background to the project

The idea for Save and Insure came out of the existing partnership between Prince Bishops Community Bank and Derwentside Homes. Having worked together before, they met to discuss what issues tenants were facing and how their partnership could potentially help. It was just after Christmas in 2009 and some tenants had unfortunately experienced flooding in their homes while many were also experiencing debt problems from Christmas. By combining support in the area of savings, loans and home contents insurance, Save and Insure presented a dynamic solution and an opportunity to support tenants in a number of ways.

### 2.2 The Credit Union: Prince Bishops Community Bank – “Honest Savings, Simple Loans”

Credit unions are mutual financial organisations that are owned and run by their members for their members. Membership is based on the 'common bond'; in the case of Prince Bishops Community Bank, anyone who lives or works in County Durham can become a member. Other examples of common bonds are working for a particular organisation or having affiliation with a particular group. The model works by encouraging members to save with the credit union – often it can be small amounts, even £1 per week. These savings then provide a fund from which loans can be made to members, usually after saving with the credit union for a certain amount of time (e.g. twelve weeks). At Prince Bishops Credit Union, these are called 'loyalty loans' and the loan amounts are dependent on what and how much the member has saved. By law the interest charged on credit union loyalty loans may not exceed a rate of 1% per month and these interest charges pay for the running costs of the credit union. Money loaned through a credit union starts with an interest rate which reduces once an individual has established a good borrowing history, down to as

little as 12.6% APR<sup>ii</sup>. At Prince Bishops Community Bank there is also no penalty for early settlement.

This is in contrast to larger commercial loan organisations, commonly referred to as 'doorstep lenders' who will levy anything from 177% to 800% APR<sup>iii</sup>. Credit unions definitely provide a positive alternative to illegal money lenders ('loan sharks') who will sometimes charge APR of 8000% and upwards<sup>iv</sup>. The devastation caused by doorstep lenders in the community became apparent when Stanley resident Robert Reynolds, 39, hit the headlines for trying to force mum-of-four Debra Wilson to pay £88,000 interest on a £500 loan. Reynolds claimed he would only want "a bit of interest" when Debra Wilson borrowed £500 at Christmas in 2000 to buy a computer as a present for her daughter. Within days Reynolds was asking for payments of £250 a month. Wilson and her husband Kevin took out even more loans in a hopeless attempt to meet the interest Reynolds was demanding. Finally, Wilson and her husband had to remortgage their home, hand over most of the £4,000 they received as compensation for a motorbike accident to Mr Wilson and ended up having their gas cut off because they could not meet payments. Mrs Wilson suffered two strokes and a brain haemorrhage during the eight year ordeal<sup>v</sup>.

As this example illustrates, the effects of using illegal lenders can be devastating. Even use of legal door step lenders can often lead to a spiral of debt as the high APR makes it almost impossible to pay off the initial loan. So why do people go to these lenders? Due to a poor credit history or even a lack of a credit history, sometimes people believe they have no alternative available. And sometimes even if there are other alternatives, people will pay a premium for their credit because they trust the provider. Doorstep lenders such as the Provident are often trusted sources of credit because their influence is generational – if it was good enough for your grandmother and good enough for your mum, then it is good enough for you. There is sometimes a perception that people on low incomes do not understand APR or know how much they are paying for these high-cost loans but this is not always necessarily the case. Sometimes people are fully aware of the cost they are paying but trust in the source of the loan outweighs the cost of the high APR. It is precisely for reasons of trust that credit unions can provide a safer and more affordable alternative for people to borrow money at relatively low costs of interest. Credit unions can often tick the box of 'trustworthy' as they offer a service based within the community that they serve but their loans are offered at a much cheaper rate.

Prince Bishops Community Bank is the result of the merger of East Derwentside Credit Union in Stanley and West Derwentside Credit Union in Consett – both of which have had a presence in County Durham for over ten years. Durham County Council covers around 862 square miles and has a strong heritage of agricultural, coal mining and steel making. Coal reserves became exhausted in the 1980s and the steel works closed in 1980. Since the decline of these industries there had been a steady decline in the area population but this has since stabilised. As of 2009, 31.6% of the population in Durham were deemed to be in the nationally deprived top 20%. The area also had a worklessness level of 11.1% of the working age population<sup>vi</sup>.

The merger between East Derwentside Credit Union and West Derwentside Credit Union took place in August 2009 and the resulting organisation was originally called Prince Bishops Credit Union. This changed to Prince Bishops Community Bank in February 2011 to reflect the community-based nature of the organisation. It was felt

that, individually, both East Derwentside Credit Union and West Derwentside Credit Union were too small to generate the income required to grow the business and increase coverage. Due to their size and non-charitable status the organisations were not able to attract grant support. The existing volunteer base had done an excellent job with little resource but the structure meant that they would be unable to cope with additional volume and therefore could not attract additional customers. Because of these factors it was decided that "By merging together to form a new credit union to be called Prince Bishops Credit Union, the new organisation would enjoy the economies of scale to have the resources to attract new members and provide increased levels of services which would not be possible for each to do as a standalone organisation". The vision for this new credit union was that "It will provide an ethical, democratic, good value service for anyone seeking an alternative to the banks and building societies.<sup>vii</sup>"

Prince Bishops Community Bank is now situated in Consett among the green hills of County Durham. It sits within Glenroyd House along with other organisations such as the local Citizens Advice Bureau and the Council for Voluntary Services. It is open from 9am to 4pm and is run by one full time general manager and two part time administrative assistants. As discussed above, the common bond (or 'catchment') for the credit union is the whole of County Durham which amounts to 491,734 people. There are currently 1311 members of Prince Bishops Community Bank representing just over 2% of the population of County Durham. Members can deposit savings at Glenroyd House or at 12 collection points located around the county. While they can deposit savings at any of these locations, they have to come into the credit union if they would like withdraw money from their account.

Since the merger a key focus has been on increasing membership and, in particular, attracting savers as well as those looking to access low-cost loans. For a credit union to be strong and financially viable it needs to build up a base of savings from which to lend to members. "Credit Unions can become a victim of their own success and a balance needs to be struck between the social conscious dimension and the business requirements<sup>viii</sup>". The difficulty is that employees need to be available to promote the credit union as well as conduct day to day business in order to grow membership. Promotion often involves knocking on doors and talking about the credit union face to face at meetings or at other events which can be very labour intensive.

### 2.3 The Social Landlord: Derwentside Homes – "Excellent homes, quality service, proud communities"

Derwentside Homes is a Registered Social Landlord that was established in December 2006. They currently own and manage around 6,700 properties across 38 locations that were formerly owned by Derwentside District Council and they were created specifically for the purpose of taking on this housing stock. As a charitable, not-for-profit organisation, all of the income they generate goes back into the housing and services provided to tenants<sup>x</sup>. Their vision is that of "affordable, attractive homes in strong, safe communities where everyone is valued<sup>x</sup>". They are regulated by the Tenant Services Authority.

According to previous research, families living in social housing used to include the full social range. However from the 1960s onwards, home ownership took over from

social housing as the main type of housing for families and, as a result, more advantaged families started moving out of social housing. In part this is an outcome of the Right to Buy programme which has particularly enabled economically active households to buy their own homes. At the same time, housing policy started focusing on those most in need; "Historical sources show that over the period since 1946, social housing access policies altered from filtering out some of the most disadvantaged to targeting those in greatest need<sup>xi</sup>." Because of the historical emphasis on housing those in need, the make up of the social housing sector today in terms of household characteristics differs greatly from that of other tenures<sup>xii</sup>. Those in the social housing sector are disproportionately young and old, lone parents, retired or economically inactive. "Tenants in social housing are significantly poorer than those in the private sector, whether tenants or owners. Almost 50% of social tenant households have incomes below £10,000 per year as compared to 17% overall. In part this reflects the numbers of older and inactive people in the sector; but it also reflects lower earnings among employed social tenants<sup>xiii</sup>."

As a result, social housing tenants are often the target of new financial inclusion strategies, and partnerships between housing associations and credit unions are not uncommon. A lot of housing associations have a page on their web-site about credit unions – what they are, the benefits of joining and which ones tenants can join in their area. Some housing associations will also pay the joining fee if tenants decide to join. Other examples of such partnerships include:

- Gloucester Housing Association provides tenants with a voucher to cover the costs of joining their local credit union, usually worth £4
- Marches Housing Association pays the £2 joining fee for their tenants and also gives them £3 towards their savings when they join Money Box Credit Union
- Wishaw and District Housing Association operate a Credit Union Voucher Scheme with their four local credit unions. Tenants are sent a voucher for £11.50 on a phased basis which they can use when they open up a credit union account. The voucher is valid for 6 months and covers the cost of the joining fee (typically £1.50) and gives the tenant £10 to deposit in their account as soon as it is opened

Partnerships between credit unions and housing associations, whatever form they take, are beneficial to both parties. They give credit unions the opportunity to increase their membership and they provide housing associations with a way to support the personal finances of their tenants.

