

THORESON REVIEW CALL FOR EVIDENCE

CITIZENS ADVICE RESPONSE



STRATEGIC ISSUES

A. What is happening today, how and to whom?

These questions aim to find out what is currently available to help people manage their personal finances in the broadest sense. This includes advice on benefits and debt advice, as well as advice on product markets or specific products. The Review Team is also interested in evidence of similar services, delivered commercially or by the public or voluntary sector.

AS1

What generic advice services are you aware of in the UK? Are these provided by the public sector, the private sector or the voluntary sector?

There are literally thousands of advice services, particularly in the voluntary sector. We suggest a look at the website of Advice Services Alliance, and AdviceUK, plus the CLS Directory as a start. Some of the main ones would be:

Benefits

Benefits advice is provided by a variety of agencies, some targeted at particular client groups, others open to all. We are aware of:

Voluntary sector:

- CAB network in England, Wales and Scotland
- AdviceUK network
- Law Centres
- DIAL
- Age Concern organisations
- Help the Aged, Senior Line
- RNIB
- RNID
- Macmillan benefits help-line

Public Sector:

- DWP Pensions Service
- Some local authority in-house services
- CLS Direct

Private Sector:

- Pensions Advisory Service – telephone advice on pensions

Debt Advice

Money advisers give limited amounts of financial advice as part of debt advice.

We are aware of:

Voluntary Sector:

- CAB network in England, Wales and Scotland
- AdviceUK organisations
- FIF consortia
- Law Centres
- National Debtline
- CCCS
- Law Centres federation

Public Sector:

- Local Authority in-house debt services, mainly in Housing Dpts
- CLS Direct

Private Sector:

- A4E

AS2

For the services in AS1 please give some information on structure e.g. funding, governance, scope of service, geography, legal basis of advice, scale constraints etc.

We are unable to answer for other organisations which will all have different structures, and would hope that they will be able to provide that detail to you directly.

For the CAB service, the following information comes from our last Annual Report for the year 2005/6.

440 member bureaux operating from over 3,000 locations in England and Wales. Citizens Advice Scotland (CAS) is a sister but separate organisation. Northern Ireland operates separately, but has a place on the Citizens Advice Board. The 440 Bureaux in England and Wales are independent charities, grouped into districts and county structures providing national coverage. All are members of Citizens Advice, which is a charity in its own right, providing support services to member bureaux. Each bureau must find its own funding, and most have core grants from a local authority, although increasingly this money is moving from a

grant basis, to commissioning for services. They also tap into funding from Trusts, Legal Services Commission, local businesses, lottery funding, regeneration funding, regional government funding etc. Citizens Advice has its main funding from the DTI, but also has some large grants for specific work from other statutory and charitable funds.

Governance – bureaux each have their own Trustee Board made up of local stakeholders. They are provided with guidance and support by Citizens Advice. Citizens Advice has its own Trustee Board giving leadership to the whole service.

Organisational structure and decision-making

In Citizens Advice, responsibility for day-to-day management matters and the implementation of policy is delegated to the Chief Executive, within a clearly understood framework of strategic control. The Chief Executive is supported by the Executive Board, which consists of Citizens Advice executive directors.

Member bureaux also take part in the policy-making activity of the charity by passing resolutions at the Annual General Meeting. However, these resolutions need ratifying by the Trustee Board before implementation. The Trustee Board meets at least six times a year.

The Trustee Board can delegate responsibility for specified matters to the following committees: Membership and Standards Committee, the Equal Opportunities Committee and the Performance Review and Audit Committee. Decisions taken by individual members or committees of the Trustee Board under delegated powers are recorded in written minutes available to the Trustee Board as a whole.

In bureaux, the decision-making body is the individual Trustee Board, with a Director, Manager or Chief Executive taking day to day management responsibility. Bureaux Trustee Boards meet at least 4 times a year, and will set-up relevant sub-committees as decided locally.

Employee involvement

Within Citizens Advice, Trustee Board papers, including agendas and minutes are available to all employees. Regular meetings are held between management and the union, and the union and its members to discuss Citizens Advice activities. Citizens Advice pays the costs of staff travelling to union meetings. An employee satisfaction survey is conducted annually and the results are used to influence management decisions in the future.

Equal opportunities

Citizens Advice recognises the positive value of diversity, promotes equality and challenges discrimination. The service-wide Fair Accessible Inclusive Relevant (FAIR) strategy 2004-2008 sets out how we intend to become a first point of contact for discrimination. As such, Citizens Advice meets all of its legal responsibilities and welcomes employees from all parts of the community, particularly under-represented groups.

The trustees have delegated the responsibility of monitoring financial risk management to the Performance Review and Audit Committee (PRAC). Citizens Advice executive directors are responsible for implementing financial risk management strategy as stated in our treasury management policy.

Our legal status

Citizens Advice is a registered charity and a company limited by guarantee. All member bureaux are members of Citizens Advice, and there are no other members. The maximum liability of each member is limited to £1. Citizens Advice is governed by its Memorandum and Articles of Association as amended in October 2000.

The charity has a trading subsidiary, Citizens Advice Limited (formerly Advice Services Information Limited).

Funding for the Citizens Advice service

Citizens Advice

Incoming resources for Citizens Advice are listed below. The majority of our £37,637,000 income came from government grants. Funding from other public bodies, companies and charitable trusts for restricted projects is becoming increasingly important due to a reduction in DTI funds. Trading activities are the sale of information and publicity items to bureaux and other advice organisations or individuals.

Funding Type	Amount	%
Government grants	£30,774,000	81.7%
Other public body grants	£1,827,000	4.9%
Other grants	£1,936,000	5.1%
Trading activities	£2,261,000	6.0%
Training and support	£258,000	0.7%
Bank interest	£428,000	1.1%
Other incoming resources	£148,000	0.4%
Donations	£5,000	0.1%
Total	£37,637,000	

Citizens Advice Bureaux

These are independent charities and in total they received £133,147,000 funding from:

- Local authorities: £63,728,000
- Legal Services Commission: £29,170,000
- Other funding sources: £40,249,000

The level of funding each bureau receives varies enormously dependent on local circumstances.

Scope of Service

Where advice is available

In 2005/6 440 member bureaux (in England and Wales) regularly delivered advice from over 3,000 locations including:

- 834 bureau locations
- 1,054 health care settings
- 625 community centres
- 217 legal settings
- and also by email, phone, online, in people's homes, via interactive kiosks and DigiTV.

Our online advice website adviceguide.org.uk received 4.3 million visits, an increase of 83 per cent from 2004/05. (This is now 6 million a year projected for 2006/7)

A further 22 member bureau delivered services in Northern Ireland.

People

26,082 bureau workers, of which 20,264 (78 per cent) are trained volunteers.

Of the volunteers in the service:

- 12,734 are advisers
- 4,444 are trustees

- 3,086 are in other roles, including administrators, social policy coordinators, IT support and fundraisers.
- 408 Citizens Advice employees
- 18 Citizens Advice trustees

Client problems

5.5 million new problems

- 4,990,000 in England
- 258,000 in Wales
- 252,000 in Northern Ireland

Client problems by subject

PROBLEM TYPE	CLIENT PROBLEMS (ENGLAND AND WALES)	ADVICEGUIDE VISITOR PROBLEMS (ENGLAND, WALES AND NORTHERN IRELAND)
Benefits	1,500,000	837,000
Debt	1,437,000	1,270,000
Other	588,000	824,000
Employment	473,000	1,130,000
Housing	402,000	532,000
Legal	294,000	361,000
Relationships	288,000	642,000
Consumer	157,000	287,000
Utilities	57,000	75,000
Tax	52,000	772,000
Sub-total England and Wales	5,248,000	
Sub-total Northern Ireland	252,000	
Total	5,500,000	6,730,000

Figures are rounded to the nearest thousand

Financial issues other than debt

Method of contact

- 21% telephone
- 71% face to face,
- 8% letters, emails etc.

This does not include repeat visits and contacts

Legal Basis of Advice

In 2005/06, Citizens Advice spent £1,695,000 on producing accurate information for bureaux to use to advise clients and for the public to access directly.

CAB advisers rely on relevant, accessible and practical information to help 2.1 million clients a year with more than five million problems (In England and Wales). Over 16,000 trained CAB advisers regularly use AdviserNet, a unique, comprehensive internet-based information system that is kept up-to-date by 20 information officers at national Citizens Advice, who ensure it is legally accurate and checked if necessary by external experts.

