

Audit of the supply of debt advice services across the UK

Final report

Prepared by



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Executive Summary

This report uses a large survey of debt advice providers and funders across the UK to assess the current provision of debt advice services, the current funding of debt advice services, how funding is likely to change and the impact associated with this change.

This information will allow the Money Advice Service to pinpoint the locations where face-to-face debt advice is currently provided and, when compared to demand estimates, to assess the level of provision that is required in each area.

In total, 706 face-to-face debt advice providers were surveyed, representing 82% of the total population and accounting for almost 3,500 locations where face-to-face advice is provided to clients. Providers that use telephone and online services for debt advice were also surveyed.

Face-to-face debt advice services were the main focus of this study and estimates for current client and funding levels were calculated on the basis of the survey. After examining different calculation methods, we can present the following estimates for the financial year of 2012/13:

- The number of face-to-face clients served or expected to be served is 462,000
- Funding for free-to-client services is £53m

Large differences emerge between funders and face-to-face debt advice providers in the expectations for future funding of debt advice services. Providers predict that funding will drop by almost a quarter by 2013/14 whereas funders expect a drop of just under 1%. This presents a difficulty in predicting a likely change in funding as it is not clear which view is correct.

The survey of telephone and online debt advice providers reveals the following:

- The total number of clients served by the respondents to the survey was 654,000 for providers that operate through the telephone channel and 142,000 for online providers
- The existence of a few very large providers, in terms of numbers of clients
- Some providers that operate through the telephone debt advice channel report capacity issues such as shortage of staff and telephone lines, particularly at peak times
- In both channels, the providers with the highest number of clients were the most optimistic about future funding
- Other providers are less certain

What does emerge clearly from all of the surveys of providers, however, is a low response rate to questions about future funding. Comments from the providers indicate that they did not offer estimates in many cases, because there is a lot of uncertainty about future funding.

The results could point to an information asymmetry between funders and providers where the providers of debt advice had not, at the time of responding to the survey, received confirmation of the funding even though the funders, at the same time, knew that it would continue. This asymmetry would lead providers to underestimate the amount of funding that they expect to receive.

However, if debt advice providers are uncertain about what funding they will receive for the financial year due to commence just a few months from the time of the survey, this suggests that providers are unlikely to be able to plan for future debt advice provision in the most efficient way.

1 Introduction

The key objective of this work was to obtain a full picture of debt advice provision across the UK.

Such information would allow the Money Advice Service to pinpoint the actual locations where face-to-face debt advice is provided and the scale of provision in each location. When compared to demand estimates, this would allow an assessment of the level of funding that would be required in each area to address any problems of insufficient provision.

A questionnaire was used to gather information from providers and funders of debt advice on the state of the debt advice landscape in terms of the level of provision, funding, funding-at-risk and the associated impact. Responses to this survey are the basis of this report.

Debt advice services are usually provided through one of three main channels: face-to-face meetings, telephone communication and online communication. Since the scale and capacity of each of these channels differ widely, these channels have been treated separately in this report.

The survey process itself is described in detail in Chapter 2. The focus of this report is the face-to-face channel and these services are described in Chapter 3 which looks at capacity in terms of the number of clients served. Chapter 4 describes the current levels of funding for face-to-face debt advice services and Chapter 5 is concerned with the issue of security of funding in the future, both from the perspective of provider and funder. Because the aim of this work is to develop a picture of the state of debt advice services across the UK, different scaling approaches are given careful consideration in these chapters.

Finally, Chapter 6 and Chapter 7 look at the capacity of telephone and online debt advice providers respectively.

2 The survey process

2.1 Introduction

A questionnaire was sent to debt advice providers and focused on the four main topics of interest: level of provision, funding, funding-at-risk and the associated impact. A separate questionnaire was sent to funders of debt advice in order to analyse how future funding expectations differ between stakeholders.

This chapter begins by describing the survey design process and the content of the questionnaires. Next, we explain how relevant recipients of the questionnaire (in other words, the population of UK debt advice providers and funders) were identified and look at the characteristics of these providers and funders. After this, the efforts made in order to survey as close as possible to 100 per cent of providers and funders are described. We then present the final response rates as well as a description of respondents. Finally, we outline reasons for non-response and we assess coverage of the total population.

2.2 Questionnaire design

The questionnaires were designed by London Economics based on the original specifications of the Money Advice Service and agreed with the Money Advice Service.

The questionnaires that were seen by the respondents are shown in Annex 1. Providers of debt advice through online or telephone channels received a different questionnaire to the one received by face-to-face providers. Furthermore, commercial providers of debt advice received a variation of the questionnaire that did not ask about funding. Funders received a separate survey that focused solely on their funding relationships and expectations for the future.

It was intended that face-to-face questionnaires be answered at branch level. For instance, if a large organisation providing free-to-client debt advice operated using regional branches, the questionnaire was sent to the branches rather than the organisation. In the case of phone and online debt advice providers, this question was less relevant as services that operate through phone and online channels tended to be focused on more than one geographical area.

2.2.1 Face-to-face provider questionnaire

The face-to-face provider questionnaire contained questions on the following topics:

- Name of the provider and name and contact details of the survey respondent
- Branch address
- Number of advisers, trainee advisers, volunteer advisers and supervisors
- Number of clients expected to be served in the financial year of 2012/13
- Addresses of any delivery/outreach locations
- Proportion of clients served at each location
- Target groups (if any) that the branch aims to serve
- The maximum number of clients that could be served in 2012/13
- All sources of funding and the amount linked to each source in 2012/13

- Number of advisers and clients funded by each source
- Any target groups that funding is linked to
- Whether each source of funding is secured for the 2013/14 financial year
- The date that each source of funding is secured until
- Expected percentage change for each source of funding in 2013/14
- Certainty of funding for 2013/14 and in five years time
- Open space for any other comments

Questions about delivery/outreach locations were included in order to allow the Money Advice Service to identify all locations where people could obtain face-to-face debt advice. The questionnaire included questions about client and staff numbers to gauge current capacity. The question about the maximum number of clients that could be served allowed respondents to estimate their own flexibility in terms of how many additional clients could be served with existing resources.

Respondents were asked to identify the sources and amounts of all funding that they received. In this way, the provider survey and funder survey could complement each other by acting as a cross-check of funding figures. There were multiple questions asking about future funding and funding-at-risk: one addressing funding security, one asking for details about expected funding change for the next financial year, one asking about certainty of funding in the next financial year and one asking about certainty of funding in 5 years time.

In line with our expectations that providers would be less certain about funding in the long term than the short term, the survey sought more quantitative detail in questions addressing the short term situation and asked qualitative questions in questions about the long term. By asking in different ways and by asking about different time periods, we hoped to gather all possible information about expectations about future funding. The question about the number of adviser and clients linked to each funding source allowed us to examine the impact of expected funding changes.

2.2.2 Telephone provider questionnaire

The questionnaire sent to organisations that provide debt advice over the telephone followed the structure of the face-to-face questionnaire closely. However, there were some differences.

For example, the telephone questionnaire included additional questions about the number of clients served in 2011/12 and 2010/11 and the average length of time spent advising each client in these years as well as an additional question about any geographical area targeted by the organisation and an open-ended question about capacity issues. These questions were added in order to develop a more complete picture of capacity within the telephone channel by tailoring the questions to the specific characteristics of the telephone debt advice service.

Questions about outreach locations and any target groups that funding is linked to were not included. Additionally, the question on security of funding focused on the financial year of 2012/13 rather than 2013/14.

2.2.3 Online provider questionnaire

The questionnaire sent to organisations that provide online debt advice also followed the structure of the face-to-face questionnaire but when asking about client numbers, the questionnaire made a distinction between clients given advice online, clients engaged through the online channel and then signposted elsewhere and clients given advice by email. This distinction was also made when providers were asked about how many clients they could serve online per hour or and the maximum number of clients they could serve by email per year using existing resources.

As in the telephone questionnaire, clients were not asked questions about outreach locations and any targets groups that funding is linked to. But, they were asked about the number of clients served in 2011/12 and 2010/11 and the average length of time per client in these years. These questions were viewed as more appropriate for measuring the capacity of the online channel. There was also an open ended question where providers could specify any tools or websites used by their service for debt advice. Funding questions were exactly the same as in the questionnaire for the telephone providers.

2.2.4 Funder questionnaire

Funders of debt advice were also sent questionnaires. The intention was to use the funder questionnaire as a cross-check of funding figures as well as a way to compare the views of providers and funders on funding-at-risk. This short questionnaire addressed the following topics:

- Name of the funder and name and contact details of the survey respondent
- All providers funded and the amount linked to each provider in the 2012/13 financial year
- Any target groups or geographical area that funding is linked to
- Number of advisers and clients (if any) that funding is linked to
- Any other funding criteria that funding is linked to
- Expected percentage change for each source of funding in each financial year from 2012/13 to 2015/16
- Certainty of funding in five years time

Respondents were asked to identify all recipients of debt advice funding and the amounts of all funding that they supplied. They were asked about the number of clients and advisers linked to the funding so that the impact of funding-at-risk could be measured. Similar to the questionnaire received by debt advice providers, there was a deliberate attempt to seek quantitative information about funding in the questions addressing the short-term situation and seek qualitative information about the long term. The question about the number of adviser and clients linked to each funding source allowed us to examine the impact of expected funding changes.

2.3 Identification of providers and funders

A crucial part of the survey process and of the study as a whole was the identification of the full population of debt advice providers and funders across the UK. A variety of sources were used to achieve this.

Types of organisations identified by the Money Advice Service at the outset of the project were:

- Providers funded by the Money Advice Service
- Citizens Advice/Scotland/Cymru/Advice NI
- Christians Against Poverty
- Local authorities
- Housing associations
- Legal services
- Credit unions
- Charities
- Commercial debt advice and debt management companies
- Utility companies
- Financial services providers with Corporate Social Responsibility debt advice funding obligations

This list was complemented by the debt advice providers identified during previous work¹ undertaken by London Economics for the Money Advice Service and any other debt advice providers that self-identified to Money Advice Service since this completion of that study. Online research was also used to identify other providers and the funder survey was also checked as a secondary source to identify any providers that might have been missed.

The face-to-face questionnaire was designed to be answered at branch level. For instance, if a large organisation providing free-to-client debt advice operated using regional branches, the questionnaire was sent to the branches rather than the organisation. The reason for this was that it was felt that the individual branches would be able to provide more accurate information, particularly in response to questions about funding-at-risk and expectations for future funding. For this reason, it was actual branches of debt advice organisations that had to be identified before distributing the questionnaire.

In some cases, such as the Citizens Advice organisations, branch information was provided online. Telephone consultation was used in order to determine which local authorities provide debt advice and which do not. COSLA (Convention of Scottish Local Authorities) provided information on Scottish local authorities. Help from the Money Advice Service was also valuable in identifying branches and other information sources.

Funders were identified with assistance of the Money Advice Service. Questions about funder identities in the provider survey were also used as a secondary source.

2.4 Description of the population of providers and funders

The full population of providers and funders of debt advice is described in this section. Further information, particularly relating to local authorities, can be found in Annex 2.

In total, 863 face-to-face debt advice providers were identified, of which the majority is located in England. Apart from 3 commercial providers, all face-to-face providers offer free-to-client advice. 85 local authorities that provide debt advice were identified through phone research.

¹ The report “Debt Advice in the UK”, published earlier this year, described the landscape of the debt advice sector, free-to-client and fee-charging, in the UK using desk research and consultations with a range of debt advice providers.

Table 1: Population of face-to-face providers by type and region

	Commercial	Local authorities	Other	Grand Total
England	2	52	578	632
Northern Ireland	1	1	71	73
Scotland	0	29	84	113
Wales	0	3	42	45
Grand Total	3	85	775	863

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

96 telephone debt advice providers were identified, of which 53 are commercial and 43 offer free advice.

Table 2: Population of telephone providers by type

	Number of Phone Providers
Commercial	53
Local authorities	8
Other	35
Grand Total	96

Note: The number of identified local authorities corresponds to the number of local councils that responded to the survey. The exact number of local authorities that offer debt advice via phone might therefore be underestimated.

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

The vast majority (48) of identified online debt advice providers charge for their services. 15 free-to-client providers were found, of which 2 are local authorities.