#### 2.4 The Insurance Provider: RSA

According to the Association of British Insurers (ABI), just over half (59%) of low income households held home contents insurance in 2009<sup>xiv</sup>. This is despite the fact that social-rented households are almost twice as likely to be burgled as owner-occupied households, eight times more likely to be located on a tidal floodplain than those in more affluent areas and arson rates are thirty times higher in lower income communities than in affluent ones<sup>xv</sup>. The people most likely to be uninsured are also those least likely to be able to recover financially when the unexpected happens. Having to pay for all items lost after a burglary, flood or fire can mean that rent or bill payments, as well as creditor bills fall by the wayside. Some may also turn to other

sources of credit in order to make ends meet which can lead to a spiral of debt that can be almost impossible to get out of.

So what are the barriers to taking out home contents insurance? Research by the ABI in 2007 shows that tenants sometimes have preconceived ideas about insurance that deter them from taking out a policy, for example:

- The idea that their belongings are not worth enough
- The worry that insurance is too expensive and therefore unaffordable
- A misconception that their belongings are already insured by the landlord
- A misconception that the insurance that comes with items bought in a shop covers damage resulting from water or fire damage or if the goods are stolen
- The idea that nothing bad will happen to the property
- The idea that no one will insure your area because of particular risk factors (i.e. on a floodplain, etc.)

In addition, standard levels of excess and minimum sums insured can act as a real barrier for low income families who may not have a lot of valuables to insure and if no one in the household holds a bank account this can make it difficult to make regular payments to an insurance provider. Unfortunately a lot of households do not think to take out insurance until something goes wrong, and the results can be devastating. Encouraging tenants to get insurance before that point can go a long way to saving them money and stress in the future. But how can this be done?

There are a number of schemes currently in operation with the goal of increasing the number of households insured. Two methods through which social landlords can provide their tenants with insurance are affinity schemes and insurance with rent schemes<sup>xvi</sup>. Through affinity schemes, the landlord plays the role of introducer and introduces the tenant to the insurer. All of the administration is carried out by the insurer and from that point on the communication is between the tenant and the insurer. Insurance with rent schemes on the other hand are marketed and administered by the social landlord. Therefore the landlord will typically accept the proposal forms, issue policies, collect premiums and send out renewal reminders. Social landlords will sometimes receive a commission from the insurer to cover the costs arising from this administration.

The National Housing Federation has also come up with a scheme to enable members to provide affordable home contents insurance to their tenants. Working in conjunction with Jardine Lloyd Thompson Tenant Risks, the National Housing Federation is able to offer members affordable home contents insurance through My Home Contents Insurance. The aim is to help "tenants on a lower income to protect their valuable possessions in a way that best fits in with their lifestyle and individual circumstances<sup>xvii</sup>" Sadeh Lok Housing Association based in Huddersfield is one example of a housing association benefiting from My Home Contents Insurance. Through the scheme they are able to offer flexible, pay as you go options for home contents insurance with no excess. Prices start at £1.86 a fortnight to cover £9,000 worth of valuables.

Save and Insure is delivered in partnership with RSA. RSA was formerly known as Royal & Sun Alliance and has worked with a number of housing associations to deliver affordable home contents insurance to their tenants. Save and Insure most closely

resembles an insurance with rent scheme as administration is handled by Derwentside Homes. As the Association of British Insurers highlighted in their 2009 Good Practice Guide, it is good practice to “link incentives to other organisations (i.e. free cover when opening a credit union account). For example, some landlords arrange ongoing discounts in local retailers for tenants who abide by the terms of their tenancy agreement” Save and Insure incentivises home contents insurance by providing it for free for the first six months.

In summary, partnerships between credit unions and housing associations and partnerships between housing associations and home contents insurance providers are not new phenomena, but this project is unique in that it combines all three.

## 2.5 Save and Insure: Aims

There are four key aims of the Save and Insure scheme:

- 1 Increase membership of the credit union:** As discussed above, both East Derwentside and West Derwentside Credit Unions struggled to increase their membership. Membership drives take time and resource that was not available while the two credit unions were separate. Now that the two credit unions have joined forces to become Prince Bishops Community Bank, resources are better pooled. Save and Insure provided another opportunity to attract new members and the original aim was to sign 500 tenants of Derwentside Homes to the scheme.
- 2 Encourage savings:** Many people, especially those living on low incomes, feel that they are not able to save. Even one or two pounds a week can feel like a struggle when there is rent and bills to pay and other credit commitments taking every spare penny. Having that pot of money, however, can mean extra security against unexpected expenses or a way to buy something that previously seemed unattainable, such as a laptop or a family holiday. Sometimes people just need an extra incentive to save which is why Save and Insure offered £20 to those that saved £10 in their account every month for six months. £10 per month works out to roughly £2.50 a week.
- 3 Increase take up of home contents insurance:** As mentioned previously, housing association tenants often perceive barriers when it comes to taking out home contents insurance. Holding an insurance policy can save both tenants and landlords money in the long run in the event of flood, fire or theft so a key aim of Save and Insure is to increase take up of home contents insurance. In order to do this, home contents insurance from RSA was offered for free for the first six months of the scheme with the hope that at least 50% of tenants would continue with their scheme after the free period was up.
- 4 Increase access to affordable credit:** The members of Prince Bishops Community Bank are eligible to apply for a loyalty loan through the credit union after saving with them for ten weeks. As discussed previously, doorstep lenders and even illegal money lenders are active on housing estates and so providing tenants with the opportunity to access lower cost credit is key to ensuring residents are able to avoid the high interest rates, stress and fear which can arise from engaging with these types of lenders.

## Part 3 – The Model

There are three key steps to the Save and Insure Model:

1. Establishing partnerships
2. Engaging the target group
3. Continuous support

The below model represents the current structure of Save and Insure as well as Prince Bishops Community Bank and Derwentside Homes' plans going forward that have resulted from this evaluation. For further information on the findings from this evaluation, please see the section on 'findings'.

### 3.1 Establishing partnerships

There are a number of housing association and credit union partnerships already in operation across the UK. This partnership can be positive for both parties; it increases membership and therefore strengthens the credit union and it provides the housing association with a trusted source of savings and loans for their tenants. If you are a social housing provider or a credit union it is likely that you know the main contacts in your area; but if not you can find a full list of housing associations in the UK at [www.housingnet.co.uk](http://www.housingnet.co.uk) or through the National Housing Federations Directory of Members at <http://www.nhfdirectory.co.uk> and a full list of credit unions at [www.findyourcreditunion.co.uk](http://www.findyourcreditunion.co.uk). Derwentside Homes was involved in the merger between East Derwentside and West Derwentside Credit Unions so had an existing relationship with Prince Bishops Community Bank when it was established. It was this existing relationship that provided the platform for Save and Insure. Working together, Prince Bishops Community Bank and Derwentside Homes decided that one of the most pressing issues facing tenants was a lack of home contents insurance. It was after Christmas and a number of tenants had unfortunately experienced flooding in their houses. They decided that by working together, and in partnership with an insurance provider, they could provide a scheme to tenants that would hopefully prevent such problems occurring in the future. Tenants were also struggling with high debts after Christmas and so encouraging them to join the credit union provided a way to give them access to a savings account and, eventually, to low cost loans.

Establishing a relationship with an insurance provider follows a slightly different process. Derwentside Homes already had a relationship with RSA before the start of Save and Insure. If you are a housing provider and a member of the National Housing Federation, you might be interested in obtaining home contents insurance for your tenants through My Home Contents Insurance <http://www.housing.org.uk/default.aspx?tabid=386>. The National Housing Federation works with insurance provider Jardine Lloyd Thompson Tenant Risks to provide home contents insurance to tenants of member organisations. If you prefer to set up a relationship with an insurance provider yourself, then you can also contact the provider directly.

### 3.2 Engaging the target group

Once Prince Bishops Community Bank and Derwentside Homes decided to offer Save and Insure, the next step was to market the scheme. Together they produced a leaflet that was distributed to the homes of all 6,000 tenants of Derwentside Homes. There was a reply card on the back of the leaflet for people to fill out and send back to Derwentside Homes indicating their interest in joining the scheme. Derwentside Homes received approximately 200 cards back from tenants interested in joining the scheme which they collated and gave to Lesley Richardson, Manager at Prince Bishops Community Bank. Derwentside Homes then sent out a letter explaining that Lesley would be coming round to sign them up to Save and Insure. As signing tenants up to the scheme involves selling insurance, it is necessary for anyone doing this to receive training in selling insurance. Lesley had already received training as her previous job required her to sell insurance but training is available from insurance companies that provide the home contents insurance.

Once Lesley had all of the reply cards she organised them by area and set out in her car. Lesley stressed over and over again that the face to face visit was key to getting tenants signed up to the scheme. There are a number of reasons for this. Firstly, a lot of people do not know what a credit union is and so were unsure if they actually wanted to sign up to the scheme. As Lesley said, "I'd say for the people I went and knocked on the doors, 80% of them didn't know what a credit union was. I'd say not a lot of them had heard of them, or they'd heard of them but didn't know what they are". Lesley found that having that face to face contact was vital as it presented the opportunity to explain fully what a credit union is, how saving with them through the scheme could get them £20, and how the home contents insurance works. Secondly, Lesley also found that going door to door meant more tenants signed up because they would recommend other family members or friends; "The mum and the dad were in the daughters' house, so I signed the mum and dad up and then the brother lived next door. So I had the mum and dad, the daughter, and the son living in a line, and all of them signed up". A third reason why going door to door was so important is that many of the tenants had assumed that the leaflet was advertising a gimmick, as it seemed too good to be true "They didn't think it was as easy to save up in it, they didn't know about the loans, how good the loans were, too good to be true, 'how come nobody else is doing it if you're doing it?' They didn't believe it, this is the problem I think. Because you see something coming through the door like that, it was a letter, some of them thought 'no, there's something wrong with this.' That's why you need to be there explaining". This reaction might be one reason why only about 3% of tenants sent their reply card back in to Derwentside Homes. If they do not know what a credit union is or how the scheme operates, it is likely that many of them threw the leaflet away without reading it. While disappointing, this is definitely a learning point that is discussed later in the section on evaluation.