The public can also access our information directly to help them resolve their own problems, through our multi award-winning website, adviceguide.org.uk ([external link](#)). Available 24 hours a day, it has content in 11 minority languages.

Every bureau has a supervision system in place for all advisers, work is checked daily. In addition there are quality audits at regular intervals by Citizens Advice. Bureaux have access to a Specialist Support service for more complex issues which is staffed by experts in their field. All the advice work is underpinned by clear operational systems.

Last year, Citizens Advice piloted a number of alternative ways for people to access quality CAB information including email, spoken word technology and interactive kiosks within community settings. By enabling clients to resolve their own problems in new ways, much-needed capacity is released in bureaux to provide face-to-face advice to those that really need it.

In 2005 we published the [Citizens Advice Handbook](#), pulling together practical information and advice in a handy paperback reference book. The book sold over 38,000 copies in the first six months.

Scale Constraints

The main constraint on expansion of the network, or the expansion of any given bureau or district service is inevitably funding – for new premises, staff expertise, infrastructure, training – these need to be in place to ensure consistent quality in any expanded service. Many bureaux seek partnerships with others to enable them to extend their reach, and to seek new funding sources.

AS3

What do you think is the most appropriate way of describing ‘generic financial advice’ provision?

We think the definition provided by the FSA covers this. Plus the National Occupational Standards established by the Financial Sector Skills Council.

However, in practice the point at which individuals might present will vary – some on hearing about a change or new product, some when they meet a life changing event, some when things have already gone wrong, some at the post decision stage and so on. Any new service needs to be flexible enough to cope with the untidy way people might use the service. And people will be at different levels of understanding and capacity for action.

We believe GFA can be delivered in a very similar way to other advice provided on other topics. The adviser’s role is to help the client understand the situation they are in, taking into account their individual circumstances and abilities, aid understanding of the options for action with pros and cons, and enable the client to make a decision and know how to take the next step. At no point is it necessary to recommend any particular product, but to leave that decision to the client. Referral to expertise beyond this needs to have clear protocols.

AS4

Are there examples from overseas which offer good models for a national approach to GFA and why?

There is the New Zealand ‘Sorted’ website and its associated marketing and campaigning.

AS5

What academic and other research, UK or international, should the review be aware of that would be relevant to generic financial advice provision

There is the series of DWP research documents on pension reform – particularly ‘Providing Pensions Advice in the Workplace where there is little or no Employer Contribution’ (2005)

FSA research ‘Better Informed Consumers’ (2000)

FSA – Bridging the Gap – research on money advice

ABI research ‘What makes people save?’ (2002)

Consumers Association policy paper ‘National Financial Advice Network’ (2002)

The OECD document ‘Improving Financial Literacy’ – analysis of issues and policies (2005)

DTI paper ‘Effective means of Informing Consumers’ (2002)

The Sandler report

And we have several Citizens Advice documents on our work on Financial Capability which we can provide separately if required including an evaluation of the Financial Skills for Life projects

AS6

Do you consider the current infrastructure could deliver the kind of generic financial advice provision envisaged by this review? Or is it a new structure?

We do not think it is essential to put in place a whole new structure. It should be possible to build on what is available, although that would involve creating a network or mixed economy of advice suppliers. At least some of the GFA provision will need to be provided at a local community level as it is acknowledged that face to face will be necessary for some people. It should be possible to use existing trusted community organisations such as the CAB service or Age Concern, AdviceUK outlets etc to deliver these services.

We think that by building on the CAB service, together with good partnerships to other agencies and services, including local IFAs, it would be possible to construct a GFA service flexible enough to reach target groups, and to link into complementary services such as debt, benefits, housing and employment. We are working on ideas for models we think could work using the CAB service as a basis.

There is a view that people only use the CAB service for resolution of crisis. However, we have found through the pilot projects run with IFAs donating time pro bono to our bureaux, that people will use the CAB service for financial issues unrelated to debt, that the age profile and issues brought differed from those seen as being normal for CABs, and that such a service would be welcomed. Our web-site, Adviceguide, has high numbers of hits on financial issues such as tax problems.

A national telephone number could be the point of access for many, but this does not need a whole new structure, but could be a gateway service built on a virtual

telephone network based locally to the client. Models of this nature are being developed. We are bidding to the Big Lottery for a national CAB telephone service. If successful we could explore the potential for integration into any GFA service. Another option would be partnership between a telephone provider with expertise in call centre provision and a face to face provider like the CAB service, able to deliver locally.

As stated above in AS2, 21% of current initial contacts with the CAB service are by telephone amounting to 441,000 people per annum.

B What should the scope of a national approach to generic financial advice be?

These questions are aimed at some of the 'nuts and bolts' issues of delivering a generic financial advice (or other relevant) service: getting the content right, identifying and targeting consumers, delivery mechanisms, staffing and accreditation.

BS1

Who should generic financial advice aim to serve including a view on segmentation

The Resolution Foundation research gives us a starting point, aiming the service at low and middle income people, excluding most of those on benefits, or those above median income. We think this audience is probably the one most excluded from access to this type of advice. However, there are also significant numbers of people in the benefits category who will be among those who suffer the most detriment from poor decision-making, and we should not necessarily exclude them (e.g. older people on income support with equity in their homes looking to fund long-term care).

It should be possible using the community-based CAB model, to target services to particular groups. For example many bureaux work with BME groups and link well to the agencies that serve them. GFA workers could develop expertise in particular areas such as Sharia law, or Jamaican credit facilities for example to enable tailored services. Bureaux are building strong links with Credit Unions and other community finance initiatives. It would also be possible to focus on workplace advice for the introduction of Personal Accounts.

Many CABs already offer outreach sessions for parents, some of these for financial capability, and already include information about CTF. A more specialist locally based GFA service could easily build on such relationships.

BS2

Are there groups it should not aim to serve and how might they be excluded or steered away?

Higher income groups who could pay for advice from IFAs or other commercial providers should be excluded. The way the service is branded and advertised will have an impact on who perceives it as being for them or not.

The CAB service has worked for many years with lawyers, and has experience of identifying those clients who can pay from those who need free advice. Initial interviews done by experienced and skilful staff can quickly determine those who can be signposted on for paid advice, without necessarily becoming involved in means-testing. Our experience is that people who can pay do not use free services, assuming that it must be of inferior quality. This is of course not necessarily the case, but does filter out many of those who can pay.

We do not think that lower income groups should be excluded, as some of these can benefit from help and may have bought inappropriate products, or for example lack important insurance or need help with the Child Trust Fund even though they are on benefit.

BS3

What are the best ways of reaching the target market (i.e. those most vulnerable to the consequences of poor decision-making)?

Stimulating people into action prior to an event or crisis is notoriously difficult. Much of this GFA advice will probably be given on the back of an issue worrying the person, or needing resolution at the time. Any new service takes time to bed in and become well-known. We must not expect immediate behavioural change merely because there is a new, even though vital, offering. We believe that if made aware of a free service aimed at helping sort out financial matters, both immediate and future, people will use it and it will be important that the experience is positive.

Research (LSRC for example) has shown that the main avenues into advice that people tend to use are friends and family. It follows that word of mouth is one of the most important routes to advice services. It is certainly true that where there is a minority group in a community, once one of that group has found the service welcoming and useful, others will follow – any community agency would testify to that. The strength of the CAB network is that each bureau is a part of its local voluntary sector with local links.

We found also that with our IFA pilot services, just a single item in a national newspaper had the most impact in increasing demand on the services - new clients came to the CAB with their endowment queries and their pensions issues, feeling confident of an independent and trustworthy service.

Reaching a particular group requires thought-through targeted advertising – using the media, outlets, social places etc they are most likely to use. This is most effective on a community level. We have also found through pilot work with

the FSA that liaison and contact with front-line workers, such as people who work with young people, is effective in reaching more people. This is a model that could be replicable for a wide range of different groups, including those in work, those in ill health etc.

For people in work a telephone service is required, ideally with the capacity to make out-of-hours appointments where face-to-face advice is required. When we ran a pilot telephone service offering brief advice and referral, it attracted younger clients than usual. A carefully constructed internet presence with email would assist in reaching younger clients and those in employment who are more likely to use the internet and, in the latter case, less able to use face-to-face facilities during office hours..