Table 3: Population of online providers by type

	Number of Online Providers
Commercial	48
Local authorities	2
Other	13
Grand Total	63

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

In total, 436 funders of debt advice services were identified, of which 413 are local authorities. 8 funders are financial services companies and banking organisations and 4 are utility companies. 11 other identified funders are public bodies, local governments or housing associations.

Table 4: Population of funders by type

	Number of Funders
Financial services	8
Local authorities	413
Other	11
Utilities	4
Grand Total	436

Note: These figures should be treated with caution as all local authorities were assumed to be funders (excluding those who confirmed that they do not provide debt advice). For this reason, the number of local authority funders may be overestimated.

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

2.5 Contact and communication

2.5.1 Initial contact

Contact details such as names of the appropriate contacts, email addresses and telephone numbers were established using London Economics' "Debt Advice in the UK" report from earlier in the year, online research and help from the Money Advice Service. COSLA (Convention of Scottish Local Authorities) and the Welsh Government sent a letter of introduction to Scottish and Welsh local authorities respectively to inform them of the survey. Money Advice Scotland and IMA (Institute of Money Advisers) also assisted by circulating the survey amongst their members.

In the case of many commercial providers, the only contact information available online was the telephone number of the actual debt advice helpline. DEMSA (Debt Managers Standards Association) and DRF (Debt Resolution Forum) helped by circulating the questionnaire to their members.

In the middle of August 2012, contacts from each branch of the identified debt advice organisations were contacted first by telephone and then later by email. The purpose of the initial call was to establish which channels they used to provide debt advice, to confirm that we had identified the correct contact person and to inform them that we would follow up with the questionnaire.

Funders and commercial providers of debt advice were contacted in the same way in late August. Local authorities were contacted in September as there was some difficulty in establishing which local authorities provided in-house debt advice.

In 11 cases, organisations that we had previously noted as providers or funders of debt advice services revealed that they did not, in fact, provide debt advice. In particular, these were organisations that said that the survey was "not relevant" to them, that they did not directly provide debt advice but referred to Citizens Advice Bureaux, or that they were umbrella organisations that did not directly provide debt advice.

2.5.2 Follow-up waves

All efforts were made to achieve as close as possible to a 100% response rate. Where a debt advice provider or funder had not responded after the initial telephone call and email, a follow-up email was sent at the start of September. If they did not respond to this email, a phone call was made a few days later. This was followed by a further round of emails sent at the beginning of October to all of those that had not completed a questionnaire. Again, at the start of November and two days before the final deadline for survey submission, telephone calls were made to those that had not submitted a filled questionnaire.

2.6 Final response rates

The survey was closed on Friday 16th November². The final response rates are discussed in this section.

The overall response rate of face-to-face debt advice providers was 81.8%. The highest response rate was in Northern Ireland (98.6%) and the lowest in Scotland (34.5%). All 3 identified commercial providers responded to the survey, as well as 40% of local authorities that provide debt advice. Amongst the survey respondents were all of the identified free-to-client providers in Northern Ireland and in Wales and 92.7% of those located in England.

Table 5: Response rates of face-to-face providers

	Commercial	Local Authorities	Other	Grand Total
England	100.0%	25.0%	92.7%	87.2%
Northern Ireland	100.0%	0.0%	100.0%	98.6%
Scotland		65.5%	23.8%	34.5%
Wales		66.7%	100.0%	97.8%
Grand Total	100.0%	40.0%	86.3%	81.8%

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

The overall response rate of telephone debt advice providers was 51%, a high number of commercial providers did not complete the questionnaire. All of the identified local authorities that provide telephone advice responded to the survey, as well as 91.4% of other free-to-client providers, including all major providers.

Table 6: Response rates of telephone providers

	Response rate
Commercial	17.0%
Local authorities	100.0%
Other	91.4%
Grand Total	51.0%

Note: The response rate for local authorities is based on identified telephone providers

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

The overall response rate of online debt advice providers was 25.4%. This low rate is due to a high number of commercial providers that did not complete the questionnaire. Amongst the free-to-client online providers, 84.6% responded to the survey, including all major providers.

Table 7: Response rates of online providers

	Response rate
Commercial	6.3%
Local authorities	100.0%
Other	84.6%
Grand Total	25.4%

Note: The response rate for local authorities is based on identified online providers

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

² One submission was accepted a few days after this date because it was provided by a funder judged to be a significant funder of debt advice that we could not reasonably exclude from the analysis.

In total, 16.1% of the identified funders responded to the survey. The questionnaire was completed by 87.5% of financial services companies and by 50% of utility companies. 72.7% of other funders, such as public bodies, local governments and housing associations also participated in the research. The low overall response rate is due to a high number of local authorities that had not completed the questionnaire. However, this rate assumes that all local authorities that did not specify otherwise are funders. As the number of local authorities that, in fact, fund debt advice services might be lower, the actual response rate may be underestimated.

Table 8: Response rates of funders

	Response rate
Financial services	87.5%
Local authorities	12.8%
Other	72.7%
Utilities	50.0%
Grand Total	16.1%

Note: The response rate for local authorities is based on identified online providers

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

2.7 Description of respondents

In this section, all debt advice provider branches for which we received a completed questionnaire are described.

In total, respondents from 706 debt advice branches completed the questionnaire, covering just under 3,500 outreach locations where clients can reach a debt advice service. The majority of these branches are located in England. 3 of these survey respondents are commercial providers, whereas the rest of them provide free-to-client advice. Responses were received from all major face-to-face debt advice providers. The central Citizens Advice Bureau provided information for their 385 members across England and Wales.

Table 9: Description of face-to-face provider respondents

	Commercial	Local authorities	Other	Grand Total
England	2	13	536	551
Northern Ireland	1	0	71	72
Scotland		19	20	39
Wales		2	42	44
Grand Total	3	34	669	706

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

In total, 49 organisations that provide debt advice over the phone, including all major phone debt advice providers, responded to the survey.

Table 10: Description of telephone provider respondents

	Number of phone provider responses
Commercial	9
Local authorities	8
Other	32
Grand Total	49

Note: The response rate for local authorities is based on identified telephone providers

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

All major online debt advice providers were covered in the survey. In total, 16 online debt advice providers completed the questionnaire, of which 2 are local authorities that provide advice through e-mail.

Table 11: Description of online provider respondents

	Number of online provider responses
Commercial	3
Local authorities	2
Other	11
Grand Total	16

Note: The response rate for local authorities is based on identified online providers

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

In total, 70 funders participated in the research. The majority of them (53) are local authorities. The other respondents are financial services organisations, utility companies, public bodies and local governments.

Table 12: Description of funder respondents

	Number of funder responses
Financial services	7
Local authorities	53
Other	8
Utilities	2
Grand Total	70

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

2.8 Coverage of the population

2.8.1 Reasons for non-response

Some respondents made contact to say that they would not be taking part in the survey. Reasons that providers gave included not having the time to fill out the questionnaire, not wanting to participate, or having a policy of not taking part in any surveys.

A few local authorities responded to say that they would treat the survey request as a Freedom of Information request. However, only a few of these local authorities then provided a completed questionnaire within the standard response time for a Freedom of Information request.

Some funders responded that they could not provide the information requested as it was commercially sensitive and other funders requested specific commitments from London Economics relating to their own confidentiality policy. In all cases, London Economics provided a guarantee of confidentiality and in cases where further commitments were requested, London Economics also met these commitments.

Amongst the commercial providers, the response rate was very high for the face-to-face survey, but it was very low for the telephone and the online surveys. This might be due to commercial providers that provide services through the telephone and online channels not being subject to the same funding concerns as the free-to-client providers.

2.8.2 Overall coverage

Due to the significant efforts made in following up on providers, the final response rate achieved for face-to-face debt advice providers was 81.8%. This rate is sufficiently large to allow meaningful results to emerge from the analysis described in Chapter 3.

Response rates achieved for providers that operate through phone and online channels were lower. This was mostly due to a high rate of non-response amongst commercial providers, which make up a far larger share of the phone and online debt advice landscape than they do for face-to-face debt advice.

On the other hand, response rates for local authorities and other free-to-client providers that provide online or telephone debt advice were between 80 and 100%. Because the questionnaires only asked free-to-client providers about current and future funding, these high response rates indicate that the results for free-to-client providers regarding funding are likely to be indicative of the situation for all providers that offer free telephone and online services.

Funder response rates also seem low but this is a result of an assumption made that all local authorities, unless they told us otherwise, were debt advice funders. Response rates for other types of funders are relatively high.

In the case that some debt advice providers may have been excluded from this report, this is likely to be a result of their small size or low-visibility profile. As a result, it is unlikely that their inclusion would have had more than a marginal impact on the results and conclusion.

3 Face-to-face debt advice provision

This section provides estimates for free-to-client face-to-face debt advice provision in the UK for 2012/13. The baseline result is presented in section 3.1, with assumptions outlined and robustness checks carried out in section 3.2 and a summary of results presented in section 3.3.

3.1 Baseline result

Close to 422,000 clients are estimated to receive face-to-face debt advice on a free-to-client basis across the UK in 2012/13. This result is based on the Citizens Advice³ survey of 385 Citizens Advice Bureaux across England and Wales; and the London Economics survey of an additional 253 debt advice providers' offices⁴, including Citizens Advice Bureaux from Scotland and Northern Ireland, local authority providers across the UK and other free-to-client providers, which represent 81% of all known⁵ debt advice providers in the UK.

Table 13: UK free-to-client face-to-face debt advice provision, 2012/13

	LE provider survey	CA survey	All provider surveys
Number of offices/Bureaux	253	385	638
Sample size (percentage of population)	53%*	100%†	74%
Sample total (number of clients)	70,686	288,921	359,607
Estimated UK total (number of clients)	132,990	288,921	421,911

Note: *53% of local authority debt advice providers, Citizens Advice Bureaux from Scotland and Northern Ireland and other debt advice providers (identified via London Economics (2012), Debt Advice in the UK, Report for Money Advice Service) submitted client figures; †100% of England and Wales Citizens Advice Bureaux submitted client figures.

Source: Citizens Advice (CA) survey and London Economics (LE) survey

3.2 Assumptions and robustness checks

The two surveys revealed that almost 360,000 clients had received, or are expected to receive, debt advice in 2012/13. This figure is made up of 289,000 clients identified through the Citizens Advice survey and almost 71,000 clients identified through our survey. The 360,000 figure was scaled up to estimate the number of clients receiving debt advice in the UK in 2012/13 on the basis that *surveyed and non-surveyed offices (captured through our survey) are expected to advise the same number of clients in 2012/13, on average.*

³ Citizens Advice is a membership organisation for Citizens Advice Bureaux in England and Wales (as distinct from Citizens Advice Scotland and Citizens Advice Northern Ireland for Bureaux in Scotland and Northern Ireland, respectively).

⁴ The unit of observation in our survey is the debt advice provider *office*: individual Citizens Advice Bureaux, local authorities and other debt advice provider offices, associated to which are one or several locations at which debt advice is given. The term debt advice provider will be used to describe debt advice provider office in this report.

⁵ All known debt advice providers includes the population of individual Citizens Advice Bureaux in England and Wales, Scotland and Northern Ireland (identified via Citizens Advice, Citizens Advice Scotland and Citizens Advice Northern Ireland, respectively), local authority debt advice providers (identified via telephone consultation) and other debt advice providers (identified via London Economics (2012), *Debt Advice in the UK*, Report for Money Advice Service).

Quantitatively, the 71,000 clients identified through the surveyed providers are based on a 53% response rate to the London Economics survey. We estimate that had all non-surveyed offices responded to our survey this figure would have been 133,000 ($\sim 71,000/0.53$) and we add this figure (133,000 clients) to the Citizens Advice survey figure (289,000 clients) to derive the estimate of 422,000 clients expected to receive debt advice by the end of 2012/13.

3.2.1 What if surveyed and not surveyed providers are not equivalent due to regional differences?

The figure of 70,686 clients from the London Economics survey corresponds to the sample of surveyed offices all over the UK, which may have characteristics dissimilar to non-surveyed offices. If there are substantial differences between surveyed and non-surveyed offices, then scaling the figure based on the total response rate may not be the most appropriate approach.