Each home visit took between 30 minutes and an hour. Lesley says that in general the visits followed the following format:

- Ask the tenant if they have received a leaflet on Save and Insure
- Ask if they have heard of Prince Bishops Community Bank or any other credit union before
- Tell them about Prince Bishops Community Bank

- Explain that if they save at least £10 for six months they will receive £20 at the end of it
- Explain about the home contents insurance
- Answer questions
- If interested, sign them up

Lesley said that a key part of getting tenants to sign up was making it real for them and explaining how it could benefit them directly: "I said right well, if you do it now, and you save your £10, it's only £2.50 a week, it's only a pint of beer, we relate it to what they think about in their lives". Expecting members to save for the sake of saving is not always an effective method and it is important to think about how to make such a scheme real to those that you are looking to engage. £10 a month can also seem like a lot of money so breaking it down to a weekly rate or even a daily rate can help people feel that it is something that they can achieve. In all it took approximately two months for Lesley to sign all of the tenants up to the scheme. Even though this model is time consuming, Lesley definitely feels it was definitely worth it "Everybody's benefited, it was time consuming, but it was worth it."

### 3.3 Continued support

Members who consistently saved at least £10 for six months received a letter from Prince Bishops Community Bank saying that the £20 had been credited to their account and that they were now eligible for a loan from the credit union. Although tenants were told about eligibility for a loan when they initially signed up to Save and Insure, receiving this reminder was a helpful way to make sure that they understood the terms of the loan and were aware that they were now eligible. As became apparent in the evaluation of the scheme, these loans proved to be of huge benefit for a lot of tenants.

As might be expected, Lesley said that a few members had stopped saving every month. In order to encourage them to continue she sent them a letter to remind them of the benefits. Again, sometimes a reminder is all people need.

After the free period for the home contents insurance ran out, Derwentside Homes took on the task of collecting the payments. Tenants were given the option of paying by swipe card or by standing order – two methods designed to make payments as easy as possible.

### 3.4 Costs

In total, Save and Insure cost approximately £11,500 to run for the following items:

- Leaflet design - £200
- Printing - £770
- RSA Insurance - £2938
- Petrol money for Lesley - £385
- £20 incentives credited to accounts - £2200
- Posting of questionnaires - £72
- Envelopes/mail merge - £330
- Postage/mail merge - £2217
- 2<sup>nd</sup> mail shot - £250
- Marketing/PR/staff time - £2100

### 3.5 Recommendations on the model going forward

There are several recommendations that resulted from the first round of Save and Insure, mainly focused on how to engage the maximum amount of people. Monetary and staff resource in this round meant that only a certain number of tenants could be signed up to the scheme, but going forward Lesley would like to see a lot more tenants signed up by making the following changes to the model:

1. **Web-site:** The web-site for Prince Bishops Community Bank was not functional when they first launched Save and Insure so all publicity was via mail-shot, follow up letters and word of mouth. Now that the web-site is fully functional, it would be a useful way to publicise the scheme.
2. **Phone contact as well as face to face:** Lesley felt that one of the best ways to engage more tenants would be to phone all 6,000 tenants of Derwentside Homes following the leaflet drop. By phoning, Prince Bishops Community Bank could make sure that they had received their leaflet and could explain the scheme while on the phone. As discussed above, many tenants did not understand what the scheme was or thought it was too good to be true. Lesley said that adding this extra activity in between the leaflet drop and visiting tenants at their homes could potentially make a lot of difference to how many people sign up.
3. **Increased resource:** Lesley was the only person signing tenants up to Save and Insure and found the process to be very time consuming. As discussed above, the model requires that face to face contact and so increasing the amount of people able to sign tenants up to Save and Insure would make a significant difference to numbers signed.

## Save and Insure



### Partnerships Established

- Existing partnership between Prince Bishops Credit Union and Derwentside Homes
- Existing partnership between Derwentside Homes and Royal & Sun Alliance

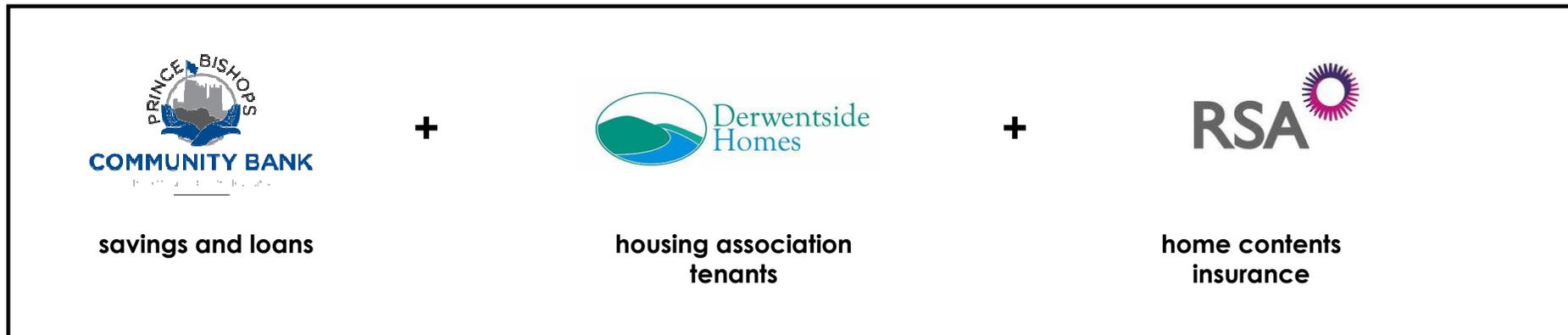
### Tenant Engagement

- Mailshot sent to all 6,000 tenants of Derwentside Homes inviting them to join Save and Insure by filling in attached form and sending it to Derwentside Homes
- Follow up letter sent to tenants who had expressed interest in joining
- 200 forms returned by tenants interested in joining the scheme; these were collated and forwarded to Prince Bishops Credit Union

### Incentives

- Tenants able to deposit money at pay points or directly to the credit union. Those that save at least £10 every month for six months receive £20 at the end of the six months
- Tenants who joined the scheme receive six months of free home contents insurance (worth £40, paid by Derwentside Homes)
- Tenants eligible to receive loans from the credit union after saving with them for 13 weeks (savings could be as low as £1 per week)

## Save and Insure – The Recommended Model



### Partnerships Established

- Existing partnership between Prince Bishops Credit Union and Derwentside Homes
- Existing partnership between Derwentside Homes and Royal & Sun Alliance

### Tenant Engagement

- Scheme advertised on the Prince Bishops Community Bank web-site with downloadable form
- Send mailshot to all 6,000 tenants of Derwentside Homes inviting them to join Save and Insure by filling in attached form and sending it to Derwentside Homes
- Follow up with phone call to all 6,000 tenants to make sure they received their leaflet and explain what it entails
- Returned forms to be collated and forwarded to Prince Bishops Credit Union

### Incentives

- Tenants able to deposit money at pay points or directly to the credit union. Those that save at least £10 every month for six months receive £20 at the end of the six months
- Tenants who joined the scheme receive six months of free home contents insurance (worth £40, paid by Derwentside Homes)
- Tenants eligible to receive loans from the credit union after saving with them for 13 weeks (savings could be as low as £1 per week)

## Part 4 – Evaluation

Key questions to ask when evaluating an internal project:

**What are the key objectives of the project?**

**How to strike the right balance between 'perfect' methodology and actual capacity to deliver?**

**What information is already being captured (for funders, stakeholder, etc.)?**

**What kind of evaluation do we want to undertake?**

**What methods are we going to use?**

### 4.1 The trouble with evaluation

A lot of organisations are required to evaluate their projects, often for the purpose of demonstrating to funders that agreed objectives have been met. These objectives are often demonstrated via 'outputs' – the number of clients seen, the number of workshops held, the number of hits to a web-site, the number of calls received, etc. This is useful information to have, but in order to demonstrate the true impact that an organisation is making on their client group, community or audience, an evaluation needs to go beyond outputs.