The CAB service is very rarely advertised in a commercial way, or deliberately marketed. Most of our promotion arises from the policy work we do around important issues. This is often picked up by the newspapers and other media. We are mentioned on every government leaflet, many websites link to ours, and the web-site, Adviceguide is mentioned at the end of every article on money or advice issues in the media. This ensures increase in profile and usage without having to spend large amounts on marketing.

BS4

What should be the content of generic financial advice? Which subjects should be included/excluded?

We believe the set of competences set out by the FSSC gives a good picture of the kinds of issues a GFA should cover. The Treasury paper makes it clear that they consider wider issues such as tax credits, debt and other issues that impact on the financial situation should be included. We think this is right, and the aim should be for a holistic, tailored service – otherwise there is a risk it becomes just another source of ‘flat information’, rarely acted on.

BS5

How can the boundary between generic and regulated advice be clarified so that it is clearly understood by both consumers and those giving generic financial advice? Where should it be drawn?

We believe there is a key question about whether all advice should be regulated. Why should the free service be also free of regulation of some sort? The CAB service is regulated by Citizens Advice – standards, auditing and sanctions are in place to protect the client, underpinned by insurance. It should be possible for the FSA to produce some regulatory framework for a new GFA service that is proportionate, and that clarifies the position.

See also the answer at question AS3.

We are working on guidance to the IFAs and whole of market advisers who will be taking part in the next set of CAB/IFA pro-bono pilots in bureaux on this issue. The Personal Finance Society is working with us to clarify where a boundary can realistically be set given current regulation, without making any GFA an information only service, but ensuring it is tailored to individual circumstances.

We do believe it should be possible to give meaningful, personalised advice which clarifies the position the client is in and gives options for actions which lie clearly with the client to undertake or not. It may be that some statement about the limits of the service should be provided to the client at the outset so that expectations are not unrealistic. Bureaux and other advice workers are used to providing a service which falls short of recommending any one course of action, but which puts the client in a better position to move forward on their particular issues.

BS6

What organisations and services should or could be expected to refer people to generic financial advice?

See answer to AS1
Plus JobCentre Plus, Local Authorities

BS7

Where should people be referred to after receiving generic advice? Should it be possible to refer people to a commercial provider? If so, how?

Following from initial GFA, where appropriate people should be given a list of providers in their area, which would cover commercial providers such as IFAs, banks and insurers and others, with some indication of likely costs, pros and cons. In some cases the GFA provider may be able to help the client to take the action they (the client) have decided is appropriate. For example enabling access to a utility switching site, or to a pension planner such as the one being developed by Age Concern England.

We recognise there may be a problem with IFAs who may not want to work with clients requiring very small value products such as stakeholder products, or who have relatively small investments to make. This is an issue that needs addressing with the trade bodies for IFAs and some discussion with the FSA. It will be pointless to work through the best options with a client only to find some of them are excluded from accessing the best product for them.

BS8

What qualifications/training do generic financial advisers need and where could the advisers be sourced from?

Both some generalist advisers, and specialist money advisers would have many of the skills needed to provide generic financial advice. A comparison of the competences required of a money adviser with the skill set laid out in the FSSC National Occupational Standards for GFA workers reveals only a small gap in the competences required. It is possible to envisage a career path for many advisers within the CAB service and from other advice agencies, through from volunteer generalist, to specialist money adviser and/or financial adviser.

The growth in debt advisers enabled by the Financial Inclusion Fund has shown how it is possible to recruit and train large numbers of people into quite specialist work in a short time-scale given the necessary resources and planning, and that the market exists for people wanting to move into advice work. Such an exponential growth may not be required, as a GFA service based on existing services could be piloted and grown over time.

The Personal Finance Society offers basic training to new Independent Financial Advisers, and has shown interest in developing new training courses for different sorts of advisers. We think a properly accredited independent training course of this sort, specifically designed for specialist GFA advisers and building on a generalist holistic advice training would be a good way forward.

BS9

What are the legal implications of giving generic financial advice?

The adviser or advice-giving organisation should be legally liable for the quality of the advice they have given.

BS10

How would the creation of a new generic financial advice service materially affect advice providers?

It may be that there are losers and gainers following the introduction of this new service. For example, there may be threats to the funding of advice agencies if they receive funding to do this work – this would be a danger to be faced and tackled, as it would be disastrous for many agencies to suffer grant cuts as a result of participation. Or alternatively the fact that they are providing a valuable quality service may attract new funders. Similarly the business for IFAs may increase because of more confident, product-ready consumers, or it is conceivable GFA will have a negative impact, diverting potential clients into the new service. The segmenting of clients by marketing and clarity of offering should mitigate this.

C. Cost and funding

These questions are aimed at getting data on the costs and benefits of a generic financial advice service. As well as detailed costs, the Review Team is also

interested in quantifying benefits, including individuals, wider society and different parts of the financial services industry.

CS1

To what extent should generic financial advice be free at the point of delivery?

Ideally this should be a free service if it is to attract to it people who are wary of the costs associated with any financial advice.

It may be that it is possible to ask for a small contribution to the advice. It is often said that people are more appreciative of advice that they have to pay at least something for. However, should such a charging structure be considered it would need to be pitched at a level that would not deter people who may already have very tight budgets. There is also a serious issue that many people, and many in the not for profit sector will not participate in a means-test.

CS2

Is there any evidence that supports a commercial case for a generic financial advice service (including required changes to the existing model to improve the situation)?

We believe the Resolution Foundation research covers this.

CS3

How can the wider benefits of generic financial advice, to individuals and society as a whole, be quantified?

The Resolution Foundation has done the only research in this area that we are aware of, relating to the wider benefits to society in terms of less reliance on the state in future years.

For individuals, the evidence we have relates to the IFA pro bono work we have done, the evaluation of which will be sent. Our further set of pilots, which we are calling MoneyPlan and which will run for 2 years will inter alia be specifically monitoring the impact of the advice on the individual, in particular to see if people do take action following advice. To quantify the longer term effect of this would require a longitudinal research survey beyond our scope.

We are also aware of research into advice in health settings which shows considerable benefits to the prescribing budgets of GPs from benefits, debt and other advice to people in ill-health. Copies of this research is available from us if required.

CS4

What factors should be taken into account in deciding how to split any costs of a generic advice service between the stakeholders who will benefit from the service?

Who benefits the most? The Government obviously benefits in the long-term as the Resolution Foundation research shows. The client also benefits – but will a level of financial contribution from individuals deter too many? The benefits for IFAs and other parts of the finance sector are harder to quantify and may only become apparent as the service embeds, but we are of the view that confident and informed consumers are more likely to purchase appropriate products and they feel better able to use commercial suppliers.

CS5

How can the ‘generic’ element of existing regulated advice processes be costed and its benefits quantified, including the process of customer engagement with the ‘fact find’.

We are unable to do this kind of costing.

What we would say about the ‘fact find’ is that we cannot see this being possible for a telephone contact except for very basic information. For face to face, it would be important to undertake a more in-depth fact-find process in order to give complete advice. This might be only a part of the full fact-find required of IFAs, who need, for instance, to assess attitude to risk. The GFA service would need to ensure consistent and reliable use of such a fact-find to instil confidence in any commercial provider the client was subsequently referred to. If this could be achieved there should be benefits to all in producing a seamless service for customers.

D. How can potential users be engaged

These questions are aimed at getting evidence on how consumers can best be attracted to using a generic financial advice service, including how they can be motivated to take an interest in their financial affairs before ‘crisis intervention’ is needed.

DS1

How can consumers be encouraged to improve their financial capability and take an active interest in their personal finances?

Citizens Advice bureaux are leading players in the field of financial capability, with nearly 90 bureaux delivering financial capability sessions in their communities, in many cases to hard-to-reach adults. We are in the 4th year of a 6 year programme funded by Prudential plc, called Financial Skills for Life. We are also working with Barclaycard and a consortium of other charities to help lone parents with a range of issues including parenting, getting into work, and

managing money. We have also piloted parts of the FSA financial capability strategy.

From the work on these programmes, we have learned

- Preference for information in small chunks
- Delivery in places where people go and feel comfortable is best
- Not another leaflet please
- Optimistic
- Holistic
- Word of mouth is how people find out about it
- Trust is vital
- Different channels work for different people
- Partnership is needed to reach people
- Responsive and relevant – focus on the client's needs
- Sustained presence – too many projects start and die for lack of resources

This is not quick-fix' work, and requires a lot of thought and partnership building on the ground, but the results from evaluation work shows can have very beneficial effects, and can influence behaviour and choices.