For instance, there may be regional differences that imply that debt advice providers based in London tend to advise a similar number of clients but that this number would differ from the average number of clients served by providers in the Eastern region. London has a greater population density that may mean fewer, larger offices are used to advise a larger number of people than elsewhere. In addition, London has transport links that also allow for fewer, larger offices from which to advise more people than elsewhere where a greater number of smaller offices are used to reach people in less-well-connected areas (this may be particularly important to the worst-off for whom the opportunity cost of time and expense of travelling to receive debt advice is highest).

Regional differences may also be driven by differences in levels of indebtedness and need for financial advice, among other factors. In fact, our survey results highlight significant regional differences, with a London office (on average) expecting to advise a touch greater than 500 clients by the end of 2012/13 while an office in the North West (on average) is expected to advise nearly 800 clients by end of 2012/13. See Annex 3 for details.

To account for regional differences, we scale-up the number of clients advised on a regional basis to estimate the number of clients receiving debt advice in the UK in 2012/13 assuming that *surveyed and non-surveyed offices within the same region are expected to advise the same number of clients in 2012/13, on average*. This suggests that an estimated 462,382 ($\sim 10\%$ more than the baseline result of 422,000) clients will receive debt advice across the UK by the end of 2012/13.

Table 14: UK free-to-client face-to-face debt advice provision (by-region method), 2012/13

	All provider surveys
<i>All regions</i>	
Number of offices/Bureaux	638
Sample size (percentage of population)	74%
Effective sample size (percentage of population)	78%
Sample total (number of clients)	359,607
Estimated UK total – by-region method (number of clients)	462,382

Note: The effective sample size is calculated as the sample total divided by the total scaled by region.

Source: Citizens Advice (CA) survey and London Economics (LE) survey

3.2.2 What if surveyed and not surveyed providers are not equivalent due to institution-type differences?

In a similar sense, there may be differences across institution types which are not taken into account when the sample total is scaled based on the response rate. It may be that institutional factors relating to scale of operations mean that local authority providers are more likely to be similar to one another than compared to Citizens Advice Bureaux or other free-to-client providers.

Our survey results support this proposition by revealing significant differences in the number of clients expected to be advised by the end of 2012/13 across institution types. Citizens Advice Bureaux and local authorities advise (or are expected to advise) an average of 750 clients in 2012/13, while this figure is approximately 140 clients for other free-to-client providers. See Annex 3 for details.

To reflect this consideration, the survey figure for debt advice provision was scaled up by institution type on the basis that *surveyed and non-surveyed offices of the same institution-type are expected to advise the same number of clients in 2012/13, on average*. This resulted in 395,151 (6.3% less than the baseline result) clients estimated to receive debt advice across the UK in 2012/13.

Table 15: UK free-to-client face-to-face debt advice provision (institution-type method), 2012/13

	All provider surveys
<i>All regions</i>	
Number of offices/Bureaux	638
Sample size (percentage of population)	74%
Effective sample size (percentage of population)	91%
Sample total (number of clients)	359,607
Estimated UK total – institution-type method (number of clients)	395,151

Note: The effective sample size is calculated as the sample total divided by the total scaled by region.

Source: Citizens Advice (CA) survey and London Economics (LE) survey

3.2.3 Can Citizens Advice survey data and our survey data be compared?

The Citizens Advice survey captures debt advice provision differently to our survey. On the one hand, our survey captures *clients* while the Citizens Advice Survey captures *client enquiries*. At first blush, this suggests an aggregation problem insofar as comparing clients and client enquiries amounts to comparing apples and oranges.

However, *a priori*, clients (captured through our survey) and client enquiries (captured through the Citizens Advice survey) are likely to be similar measures of debt advice provision if debt advice providers do not track their clients. For instance, if an individual seeks advice from a debt advice provider twice in a year, the Citizens Advice survey would record this as two enquiries and our survey may record this as two clients, given no client tracking.

In practice, this supposition (of a lack of client tracking) may not be accurate. We therefore accounted for the difference between a client and an enquiry empirically by noting that clients have 1.1 enquiries, on average. This valuable piece of information was established fortuitously.

Citizens Advice switched from recording debt advice provision on a client basis to a client-enquiries basis and, through this process, was able to establish the 1-to-1.1 clients-to-enquiries ratio.

The Citizens Advice survey also captures advice differently to our survey. On the one hand, our survey captures advice through clients receiving:

"Debt advice or where debt advice needs are fully assessed by a member of the Donor-funded debt advice team such as a debt advisor, trainee advisor, volunteer advisor, supervisor or a person covering for an absent member of the Donor-funded debt advice team who is allocated Clients as part of the Project".

On the other hand, the Citizens Advice Survey captures advice through the following categories:

- i. Advice
- ii. Advice and limited action
- iii. Advice and referral
- iv. Generalist Casework
- v. Specialist Casework
- vi. Not progressed beyond Gateway
- vii. Information

On the basis that advice (from our survey) relates to advice, advice limited action and advice and referral (i-iii from the Citizens Advice survey) and debt advice needs assessment (from our survey) relate to generalist casework and specialist casework (iv and v from the Citizens Advice survey), the Citizens Advice survey and our survey data were compared.

One may question the debt advice activities included from the Citizens Advice survey, however. Activities carried out at the Gateway stage (vi from the Citizens Advice survey) may constitute a part of debt advice needs assessment as in our survey, which implies that the baseline results under-estimate the number of clients advised. To account for this possibility, we assume that 10% more debt advice than presently captured was given and find that this implies that 451,000 (7% more than the baseline figure of 422,000) clients would be estimated to receive debt advice across the UK in 2012/13. These results are summarised in Table 16.

Table 16: UK free-to-client face-to-face debt advice provision assuming 10% greater Citizens Advice provision, 2012/13

	LE survey	CA Survey	All provider surveys
Number of offices/Bureaux	253	385	638
Sample size (percentage of respective population)	53%*	100%†	74%
Sample total (number of clients)	70,686	317,813	388,499
Estimated UK total (number of clients)	132,990	317,813	450,803

Note: Figures in bold reflect differences between Table 16 and Table 13 due to assuming 10% greater Citizens Advice provision.

*53% of local authority debt advice providers, Citizens Advice Bureaux from Scotland and Northern Ireland and other debt advice providers (identified via London Economics (2012), Debt Advice in the UK, Report for Money Advice Service); †100% of England and Wales Citizens Advice Bureaux

Source: Citizens Advice (CA) survey and London Economics (LE) survey

3.2.4 What if the population of providers is incorrect?

If the population of providers is incorrect, there would be an impact on the estimate for debt advice provision. We estimated above that the 71,000 clients identified through offices responding to our survey represented a 53% response rate and therefore estimate that had all debt advice providers responded to (at least one of) the surveys this figure would have been 422,000 ($\sim 71,000/0.53 + 289,000$). If however, the response rate was 45%, the total figure would be approximately 446,000, still within the range of estimates calculated above.

There is good reason to believe the population of providers is correct, however. The population of Citizens Advice Bureaux in the UK was identified reliably through Citizens Advice (England and Wales), Citizens Advice Scotland and Citizens Advice Northern Ireland. The population of local authorities involved in the direct provision of debt advice was identified through telephone consultations with all 444 local authorities in the UK. And, over 500 other free-to-client providers were identified through London Economics (2012).

3.3 Summary of results

This section has addressed the issue of estimating free-to-client face-to-face debt advice provision in the UK in 2012/13 and the baseline result suggested that close to 422,000 clients are estimated to receive advice this year.

Given this figure as a benchmark, the natural line of questioning is to consider the assumptions underlying the figure and the assumptions' robustness.

Three assumptions are required to identify the baseline result. The main assumption being that surveyed and non-surveyed debt advice provider offices are expected to advise the same number of clients in 2012/13, on average. And additionally, Citizens Advice and our survey data can be compared despite using different definitions of advice and measurements of advice.

The robustness of all three assumptions was investigated. The assumption that surveyed and non-surveyed offices provide a similar level of advice on average was investigated by alternatively assuming surveyed and non-surveyed offices provide a similar level of advice if they are from the same region or categorised by the same institution-type. Additionally, the assumptions required to

compare Citizens Advice and our survey data were scrutinised by considering what the level of debt advice would be if our assumptions led to a significant (10%) under-reporting of debt advice provided by Citizens Advice Bureaux.

The results of the baseline estimate and alternative estimates are provided in Table 17 and each are within 10% of the baseline.

Table 17: UK free-to-client face-to-face debt advice provision, summary of results, number of clients 2012/13

Description of approach	Identifying assumption	Estimated UK total (number of clients)	Difference from baseline result
All-submissions method (baseline result)	Surveyed and non-surveyed debt advice provider offices are expected to advise the same number of clients in 2012/13, on average	421,911	NA
By-region method	Surveyed and non-surveyed offices <u>within the same region</u> are expected to advise the same number of clients in 2012/13, on average	462,382	+9.6%
Institution-type method	Surveyed and non-surveyed offices <u>of the same institution-type</u> are expected to advise the same number of clients in 2012/13, on average	395,151	-6.3%
10% over-estimate of Citizens Advice provision	Debt advice activities included from the Citizens Advice survey under-report true debt advice provision by 10%	450,803	+6.8%

Source: Citizens Advice (CA) survey and London Economics (LE) survey

3.4 Preferred result

The most appropriate result is judged to be the result constructed using the by-region method. The reasoning is that offices from the same region are likely to share the most similar characteristics and that it is most appropriate to use surveyed offices from a particular region to approximate results for non-surveyed offices within that region. (The by-region method is preferred to the institution-type method because, as well as capturing regional variation, the by-region method also captures aspects of institutional variation.)

As a result, the best approximation for the total number of face-to-face debt advice clients served within the UK is just over 462,000.

4 Funding of face-to-face debt advice provision

This section provides estimates for funding of free-to-client face-to-face debt advice provision in the UK for 2012/13. As per section 3, the baseline result is presented in section 4.1, with assumptions outlined and robustness checks carried out in section 4.2 and a summary of results presented at the end.

4.1 Baseline result

£41.6m of funding for free-to-client face-to-face debt advice is estimated to have been made available in 2012/13. Funding sources include, naming a few examples: local authorities, the Money Advice Service, the Legal Services Commission, the Big Lottery Fund and the Welsh Government.

Table 18: Funding of UK free-to-client face-to-face debt advice provision, 2012/13

	LE provider survey	CA survey	All provider surveys
Number of offices/Bureaux	251	353 [†]	604
Sample size (percentage of respective populations)	53%*	100%	73%
Sample total (£000s)	9,438	23,820	33,258
Estimated UK total (£000s)	17,785	23,820	41,605

Note: *53% of local authority debt advice providers, Citizens Advice Bureaux from Scotland and Northern Ireland and other debt advice providers (identified via London Economics (2012), Debt Advice in the UK, Report for Money Advice Service); [†]The number of England and Wales Citizens Advice Bureaux differs from that presented in Chapter 3 because funding figures were presented at a slightly more aggregate level than client figures were even though the total population (all England and Wales Citizens Advice Bureaux) described was the same.

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

4.2 Assumptions and robustness checks

A figure of £33m of funding for free-to-client face-to-face debt advice provision was captured directly through the two surveys: £23.8m from the Citizens Advice survey⁶ and £9.4m from our survey. The £33m figure was scaled up to estimate the total level of funding available for free-to-client, face-to-face debt advice in the UK in 2012/13 in a similar way to the calculation for the number of clients advised; that is, on the basis that surveyed and non-surveyed offices benefit from the same funding levels, on average. Had all non-surveyed offices responded to the two surveys, an estimated £42m (=£23.8m + £9.4m/0.53, relating to England and Wales Citizens Advice Bureaux and other debt advice offices, respectively) of funding for free-to-client face-to-face debt advice provision would be expected to be available in the UK in 2012/13.

In the spirit of the analysis carried out on advice provision, differences across institution types and regions are factored into the estimates of funding below.

⁶ Although Citizens Advice Bureaux in England and Wales receive far greater than £23.8m in funding per year, Citizens Advice estimated that close to one-third of total funding is dedicated to debt advice.