In his original work in 1959, Donald Kirkpatrick made recommendations for evaluation that have laid the basis for a lot of thinking in the subject ever since. He argues that programme evaluation should concentrate on four levels:

#### **The four levels of programme evaluation:**

**Level 1: Reaction** – evaluating the reaction of participants to the intervention

**Level 2: Learning** – measuring the knowledge, skills and attitudes gained from the intervention

**Level 3: Behaviour** – measuring the changes in behaviour that resulted from the intervention

**Level 4: Results** – relating the results of the intervention to wider organisational objectives

Alongside outputs, many evaluations conducted in the financial inclusion and capability sector only capture the first level of evaluation. This is with good reason: reaction is the easiest to capture; it helps organisations to improve their programmes; and it can be easily analysed. Capturing reaction means asking questions such as "what did you like about the training", "what did you not like about the training" and "what suggestions do you have for the training going forward" and is often recorded in an evaluation form after a course or an intervention has taken place. Just like outputs, reaction is useful information to capture, but it does not provide the whole picture. In order to capture real changes and attribute them to an intervention, it is necessary to go beyond this first level, to look at changes in behaviour and learning and, where possible, map these changes back to the activities of the organisation.

Confusion around how to capture outcomes is compounded by the fact that there is no single accepted definition of evaluation, let alone one method. Here are a few examples of definitions of evaluation that are widely used:

“Evaluation is about using monitoring and other information you collect to make judgments about your project. It is also about using the information to make changes and improvements” (Charities Evaluation Service)

“Evaluation involves the systematic collection of data about the characteristics of a programme, product, policy or service. As part of this process, evaluation will often explore what needs to be changed, the procedures that are most likely to bring about this change, and whether there is evidence that change has occurred” (Warr et al., 1970)

“Evaluation is the systematic assessment of the worth or merit of an object” (Joint Committee on Standards for Educational Evaluation, 1994).

This lack of one accepted definition is in part due to the fact that evaluation is a relatively new field; real interest in the area can only be dated as far back as the 1970s. The emphasis in early evaluations was on accuracy and specific measuring techniques but in recent years this has shifted<sup>xviii</sup>. With the rise of action learning and self-development programmes, learning is now seen as arising within and through a situation rather than just through formal evaluations and issues of subjectivity and ethics are of prime concern in today's evaluations.

Subjectivity is often at the heart of why many organisations struggle to evaluate their services beyond the reaction level. What actually is the relationship between inputs and outcomes? Can a change in learning or behaviour really be attributed to an intervention? What does 'success' look like? These are some of the questions that organisations struggle with when designing their own evaluation strategies because they often involve making subjective judgments. This brings us to a key question: who is ultimately responsible for making these judgments? Who has a right to?

While evaluation is a new field, financial capability is an even newer one, so there are not yet many established examples of evaluation best practice in the sector. Added to this is the fact that many outcomes in financial capability are 'soft' outcomes which can be difficult to capture and, again, sometimes require subjective judgements to be made. Examples of soft outcomes include changes in knowledge, confidence, motivation and behaviour; all of which are extremely important and indicate that a real change has taken place but are not very straightforward to capture.

So these are the key challenges that the sector faces when it comes to evaluating work in financial capability:

- There is no single accepted definition or method of evaluation;
- Financial capability is a young sector so does not have one accepted method of evaluation;
- Success in financial capability often means positive results in soft outcomes which can be difficult to measure;
- Measuring outcomes often means making subjective judgements which some organisations may find difficult.

Understanding that evaluating work in the sector is not always a straightforward process, a key aim of RSB Innovate is to provide the sector with evaluation frameworks that can be applied to different settings. Different organisations were deliberately chosen so that different approaches could be tested and best practice established. There was no guarantee of how this would work in practice, but the findings show that there are certain key identifiable themes across all four organisations. While the four organisations evaluated through RSB Innovate all deliver services directly to clients, the stages outlined below can also apply to other types of services working in financial inclusion.

#### 4.2 Evaluation Stage 1: Set up of evaluation

As described above, one of the three key aims of RSB Innovate was to design evaluation frameworks that are applicable to the whole sector. Whilst this is not necessarily going to be achieved through working with just four organisations, we deliberately chose organisations that are different so as to test out different approaches and establish common best practices. It is important to note that we did not start the process wedded to one evaluation framework or methodology. Instead, I (as the Evaluation and Policy Manager) started the evaluation process by visiting each individual project and approaching each evaluation with an open mind. In this way we were able to design an evaluation framework tailored to each organisation while at the same time staying mindful of key themes that emerged from each one.

To start the evaluation process, an initial meeting was held at Prince Bishops Community Bank in February 2010 with Lesley Richardson, Manager of Prince Bishops Community Bank and Keith Tallintire, Director of Finance and Corporate Services at Derwentside Homes. The purpose of the meeting was to gain an understanding of the two separate organisations, their history, their work and what they were hoping to achieve through their joint scheme Save and Insure. Through the bidding process and initial conversations they had decided what they would like the scheme to achieve, but this meeting presented an opportunity to assess what the key objectives of the scheme actually were in detail. **This represents the first stage in developing an evaluation framework: decide what your key aims are.**

As discussed above, a key question in evaluation is who has the right to make decisions on evaluation? With few exceptions it is the organisations themselves that know their client group or target audience best, as well as their organisational objectives. They also know the resource that has been invested in an intervention and the resulting benefit to their target group so it is often the organisations themselves that are best placed to decide the terms of an evaluation.

We already knew that the aims of Save and Insure would target four key areas: increasing membership, savings, insurance and affordable credit. The next step was to confirm these aims and think of what indicators could be used to measure success. This resulted in the following aims and indicators:

| Aim               | Indicator  |
|-------------------|--|
| Membership        | 500 people open up credit union accounts through the scheme: any number of new members is good for the credit union but this is the number that they were hoping to reach through Save and Insure  |
| Savings           | Number of people who initially save £60: while a key aim of the scheme is to establish a long term savings habit, encouraging tenants to save even £60 over the six month period is a positive result. Firstly, they will have £60 at the end of it but it will also show them that they are able to save this amount, even if they do not do it again for another few months or they do it erratically.               |
|                   | Number of people who continue to save after 6 months: indicates that some kind of a savings habit has been established or strengthened through the scheme. Limitation: To assess this one fully we would need data on how many people were already saving before the start of the scheme but that was unfortunately not going to be possible in this instance.   |
| Insurance         | Number of people who take out home contents insurance during the free period: while a key aim of the scheme is to encourage tenants to take out home contents insurance continuously, even having that cover for six months is positive. For one, they will be covered against the unexpected for that period and it will also give them exposure to the product which may mean they will take it out at a later date. |
|                   | Number of people who continue to insure after the free period: indicates that some kind of attitude/behaviour change has taken place and that they have seen the benefit of holding home contents insurance.   |
| Affordable credit | Number of people who access loans through the credit union: this is a tricky indicator and requires a balanced interpretation of the findings. Limitation: To assess this indicator fully, we would need data on how many people were accessing higher cost forms of credit prior to joining the scheme. It is unfortunately not possible to obtain this information.  |

A key part of this initial conversation was also capacity. In order to embed evaluation activities successfully within an organisation, it is necessary to be realistic about what is achievable as regards funding, staff, available time and a whole host of other issues. Lesley was the prime contact for the duration of the evaluation and the majority of the data was to be collated and sent through her. In order to make sure we designed an evaluation framework that was realistic, we discussed what her time was like for the duration of the programme and what format she would be comfortable relaying the data in. This is a key stage for any organisation to undertake; creating the most robust evaluation framework would guarantee a wealth of rich information, but if it is not going to be realistic to gather that information it will not be achievable. **This represents another key step in designing an evaluation framework: find the right balance between the ideal evaluation goals and actual capacity to deliver.** For Save and Insure Lesley decided that she would like to send the data once a month in an Excel spreadsheet.

We also decided we would be in contact at least once a month to discuss how the project was progressing although Lesley was aware that I was available for any other support she or Derwentside Homes would need along the way.

During the meeting we also discussed what information Prince Bishops Community Bank and Derwentside Homes already collect about their members and tenants. Prince Bishops Community Bank collects information on when accounts are opened, how much members save and what amount on their central database. Derwentside Homes collect demographic information on their tenants. This meant that a lot of the information we would normally need to gather through an evaluation was already available or easily accessible which saved us a lot of time. **This represents another important step when designing an evaluation framework: establish what information is already being captured so as to utilise whatever information is already available.** This is especially relevant for organisations that have to provide detailed information for their funders. Funder reports usually have to contain baseline information on a programme or intervention so if you are looking to conduct a more in-depth evaluation internally, it is useful to take this information into account when designing an evaluation framework for your organisation.

#### 4.3 Evaluation Stage 2: Methodology design

After this meeting I went away and worked on what the framework should look like. The whole process took about a month and involved sending ideas back and forth between myself, Prince Bishops Community Bank and Derwentside Homes. Again, it was very important to make sure that the ideas we were generating were achievable and sustainable.

Part of the work that I did during the process of designing an evaluation framework for Save and Insure was determine what kinds of evaluation type and approach would be most appropriate. RBS Innovate is not about conducting formal, external evaluations as the organisations being evaluated are involved in determining the evaluation terms and responsible for supplying data. Because of this, it would be nearly impossible to claim that RBS Innovate is providing an external, objective evaluation. What RBS Innovate is focused on, however, is developing internal evaluation frameworks and showcasing what works best, both in evaluation implementation and for actual service delivery. Because RBS Innovate differs from a more formal evaluation in this way, adherence to one type or approach did not matter so much but it is still useful to align the work with evaluation models that are acknowledged in the wider field of evaluation, both in the UK and abroad.