There is an evaluation of the first three years of the Financial Skills for Life project and its outcomes which is available if required.

DS2

Are there campaigns that have effected analogous behavioural change relating to generic financial advice and other scenarios? What made them successful

Consider the recent campaign on bank charges. We might identify that it has stimulated action by consumers because:

- It offers a tangible benefit
- It has an economic rationale for the consumer
- It is simple and accessible
- It is independent
- The benefit is promoted clearly

DS3

What would an attractive brand for a generic financial advice service look like?

It would depend very much on what exactly the target audience will be.

We believe a service built on the CAB brand would have many advantages. The key attributes identified in the Which? Research included in the Treasury paper are:

Feature	Judged as 'very important' factor for GFA - %
No pressure to buy	65
Free of charge	60
Unbiased	58
Affordable	56
Face to face advice available	54
Look at long-term and short-term needs	53
Look at needs as a whole	51
Be available locally	50

All of these are deliverable through a CAB service. We are a trusted brand and seen as independent of both the government and financial institutions. We can also benefit from partnerships with a range of other providers, and provide a seamless service for potential clients.

DS4

Is there evidence of which engagement mechanism(s) is likely to work best overall and with different segments of the target population (e.g. which media, messages etc.)?

See answer to question BS3

DS5

For face to face advice, are there particular locations that would be attractive generally for different segments of the target market?

The research by the Resolution Foundation indicates that people would prefer community locations. We believe that people should have a choice about where they are seen, and this could be at a CAB, at another agency such as Age Concern, or at social centres such as BME community halls, working men's clubs – wherever they feel comfortable. The generic financial advisers should be enabled to travel to where the client can easily access the advice.

This would be one of the advantages of a service based close to a network of centres in a county or district.

DS6

Do you believe a new generic financial advice provision would lead to a change in consumer behaviour? If so, how?

Evidence for the pilot with IFAs and CABs showed that people said they did act on the advice given – 89% said they did so. Our further pilots in 30 bureaux linking to IFAs starting from May 2007 will give us much more information as we are building in evaluation and monitoring from the outset. The evaluators will be following up on the clients seen after a few months. We are aiming to have as much of this information as we can gather from initial work to be available for the Treasury in the autumn.

Changing behaviour in the long-term to engender a culture of planning and prevention of problems is much more difficult, and may have to build gradually on a base of problem-solving, which is what brings most people to any advice service. Accessibility, visibility, trust, word of mouth, free to the client and independent – such a service should prove attractive.

E. What should the governance arrangements look like?

These questions are about the governance of generic financial advice provision on different bases, including a possible joint Government-industry venture.

ES1

What organisation(s) should be responsible for oversight of and/or delivery of a national generic financial advice service (e.g. national vs regional oversight; existing vs new body)

If the Treasury decides that a national GFA service should be a completely new stand-alone organisation, then there should be a Public Interest Board at the very least at national level.

Delivery might be operationally overseen at regional level.

Using an existing network such as the CAB service could build on the existing governance structure.

ES2. How should any generic financial advice service be made accountable (e.g. targets, performance management, reporting lines etc)?

There should be clear objectives and targets, including outcome measures for all service delivery organisations. Evaluation of the service should be established. Client satisfaction should be a key indicator. A national body – the Public Interest Board – should receive regular reports and outcome information. There should be sanctions for non-compliance.

ES3. What should the relationship be between any new delivery body (assuming one is deemed necessary) and existing services.

The answer depends on whether a new organisation/service is being established or whether services will be delivered by a network of different agencies.

ES4. What mechanism should be used to collect and distribute any potential financial contributions e.g. from Government, industry etc.

No answer is given for this.

OPERATIONAL ISSUES

A. What is happening today, how and to whom?

These questions aim to find out what is currently available to help people manage their personal finances in the broadest sense. This includes advice on benefits and debt advice, as well as advice on product markets or specific products. The Review Team is also interested in evidence on similar services, delivered commercially or by the public or voluntary sector..

AO1. What advice service are you or your organisation responsible for delivering (this need not be generic financial advice)?

The CAB service offers a generalist advice service through its 3,200 outlets, plus specialist services such as welfare benefit to representation level, debt case-work, housing specialist work etc as resources and expertise allow in individual bureaux. Most of the generalist work is delivered by over 16,000 volunteers and staff trained to a high level, supervised and audited. Much of the specialist advice is through paid staff. Some services are targeted at specific communities especially where there is financial or social exclusion. The service deals with 5.5 million queries a year.

The Membership Scheme which defines the core service and the standards required to operate as a CAB and against which the bureaux are audited is attached.

AO2 How is your advice delivered (e.g. face to face, web-based or telephone)?

All these methods are used. In addition we have kiosks in some locations such as a prison visitor centre, and in some bureaux waiting rooms.

The majority of our work (80%?) is delivered face to face. All bureaux offer telephone advice. However, because we know we are not meeting demand, we are increasing access by the telephone by encouraging the network of bureaux to adopt Virtual Call Centre technology to link together and work across counties

and districts. Some bureaux use the telephone already as the first contact method for most clients.

Much of our work is also done in outreach venues – GP surgeries, hospitals, prisons, probation offices, community centres, partner agencies such as Mind or Age Concern, BME groups and deaf clubs are examples.

We have developed a public facing web-site called adviceguide which is visited by over 7 million people a year, and has won awards for its clarity, accessibility and accuracy. Adviceguide is available in a variety of languages, and is constantly growing and adapting. The website is backed up by fact sheets and information.

AO3 What is the legal, organisational and governance structure of your service?

Our governance structure is explained above in Section AS2. Citizens Advice is a charity, and a company limited by guarantee. All our bureaux are charities in their own right, and most are also companies limited by guarantee. Citizens Advice and each individual bureau have Trustee Boards who are responsible for the governance of their organisations. Bureau trustees will be representatives of their local community.

CABs are independent charities, but are members of Citizens Advice. They must conform to the membership requirements set down by Citizens Advice, and are audited every 3 years to ensure compliance with both organisational standards and quality of advice. There is a sanctions process for non-compliance which can lead to expulsion if the member bureau does not undertake effective corrective action in a certain timescale.

Bureaux are required by the membership scheme to undertake the core service laid down by Citizens Advice. They are also required to participate in social policy work, and to provide monitoring and statistical returns. Citizens Advice provides a full training programme for volunteers, the information system on which the bureaux rely to enable accurate up to date advice to be given, and a whole range of support activities including support for governance, employment problems in bureaux, development needs, funding opportunities, parliamentary lobbying and influencing and much more.

AO4 How is your service funded?

See AS2

Citizens Advice has its main core funding from the DTI. It also works to bring in additional funds from a variety of sources for specific project work such as developing IT systems across the service, improved delivery of e.g. tax credit

take-up, increasing financial capability work, providing new services such as to veterans or people living with cancer and much more.

Bureaux have traditionally been funded by grants from their local authority. However, they are also diversifying their funding because of pressure on local authority budgets. Around half our bureaux have funding from the Legal Services Commission to provide legal help to eligible clients. Another large set of bureaux have been able to access the Financial Inclusion Fund to increase the amount of debt advice available. Bureaux also receive time-limited funding, mainly for project work with certain client groups from sources like the Lottery, Trust funds and some corporate funders. It is the core work which is hardest to fund, and bureaux still rely for this on local authorities, although increasingly LAs are looking to commission targeted services, rather than give grants for holistic, generalist services.

AO5 How did you identify your customer and their needs

CABs have existed since the outbreak of war in 1939. The service is open to all, and free at the point of delivery. Over the years the service has developed from mainly signposting and one-off information, to a service that offers a wide range of advice, information, negotiation, advocacy and representation. It has responded to the needs of people coming through the door. 20 years ago there were no specialist debt services – now every bureaux will offer debt advice to some level, some to a very high specialist level. This was because we identified and need and responded to it. A new web-site has been developed to respond to the needs of people who cannot access our service any other way. We have developed outreach services partnering with community groups and others. We are an evolving service. Currently we are exploring the potential of digital TV, mobile phone technology and other modern methods of reaching more and more people. We are also committed to the provision of a national telephone service whenever resources allow.

One of the key drivers for changes in bureaux services, either in terms of location of service, or type of client that is served is the requirements of the funder. Local Authorities and the Legal Services Commission specify who is to receive services on the grounds of address, or on the grounds of means. Other funders specify the target groups they wish their funds to be spent on – young people, housebound people, people with mental health needs etc.