4.2.1 What if surveyed and not surveyed providers are not equivalent due to institution-type differences?

Our survey results show that local authority providers are relatively well-funded compared to other (non-Citizens Advice Bureau) debt advice providers. The average level of funding for local authority providers is £212,000 in 2012/13 while this figure is just £19,000 for other free-to-client debt advice providers. (See Annex 4 for details.) To reflect this consideration, the survey figure for funding of face-to-face debt advice provision was scaled up by institution type on the basis that surveyed and non-surveyed offices of the same institution-type are expected have a similar amount of funding (compared to surveyed and non-surveyed offices of different institution types). This resulted in a £50m (19% higher than the baseline amount of £42m) estimate for total funding in the UK in 2012/13.

Table 19: Funding of UK free-to-client face-to-face debt advice provision (institution-type method), 2012/13

	All provider surveys
<i>All regions</i>	
Number of offices/Bureaux	588
Sample size (percentage of population)	73%
Effective sample size (percentage of population)	67%
Sample total (£000s)	33,258
Estimated UK total – institution-type method (£000s)	49,502

Note: The effective sample size is calculated as the sample total divided by the total scaled by region.

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

4.2.2 What if surveyed and not surveyed providers are not equivalent due to regional differences?

As in the case of number of clients advised, it may be that debt advice providers are relatively similar within regions. Regional funding may be driven by demand-side factors and therefore parts of the UK with higher indebtedness and a greater need for debt advice may see larger funding levels than elsewhere. Structural factors – including population densities and transport links (as previously mentioned) – may also affect per-office funding levels.

Indeed, regional variation in funding is observed in the survey results. The average level of funding for offices in London is £85,000 in 2012/13 while this figure is just under £12,000 for offices in the Home Counties. (See Annex 4 for details.) Accounting for regional differences – in a similar way to the calculations carried out in sections 3.2.1, 3.2.2 and 4.2.1 – we estimate that £53m (almost 28% higher than the baseline amount of £42m) is available for total funding in the UK in 2012/13.

Table 20: Funding of UK free-to-client face-to-face debt advice provision (by-region method), 2012/13

	All provider surveys
<i>All regions</i>	
Number of offices/Bureaux	604
Sample size (percentage of population)	73%
Effective sample size (percentage of population)	62%
Sample total (£000s)	33,238
Estimated UK total – institution-type method (£000s)	53,208

Note: The effective sample size is calculated as the sample total divided by the total scaled by region.

Source: Citizens Advice (CA) survey and London Economics (LE) survey

4.2.3 Funder survey

The purpose of the funder survey was to act as a cross-check of funding figures as well as a way to compare the views of providers and funders on funding-at-risk. Respondents were asked to provide details of all recipients of debt advice funding, the amounts of funding that they supplied and their expectations of how debt advice funding might change in the future.

Table 21: Response rates of funders

	Population of funders	Response rate	Number of respondents
Financial services	8	87.5%	7
Local authorities	413	12.8%	53
Other	11	72.7%	8
Utilities	4	50.0%	2
Grand Total	436	16.1%	70

Note: The response rate for local authorities is based on identified online providers.

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

Results from our survey of funders (on funding at point-of-provision) were used to triangulate results from our survey of providers (on funding at point-of-use). Out of the 70 respondents, the number of funders that provided figures for the amount of debt advice that they fund was 69. These 69 funders provided information about a total of 214 debt advice funding relationships.

The funding survey showed that £72.5m funding was available in the UK in 2012/13.

The £72.5m figure represents the total amount reported in the survey. In other words, it has not been scaled up to take account of the response rate. The reasons for this are that the sample size is relatively low and that it is likely that the funders that were identified and that completed a questionnaire are the larger funders. For this reason, scaling up the figure would further overestimate the true population figure as non-surveyed funders are unlikely to share the characteristics as the surveyed funders. As such, the sample total shown below does not represent the total amount of debt advice funding provided in the UK.

Table 22: Funding of UK free-to-client face-to-face debt advice provision (funder survey results), 2012/13

	LE funder survey
<i>All regions</i>	
Number of funders	69
Sample size (percentage of population)	15.8%*
Sample total (£000s)	72,515
Scaled sample total (£000s)	43,509

Note: *This assumes that 413 UK local authorities provide funding for debt advice.

Source: *London Economics (LE) funder survey*

One important caveat regarding these results is that funders were not asked the same question about funding that was in the survey of providers. Where debt advice providers were asked specifically to provide details of the amount that they received for debt advice (and no other area), funders were asked to list the amount of funding that they gave to debt advice providers.

However, the total amount of funding given to a debt advice provider may not go directly to debt advice services if the debt advice provider also provides other services, such as legal advice or welfare advice. Citizens Advice are an example of a debt advice provider that also advises on other areas. As a result of this, the total funding figure yielded by the funder survey is likely to overestimate the amount of funding of direct relevance to debt advice services.

Information provided by the Central CAB indicated that roughly 60% of their funding goes directly towards funding debt advice services. If an assumption is made that this proportion is representative of funding to debt advice providers more generally, the total funding figure of £72.5m falls to £43.5m.

4.3 Summary of results

This section estimated the funding of free-to-client, face-to-face debt advice provision in the UK in 2012/13. The baseline result is that £42m of funding is available on the assumption that surveyed and non-surveyed debt advice provider offices receive the same level of funding in 2012/13, on average.

Similar to the previous section, this assumption was tested by considering the possibility that providers may differ across regions or by institution type. However, it must be noted that response rates were low amongst some groups of providers. Particularly, a relatively small number of responses for local authorities are available: 19 (or, 22% of the population). And, a relatively small number of responses for particular regions are available: 11 debt advice providers from the north of Scotland and 14 from South and Central Scotland.

Funder survey results were therefore used to provide an alternative view of funding – at the point-of-provision rather than at the point-of-use.

A summary of the results on funding is provided in Table 10. The various methods based on the provider survey show estimates for UK funding in the order of £42m to £53m.

Table 23: Funding of UK free-to-client face-to-face debt advice provision, summary of results, £000s 2012/13

Description of approach	Identifying assumption	Estimated UK total (£000s)	Difference from baseline result
All-submissions method (baseline result) <i>Source: LE provider survey</i>	Surveyed and non-surveyed debt advice provider offices are expected to advise the same number of clients in 2012/13, on average	41,605	NA
By-region method <i>Source: LE provider survey</i>	Surveyed and non-surveyed offices <u>within the same region</u> are expected to advise the same number of clients in 2012/13, on average	53,208	+27.9%
Institution-type method <i>Source: LE provider survey</i>	Surveyed and non-surveyed offices <u>of the same institution-type</u> are expected to advise the same number of clients in 2012/13, on average	49,502	+19.0%
Funder survey method <i>Source: LE funder survey</i>	Funding sources sufficiently accounted for	43,509	+4.6%

Source: London Economics (LE) survey

4.4 Preferred result

The by-region method was used to approximate total UK provision of debt advice in terms of numbers of clients on the basis that offices from the same region are likely to share similar characteristics. This reasoning still holds here but the justification for using the by-region method is weak in the case of funding figures in the context of low response rates to this portion of the questionnaire. Since the institution-type method provides higher sample numbers for each group than the by-region method, this approach is judged to be most appropriate in the case of funding figures. It is also sensible to suggest that offices of the same types are likely to share similar characteristics and that non-surveyed offices can be well measured by using surveyed offices of the same type.

As a result, the best approximation for the total amount of funding for UK face-to-face debt advice services is £53 million.

5 Funding-at-risk and impact

Having established estimates for the levels of provision and funding in the face-to-face debt advice landscape, the issues of interest are the certainty and security of funding and how funding is expected to change in the near future. Projected funding levels are of interest in themselves, but equally important is the impact that this will have on the number of people that can be served.

Both providers and funders of free-to-client face-to-face debt advice were asked about these issues in the questionnaire and the results are presented in this chapter. Unfortunately, amongst providers that responded to the survey, the number that responded to the questions on projected future funding was lower than expected. For instance, amongst providers that completed the London Economics questionnaire (therefore excluding England & Wales Citizens Advice Bureaux), just 91 respondents provided an estimate of how they expect funding to change by 2013/14.

Although the low response rate reduces the robustness of the results in this chapter to some degree, it is worth considering that the low response rate for this question in itself provides a strong indication of how unsure debt advice providers are about funding even just a few months before the new financial year starts. This uncertainty about funding in turn suggests that providers may have difficulty in planning for the future.

5.1 Security and certainty

For each funding source, debt advice providers were asked whether or not that source was secured for the financial year of 2012/13. The results are shown in the following table.

Of the 312 funding sources that were identified by respondents, 35% were reported to be secured for the financial year of 2012/13. Fewer (26%) were reported to be not secured however the number of non-responses was relatively high at almost 40%. It is not possible to say whether this high number of non-responses is due to a lack of confidence or a lack of knowledge or another factor.

Table 24: Security of current funding sources for 2012/13

	Number of funding sources	% of total funding sources
Yes	108	34.6%
No	81	26.0%
No response	123	39.4%
Total	312	100%

Note: English and Wales Citizens Advice Bureaux did not respond to this question in their submission and are therefore not represented in this table. The total figure of 312 refers to the number of funding sources reported by the respondents in the London Economics provider survey.

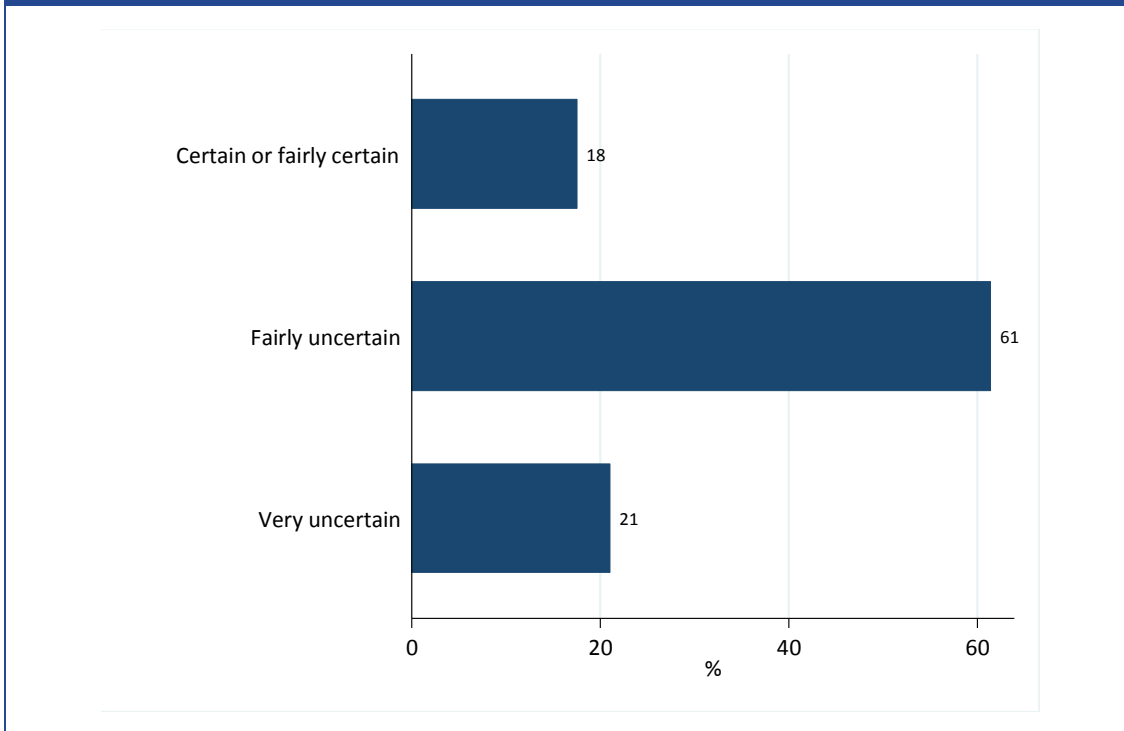
Source: London Economics (LE) provider survey

For each of the 81 unsecured sources, respondents were then asked to indicate the degree of certainty that they associated with the continuation of funding from these sources for 2013/14. The possible answers presented were “very uncertain”, “fairly uncertain” and “certain”.

The figure below shows the responses to this question. 82% of the unsecured funding sources were associated with responses that indicated that respondents were either fairly or very

uncertain about the continuation of funding. More of these funding sources fell under the “fairly uncertain” category than the “very uncertain” category.