In order to decide on what type and approach of evaluation to take, it is useful to review what exactly is being evaluating. Save and Insure is about improving outcomes for tenants of Derwentside Homes. The aim of the scheme is to encourage members to save, to protect themselves against the unexpected and to have access to a low-cost source of credit. Save and Insure is not a statutory service, it was created voluntarily by Prince Bishops Community Bank and Derwentside Homes. So the focus of the evaluation is not so much on 'was this scheme worth running?' as 'Did it work?' 'What did we learn?' 'How can it be improved?' and 'How can this scheme be replicated elsewhere?'

## *Evaluation Type: Formative or Summative?*

When Save and Insure launched in April 2010 it was a brand new scheme providing large scope for the evaluation. Because it was essentially a blank slate and no evaluation had been conducted on the scheme yet, one of the first points we discussed around methodology was whether Prince Bishops Community Bank and Derwentside Homes wanted the evaluation to be *formative* or *summative*. A formative evaluation asks "how can the programme be improved?" and is undertaken in order to provide feedback with the goal of progress. It is relatively informal with the evaluator working alongside the practitioner in order to identify the strengths and weaknesses of a programme or intervention<sup>xix</sup>. It usually takes place during the lifetime of a project as opposed to at the end of it and encourages an on-going, reflective approach and conversations between the organisation and the evaluator. Summative evaluations on the other hand ask "what is the overall merit or worth of the programme? Should it be modified? Should it be continued?" Overall, such evaluations aim to determine how effective an overall programme or project is and whether or not it should continue. Summative evaluations are usually more formal in character with the evaluator operating in a more independent role and in contrast to formative evaluations, take place at the end of a project. I asked Prince Bishops Community Bank and Derwentside Homes what type of evaluation they were interested in – did they mainly want to determine whether the programme had been a success or a failure? Or were they interested in improving the programme with the aim of continuing it? They decided that they wanted the evaluation to be both formative and summative so this was taken into account in the evaluation design. Simply put, it means that I worked closely with Lesley throughout the project; we discussed the data as it came through, the findings that really stood out and what it meant for the programme going forwards. **This is another important step to consider when designing an internal evaluation structure – what type of evaluation are you interested in conducting?** The benefit of this approach is that when it came to the summative evaluation, there were not many surprises. The final data provided the final piece of the puzzle and provided an overall picture as opposed to being brand new findings. It also meant that Prince Bishops Community Bank and Derwentside Homes were on board with the evaluation methods and, as Lesley had collected and collated all of the data herself, she is able to continue the evaluation activity.

## *Evaluation Approach*

As for the type of evaluation approach we went for with Save and Insure, it is most closely aligned with the decision- and accountability- oriented study which is a type of improvement- and accountability-oriented evaluation approach<sup>xx</sup>. As stated above, because the organisations themselves are involved in the evaluation in RBS Innovate, the programme does not strictly adhere to any one evaluation approach, but this is the one it most closely resembles in ethos and in practice. Decision and accountability oriented studies stress the need to fully assess a programme's value. They look for all relevant outcomes, not just those keyed to programme objectives and they generally use multiple qualitative and quantitative assessment methods in order to provide cross-checks on findings. Following on from the discussion of formative vs. summative above, this approach emphasizes that programme evaluation should be used proactively to help improve a programme as well as retroactively to judge its value. Under this approach an evaluation's most important purpose is not to prove but to improve. A key ethos of the approach is that an evaluation can best effect change in a target group's behaviour by involving members in planning, monitoring, and judging the

enterprise. This active participation by stakeholders not only gives them a voice in the determinations that will affect them but also brings them on board with the enterprise from the start.

There are some key advantages associated with the decision and accountability approach:

- It encourages program personnel to use evaluation continuously and systematically to plan and implement programmes that meet beneficiaries' targeted needs;
- It aids decision making at all programme levels and stresses improvement;
- It balances the use of qualitative and quantitative methods;
- It can provide the framework for both internal and external evaluations.

However, there are also some limitations:

- It may overemphasise formative evaluation and give too little time and resource to summative evaluation;
- The collaboration between evaluator and stakeholders may impede the evaluation or bias its results;
- The internal nature of evaluation may mean some of the benefits of an independent, detached perspective are lost.

Given the objectives of RBS Innovate and that we are open about the fact that this is not an external, objective evaluation, the advantages of this approach outweigh the limitations.

### *Using Mixed Methods*

As can be seen from the evaluation framework, both quantitative and qualitative data were captured in the evaluation and both were treated as equally important.

Collecting both quantitative and qualitative data in this way is referred to as using 'mixed methods'. Using mixed methods in one research study can serve a number of purposes. One purpose, for example, is to confirm that a finding is true – if both the quantitative and the qualitative data point to the same finding then confidence in that finding is stronger than if it is discovered using just one method. This is referred to as 'triangulation' which means using more than one approach in the investigation of a research question in order to enhance confidence in the ensuing findings<sup>xxi</sup>. In the case of Save and Insure, different methods are not used in order to enhance confidence in the findings so much as to uncover information that could not be found using only one method. **An important step in conducting an evaluation is deciding what methods of data collection will be most appropriate for your project.** Sometimes quantitative data will provide the most important information while other times more descriptive, qualitative information will be more appropriate; sometimes it will be both.

On the quantitative side, a key part in establishing the success of Save and Insure was simply looking at numbers and establishing patterns. By capturing monthly data we were able to see how many tenants signed up to the scheme, how many saved every month, how many took out home contents insurance, how many continued with the insurance and how many accessed loans through the credit union. For Save and Insure, this data is powerful in and of itself even though we included a qualitative element. If, for example, the numbers show that 50% of participants continued with the home contents insurance past the free period, this demonstrates the programme's

success in getting people to sign up to home contents insurance. The same is true of savings – if 50% of participants continue to save past the six months this makes a very strong case for incentivised savings. The initial investment for Save and Insure included money to pay for the leaflets, insurance and £20 incentive as well as time – the time it took to drop those leaflets, the time it took for Lesley to visit each home, etc. The outcome is how many people benefitted from the scheme; in part measured by the six indicators of success outlined above. Looking at the quantitative data on how many people were reached through Save and Insure provides one half of the evaluation; the other half is provided by the qualitative element.

As discussed above, using qualitative data as well as quantitative data allows information to be captured that could not otherwise be captured using just one method. It would not make sense, for example, to discover how many people saved consistently over the six month period using only qualitative methods. But at the same time, the quantitative data only tells us so much; in particular, it does not tell us anything about why tenants chose to sign up for the scheme, or what might encourage them to save and take out home contents insurance in the future. This is information that can only be obtained by speaking directly to participants, that is, utilizing qualitative methods.

The qualitative data collection has 4 elements:

#### *Focus group with participants of Save and Insure*

A focus group was held with 12 tenants of Derwentside Homes, 1 representative from Prince Bishops Community Bank and 2 representatives from Derwentside Homes. The focus group took place at the end of January 2011, approximately nine months after the start of Save and Insure. Although it is slightly unusual to include representatives from organisations in charge of or leading a scheme, the format worked very well. It not only enabled the organisations to ask tenants their own questions but also to answer questions that the tenants had themselves. There were a lot of questions, for example, about the home contents insurance. The purpose of the focus group was to discuss how members had found the scheme; what aspects they liked, what they did not like and their recommendations for the scheme going forward. The discussion took place over two hours and covered a variety of topics using a topic guide (Appendix A). As is customary with all focus groups, participants were asked to sign an informed consent form (Appendix B). The results of the focus group are discussed in the section on 'findings' below.

#### *In-depth interview with the Manager of Prince Bishops Credit Union*

Also at the end of January, I held an in-depth interview with Lesley lasting approximately one hour. This interview presented an opportunity for Lesley to talk about how she had found running Save and Insure, what she feels went well and what she feels would need to change going forward. The results of this interview were shared briefly in the section on 'the model' but are covered more fully in 'findings'.

#### *Case studies of tenants who had been through the scheme*

Case studies, or 'success stories', are a great way of demonstrating the impact that an intervention has had on a person's life. Through the course of signing tenants up to Save and Insure, Lesley had come to know participants extremely well and had a

wealth of case studies available. The case studies can be found in the section on 'findings'.

#### *Follow up questionnaire*

Approximately five months after the end of the first round of Save and Insure, questionnaires were distributed to tenants of Derwentside Homes who had participated. The questionnaire asked five questions:

- Whether they had heard of credit unions before joining Save and Insure
- If they had ever been a member of a credit union before
- If they were saving a set amount per week/per month before joining the scheme anyway
- For those who received 6 months of home contents insurance for free, if they had ever held home contents insurance before
- Overall, what their experience had been of opening a credit union account, saving with the credit union, and holding home contents insurance

A few of these questions could have been asked at the start of the scheme but asking them at the end allowed for the addition of questions relating to their overall experience and this cut down on paperwork that participants had to fill in over all.