B. What should the scope of a national approach to generic financial advice be?

These questions are aimed at understanding the way that organisations currently approach targeting and delivery of generic financial advice provision.

BO1. Who is your target market, and how do you target them? How well do your actual clients match your expected target market?

The CAB service is open to all. We want to be relevant to everyone who needs help – and that will be most people at some stage in their life.

Research done by MORI for us in 2003/4 showed that of those seeking advice in the year previous to the study, 24% approached bureaux rather than another provider, which represent at least 2.75 million people. Representation was across all classes with 1 in 10 people saying they had used the CAB in the previous year.

BO2. How many people use your service per annum? What sorts of questions do they ask?

See AS2

BO3. Do you know how many people you turn away? If so, is this a capacity issue or have they come to the wrong place?

MORI research on 'Unmet demand for Citizens Advice Bureaux' (2003/4) shows:

- 6 in 10 of people who experienced a problem approached someone for help.
- Of these 1 in 5 approached a bureau.

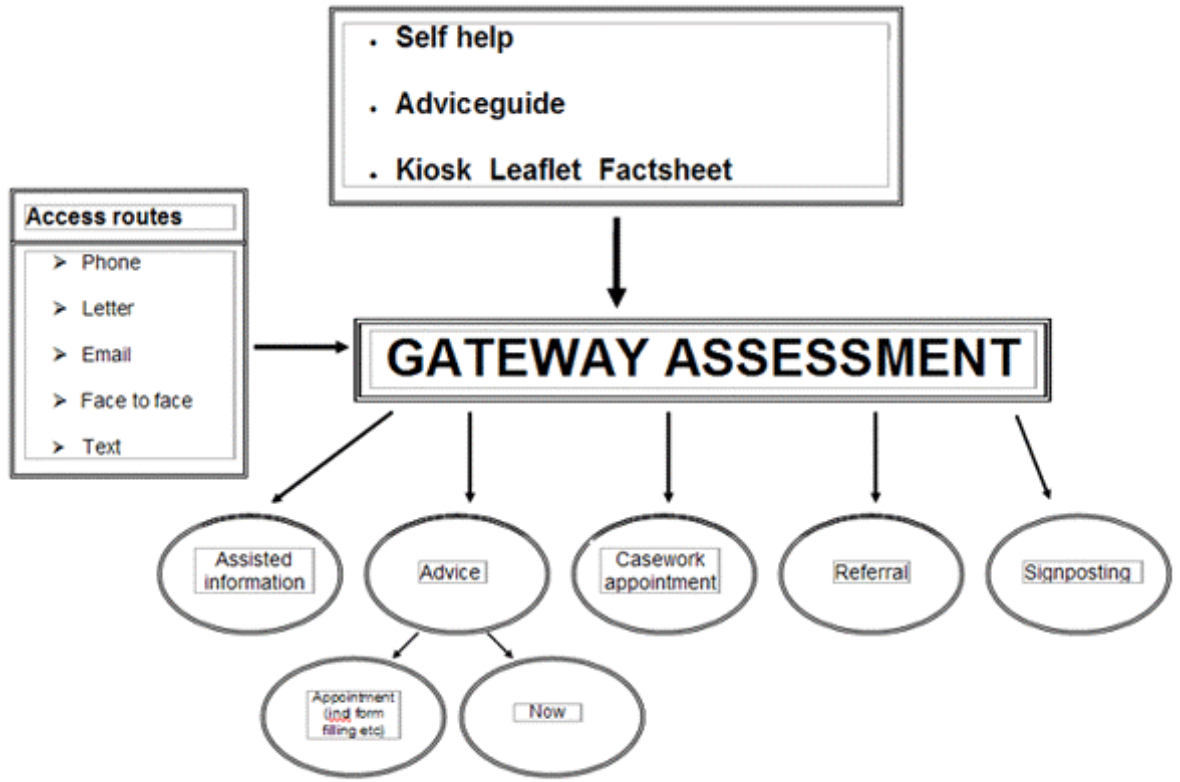
Of those who did not use the bureau the reasons given were, in order of priority:

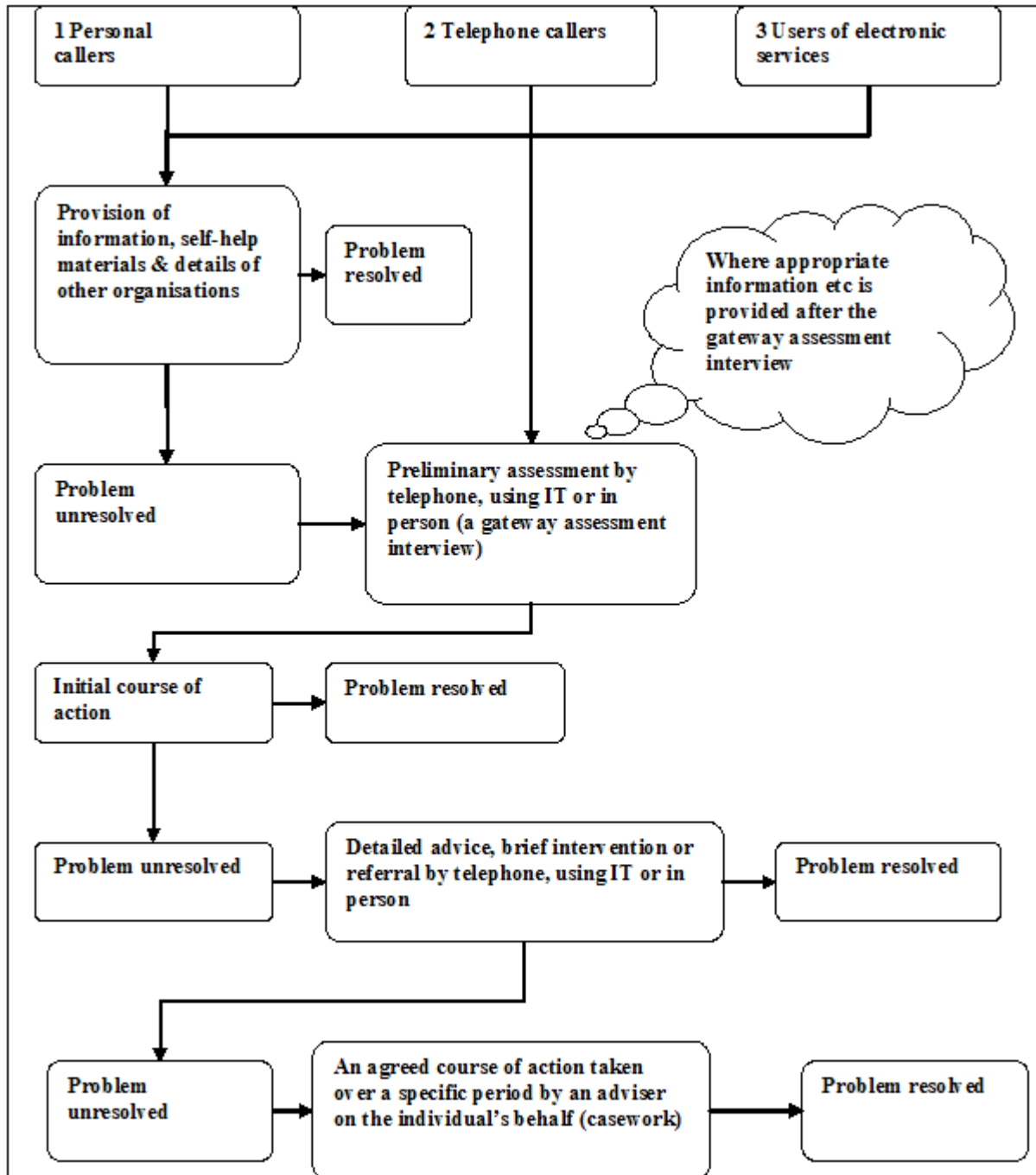
- Not seen as appropriate
- Advice from elsewhere
- Lack of awareness (particularly with BME groups)

BO4. If you operate some form of 'triage' or 'sifting' of calls, what criteria do you use?

The organisation is gradually moving to a position where all bureaux use a form of triage we have designed and tested, known as the Gateway model. At the moment 1 in 4 of our bureaux use some form of triage, mostly based on a short diagnostic interview after which the client is routed to further advice, either generalist, or specialist within the bureau, or externally.