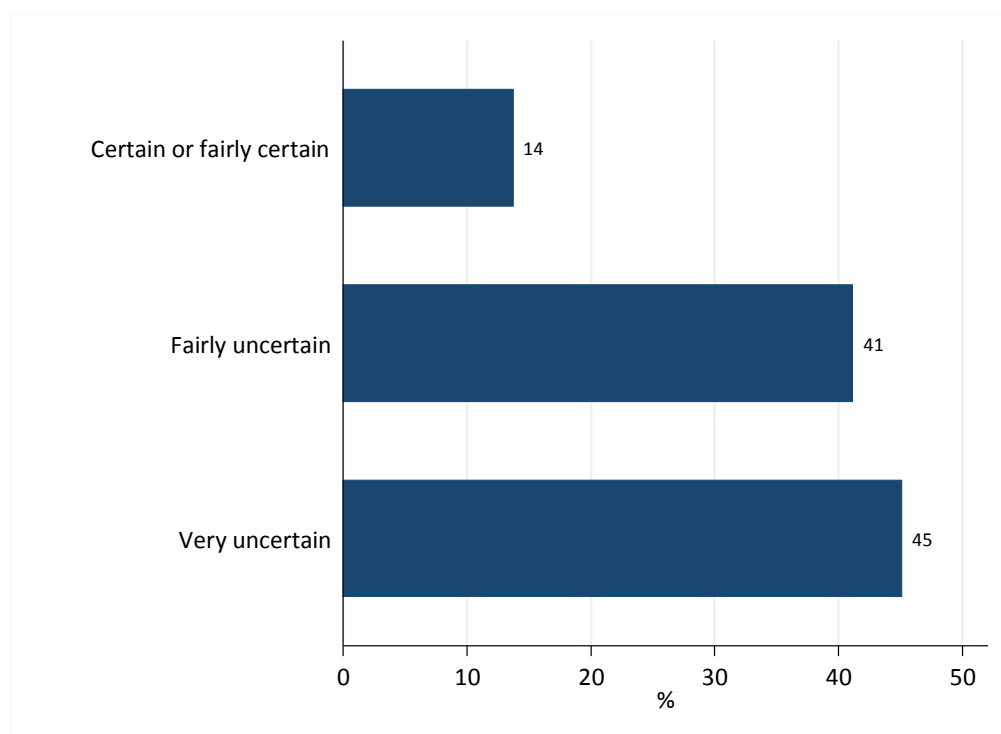
Figure 1: Certainty of continuation of funding for 2012/13 from unsecured sources



Note: The “certain or fairly certain” category includes those that said that continuation of funding was “fairly certain” or “probable” (answers that were not initially presented as options) as well those that answered “certain”.

Source: London Economics (LE) provider survey

For each of the unsecured sources, respondents were also asked to indicate the degree of certainty that they associated with the continuation of funding from these sources in 5 years time. In the longer term, 86% of funding sources were associated with responses that indicated that respondents were either fairly or very uncertain about the continuation of funding. This time, the number of funding sources that fall into the “very uncertain” category exceeds the number of “fairly uncertain” funding sources.

Figure 2: Certainty of continuation of funding in 5 years time from unsecured sources

Note: The “certain or fairly certain” category includes those that said that continuation of funding was “fairly certain” or “probable” (answers that were not initially presented as options) as well those that answered “certain”.

Source: *London Economics (LE) provider survey*

Overall, the answers reveal a high degree of uncertainty regarding the continuation of unsecured funding, particularly in the longer term.

5.2 Funding-at-risk

Having looked at the certainty of unsecured funding, the next issue to consider is how funding might be expected to change in the short term. A total of 25% of 2012/13 funding is expected to disappear in 2013/14. This result is based on information provided by Citizens Advice on England and Wales Citizens Advice Bureaux and our survey, in which additional debt advice providers described the magnitude and direction they expected funding to change over 2012/13 and 2013/14 by funding source.

Table 25: Funding-at-risk for UK free-to-client face-to-face debt advice provision, 2013/14

	All provider surveys
Number of offices/Bureaux	444*
Sample size (percentage of population)	54%
Estimated UK total funding-at-risk (percentage of 2012/13 funding)	24.8

Note: * 91 local authority debt advice providers, Citizens Advice Bureaux from Scotland and Northern Ireland and other debt advice providers plus 353 England and Wales Citizens Advice Bureaux. This was the number of respondents that provided the necessary information for this calculation, i.e. figures for current funding and expected % change.

Source: *Citizens Advice (CA) survey and London Economics (LE) provider survey*

5.3 Impact of funding-at-risk

Knowing that providers expect 24.8% of funding to disappear by 2013/14, the next question of interest is what impact that change in funding is expected to have on the provision of face-to-face debt advice services. Using the information given by debt advice providers about the number of clients funded by each source of funding, we estimate the proportion of clients that will be affected.

For those local authority debt advice providers, Citizens Advice Bureaux from Scotland and Northern Ireland and other debt advice providers that responded to the London Economics provider survey, the impact was calculated by multiplying the number of clients funded per branch by the percentage change in funding expected by that branch. Just 84 providers that responded to the London Economics survey gave information that could be used in this calculation.

For English and Welsh Citizens Advice Bureaux, the percentage change was calculated purely on the basis that they expected funding to drop by 25% for 2013/14 since there was no distinction made between the clients served in a particular branch and the number of clients funded by a particular funding source. As a result, the number of clients is assumed to fall by the same percentage.

Overall, it is expected that the drop in funding will have the effect of removing funding for 23.5% of current clients in 2013/14.

Table 26: Impact of funding-at-risk for UK free-to-client face-to-face debt advice provision, 2013/14

	LE provider survey	CA survey	All provider surveys
Number of offices/Bureaux	84	353 [†]	437
Sample size (percentage of respective populations)	18%*	100%	53%
Estimated client impact (percentage of 2012/13 client numbers)	-16.8%	-25.0%	-23.5%

Note: *18% of local authority debt advice providers, Citizens Advice Bureaux from Scotland and Northern Ireland and other debt advice providers (identified via London Economics (2012), Debt Advice in the UK, Report for Money Advice Service); [†]The number of England and Wales Citizens Advice Bureaux differs from that presented in Chapter 3 because funding figures were presented at a slightly more aggregate level than client figures were even though the total population (all England and Wales Citizens Advice Bureaux) described was the same.

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

A simple calculation is done to put this in the context of the previous estimate for the total number of clients served by face-to-face debt advice providers in the UK. This figure should be interpreted with caution as detailed below.

Table 27: Impact on number of clients for UK free-to-client face-to-face debt advice provision, 2013/14

	Assumptions	Estimated impact on client numbers
Implied estimated client impact (number of clients)	This figure is calculated by applying the estimated percentage client impact to the estimated total number of clients, as measured using the by-region approach.	-108,660

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

Of course, removing funding that corresponds to funding for 23.5% of current clients may not mean that client numbers will have to drop by 23.5% necessarily. Rather, this figure can be interpreted as an upper bound for the estimated impact on client numbers if all face-to-face providers were working at maximum capacity. If, for example, there is currently spare capacity within face-to-face debt advice services, the debt advice provider may be able to sustain a similar service even after a drop in funding. This may happen, in particular, in cases where staff are underutilised at non-peak times.

Apart from this, because we have not collected detailed information on all of the costs associated with delivering a face-to-face debt advice service (e.g. for buildings, electricity, staff, office supplies) there is a further difficulty in isolating the impact that a drop in funding would have on client numbers. When the respondents say that an amount of funding funds a particular number of clients, they consider all costs. This allows us to consider the client impact of their projected drop in funding.

However, it does not take into account the marginal effect of a drop in funding. If, for example, the fixed cost of providing debt advice to a client was high, then a given drop in funding will have a larger impact on client numbers than estimated since the marginal cost of providing the service to each client is low.

5.4 Assumptions and robustness checks

The baseline result that funding will fall by almost a quarter accounts for 83% of all known debt advice providers in the UK, with almost 80% represented by information provided by Citizens Advice. In total, therefore, results on funding-at-risk are drawn from a relatively small number of sources. On the one hand, if individual debt advice provider offices have the greatest insight into the security of their funding streams, information from Citizens Advice is going to provide a less accurate overview of funding than individual Bureaux. On the other hand, information from Citizens Advice may provide a better understanding of funding security if, for instance, Citizens Advice have a better understanding of funder behaviour. The qualitative evidence is consistent with the idea that individual debt advice providers may be unsure about future funding as, for example, only 26% of respondents to our survey identified one or more secure funding source for 2013/14.

5.4.1 Funder survey

A more general concern may be that all information provided is biased in the sense that debt advice providers may feel motivated to misreport their true level of funding-at-risk. In particular, surveyed offices may over-report funding-at-risk in order to attract greater funding. To account for

this issue, results from the funder survey are used again to triangulate statistics on funding at point-of-use against point-of-dissemination.

48 funders gave some information about their expectations about how their funding would change for a total of 177 funding relationships between the financial years of 2012/13 and 2013/14. These 177 funding relationships represented a total of £41.0m⁷ in funding to debt advice providers.

Table 28: Funding-at-risk for UK free-to-client face-to-face debt advice provision, 2013/14

	LE funder survey
Number of funders	48
Sample size (percentage of funder population)	11%
Sample funding-at-risk (percentage of 2012/13)	-0.94

Source: London Economics (LE) funder survey

As was the case with current funding figures given in the funder survey, the figures provided here refer to funding to debt advice providers and not necessarily *debt advice funding* to debt advice providers. For this reason, care should be taken in interpreting the results however they should give an indication of the direction and scale of future funding that funders provide to debt advice providers.

In general, it is interesting to note that funders are far more optimistic about the future of funding than the recipients of this funding. In fact, the results showed that just under 1% of 2012/13 funding is at-risk, which contrasts with the quarter of funding estimated by debt advice providers to be at risk. In fact, of the 177 funding relationships between funder and provider, almost 80% (141 funding relationships worth a total of £38.6m in funding) were expected not to change at all according to the funder.

There was more uncertainty amongst funders in the long term however. When the same respondents were asked about the certainty of funding five years out, 37 of the funding relationships (accounting for £5.0m) were said to be certain or fairly certain and the remainder either did not provide an answer or indicated that funding was uncertain.

5.5 Concluding remarks

Undeniably, there are substantial differences between the expectations of providers (-24.8%) and funders of debt advice (0.1%) regarding funding-at-risk. For this reason, and in the context of low response rates among providers, it is difficult to draw conclusions on the level of funding-at-risk on a quantitative basis, except to say that funders of debt advice appear more optimistic about the future of funding for debt advice services than providers.

Over 80% of unsecured funding sources were associated with an indication from the respondent that they were uncertain to some degree about whether funding would continue. The survey responses from debt advice providers also indicate uncertainty about future funding in the way that many of the providers could not estimate future funding at all. This inability to predict future

⁷ Assumes, as before, that 60% of funding reported by funders goes directly to debt advice services based on information provided by the Central CAB.

funding was repeated in many comments provided in the open space of the questionnaire. When this is contrasted with the funder survey where an overwhelming amount of funders said that funding was not expected to change (accounting for £38.6m of the total £41.0m), the results seem to point to an information asymmetry between funders and the recipients of funding.

One possibility is that this asymmetry arises where the providers of debt advice had not, at the time of responding to the survey, received confirmation of the funding even though the funders, at the same time, knew that it would continue. This asymmetry could lead providers to underestimate the amount of funding that they expect to receive and possibly prevent them from planning for future provision in the most efficient way.

6 Telephone channel

96 organisations were identified as providers of telephone debt advice. Of these, 53 were commercial providers, 8 were local authorities and the rest were other free-to-client providers. The response rate for commercial providers was very low, as only 9 responded to the survey. This is discussed in more detail in section 2.8.1. All of the local authorities and 32 of the 35 free-to-client providers responded.

Table 29: The number of telephone provider responses

	# of providers	# respondents
Commercial	53	9
Local authorities	8	8
Other	35	32
Grand Total	96	49

Note: The number of identified local authorities corresponds to the number of local councils that responded to the survey. The exact number of local authorities that offer debt advice via phone might therefore be underestimated.