## Save and Insure Evaluation Framework

| When        | Tool        | Information needed  |
|-------------|-------------|---|
| April 2010  | Spreadsheet | Profiles of tenants who are currently members of the credit union (DOB, gender, benefits status, ethnicity) |
|             |             | Number of tenants who've joined the credit union through the new scheme so far                              |
| June 2010   | Spreadsheet | Profiles of tenants who joined the credit union as a result of the new scheme (DOB, gender)                 |
|             |             | How many new members are still saving £10 per month?  |
|             |             | How many new members are not saving £10 per month but are still with the credit union?                      |
|             |             | Have any new members cancelled their credit union account?  |
| July 2010   | Spreadsheet | How many new members have accessed credit through the credit union?   |
|             |             | How many new members are still saving £10 per month?  |
|             |             | How many new members are not saving £10 per month but are still with the credit union?                      |
|             |             | Have any new members cancelled their credit union account?  |
| August 2010 | Spreadsheet | How many new members are still saving £10 per month?  |
|             |             | How many new members are not saving £10 per month but are still with the credit union?                      |
|             |             | Have any new members cancelled their credit union account?  |

|                |               |  |
|----------------|---------------|--|
| September 2010 | Spreadsheet   | How many new members continuously saved £10 per month?   |
|                |               | How many new members did not save £10 a month but stayed members of the credit union?  |
|                |               | How many new members cancelled their credit union account?   |
|                |               | How many new members accessed credit through the credit union?   |
| October 2010   | Spreadsheet   | How many new members are still saving £10 or more per month?   |
|                |               | How many new members stayed members of the credit union?   |
|                |               | How many new members continued with the home contents insurance?   |
| January 2011   | Focus Group   | Focus Group: Tenant experience of using their credit union account, if they think they will continue saving, if they think they will continue with the home contents insurance |
|                | Interview     | Interview with Lesley to find out how she feels the process has gone, what she would do differently and recommendations going forward  |
|                | Case Studies  | In-depth case studies of people who have been through the scheme   |
| March 2011     | Questionnaire | Sample size of at least 20%  |
|                | Spreadsheet   | How many new members are still saving £10 or more per month?   |
|                |               | How many new members stayed members of the credit union?   |
|                |               | How many new members continued with the home contents insurance?   |

## Part 5 – The Findings

### 5.1 Evaluation of Save and Insure

By the end of the scheme, 195 participants had taken part in Save and Insure; 29% cancelled their accounts leaving a population of 138 participants.

Save and Insure attracted a slightly different client base – younger (by 6 years) with a higher proportion of males than previously (39% male as opposed to 28% male).

68% of participants signed up to both the credit union and the home contents insurance.

52% of participants in the scheme saved continuously for the six month period and received £20 at the end of it.

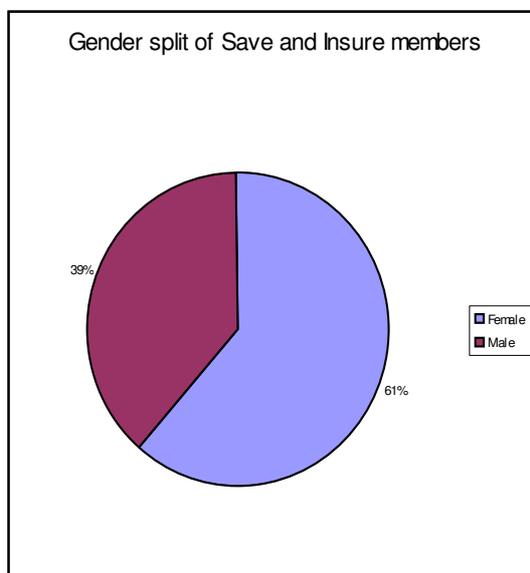
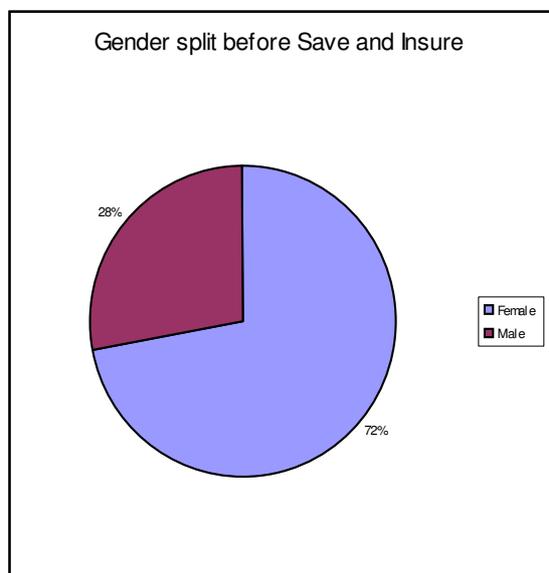
17% of participants took out loans with the credit union and a sample of those that did emphasised how much cheaper their loan through the credit union was compared to other sources they had accessed previously.

The findings of Save and Insure are structured according to the original aims and objectives which fall broadly under the headings of membership of the scheme, take up of home contents insurance, consistent savings, and take up of loans.

#### Membership

By the end of the scheme in November 2010 195 participants had taken part in Save and Insure. Of those, 57 (29%) cancelled their accounts, leaving a population of 138.

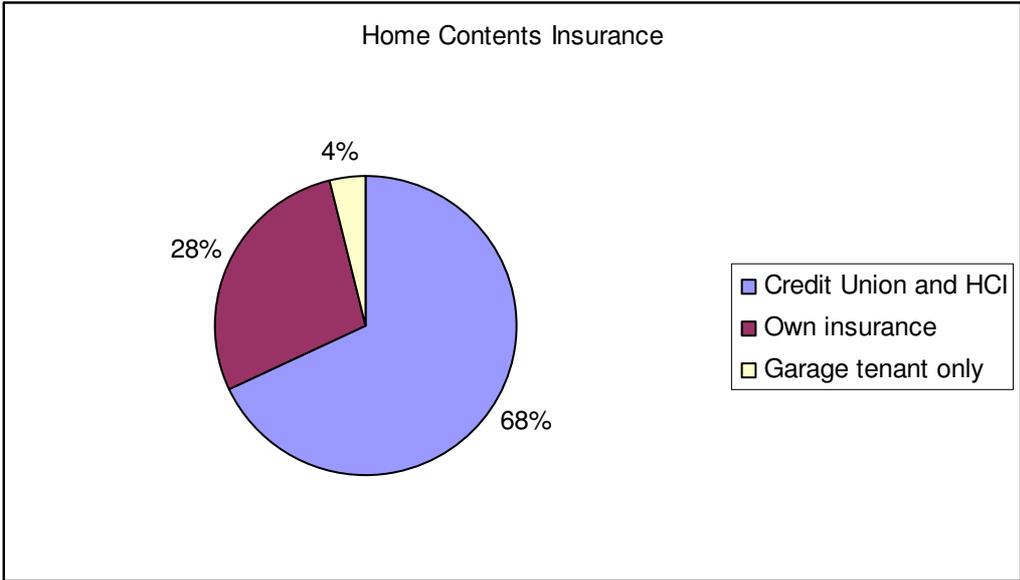
Interestingly, the profile of those who joined Prince Bishops Community Bank through Save and Insure differed slightly from previous membership. When the baseline data of existing members was analysed in April 2010 it revealed that the average age was 57 and 72% of members were female, 28% male. In November 2010 the analysis revealed that the average age of members taking part in the scheme was 51 and that 61% of members were female, 39% male. This slight change indicates the scheme attracted a slightly different membership than those who joined the credit union previously.



Nearly a quarter (24%) of participants of Save and Insure responded to the follow up questionnaire that was distributed five months after the scheme had ended. 50% of respondents said that they had never heard of a credit union prior to joining Save and Insure and 93% of them had never been a member of a credit union before. This demonstrates how effective Save and Insure was in introducing people to the benefits of joining the credit union.

*Insurance*

68% of participants signed up to both the credit union and the free home contents insurance. 28% already had their own insurance and 4% were garage tenants only so not eligible for the home contents insurance.



As mentioned previously, there are a number of people who have reservations about taking out home contents insurance for a variety of reasons. Participants in the focus group confirmed that insurance did not have a good reputation amongst tenants of Derwentside Homes. The strongest objection seemed to be that making a claim was very difficult and a few of the participants had anecdotes from their own experience or that of family or friends to evidence this. In short, participants said that a lot of people feel that taking out home contents insurance was not worth the money as that when they needed their policy to pay out, it did not which left them wondering why they had spent money on it in the first place:

“Insurance has bad press; people invest in it only to find they’re not covered”  
“Insurance is a dirty word; people feel they are getting ripped off”

This indicates that the cost of taking out a policy was not always the main barrier, more so that people felt the policy would not pay out when the time came to claim on it. The perception seemed to be that insurance is very confusing and that policies are designed to trip you up.

Participants did however feel that with the right policy that covers the policy holder, home contents insurance definitely has benefits:

“Insurance is £1.60 a week, but people don't bother and instead when they're fridge breaks down they pay a fortune”

“With insurance you don't have to worry about stress”

Confusion with administration of the home contents insurance towards the end of the free period meant that RSA ended up having to extend the free period for a further six months at their own cost. While this is a positive outcome for tenants involved in the scheme it unfortunately means that there is no data on how many continued with their insurance policies after the six month free period.

### *Savings*

52% of participants in the scheme saved continuously for the six month period and received a £20 credit to their account at the end of it. 76% of members who responded to the follow up questionnaire said that they were not saving prior to joining the scheme and participants in the focus group said that when they had saved previously, it was usually in cash and in small amounts. Participants in the focus group highlighted a couple of problems with this culture of saving; for one, saving in cash and keeping it in the house is not safe. As one respondent said: “Our money used to go in a jar, now we have reassurance that it's somewhere safe”.