The model described below will be the recommended form that we will be rolling out over the coming years.





The model explained

- [Overview](#)
- [Barriers or gates](#)
- [Personal callers](#)
- [Telephone callers](#)

- [Users of electronic services](#)

Overview

The model assumes that there are some people who can resolve their own problems providing they have:

- Access to quality-assured information and/or self-help materials
- A better understanding of the extent of their problem
- Technical support in accessing quality-assured information and self-help materials

It also assumes that there are some people who are able to resolve their own problems following detailed advice or a brief intervention on their behalf.

Most importantly it recognises that there are others, those in greatest need, who at a particular point in their lives require a skilled adviser to act on their behalf.

The model acknowledges that a CAB cannot be all things to all people and that there are other agencies, including dedicated CAB services, which are better equipped to deal with particular problems or groups of people.

The model also acknowledges that potential service users will have a preferred means of contacting the CAB service in the first instance and that although some people may be able to use an alternative approach there will be others who are unable to do so.

Barriers or gates?

Although the model is illustrated using a staged, linear process the stages represent a means of ensuring that best use is made of CAB resources and users receive the most appropriate service rather than face a series of barriers to be overcome.

It is intended that the model is used flexibly and responsively with real regard to individual circumstances thus enabling service users to move quickly, efficiently and sometimes directly to the most appropriate level.

Personal callers

Personal callers will be able to access on-line information, connect to e-Government services, view and collect leaflets, self help materials and other information or contact an appropriate telephone help-line.

If the problem cannot be resolved in this way, a skilled adviser will carry out a short gateway assessment interview and where appropriate agree an initial course of action, this might include:

- The caller being provided with information, self-help materials or details of other organisations
- Assistance being provided with help in the use of on-line services
- The caller being given details of other sources of advice and information

If the problem cannot be resolved in this way, an appointment will be made with another adviser who will provide detailed advice, intervene as necessary or make a referral to a dedicated, specific or specialist CAB service or to another organisation.

If the problem cannot be resolved in this way an adviser will act on the caller's behalf to achieve an agreed outcome.

Telephone callers

Telephone callers will speak to a skilled adviser who will carry out a short gateway assessment interview and where appropriate agree an initial course of action, this might include:

- The caller being provided with information, self-help materials or details of other organisations
- The caller being given details of other sources of advice and information

If the problem cannot be resolved in this way, an appointment will be made with another adviser who will provide detailed advice, intervene as necessary or make a referral to a dedicated, specific or specialist CAB service or to another organisation. The appointment may be:

- At a CAB convenient to the caller
- By way of an adviser telephoning at an agreed time

If the problem cannot be resolved in this way an adviser will act on the caller's behalf, from a distance if required, to achieve an agreed outcome.

NB. Outside of service hours telephone callers would be provided with information, self-help materials or details of other organisations via a "Q-Call" style system.

Users of electronic services

Users of electronic services will be able to access information, other websites, diagnostic tools and fact sheets on-line through "Adviceguide", the Citizens Advice information website.

If the problem cannot be resolved in this way, users can communicate electronically with a skilled adviser and agree an initial course of action, this might include:

- The user being provided with information and/or self-help materials
- The user being given details of other sources of advice and information

If the problem cannot be resolved in this way, an appointment will be made with another adviser who will provide detailed advice, intervene as necessary or make a referral to a dedicated, specific or specialist CAB service or to another organisation. The appointment may be:

- At a CAB convenient to the user
- By way of an adviser telephoning at an agreed time

- Through an exchange of electronic information

If the problem cannot be resolved in this way an adviser will act on the caller's behalf, from a distance if required, to achieve an agreed outcome.

BO5. What referral policy do you operate and how (e.g. boundaries with other organisations, relationship with others, potential issues to manage etc.)?

The CAB service is experienced in working in partnership with others. All bureaux will have local links to other organisations that will be able to assist clients, be that another advice agency, or a community group, charity or solicitors firm. Whether they refer on or deal with the issue within the bureau will depend on the expertise and resources available in the bureau, and what is available from others. For example, many rural bureaux are the only agency in their area and have no-where to refer their clients. Bureaux are required by the Membership Scheme to ensure the client reaches the level of help most appropriate for their needs, and in some cases this will be outside the bureau. It is essential that an adviser does not advise beyond their capability or expertise.

On financial issues beyond debt, some bureaux will have links with a number of local IFAs or Insolvency Practitioners. Many bureaux will refer to national organisations such as Payplan or CCCS who both offer free debt management plans, where the client would like this service.

We have recently launched a partnership project with The Association of British Credit Unions (ABCUL) whereby each agency will work together on a referral basis to provide a joined up solution to a client's financial situation. We will be learning lessons regarding the potential conflicts of interest in working with an external agency and how to overcome these.

We do not currently have a generic referral policy but we are currently exploring the possibilities of a more joined up referral scheme with external organisations and will be producing policies and protocol for bureaux in this area.

BO6. What management information do you capture?

Extensive use of IT is now standard right across the service. Every bureau is linked by a secure network that enables clients to access e-government services and also provides a platform to run CASE, our client case management system. This allows bureaux to streamline client records, ensures they are accessible at any site, reduces paperwork, saves time and increases the accuracy of information held. Most significantly, the detailed data we now hold about our clients' problems greatly enhances evidence for our policy and campaigning work.

We can capture

- statistics at local, regional and national level.
- information about the profile of the clients.
- ethnicity, age, gender and disability.
- post code, and related boundary data such as ward, LA, PCT for the majority of clients.
- client contacts (face to face, telephone, email) and third party contacts.
- work level – signposting, advice, casework etc
- outcomes (financial and non financial)
- housing tenure
- household type
- employment type
- number of dependents
- marital status
- third parties
- creditors
- landlords.

We are also rolling out a toolkit to survey a sample of clients on personal outcomes and satisfaction.

In addition to quantitative data and analysis, we collect qualitative evidence on the nature and impact of problems on our clients.

In time it will show trends and enable even stronger policy work to be done.

BO7 How do you monitor quality and consistency of advice given (e.g. quality control, customer feedback, complaints handling etc)?

All bureaux must conform to the Membership Scheme which sets out the standards expected of all CABs. (A copy will be provided to follow.) There is an audit of both systems and quality of advice every three years. If a bureaux fails the audit, corrective action will be put in place and monitored by the Citizens Advice Membership and Standards Committee. A bureau that fails to respond to corrective action, or fails to co-operate can have its membership terminated.

All CAB advisers must undertake the Citizens Advice training scheme which is based around competences in each area of skills and knowledge. A trainee can take several months to work through all the modules required, in a similar manner to an NVQ. The training is accredited by the Open College. Once trained, the work is supervised by an advice session supervisor while they are on duty, and all case records are checked daily. Advisers are required to up-date their training on a regular basis, and to have a training plan in place. When the bureau is audited a selection of case records from every adviser is used to assess their accuracy and comprehensiveness.

Every bureau is required to conduct a client survey regularly. These form part of the bureau's business planning process.

There is a common complaints procedure which can escalate a complaint that is not resolved at bureau level up to a Citizens Advice panel and if necessary to external arbitration.

BO8 How do you deal with questions of liability for inappropriate advice (e.g. indemnity insurance)?

The organisation has corporate indemnity insurance for all advice provided in bureaux where delivered according to the Membership Scheme requirements.

BO9 What level and type of training do you offer for your staff (e.g. costs, duration, suppliers, accreditation etc)?

Citizens Advice training is built around a number of key principles:

Competences

- for all of the major advice, supervisory, administrative, and management roles in bureau.
- based on suitable external standards including, for advisers, the National Occupational Standards for Legal Advice, and for management, the Management Standards.
- the learner demonstrates that they not only have the requisite underpinning skills, knowledge, and attitudes but that they can apply these effectively in a workplace to the designated standards.
- training assessed
- development routes for each role

Blend of materials and activities

- a range of different delivery methods
- the development of individual learning plans
- recognise pre-existing skills and knowledge.
- a range of preferred learning styles

Learner centred

- materials geared to the needs of adult learners who work in bureaux.

Partnership between Citizens Advice and Bureaux

- clear responsibilities to provide both consistency and economy
- Citizens Advice provides a learning framework
- range of direct provision of courses and materials
- range of standard assessment materials

- bureau co-ordinate and facilitate the variety of learning and work based opportunities
- make both formative and summative assessments.