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

6.1 Description of telephone debt advice services

Table 30 shows the typical amount of time spent per client in 2010/11 and 2011/12 for different types of providers.

Table 30: Typical time spent per client, telephone channel

	Mean	Min	Median	Max	Obs.
2011/12					
Free-to-client providers	78 minutes	8 minutes	50 minutes	240 minutes	16
Commercial providers	45 minutes	23 minutes	35 minutes	95 minutes	9
2010/11					
Free-to-client providers	81 minutes	8 minutes	56 minutes	240 minutes	16
Commercial providers	48 minutes	18 minutes	45 minutes	95 minutes	9

Source: Telephone Provider Survey

There is a large difference between the average time spent per client by a free-to-client provider and a commercial provider with commercial providers on average spending just under 2/3 of the time with a client that free-to-client providers typically spend.

However, the variation is larger for free-to-client providers than commercial providers, with time spent by free-to-client providers ranging from just 8 minutes per client to 4 hours. 2 free-to-client debt advice providers estimated that they spent 4 hours on average per client. Still, the median of the time spent per client of free-to-client providers in 2011/12 (50 minutes) exceeds the median of the commercial providers (35 minutes).

The results suggest a difference between the types of services offered by free-to-client and commercial providers with free-to-client providers spending longer with the client.

The length of calls was recorded across two financial years in order to see whether there was a trend. The average amount of time spent per client by a free-to-client provider in 2011/2012 was on average 78 minutes. This has dropped since 2010/11 when the average was estimated to be 81

minutes. Similarly, the average time dropped from 48 minutes to 45 for commercial providers. This suggests that the time spent per client has dropped between 2011/12 and 2012/13 but only marginally.

The table below shows the region of operation for those telephone debt advice providers that provided information about where they operate. “Regional” describes those 18 respondents that said that they operate within a specific area, e.g. London, Blackpool, Argyll & Bute. All of the commercial providers that answered operate UK-wide.

There is no geographical constraint on the provision of telephone debt advice. In other words, travel time to the location of the debt advice provider will not be a concern for a client seeking telephone debt advice.

Despite this, a larger proportion of telephone debt advice providers said they aimed to serve a particular regional area than online debt advice providers did. In the way that a few telephone debt advice providers target services at a particular area, telephone advice could be seen as more similar to face-to-face advice than online advice. However, this may also be due to a higher number of responses from local authorities to the telephone survey than to the online survey, as local authorities tend to operate only within their regional area.

Table 31: Range of geographical areas served by telephone debt advice providers

	# respondents
UK-wide	19
Regional	18
England	2
England, Wales & Scotland	1
Northern Ireland	1
Scotland	1
Total	42

Source: Telephone Provider Survey

6.2 Current levels of supply and capacity

On average, each telephone debt advice provider is expected to serve 15,561 clients during the financial year of 2012/13. However, there is large variation in the figures reported ranging from 40 to 130,000. As a result, there is a large difference between the median value (929) and the mean. This suggests that a few large-scale providers have a large impact on results.

As a result of this fact and the small number of observations, a total figure was not calculated for the telephone channel. However, it is possible to say that the total number of clients provided with telephone debt advice exceeds the total reported by the respondents to this survey, 653,562. As such, this figure can be considered the minimum capacity of telephone debt advice services.

Table 32: Current level of supply, phone channel

	Sample total (minimum capacity)	Mean	Median	Min.	Max.	Obs.
Number of clients served/expected to be served	653,562	15,561	929	40	130,000	42

Source: Telephone Survey

The average number of staff at these offices is 35, ranging from 0.4 at one office to 560 in another. Again, the median differs substantially from the mean, indicating the presence of a few large providers.

Table 33: Current staff level, phone channel

	Mean	Median	Min.	Max.	Obs.
Number of staff	34.9	8.5	0.4	560	48

Source: Telephone Survey

13 of the 40 respondents representing free-to-client services said that they experience capacity issues and a further 2 respondents said that the service that they represented was currently at full capacity. No commercial providers suggested that there were any capacity problems.

In many of these cases, the respondents said that they did not have the telephone lines or staff to fulfil demand. Some free-to-client providers noted that these issues could intensify at peak times or when advisers were on annual leave or sick leave. One respondent said that only 1 of 3 people that ring the advice line actually get to speak to a debt advisor. Other capacity issues mentioned were related to a lack of funding to hire training venues and a lack of funding to spend on marketing.

6.3 Current and future funding

All free-to-client debt advice providers that offered advice by telephone were asked about current levels of funding and their expectations regarding future funding. Just 15 of these providers gave information about the current level of funding and this information is summarised in the table below.

Table 34: Funding for telephone debt advice – 2012/13

	Mean	Median	Min	Max	Obs.
Current funding for each provider (£)	3,793,748	65,000	1,540	3,000,000	15

Source: Telephone Provider Survey

The total amount reported in funding by telephone debt advice providers was almost £57 million and two large providers accounted for 95% of this amount.

According to the survey, sources for telephone debt advice funding include the Big Lottery Fund, the Department of Enterprise, Trade and Investment in Northern Ireland, the Fair Share Contribution (42% of the total), fees and contributions from Individual Voluntary Arrangements and Debt Management Plans (53% of the total), the Legal Services Commission, the Money Advice Service, the Scottish Government, EDF Energy Trust, the Nationwide Foundation, the London Probation Trust, local authorities, housing associations and charities.

The majority of respondents reported between one and four funding sources each but one respondents had as many as 13. In total, 72 funding relationships in total were identified by the survey.

Of the two providers that received 95% of the total funding for telephone debt advice identified by the survey, one did not say whether this funding had been secured for 2012/13 but the other reported that funding had been secured for this time and felt that funding was certain to continue for the next five years at least. Apart from these two large providers, there were 31 other funding relationships where it was reported that funding had been secured for the financial year of 2012/13, 21 where funding had not been secured and 18 where no answer was given.

When respondents with secured funding sources were asked about expected levels of funding for 2013/14, funding was not expected to change in the case of eight funding sources and funding was expected to increase in nine. In the case of 11 funding sources, the funding amount was expected to drop and in the remaining cases, no opinion was stated.

When respondents with unsecured funding sources were asked to state their level of confidence regarding funding in 2013/14, just one source of unsecured funding was said to be certain, one was expected to drop by 100% and another 17 were said to be either “fairly uncertain” or “very uncertain”. Results were even more pessimistic when the respondents were asked about the certainty surrounding unsecured funding in five years time when all relevant funding was said to be either “fairly uncertain” or “very uncertain” where any answer was given.

Furthermore, the lack of responses to these questions indicates a strong uncertainty regarding the future funding and moreover, reveals providers’ inability to make any long-term plans on their provision of debt advice services.

6.4 Concluding remarks

Although commercial response to the telephone debt advice questionnaire was low, there was good coverage of providers of free-to-client debt advice services. One result that emerged was that there seems to be a difference in the service provided by commercial and free-to-client services, at least in terms of the average amount of time spent per client. Capacity issues were raised by many providers in the questionnaire, particularly in terms of staff and telephone lines and at peak times.

However, there was poor response to the questions regarding funding with just 15 of the 40 free-to-client providers giving information about their current level of funding for telephone services. Two large free-to-client providers had a huge impact on the funding numbers, accounting for 95% of the total £57 million. Just one of these two providers gave information about expected funding and they had secured funding and were certain of funding for the future. The other large provider received funds only from the Fair Share Contribution and said that this funding had been secured for 2012/13. The other providers were less sure of funding with just 9 of 31 respondents saying that funding had been secured for 2012/13. The respondents that had not secured funding were mostly pessimistic regarding funding for the future, especially when it came to funding in the long-term.

As in the case of face-to-face debt advice funding, the poor response rate regarding funding suggests uncertainty about future funding. This uncertainty could, in turn, curtail any planning that telephone debt advice providers can do to safeguard debt advice services for the future.

7 Online channel

Our research identified 63 online debt advice providers, 48 of which were commercial providers. However, the response rate was very low, as only 3 of the commercial providers responded to the survey. This is discussed in more detail in section 2.8.1. Participation was much higher within free-to-client providers (local authorities and other free-to-client providers), as 13 out of these 15 providers responded, including all major providers.

Table 29: The number of online provider responses

	# of Online Providers	# respondents
Commercial	48	3
Local authorities	2	2
Other	13	11
Grand Total	63	16

Source: Citizens Advice (CA) survey and London Economics (LE) provider survey

7.1 Description of online debt advice services

A distinction was made in the survey between advising clients online, advising clients by email and engaging clients online in order to signpost them elsewhere. The following table summarises the types of services provided by the survey respondents.

Table 35: Range of services provided by online debt advice providers

	# respondents
Advises client online, by email and engages online and signposts elsewhere	4
Advises clients by email only	4
Advises clients online and engages online and signposts elsewhere	3
Advises clients online only	2
Advises clients online and by email	1
Advises clients by email and engages online and signposts elsewhere	1
Engages clients online and signposts elsewhere only	1
Total	16

Source: Online Provider Survey

Online debt advice providers were asked the average amount of time spent per client. The typical amount of time spent per client in 2011/12 was reported by one online debt advice provider to be as little as 15 minutes at the lower end and up to an hour and a half for the debt advice provider that spent the most time with clients.

11 of the respondents identified specific tools and websites used by the service for online debt advice. These include CASHflow, National Debtline, Business Debtline, My Money Steps, Payplan, Debt Relief Order websites, TaxAid, Directgov, Adviceguide, Beat the Recession, CCCS Wellbeing, Debt Remedy, Turn2us, Listen to taxman and local authority websites.

One of the advantages of an online advice service is that it can reach people across a range of geographic areas. Consistent with this idea, most of the online debt advice providers surveyed did not restrict their services to any particular geographical area. Just 3 online debt advice providers targeted their services to a particular area and these were services linked to a particular local authority or Citizens Advice Bureau.

7.2 Current levels of supply and capacity

Current levels of supply of online debt advice are measured by examining the number of clients given debt advice online and by email. Results on the current level of supply are reported in Table 36 below.

On average, providers that give advice by email serve 6,990 clients by email in 2012/13. Providers that give advice online serve far more clients in this way with an average of 139,440 clients for the same year. However, there is large variation in the figures reported for client served online ranging from 304 to 86,743. As a result, the median value (1,452) is very different to the mean, indicating that there are many small-scale debt advice providers that serve client online and that a few of these large-scale providers may be skewing the results.

Due to the small number of observations and wide range of reported number of clients advised, total figures were not calculated for the online channel. However, it is possible to conclude that the total number of clients provided with debt advice through email is at least 6,990 and that the number of clients given online debt advice is at least 139,440. As such, these figures can be considered the minimum capacity of online debt advice services.

Table 36: Current level of supply, online channel

	Sample total (minimum capacity)	Mean	Median	Min	Max	Obs.
Number of clients given advice online	139,440	14,999	1,452	304	86,743	9
Number of clients given advice via email	6,990	699	60	13	6,000	10

Source: Online Provider Survey

7.3 Current and future funding

All free-to-client online debt advice providers were asked about current levels of funding and their opinions regarding the security of funding for the future. Six providers gave information about the current level of funding and this information is summarised in the table below.

Table 37: Funding for online debt advice – 2012/13

	Mean	Min	Max	Obs.
Current funding for each provider (£)	598,218	1,105	3,050,000	6

Source: Online Provider Survey

Online debt advice funding in 2012/13 comes from sources such as the Department of Enterprise, Trade and Investment, the Local Authority Debt Project, the Big Lottery Fund, the Fair Share Contribution, the Money Advice Service, Paradigm Housing, HSBC, Barclaycard, Optima Legal, local authorities and churches. Respondents had between 1 and 4 sources of funding each and the survey responses included at least some information on a total of 16 funding relationships.

The provider receiving the highest amount of funding from any one source (£3,050,000) was also the largest provider in terms of the number of clients served online and by email. This respondent said that this source was secure for 2012/13. Another six sources of funding were also said to be secured for 2012/13.

Next, the respondents with secured funding sources were asked about their expectations for funding for the financial year of 2013/14. A respondent with a relatively low level of funding (£5,000) to support its online services reported that they expected to lose all of this funding after March 2013 and that they were very uncertain of securing funding beyond this date.