The other issue highlighted through the group discussion was that keeping savings in the house means it is far too easy to spend:

“The small amount that you save you spend because there is always something to buy, something that someone needs. In the credit union you don't miss it because it's not there. I don't actually know what I'm saving, I just forget about it. I just do it once a month or if I have extra money”

“Cash is not easy to save, you spend it because it's there”

Paying money into the credit union account is fairly straightforward – there are a number of pay points in the area at which to do this. Drawing money out of the account, however, is more difficult as members actually have to go into the Prince Bishops Community Bank office at Glenroyd House. Participants of Save and Insure seemed to like this system as they felt they needed a way to ‘trick’ themselves into saving and that it meant they were often not even aware they were saving:

“You can save at a rate that is comfortable for you; don't realize how much you can actually save”

“I think it's a brilliant idea - who misses £2.50 per week?”

“Excellent. I did not have the discipline to save on my own and this scheme has encouraged me to save”

“I'd rather carry on paying a small amount then have to find the money at the end of the month”

This is in contrast to what participants thought about savings before joining the Save and Insure. A few of the participants in the focus group said that initially they did not think they would be able to save £1 a week, let alone £2.50. But having that extra

incentive of £20 at the end of it to work towards meant that they tried it anyway and were surprised with the results.

Julia\* had never heard of the credit union before. With two small children she said she had always meant to start saving but had just never got round to doing it and wasn't sure how to go about it. Lesley explained what Save and Insure is about and Julia signed up using a 'paypoint' card. This meant that she could pay money into her account using her paypoint card but that she would actually have to go into Glenroyd House to make a withdrawal. Up until this point she had been saving small amount in a jar that she always ended up dipping in to.

### Loans

17% of participants took out loans with the credit union through Save and Insure. The majority of the discussion of the focus group centred on how the credit union provided a much better deal compared with other sources of credit that participants had accessed previously:

"Small amount to pay back, but not anywhere near the Provident"

"BrightHouse is appealing to people who've got nowhere else to turn, and it's their way or the highway"

"These places appeal to necessity"

"They tell you anything you want to hear"

"The store [BrightHouse] looks really nice from the window but you pay for it for the rest of your life"

A lot of participants in the focus group said that at first they did not believe that they could access loans through Prince Bishops Community Bank. Compared with other sources of credit that they had accessed previously, their rates seemed too good to be true and many of them seemed resigned to having to pay a lot of money for their loans. They were used to not getting the full story when taking out a loan so to receive the truth from the credit union on the terms and conditions of their loan is something they said they really valued. Participants relayed a number of stories about their past negative experiences of credit but one in particular stood out:

Pam\* needed a new cooker and went to BrightHouse to see how much one might cost. She found one for £200 which seemed like a good deal but was unsure of how much the overall charge would end up being. The man helping her gave her a piece of paper with all of the terms and conditions, but as Pam is not able to read very well, she asked the man who was helping her if there were any additional charges, like interest fees. The man told her no. Pam was unable to read the small print and as she was by herself that day, there was no one else she could ask. To reassure her, the man from BrightHouse said that she could change her mind within 14 days of purchase. They would send her the information on her purchase in the post and as soon as that was received she could send it back if she had changed her mind, as long as it was within 14 days.

---

\* Names have been changed to protect identity

It took almost a full 14 days for the information to arrive in the post. Pam's husband read it and realised that there were indeed charges that the man at BrightHouse had not told her about. Unfortunately by then, it was too late to change their minds and return the paperwork for a refund. Over the course of the loan and because of the high interest charges, Pam and her husband ended up paying nearly £800 for the £200 cooker. Pam felt this would not have happened to her if she had not been on a low income: "I could have gone to the store if I'd had the £200 in cash and paid just the £200". Because she did not have this money and because the man in the BrightHouse store did not explain the terms and conditions to her, she ended up paying nearly four times that amount.

Pam said that being able to access loans through the credit union has made an enormous difference to her family: "It really helped me and my husband. We wanted to save money for our son and we managed to also get a couple of small loans. This helped our daughter pay for her car and eventually we would like to use a loan to help with the house, but for now it's really helped the kids".

Dave\*, another participant, said that he had been able to use his loan from Prince Bishops Community Bank to buy a laptop which had made a huge difference to his quality of life. Due to a series of unfortunate circumstances in his life, Dave had been extremely lonely – he rarely left the house, he did not have any savings and over all he had very low self esteem. He started saving with Prince Bishops Community Bank and later qualified for a loan for the laptop. The laptop has provided a way for Dave to help him make new friends and keep in touch with people. He settled his first loan and is now planning on taking out a second loan to help him purchase a new fridge freezer instead of going to BrightHouse.

Both of these examples demonstrate what a difference access to affordable loans can make to quality of life. Most importantly, the loans through Prince Bishops Community Bank are low cost, transparent, and affordable.

## **5.2 Evaluation of the model**

As discussed previously, there are many examples of credit unions and housing associations working in partnership as well as housing associations working with insurance providers to provide their tenants with home contents insurance but this scheme has done all three. Save and Insure brings all three elements together in a package to provide tenants with an incentive to save, the opportunity to trial home contents insurance and access to affordable loans. So what have been the key lessons learned from this process?

There are a number of elements of Save and Insure that worked well:

- Signing tenants up face to face: The majority of tenants that Lesley visited had never heard of Prince Bishops Community Bank and did not know what a credit union was. A number of participants in the focus group said that at first they thought the leaflet on Save and Insure was just another piece of junk mail put through the door and a few admitted that they had put it straight in the bin. Visiting tenants gave Lesley the opportunity to clearly explain Save and Insure and, in particular, to explain the benefits of joining.

- Making the scheme relevant: Part of making Save and Insure relevant was explaining how the goals of the scheme could be achieved. A lot of people at first felt that saving £10 a month would not be possible for them so Lesley explained how this goal could be achieved "I said right well, if you do it now, and you save your £10, it's only £2.50 a week, it's only a pint of beer, we relate it to what they think about in their lives". It's likely that without Lesley putting the savings into context that they would not have thought about doing it. A lot of the tenants Lesley visited said that they had been meaning to save for awhile but had not known how to get started.

There were a few elements of Save and Insure that they would do differently:

- Advertising the scheme: The new web-site for what was then Prince Bishops Credit Union was not functional when they launched Save and Insure in April 2010. Now that the web-site is up and fully functional it could be a great way of spreading information on the scheme more widely. Participants in the focus group also said that they did not think leaflets were the best way to advertise the scheme as it was often mistaken for junk mail. One participant said that "letters are better than leaflets" because they are more personal and therefore are distinguished from junk mail. This is something Prince Bishops Credit Union and Derwentside Homes could think about for the next round.
- Reaching more people: An original aim of Save and Insure was to sign 500 tenants up to the scheme but in the end they signed just under 200. This comes down to resource and Lesley is keen to see more resource directed at the scheme in future. Delivering the leaflets and making the home visits took a lot of time and in future Lesley would like to add phoning all tenants who received a leaflet into the model. This would give her the opportunity to explain the scheme to more people and would potentially increase the number interested in signing up. To add in this extra step, however, would definitely require more resource in terms of people.

### **5.3 Evaluation of the evaluation**

The type of evaluation conducted through RBS Innovate differs from other types of evaluation. Halfway between an internal evaluation and an external evaluation, this method provided a number of benefits as well as drawbacks. Some of the learning is outlined below:

What worked well?

- Having a balance between internal and external: Working with Prince Bishops Community Bank meant that the original aims and objectives for the evaluation came from them and were grounded in their work. The evaluation framework was developed in partnership and all major decisions were made jointly which meant that Prince Bishops Community Bank was on board with all of the methodology. Balanced alongside this is the fact that the evaluation findings were evaluated externally so were viewed from a different perspective. This balance between internal and external provided a variety of information that would be difficult to obtain using just one perspective.

- Establishing a baseline of data: Considered common practice in mainstream research methods, baseline data is not always captured at the start of a project due to the summative nature of a lot of evaluations. Evaluation is often viewed as something that occurs at the end of a programme or project; a retrospective assessment of what has already occurred. Capturing data both at the start and the end of the Save and Insure meant that data could be analysed and compared as it was captured and this built up an overall picture of the findings as the scheme progressed.

What did not work so well?

- Evaluating the programme remotely: Evaluation frameworks can sometimes work more effectively when conducted in-house. A key reason for this is access to data and familiarity with internal structures. Relying on someone else to supply data can be difficult without a full understanding of internal data collection methods, databases, and collection timeframes. Data containing personal information is often protected as well which can cause difficulties when it comes to sharing that data. There was also a lot more information that could have been captured but to organise this externally would have taken twice as long as it would have to go through two channels (external and internal). For example, it would have been useful to hold a number of smaller focus groups in addition to the larger one to focus on a few specific issues but that would have been a lot of work to set up externally.

## Part 6 – Conclusions and recommendations

There are a number of conclusions that can be drawn from the evaluation of Save and Insure and recommendations for both the project and the sector going forwards.