Quality

- requirements that bureaux meet a range of internal and external quality standards.
- a series of internal processes to quality assure materials, assessment materials, and the performance of our tutors.
- formal assessment materials
- include a form of online assessment, currently being developed, for managers and members of trustee boards.

Training covers the range of skills and subject areas required of all CAB advisers as well as materials aimed at specialist roles which could be developed to include those relating to generic financial advice.

Bureaux supplement the training provided by Citizens Advice and learners are encouraged to work at a speed that suits their abilities. These issues, and the existence of a scheme that accredits prior learning and experience, make it difficult to provide a precise estimate of the duration of our new adviser training programme – but it can take between 3 months and a year to attain full competence.

- 1,500 training events
- 30+ titles.
- 4,200 people are trained each year.

Courses are offered at a range of levels ranging from those for new advisers to those aimed at experienced caseworkers. Most events aimed at New Advisers are free as are those aimed at developing the knowledge and skills of more experienced advisers. Events aimed at caseworkers are part of a commercially run programme that is available to the wider public. In the case of these courses bureaux are asked to pay a lower level of charge. Some charges are made for Management courses.

Training is funded from our DTI grant supplemented by funds available through the Money Advice Trust and the National Homelessness Advice Service.

Initial copies of our 50+ self learning packs are free to bureau and they have the option of purchasing, or copying, additional copies. All of our written materials are also available, free to bureaux, via the Citizens Advice intranet. The Citizens Advice intranet is also home to over 100 pieces of “bite-size” learning and 1, shortly to be 4, major e-learning programmes.

Our new Adviser programme is accredited through the Open College Network and is at a level equivalent to an NVQ 3.

BO10 What are the payment arrangements for your advisers (e.g. payment levels, sponsorship, pro bono etc)?

78% of CAB advisers are volunteers. They receive free training and support.

The staff in a bureau are paid normally at local authority rates, on the SO pay scale, but the scale point that they are appointed to varies with the bureau according to resources and local conditions. Most management staff in a bureau will be funded via local authority core funding.

Where staff are appointed for project work funded by a particular funder, the bureau will often take into account the relative pay rates of other staff in the bureau.

Pro bono work in a bureau has historically come from local solicitors offering a few hours a week to see clients by referral.

BO11 Who are your advisers (background, length of service etc)?

Volunteer, Staff and Trustee Profile

In 2005/06, 73% of volunteers and paid staff were advisers. 78% of advisers were volunteers.

In 2005/06, 9% of bureau workers were from BME groups

Volunteer, Trustee & Paid Staff Ethnicity Breakdown

Ethnic Group	Volunteers	%	Trustees	%	Paid Staff	%	Total	%
Asian or Asian British	621	4%	124	3%	244	4%	989	4%
Black or Black British	590	4%	128	3%	241	4%	959	4%
Chinese or Other Ethnic Group	146	1%	17	0%	46	1%	209	1%
Mixed	132	1%	24	1%	61	1%	217	1%
White	14,331	91%	4,151	93%	5,226	90%	23,708	91%
Not Given	0	0%	0	0%	0	0%	0	0%
Grand Total		15,820		4,444		5,818	26,082	

About one third of volunteers, staff and trustees are in the 55-64 age band. 12% of the bureau workforce is under 35 years old.

Volunteer, Trustee & Paid Staff Age Breakdown

Age Band	Volunteers	%	Trustees	%	Paid Staff	%	Total	%
under 25	842	5%	12	0%	144	2%	998	4%
25 to 34	1,165	7%	142	3%	699	12%	2,006	8%
35 to 44	1,935	12%	486	11%	1,547	27%	3,968	15%
45 to 54	2,683	17%	904	20%	1,904	33%	5,491	21%
55 to 64	5,352	34%	1,643	37%	1,374	24%	8,369	32%
65 and over	3,843	24%	1,256	28%	150	3%	5,249	20%
Not Given	0		1		0		1	
Grand Total	15,820		4,444		5,818		26,082	

Three-quarters of paid staff are female as are two thirds of volunteers. However, trustees are predominantly male; 38% are female.

Volunteer, Trustee & Paid Staff Gender Breakdown

Gender	Volunteers	%	Trustees	%	Paid Staff	%	Total	%
F	10,475	66%	1,683	38%	4,407	76%	16,565	64%
M	5,345	34%	2,761	62%	1,411	24%	9,517	36%
Grand Total		15,820		4,444		5,818		26,082

8% of staff, trustees and volunteers are disabled.

Volunteer, Trustee & Paid Staff Disability Breakdown

Disabled	Volunteers	%	Trustees	%	Paid Staff	%	Total	%
N	14,474	91%	4,130	93%	5,492	94%	24,096	92%
Y	1,346	9%	314	7%	326	6%	1,986	8%
Grand Total		15,820		4,444		5,818		26,082

Management Reporting Directly to Trustee Board Ethnicity Breakdown

Ethnicity	Staff	%	Total	%
Asian or Asian British	8	1.6%	8	1.6%
Black or Black British	11	2.2%	11	2.2%
Mixed	3	0.6%	3	0.6%
White	475	95.6%	475	95.6%
Total			497	497

Other Management and Administration Ethnicity Breakdown

Ethnicity	Staff	%	Volunteers	%	Total	%
Asian or Asian British	67	2.9%	106	3.1%	173	3.0%
Black or Black British	84	3.6%	130	3.8%	214	3.8%
Chinese or Other Ethnic Group	13	0.6%	31	0.9%	44	0.8%
Mixed	17	0.7%	34	1.0%	51	0.9%
White	2,130	92.2%	3,094	91.1%	5,224	91.6%
Total			2,311		3,395	5,706

There are 21,545 volunteers in the Citizens Advice service with 13,396 of those volunteering as advisers. We do not have figures that show us the length of service of our volunteers.

The main reasons why our volunteers leave the service:

- they have gone into paid employment
- they have decided to go into education or training
- they have moved away from the area
- family or personal reasons.

BO12 how do you ensure that you work effectively with other organisations?

Bureaux are increasingly working in partnership with others because funding streams require this, and because it makes sense when trying to reach groups who do not normally use a high street bureau.

Bureau managers see networking locally and forming relationships with other agencies as well as statutory bodies as part of their remit. They will typically take part in local voluntary sector forums, serve on local authority strategic bodies, work with the community legal service, and have strong referral protocols with other groups and agencies.

Citizens Advice provides guidance and leadership on partnership working.

B. Cost and funding

These questions are aimed at getting data on the costs of different ways of delivering a generic financial advice service. As well as detailed costs, the Review Team is also interested in quantifying the benefits, including to different part of the financial services industry, individuals and wider society.

CO1 What is your operational model?

There is a huge range of delivery models within the CAB service, with most bureaux operating combinations of any of these according to local need and resources. Examples would be:

- Drop-in face to face at a high street location
- Telephone at certain times of the day
- E-mail advice
- Outreach services, usually face to face in partner agencies
- Kiosks
- Web access to adviceguide
- Gateway interviews
- Home visiting services
- Ad hoc sessions e.g. when a local large employer goes bust and makes large numbers redundant
- Peripatetic services for rural areas
- Mobile services
- Video links

CO2 What is the cost structure of your service (e.g. set-up vs ongoing; capital vs operational)?

We could provide more information of costs for Citizens Advice – but our members are 440 independent organisations with different cost structures. They are not centrally managed, and range in turnover from £50k to £1.5 m per annum. We would welcome a discussion to clarify the brief for this, and what would be useful.

CO3 How long did it take to set up the service from blueprint to launch date? Did you pilot it first? If so, please provide details.

This is not applicable to the CAB service as a whole, as we would have to go back to 1939 for the initial information, and each bureau will have a different experience through the years etc...

However, we have set up and delivered a number of national and large scale services within our existing network. The most recent project has been an investment of around £33 million from the Financial Inclusion Fund to make a significant step change in the provision of face to face money advice advisers. It has taken around six months to recruit train and implement services in 146 bureaux and by the end of the first year will have over 350 advisers in place and will have seen over 18,000 clients.

We can provide data on other services, such as our CASE management system, that we have set up within our organisation if that would be helpful – please let us know.

CO4 What are the components of your model and how do they relate to each other (e.g. telephone, face to face and online)?

See answer to BO1 and details of Access strategy at BO4

CO5 If you operate an online service, how many people use your site and do they have to pay to use it?

Adviceguide is used by between 6 and 7 million people a year. It is free.