Another online debt advice provider with secured funding expected funding to decrease by an unknown amount in 2013/14 and three other online debt advice providers with secured funding were unsure about how funding would change in 2013/14 and beyond.

According to the online debt advice provider survey, seven funding sources (accounting for almost £480,000) had not been secured at the time of response. Four of these funding sources were being received by just one respondent although the levels being received from each source were very low in comparison to funding for other providers. This respondent did not expect funding to change in 2013/14. Any other respondent with unsecured funding for 2012/13 said that they were unsure how funding would change in any years beyond this.

7.4 Concluding remarks

Similar to the survey of telephone debt advice providers, the survey produced a very low response rate among commercial providers but a good response rate among free-to-client providers.

As in the case of debt advice funding for the telephone channel, responses to the questions regarding funding were often not given with just 6 of 13 free-to-client providers giving information on the current amount of funding that they receive for online debt advice services.

Similar to the telephone survey, the online survey revealed that it was the largest online provider that had the most certainty about funding. Most respondents were unsure about funding in the long-term and response rates for questions regarding future funding suggested that many providers did not know how funding would change. Again, this could restrict the ability of providers to plan for the future.

8 Conclusions

A number of conclusions emerge from this large survey of providers and funders of debt advice around the UK.

The survey of telephone and online debt advice providers revealed the existence of a few very large providers that represented a sizeable proportion of debt advice provision through these channels. A question about capacity issues within the telephone debt advice channel identified providers' concerns about a shortage of staff and telephone lines, particularly at peak times.

In the case of both of these channels, the providers with the highest number of clients were the most optimistic about future funding but other providers were less certain. Even though response rates for free-to-client providers using both channels were healthy, the questions regarding future funding were answered by relatively few. This, in itself, suggests a strong uncertainty regarding future funding for debt advice services and moreover, reveals providers' inability to make any long-term plans on their provision of debt advice services.

Face-to-face services were the main focus of this report and estimates for current client and funding levels were calculated on the basis of the survey. The best estimate for client levels served or expected to be served in the financial year of 2012/13 is 462,000. Funding for free-to-client services 2012/13 is estimated to be £53m, according to the survey of these providers.

There were substantial differences in expectations for future funding between the funders of debt advice and the recipients of this funding (the face-to-face debt advice providers). Providers expected funding to drop by almost a quarter by 2013/14. We estimate that this drop will have the effect of removing funding for 23.5% of current clients in 2013/14.

In contrast, funders anticipated a drop of just under 1%. This presents a difficulty in predicting a likely change in funding as it is not clear which view is correct.

We can conclude, however, from the low response rate to questions about future funding and comments in the open space, that providers of face-to-face debt advice services face a great deal of uncertainty around this issue. This is particularly true of funding in 5 years' time but also true of funding for the financial year due to commence just a few months from the time of the survey.

The results could point to an information asymmetry between funders and providers which could be due to a timing issue. For example, if the provider, at the time of responding to the survey, had not yet received confirmation of funding and funders knew that it would continue, this could lead to the kind of results observed.

Across all channels, it is fair to conclude that there is a great deal of uncertainty regarding future funding for debt advice services. This uncertainty is likely to prevent providers from planning for the future in the most efficient way.

References

Gathergood, J. (2011), *Demand, Capacity and Need for Debt Advice in the United Kingdom*, Report for the Money Advice Trust.

London Economics (2012), *Debt Advice in the UK*, Report for the Money Advice Service.

Annex 1 Questionnaires

A1.1 Face-to-face survey

This face-to-face questionnaire was sent to free-to-client providers. The questionnaire sent to face-to-face commercial providers was adapted so that it did not contain the last section regarding funding. The local authorities in Wales received the questionnaire in both English and Welsh.

Section 1 is a short introduction and overview. Section 2 requests respondents' contact details.

SECTION 3. DEBT ADVICE PROVISION

Please complete this section for each office/branch where your organisation or its members provide face-to-face debt advice.

1. Full address including post code.

2. How many staff are engaged in providing face-to-face debt advice at the office/branch identified above? If possible, please also specify the number of staff that could be listed under the categories below.

Total number of staff	
Number of advisers	
Number of trainee advisers	
Number of volunteer advisers	
Number of supervisors	

3. Approximately how many Clients are served (expected to be served) at the office/branch identified in question 1 in financial year (FY) 2012/13?

This may include Clients that you see at your office/branch and that you visit offsite.

A Client is defined as a person who receives debt advice or where debt needs are fully assessed by a member of the Donor-funded debt advice team such as a debt advisor, trainee advisor, volunteer advisor, supervisor or a person covering for an absent member of the Donor-funded debt advice team who is allocated Clients as part of the Project.

Number of Clients currently served (expected to be served) at the office/branch identified in question 1 in FY 2012/13	
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4. This question seeks to identify precisely where staff provide debt advice.

Please therefore indicate the full address and postcode of where Clients are served. This may be at the office/branch identified in question 1 only or may also include other locations.

If required, please add additional rows to the table below.

<i>Place</i>	<i>Please specify the full address and postcode of where the Clients are served.</i>
<i>Branch/Office</i>	

5. What percentage of the Clients identified in question 3 is served in each place listed above?

<i>Place</i>	<i>% of Clients</i>
<i>Branch/Office</i>	

6. Does your office/branch aim to serve particular target groups?

___ (Y/N)

If you answered yes, please list target groups served below.

Target groups	1	
	2	
	3	
	4	
	5	

7. What is the maximum number of Clients your staff (described in question 2) could serve in FY 2012/13 (e.g., if demand was especially high)?

<i>Maximum number of Clients your staff (described in question 2) could serve in FY 2012/13</i>	
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SECTION 4. FUNDING

1. Please list all the funding sources and amounts of funding which support your organisation's provision of face-to-face debt advice at the office/branch identified above in FY 2012/13.

	<i>Name of funding source</i>	<i>Amount</i>
1		
2		
3		

2. How many advisors/Clients do you expect the abovementioned sources to fund through your office/branch in FY 2012/13?

	<i>Name of funding source</i>	<i>Advisors funded</i>	<i>Clients funded</i>
1			
2			
3			

3. Are the abovementioned funding sources linked to serving a particular Client group?

	<i>Name of funding source</i>	<i>Linked to particular Client group (Yes/No)?</i>	<i>Type of Client</i>
1			
2			
3			

4. Please indicate whether your present funding sources are secured for FY 2013/14 (and beyond).

	<i>Name of funding source</i>	<i>Secured for FY 2013/14 (Yes/No)?</i>	<i>Secure until (month/ year)?</i>
1			
2			
3			

5. How do you expect funding to change in FY 2013/14?

	<i>Name of funding source</i>	<i>Direction (increase/decrease)</i>	<i>Expected magnitude (%)</i>
1			

2			
3			

6. Please provide, for each of the unsecured funding sources currently funding your organisation's face-to-face debt advice provision (identified above), an indication of how certain the continuation of the funding is for FY 2013/14.

		<i>Funding in FY 2013/14 is</i>		
<i>Name of funding source</i>		<i>Very uncertain</i>	<i>Fairly uncertain</i>	<i>Certain</i>
1				
2				
3				

7. And, in 5 years time?

		<i>Funding in 5 years is</i>		
<i>Name of funding source</i>		<i>Very uncertain</i>	<i>Fairly uncertain</i>	<i>Certain</i>
1				
2				
3				

SECTION 5. ADDITIONAL COMMENTS

1. If, in addition to the points addressed above, there are any additional comments you would like to make, please provide them below.

OPEN QUESTION

A1.2 Telephone survey

This telephone questionnaire was sent to free-to-client providers that offer services by telephone. The questionnaire sent to commercial providers that provide advice by telephone was adapted so that it did not contain the last section regarding the funding. As in the case of the other questionnaires, the local authorities in Wales received the questionnaire in both English and Welsh.

Section 1 is a short introduction and overview. Section 2 requests respondents' contact details.

SECTION 3. DEBT ADVICE PROVISION

1. In total, how many staff are engaged in providing debt advice over the phone?

2. If possible, please specify the number of staff that could be listed under the categories below.

<i>Number of advisers</i>	
<i>Number of trainee advisers</i>	
<i>Number of volunteer advisers</i>	
<i>Number of supervisors</i>	

3. Approximately how many Clients were given advice over the phone (are expected to be given advice) in financial year (FY) 2012/13?

A Client is defined as a person who receives debt advice or where debt needs are fully assessed by a member of the Donor-funded debt advice team such as a debt advisor, trainee advisor, volunteer advisor, supervisor or a person covering for an absent member of the Donor-funded debt advice team who is allocated Clients as part of the Project.

<i>Number of Clients advised (expected to be advised) over the phone</i>	
--	--

4. What is the maximum number of Clients your staff could give advice to over the phone in FY 2012/13 based on current capacities (e.g., if demand was especially high)?

<i>Maximum number of Clients your staff could advise in FY 2012/13</i>	
--	--

5. Please indicate the number of Clients (as defined in question 3) advised over the phone and the average amount of time spent per Client in FY 2010/11 and 2011/12.

	<i>FY 2010/11</i>	<i>FY 2011/12</i>
<i>Number of clients advised</i>		

Average amount of time spent per client		
---	--	--

6. Do you aim to serve particular target groups and/or geographic regions?

____ (Y/N)

If you answered yes, please list target groups/geographic area served below.

	Target groups	Geographic Area
1		
2		
3		

7. Please specify whether you experience any capacity issues.

SECTION 4. FUNDING

1. Please list all the funding sources and amounts of funding which support your organisation's provision of face-to-face debt advice at the office/branch identified above in FY 2012/13.

	Name of funding source	Amount
1		
2		
3		

2. How many advisors/Clients do you expect the abovementioned sources to fund through your office/branch in FY 2012/13?

	Name of funding source	Advisors funded	Clients funded
1			
2			
3			

3. Are the abovementioned funding sources linked to serving a particular Client group?

	<i>Name of funding source</i>	<i>Linked to particular Client group (Yes/No)?</i>	<i>Type of Client</i>
1			
2			
3			

4. Please indicate whether your present funding sources are secured for FY 2013/14 (and beyond).

	<i>Name of funding source</i>	<i>Secured for FY 2013/14 (Yes/No)?</i>	<i>Secure until (month/ year)?</i>
1			
2			
3			

5. How do you expect funding to change in FY 2013/14?

	<i>Name of funding source</i>	<i>Direction (increase/decrease)</i>	<i>Expected magnitude (%)</i>
1			
2			
3			

6. Please provide, for each of the unsecured funding sources currently funding your organisation's face-to-face debt advice provision (identified above), an indication of how certain the continuation of the funding is for FY 2013/14.

		<i>Funding in FY 2013/14 is</i>		
	<i>Name of funding source</i>	<i>Very uncertain</i>	<i>Fairly uncertain</i>	<i>Certain</i>
1				
2				
3				

7. And, in 5 years time?

		<i>Funding in 5 years is</i>		
<i>Name of funding source</i>		<i>Very uncertain</i>	<i>Fairly uncertain</i>	<i>Certain</i>
1				
2				
3				

SECTION 5. ADDITIONAL COMMENTS

1. If, in addition to the points addressed above, there are any additional comments you would like to make, please provide them below.

OPEN QUESTION

A1.3 Online survey

This online questionnaire was sent to free-to-client providers. The questionnaire sent to commercial providers was adapted so as it did not contain the last section regarding the funding. As in the case of the other questionnaires, the local authorities in Wales received the questionnaire in both English and Welsh.

Section 1 is a short introduction and overview. Section 2 requests respondents' contact details.

SECTION 3. DEBT ADVICE PROVISION

1. This question relates to online debt advice as opposed to debt advice given by e-mail correspondence.

- a. Approximately how many Clients were given advice online (are expected to be given advice) in financial year (FY) 2012/13?

Number of Clients advised (expected to be advised) online	
---	--

- b. Approximately how many Clients were first engaged with your organisation through your online portal and were signposted to seek advice elsewhere (e.g., face-to-face, over the phone) in financial year (FY) 2012/13?

Number of Clients first engaged online and signposted to seek advice elsewhere in FY 2012/13	
--	--

2. This question relates to debt advice given by e-mail correspondence.

Approximately how many Clients were given advice (are expected to be given advice) by e-mail correspondence in financial year (FY) 2012/13?