1. **Sometimes all you need is a hook:** The data demonstrates that the scheme did actually encourage people to save and insure. 52% of participants saved continuously for the six month period and, by joining the credit union, those savings are safer than they would be if saved in a jar or under the mattress. The savings are also less accessible and therefore less likely to be spent as members have to go into the credit union in order to access their money. 68% of participants signed up to the free home contents insurance for the six month period as well. This is significant given that there is evidence to suggest that a number of social housing tenants have a negative view of home contents insurance. Hopefully taking part in this scheme will have helped them realise the benefits.
2. **It is crucial to make money personal:** When confronted with numbers and especially costs, people often make a snap decision not to engage. For example, many of the tenants who were eventually signed up to Save and Insure were sceptical that they would be able to save £10 a month for 6 months; it seemed like too large an amount to commit to. To combat this, Lesley broke it down for them by explaining that £10 a month equals roughly £2.50 a week and related that to every day goods that they may buy. Explaining the cost of something in this way demonstrates how a small amount of money really adds up over time.

3. **Face to face contact is key:** The fact that Lesley went to each house and spoke to every potential client face to face is the main reason why so many people signed up. A key reason for this is that a number of tenants did not know what a credit union was or thought that the scheme was too good to be true. By speaking to tenants face to face Lesley was able to answer all of their questions and explain the scheme fully so that they knew exactly what they would be signing up for. There is only so much information you can put in a leaflet and, as discussed above, a lot of tenants threw the leaflet away without fully reading it anyway. Going forward Lesley said she would follow up the leaflet drop with a phone call but she stressed that signing tenants up in person was the key to a successful relationship with members.

As evidenced by the information above, Save and Insure presents a powerful model that has the potential to be replicated in different areas. It is an innovative, dynamic model that supports the beneficiaries of the scheme in a number of ways. It is also flexible; those already holding a home contents insurance policy can still sign up to the credit union and enjoy the benefits of saving and access to affordable credit; those that are not able to save £10 a month can still benefit from saving their money in a safe place. The key parts to the model's success are the strong relationships that it is built on and the commitment of those involved. Prince Bishops Community Bank and Derwentside Homes came together to tackle an issue that they had identified amongst their target group and through working together and staying committed to their original goals they were able to fulfil their objectives.

## Part 7 – Appendices

### Appendix A

#### **Save and Insure Focus Group Topic Guide – 19.01.2011**

Introduce me – name, purpose of the focus group, steps going forward

Introduce group – name and whether or not they had ever been a member of a credit union before

#### **Credit Union**

- Who had heard of Prince Bishops Credit Union?
- Did you know what they do? / What was your understanding of credit unions before joining Save and Insure?
- Why had you not joined PBCU before? What were the barriers?
- Had you ever been a member of a credit union before?
- What's been your experience of being a member of the credit union?
- Would you recommend joining a credit union to your family/friends? Why/why not?

#### **Home Contents Insurance**

- Who also accessed the home contents insurance?
- Had you held Home Contents Insurance before?
- If not, what had been the barriers previously?
- What's been your experience of holding HCI?
- Will you continue with the Home Contents Insurance past the free period?

#### **Accessing Credit**

- Did anyone access credit through the credit union?
- What kinds of other credit have you accessed before?
- How does the credit union compare to other types of credit you've accessed? What have been the good aspects and the bad aspects?

#### **Savings**

- How has it been saving 10 pounds a month? Is this something you were doing anyway?
- What other ways do you save money?
- What do you think are the barriers to saving a certain amount each month? Do you know people who struggle to save?
- Will you continue to save even though the scheme is finished? Why/why not?
- What else would encourage you to save?

#### **In Summary...**

- How would you sum up your experience of Prince Bishops Credit Union?
- How have you found holding a credit union account?

## Appendix B

### Save and Insure

#### Focus Group Information Sheet & Consent Form



#### Thank you for agreeing to take part in this research!



#### **What is the purpose of this research/why am I here?**

The purpose of this research is to find out your thoughts on the Save and Insure scheme administered by Prince Bishops Credit Union and Derwentside Homes. We want to know how you've found being a member of Prince Bishops Credit Union, what you thought of taking out home contents insurance and how this may impact on your decisions in the future.

#### **Why have I been invited to partake?**

As you have been through the scheme we are interested to know your thoughts on joining a credit union, signing up to home contents insurance, being encouraged to save for six months and accessing credit through the credit union. There are no right or wrong answers, we're just interested in your feedback.

#### **Do I have to take part?**

Your participation in this research is voluntary. If you do decide to take part you will be asked to sign the consent form on the other side of this sheet. If you decide to take part you are still free to withdraw at any time and do not have to give a reason.

#### **What are the benefits of taking part?**

By taking part you will be helping us to develop and grow the Save and Insure scheme to help future tenants of Derwentside Homes and future members of Prince Bishops Credit Union. The scheme you took part in was the first of its kind so it will be extremely helpful for us to get your thoughts.

#### **Will what I say in this group be kept confidential?**

The session will be recorded for purposes of data analysis but your name will not be included in any resulting publication and anything you say will remain anonymous. At most we will use your anonymised quotes in our final publication but they will not be attributed to you in any way.

#### **What will happen to information you gather today?**

We will use what you say today to inform our understanding of how well the Save and Insure scheme has worked and what we might like to change going forward. This will be written up in a report and made available to those interested in the subject area.

#### **Contact for further information**

If you have any questions about this research or have any further thoughts that you forgot to add, please get in touch with Helen Aynsley at Toynbee Hall:

[helen.aynsley@toynbeehall.org.uk](mailto:helen.aynsley@toynbeehall.org.uk).

|   | Please tick box          |
|---|--------------------------|
| I confirm that I have read and understand the information for the above study and have had the opportunity to ask questions | <input type="checkbox"/> |
| I understand that my participation is voluntary and that I am free to withdraw at any time, without giving reason           | <input type="checkbox"/> |
| I agree to the focus group being audio recorded   | <input type="checkbox"/> |
| I agree to the use of anonymised quotes in publications   | <input type="checkbox"/> |

By signing this form you are saying you understand and agree to these terms.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## Appendix C

### Save and Insure Participant Survey



### **Thank you for your participation!**

*You recently took part in the 'Save and Insure' scheme provided by Prince Bishops Credit Union and Derwentside Homes. Through the scheme you opened up a credit union account, were given free home contents insurance for six months (where applicable) and were given £20 if you saved £10 in your account every month for six months. To help us to continue this scheme, we would be grateful if you could answer the questions below and return this form to:*

1. Did you know about credit unions before joining 'Save and Insure'?

Yes                  No

2. Had you ever been a member of a credit union before?

Yes                  No

3. Were you saving a set amount per week/per month before joining the scheme anyway?

Yes                  No

4. (If you received 6 months of home contents insurance for free) Had you ever held home contents insurance before?

Yes                  No

5. Overall, what's been your experience of opening a credit union account, saving with the credit union and holding home contents insurance?

About you...

Age:

Gender:

**Thank you!**

## References

---

- i Edmonds, Timothy, (2011) 'Credit unions' House of Commons Library
- ii Prince Bishops Credit Union Business Plan 2009 – 2013
- iii *ibid*
- iv Collinson, P. 'Loan shark who charged 8000% is sent to jail' The Guardian, 27 July 2005  
<http://www.guardian.co.uk/money/2005/jul/27/business.crime>
- v Wainwright, Martin (2009) 'Borrowers urged to avoid backstreet lenders as 'ruthless loan shark jailed' The Guardian on-line <http://www.guardian.co.uk/uk/2009/aug/05/government-warning-as-loan-sharks-jailed>
- vi *Ibid* ii
- vii *ibid*
- viii *ibid*
- ix Derwentside Homes Consultation Document 1  
<http://www.derwentsidehomes.co.uk/UserFiles/File/Book%201.pdf>
- x Derwentside Homes Annual Report 'Raising Standards Improving Services: Customer Commitment 2010 – 2012'
- xi Tenant Services Authority, JRF, Scottish Government (2009) 'Growing up in social housing in Britain: A profile of four generations, 1946 to the present day'
- xii London School of Economics and Political Science (2007) edited by Christine Whitehead and Kathleen Scanlon 'Social Housing in Europe'
- xiii *ibid*
- xiv ABI, 2009, 'Helping Tenants Protect Their Possessions: A Guide for Housing Officers
- xv Association of British Insurers (2009) 'Helping Tenants Protect Their Possessions: A Guide for Housing Officers'
- xvi Association of British Insurers 'How Schemes Work'  
[http://www.abi.org.uk/Access\\_to\\_Insurance/Landlords/How\\_schemes\\_work.aspx](http://www.abi.org.uk/Access_to_Insurance/Landlords/How_schemes_work.aspx)
- xvii National Housing Federation <http://www.housing.org.uk/default.aspx?tabid=386>
- xviii Doing Research in the Real World, p. 279
- xix Doing Research in the Real World, pp. 285 – 286
- xx Stufflebeam, D., and Shinkfield, A. (2007) 'Evaluation Theory, Models and Applications' San Francisco, Jossey-Bass
- xxi Bryman, A. 'Triangulation' Loughborough University  
<http://referenceworld.com/sage/socialscience/triangulation.pdf>