CO6 Please provide information on the key statistics about your service (e.g. duration of sessions, average cost per session, approach to booking etc.)

Each bureau operates differently and will have different costs.

Sessions with clients will vary according to need, varying from 10 or 15 minutes for simple queries, to 2 hour sessions for detailed case work, followed by ongoing hours of follow-up and further meetings.

Most bureaux operate a generalist approach to callers at initial visit or call, then will book them in for more specialist appointments if needed.

Some bureaux are operating triage or gateway systems using the telephone to channel people to the appropriate level of help – fact sheet, quick

response, call back for more detailed information/advice, appointment for those needing face to face. (See details of Gateway at BO4)

The Legal Services Commission considers a fixed payment of around £50 per hour of casework to be reasonable.

CO7 How are you funded and what do you have to do to qualify (e.g. grant-in-aid, customer payments, commercial capital etc)? How much do customers pay?

See answer to AS2 for funding.
Customers are not charged.

CO8 Are you able to quantify the social/public policy benefits of your service?

We are audited every year in a Quinquennial Review by our main funder, the DTI. The latest assessment took place in 2006 and took the form of a Zero-based Review. The document setting out the outcome of the review can be provided if required.

CO9 If your service is required to show a return on capital, what are the Internal Rate of Return (IRR) and payback periods?

Don't think this applies to us.

CO10 How do you measure the effectiveness of your service?

All bureaux are required to undertake client satisfaction surveys as part of the Membership Scheme. Bureaux have the ability to record outcomes against all case records. This would normally be tangible outcomes such as benefit gain, debt written off or homelessness prevented. We have developed an outcome toolkit that includes surveys (quantitative and qualitative) that can be run with a sample of clients to measure the extent to which their problems are solved, confirm any tangible outcomes and record personal gains such as; improved health, reduced stress, improved confidence and knowledge of their rights.

All bureaux are also required to analyse their community and client profiles and ensure that service provision reflects their diversity of their community.

We are currently piloting a Comprehensive Business Assessment model with bureaux. This will incorporate the above data, along with other elements such as work level and problem type. It will also include an analysis of funding and costs for different types of service provision.

The model will be used for; service planning, demonstrating the effectiveness of services in meeting client needs and demonstrating value for money. We plan to use this model in part to benchmark services and develop and promote models of best practice.

We have undertaken research on; unmet need, outcomes and stakeholder perceptions at a national level. This has been used to influence national service developments in access and service development.

Many of our large scale projects have specific evaluation requirements. These have included analysis of quantitative data sets and qualitative work with clients. Evaluations will make recommendations which are then implemented to improved service delivery.

C. How can potential users be engaged ?

These questions are aimed at getting evidence on how consumers can best be attracted to using a generic financial advice service, including how they can be motivated to take an interest in their financial affairs before 'crisis intervention' is needed

DO 1 What market research did you do before setting up your service?

When it was set up in 1939, we don't think any was done!. Anyone wanting to set up or bring a new bureau into membership would have to show evidence of need. In most cases this is done by means of local authority statistics about levels of deprivation, existence of and type of any other services. In general there is a need for advice across the board at some stage in anyone's life.

DO2 What approach to advertising have you taken at the various stages of the development of your service (including an indication of level)?

Our brand is well recognised. Bureaux do not 'advertise' normally, but do raise awareness of their services by means of local media, campaigns and policy work.

DO3 How has your service evolved over time?

Since it started in 1939 it has grown both in size, and in types and methods of advice giving. From a basically sign-posting and form-filling service, it has grown into a service that offers a range of help to people from basic information through tailored advice, advocacy, negotiation, and representation. Most bureaux offer specialist services of some kind beyond the core service, with benefits and debt case-work being the most common. Some bureaux, according to resources, offer specialist help and representation in employment, housing, immigration and community care. The Citizens Advice new Access strategy is seeking to increase the numbers of clients and to meet the needs of those most hard to reach. Bureaux are innovative in seeking new funding streams to devise services for those most in need of help, in the form often of outreach and partnership work.

The service has become more professional, quality assessed, innovative and inclusive over the years. We are pushing forward with a FAIR strategy – Fair, Accessible, Inclusive and Relevant, to ensure every bureau delivers services appropriate to the needs of its community.

DO 4 How did customer usage build up over time?

Numbers of problems brought to the network grew year on year until recently. The peak was a few years ago at around 6 million. Since then numbers seen by bureaux have been falling back to around 5.3 million today. However, these figures do not include the numbers of people helped by our website, Adviceguide which would show an enormous leap in access to our help.

Bureaux report overwhelming demand for their service coupled to an inability to meet the need through lack of resources. We believe once a service is established and trusted, usage will build up after an initial quiet period. All the projects we have run demonstrate that time is needed to embed a service and that quick results in terms of numbers and outcomes cannot be expected.

DO5 Do you have information about what your customers do as a result of your advice?

As mentioned in CO10 above, we have developed an outcomes toolkit for bureaux. This was informed by a research project which provided us with some initial data on client outcomes. This demonstrated links between the quality of advice and positive outcomes for clients.

We have also commissioned national from Mori on client outcomes. Below is a summary of the key research findings.

1. Awareness of Citizens Advice Bureaux

95% had heard of Citizens Advice Bureaux, followed by The Samaritans and Age Concern (93% each respectively), Shelter (90%) and Consumers Association (80%). Awareness of other organisations is somewhat lower; 58% of people have heard of Law Centres, 19% of Youth Access, and 18% of Advice UK.

32% were aware that bureaux are charities – up from 24% in 2001. However, awareness is much higher that other organisations are charities – 81% for Samaritans, 85% for Shelter and 81% for Age Concern.

2. Contacts with CAB

More than half (52%) had used a bureau themselves, or had friends and family who had. (A third, 33% had used a bureau personally). Eight percent had friends or family who had worked for a bureau as a volunteer or member of staff.

3. Resolution of problems by bureaux

64% of respondents who had used a CAB said that their problems had been completely or mostly resolved. For 24% the problem was not resolved but is no longer an issue while 9% said the problem is still an issue.

4. How much the bureau helped

79% said bureaux gave them a great deal or a fair amount of help to resolve the problem. 47% said that CAB gave them a 'a great deal' of help, 32% 'a fair amount' and 12% 'a little bit'. Seven per cent said the bureau didn't really help at all

5. Impact of advice on health and other issues

A third of CAB clients (33%) felt less anxious or stressed after using the bureau, while 14% had fewer health problems or felt less depressed.

Nearly half (47%) say they feel more confident about dealing with their problem, while four in ten (41%) feel they have more information they can use in other situations.

6. Financial gain from using a bureau

Almost four in ten (37%) people who used a Citizens Advice Bureau were financially better off as a result, Half (51%) of these received one-off payments but a quarter (26%) gained regular weekly or monthly income.

Of those who gained a one off amount as a result of getting in touch with Citizens Advice, three in five (60%) received more than £100, and 25% of these gained more than £1,000.

7. Most important aspects of bureaux

People say that the things which would be most important to them if they needed to use a CAB are:

- Confidential advice (76%)
- Independent advice (74%)
- Quick and simple to access (73%)
- Advice provided by people with local knowledge (71%)
- Advice from a trusted source (70%)
- Advice from a quality-controlled source (64%)
- Ability to deal with more than one problem at a time (59%)

The LSC Legal Services Research Centre English and Welsh Civil and Social Justice Survey 2004 contains the following evidence

Satisfaction with advice

CAB had one of the highest satisfaction ratings, as measured by whether they would definitely recommend the provider to someone else with the same problem.

- 90% would definitely or probably recommend CAB

Outcomes

- 66% of people who first approached a CAB met all or some of their objectives, compared to 69% for all providers. CAB were better than local councils and other advice agencies.

How likely was the CAB to have been used?

Of all advice obtained, the CAB provided it for:

- Nearly 1 in 4 of Homelessness problems
- Nearly 1 in 5 of Money/debt, Relationship breakdown, Divorce, Welfare benefits, Rented housing, Discrimination, Consumer, and Immigration problems
- 1 in 6 Employment problems
- 1 in 7 Owned housing problems
- 1 in 12 Domestic violence problems
- 1 in 18 Neighbour problems
- 1 in 26 Personal injury

NB Our client estimate for England and Wales: 2.1 million people with one or more new problems during 2005-06. This number excludes clients with ongoing cases who were first seen during the previous year.