Number of Clients advised (expected to be advised) by e-mail correspondence in FY 2012/13	
---	--

3. Please specify if you use any specific tools/websites (e.g. 'My Money Steps' ...).

4. This question relates to the maximum number of Clients you could advise if demand was especially high.

- a. What is the maximum number of Clients you could give advice to per hour via the online channels identified in question 1?

Maximum number of Clients that could be given advice per hour online	
--	--

- b. What is the maximum number of Clients you could give advice to via the e-mail in FY 2012/13?

Maximum number of Clients your staff could give advice to via email in FY 2012/13	
---	--

5. Please indicate the number of Clients advised online in FY 2010/11 and 2011/12.

	<i>FY 2010/11</i>	<i>FY 2011/12</i>
<i>Number of clients advised</i>		
<i>Average amount of time spent per client</i>		

6. Do you aim to serve particular target groups?

___ (Y/N)

If you answered yes, please list target groups served below.

Target groups	1	
	2	
	3	

SECTION 4. FUNDING

1. Please list all the funding sources and amounts of funding which support your organisation's provision of face-to-face debt advice at the office/branch identified above in FY 2012/13.

	<i>Name of funding source</i>	<i>Amount</i>
1		
2		
3		

2. How many advisors/Clients do you expect the abovementioned sources to fund through your office/branch in FY 2012/13?

	<i>Name of funding source</i>	<i>Advisors funded</i>	<i>Clients funded</i>
1			
2			
3			

3. Are the abovementioned funding sources linked to serving a particular Client group?

	<i>Name of funding source</i>	<i>Linked to particular Client group (Yes/No)?</i>	<i>Type of Client</i>
1			
2			
3			

4. Please indicate whether your present funding sources are secured for FY 2013/14 (and beyond).

	<i>Name of funding source</i>	<i>Secured for FY 2013/14 (Yes/No)?</i>	<i>Secure until (month/ year)?</i>
1			
2			
3			

5. How do you expect funding to change in FY 2013/14?

	<i>Name of funding source</i>	<i>Direction (increase/decrease)</i>	<i>Expected magnitude (%)</i>
1			
2			
3			

6. Please provide, for each of the unsecured funding sources currently funding your organisation's face-to-face debt advice provision (identified above), an indication of how certain the continuation of the funding is for FY 2013/14.

	<i>Funding in FY 2013/14 is</i>
--	---------------------------------

	<i>Name of funding source</i>	<i>Very uncertain</i>	<i>Fairly uncertain</i>	<i>Certain</i>
1				
2				
3				

7. And, in 5 years time?

		<i>Funding in 5 years is</i>		
	<i>Name of funding source</i>	<i>Very uncertain</i>	<i>Fairly uncertain</i>	<i>Certain</i>
1				
2				
3				

SECTION 5. ADDITIONAL COMMENTS

1. If, in addition to the points addressed above, there are any additional comments you would like to make, please provide them below.

OPEN QUESTION

A1.4 Funder survey

This funder survey was sent to all funders of debt advice. The local authorities in Wales that fund debt advice received the questionnaire in both English and Welsh.

SECTION 3. CURRENT FUNDING

1. Please list all of the debt advice organisations that you are funding in financial year (FY) 2012/13 and the funding amounts.

	<i>Funded organisation</i>	<i>Amount</i>
1		
2		
3		

2. Is your funding linked to a particular delivery channel and/or geography? If so, please provide details below.

	<i>Funded organisation</i>	<i>Delivery channel (online/telephone/face-to-face)</i>	<i>Geography</i>
1			
2			
3			

3. Is your funding linked to ensuring a particular number of advisors and/or clients advised? If so, please provide details below.

	<i>Funded organisation</i>	<i>Advisors</i>	<i>Clients</i>
1			
2			
3			

3. If there are any other criteria based on which you provide your current funding, please elaborate on these below.

	<i>Funded organisation</i>	<i>Funding criteria</i>
1		
2		

SECTION 4. FUTURE FUNDING

1. Funding in the short-term. Please specify how you expect your funding of the organisations listed above to change in FY 13/14-15/16.

Please answer in relation to the:

- direction of change (up/down/no change); and
- the expected size of change in percentage terms.

		<i>Change over 12/13-13/14</i>		<i>Change over 13/14-14/15</i>		<i>Change over 14/15-15/16</i>	
	<i>Funded organisation</i>	<i>Direction</i>	<i>%age</i>	<i>Direction</i>	<i>%age</i>	<i>Direction</i>	<i>%age</i>
1							
2							
3							
4							
5							

2. Funding in the longer term. Please provide an indication of how certain the continuation of the funding is for 5 years time, for all organisations you currently fund.

		<i>Funding in 5 years is</i>		
	<i>Funded organisation</i>	<i>Very uncertain</i>	<i>Uncertain</i>	<i>Certain</i>
1				
2				
3				

Annex 2 Response rates for local authorities

8.1.1 Local authorities face-to-face providers by region

Table 38: Local authority debt advice provision by region, 2012/13

Region	Number of F2F providers	Number of responses	Response rate
England	52	13	25.0%
Northern Ireland	1	0	0.0%
Scotland	29	19	65.5%
Wales	3	2	66.7%
Grand Total	85	34	40.0%

Source: Citizens Advice (CA) survey and London Economics (LE) survey

Local authorities that provide face-to-face debt advice were identified through phone research. The overall response rate was 40%. Amongst the survey respondents were 19 out of 29 Scottish local authorities and 2 out of 3 Welsh local authorities. Only 25% of English local authorities participated in the research.

8.1.2 Local authorities funders by region

Table 39: Local authority debt advice funders by region, 2012/13

Region	Number of funders	Number of responses	Response rate
England	338	28	8.3%
Northern Ireland	26	1	3.8%
Scotland	31	21	67.7%
Wales	18	3	16.7%
Grand Total	413	53	12.8%

Note: The response rate assumes that all local authorities are funders.

Source: Citizens Advice (CA) survey and London Economics (LE) survey

Some of the English, Scottish and Welsh local authorities revealed that they do not fund debt advice services. Those were excluded from the survey. The overall response rate of local authorities that fund debt advice was 12.8%. However, this number might not be accurate as it assumes that all the other local authorities are funders.

Annex 3 Breakdown of free-to-client face-to-face debt advice provision

Table 40: Face-to-face free-to-client debt advice provision by region, 2012/13

<i>London</i>	
Number of offices/Bureaux	58
Sample size (percentage of respective populations)	83%
Sample total (number of clients)	29,278
<i>Home Counties</i>	
Number of offices/Bureaux	17
Sample size (percentage of respective populations)	85%
Sample total (number of clients)	1,703
<i>East Midlands</i>	
Number of offices/Bureaux	39
Sample size (percentage of respective populations)	82%
Sample total (number of clients)	25,334
<i>Eastern</i>	
Number of offices/Bureaux	61
Sample size (percentage of respective populations)	94%
Sample total (number of clients)	28,539
<i>North East</i>	
Number of offices/Bureaux	26
Sample size (percentage of respective populations)	97%
Sample total (number of clients)	24,834
<i>North West</i>	
Number of offices/Bureaux	74
Sample size (percentage of respective populations)	89%
Sample total (number of clients)	56,809
<i>South East</i>	
Number of offices/Bureaux	96
Sample size (percentage of respective populations)	86%
Sample total (number of clients)	30,949
<i>South West</i>	
Number of offices/Bureaux	52
Sample size (percentage of respective populations)	86%
Sample total (number of clients)	30,949
<i>Wales</i>	
Number of offices/Bureaux	41
Sample size (percentage of respective populations)	93%
Sample total (number of clients)	26,446

Table 40: Face-to-face free-to-client debt advice provision by region, 2012/13

<i>West Midlands</i>	
Number of offices/Bureaux	44
Sample size (percentage of respective populations)	90%
Sample total (number of clients)	37,915
<i>Yorkshire & the Humber</i>	
Number of offices/Bureaux	42
Sample size (percentage of respective populations)	87%
Sample total (number of clients)	26,953
<i>Scotland (North)</i>	
Number of offices/Bureaux	12
Sample size (percentage of respective populations)	38%
Sample total (number of clients)	9,955
<i>Scotland (South and Central)</i>	
Number of offices/Bureaux	24
Sample size (percentage of respective populations)	30%
Sample total (number of clients)	17,565
<i>Northern Ireland</i>	
Number of offices/Bureaux	52
Sample size (percentage of respective populations)	71%
Sample total (number of clients)	6,013

Source: Citizens Advice (CA) survey and London Economics (LE) survey

Table 41: Face-to-face free-to-client debt advice provision by institution type, 2012/13*Citizens Advice Bureaux*

Number of offices/Bureaux	404
Sample size (percentage of respective populations)	96%
Sample total (number of clients)	304,833

Local authority providers

Number of offices/Bureaux	31
Sample size (percentage of respective populations)	36%
Sample total (number of clients)	22,760

Other providers

Number of offices/Bureaux	200
Sample size (percentage of respective populations)	70%
Sample total (number of clients)	27,464

Commercial providers

Number of offices/Bureaux	3
Sample size (percentage of respective populations)	100%
Sample total (number of clients)	4,550

Source: Citizens Advice (CA) survey and London Economics (LE) survey

Annex 4 Breakdown of funding of free-to-client face-to-face debt advice provision

Table 42: Funding of face-to-face free-to-client debt advice provision by region, 2012/13

<i>London</i>	
Number of offices/Bureaux	50
Sample size (percentage of respective populations)	78%
Sample total (£000s)	4,256
<i>Home Counties</i>	
Number of offices/Bureaux	19
Sample size (percentage of respective populations)	95%
Sample total (£000s)	225
<i>East Midlands</i>	
Number of offices/Bureaux	39
Sample size (percentage of respective populations)	80%
Sample total (£000s)	2,396
<i>Eastern</i>	
Number of offices/Bureaux	59
Sample size (percentage of respective populations)	97%
Sample total (£000s)	2,165
<i>North East</i>	
Number of offices/Bureaux	27
Sample size (percentage of respective populations)	100%
Sample total (£000s)	2,117
<i>North West</i>	
Number of offices/Bureaux	66
Sample size (percentage of respective populations)	89%
Sample total (£000s)	4,295
<i>South East</i>	
Number of offices/Bureaux	91
Sample size (percentage of respective populations)	86%
Sample total (£000s)	2,981
<i>South West</i>	
Number of offices/Bureaux	55
Sample size (percentage of respective populations)	89%
Sample total (£000s)	2,635
<i>Wales</i>	
Number of offices/Bureaux	36
Sample size (percentage of respective populations)	93%
Sample total (£000s)	1,776

Table 42: Funding of face-to-face free-to-client debt advice provision by region, 2012/13

<i>West Midlands</i>	
Number of offices/Bureaux	44
Sample size (percentage of respective populations)	92%
Sample total (£000s)	3,044
<i>Yorkshire & the Humber</i>	
Number of offices/Bureaux	41
Sample size (percentage of respective populations)	87%
Sample total (£000s)	2,511
<i>Scotland (North)</i>	
Number of offices/Bureaux	11
Sample size (percentage of respective populations)	34%
Sample total (£000s)	1,096
<i>Scotland (South and Central)</i>	
Number of offices/Bureaux	14
Sample size (percentage of respective populations)	17%
Sample total (£000s)	2,866
<i>Northern Ireland</i>	
Number of offices/Bureaux	52
Sample size (percentage of respective populations)	71%
Sample total (£000s)	893

Source: Citizens Advice (CA) survey and London Economics (LE) survey

Table 43: Funding of face-to-face free-to-client debt advice by institution type, 2012/13

<i>Citizens Advice Bureaux</i>	
Number of offices/Bureaux	369
Sample size (percentage of respective populations)	96%
Sample total (£000s)	25,152
<i>Local authority providers</i>	
Number of offices/Bureaux	19
Sample size (percentage of respective populations)	22%
Sample total (£000s)	4,021
<i>Other providers</i>	
Number of offices/Bureaux	216
Sample size (percentage of respective populations)	76%
Sample total (£000s)	4,085

Source: Citizens Advice (CA) survey and London Economics (LE) survey