Rural Money Matters:
A support guide to rural financial inclusion
The Commission for Rural Communities acts as the advocate for England’s rural communities, as an expert adviser to government, and as a watchdog to ensure that government actions, policies and programmes recognise and respond effectively to rural needs, with a particular focus on disadvantage. It has three key functions:

**Rural advocate:**
the voice for rural people, businesses and communities

**Expert adviser:**
giving evidence-based, objective advice to government and others

**Independent watchdog:**
monitoring, reporting on and seeking to mainstream rural into the delivery of policies nationally, regionally and locally

The ‘Now Let’s Talk Money’ campaign, backed by the Government, is supporting organisations to help people with their money matters. The campaign website www.nowletstalkmoney.com is a resource for partner organisations and other intermediaries tackling financial exclusion. It also provides information about where to go for affordable credit, get information about banking and low cost home contents insurance, or obtain free face-to-face money and debt advice.
## Contents

1 Executive summary  
2 What is rural financial inclusion?  
3 How can financial inclusion improving people’s lives?  
4 Understanding the scale and depth of rural financial exclusion  
5 Planning for the future  
6 Rural proofing
Executive summary

Money matters in rural England. A bank account, credit and savings, and financial advice are basic services people need in modern society. Most of us take these financial services and products for granted, but some people aren’t so fortunate.

People in rural areas experience the same financial challenges as people living in towns and cities. But living in a rural area brings additional challenges. Like poverty, financial exclusion is less visible in rural areas compared to urban areas. This makes it harder for service providers to identify and therefore target support to the people who most need it and can mean policy and programmes end up focusing on urban areas. To address this, policy makers and programmers need to use low level spatial analysis to identify the relatively small pockets of financial exclusion in rural areas. Otherwise, rural financial exclusion will remain ‘hidden’ and people living in these rural areas will be less likely to receive the financial support and guidance they need.

Around 200,000 people living in rural England do not have access to a bank account1 of any kind and the number of mainstream banking facilities in rural areas is declining. Poor public transport systems and long travel times make physical access to mainstream financial services difficult and more costly for people living in rural communities. Higher service costs in rural areas, due to a widely dispersed client base and poor economies of scale, is also a challenge when delivering debt advice and credit union outreach services. New technologies, like video-link and the Credit Union Current Account, can make rural outreach more cost effective, but high set up costs can be a barrier to their use.

The Government’s Financial Inclusion Fund is investing more than £150 million between 2008-11 to promote financial inclusion. This includes significant investments in the provision of free face to face debt advice and affordable credit in rural areas.

However, the Government’s ambition that everyone has the opportunity to access the financial services and products they need will require the full commitment of every local authority and their local strategic partnerships. Only by working together will local financial inclusion stakeholders be able to provide the broad range of support and advice to help everyone get out of, and avoid falling into, financial exclusion. It is important that more local authorities recognise the importance of investing in financial capability for their frontline staff and local people, alongside extending provision of face-to-face debt and advice and support to credit unions. The Local Area Agreement (LAA) refresh process provides a window of opportunity for local authorities to reflect on the impact of the recession and adopt a specific commitment to tackling financial exclusion.

However, an important risk of Local Area Agreements is that through setting delivery targets attention and resources are focussed on where delivery can most successfully be achieved. This is usually where most people and needs are concentrated, i.e. in more urban areas, so local strategic partnerships need to be careful to deliver

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1 Family Resources Survey, DWP 2009
fairly and proportionately in all areas. Similarly, inspection and scrutiny systems, such as the comprehensive area assessments being led by the Audit Commission, also need to question and report on the extent to which LAA targets are being delivered proportionately across urban, rural and other local geographies.

The recession is affecting the extent to which people are financially included in rural England. New groups of society are seeking debt advice and affordable credit and traditionally vulnerable groups such as those on low incomes are creating a stronger demand for financial services.

Despite the recent uplift in Government resources and action to promote financial inclusion, the infrastructure required (credit unions, debt advisers, banking facilities, etc.) is weak and can be missing in rural areas. Therefore, rural areas are less well equipped to respond to the rise in demand for financial services such as face-to-face debt advice and affordable credit brought about by the recession.

The Commission for Rural Communities is working in partnership with the Department for Work and Pensions and a broad range of regional and local partners to ensure people living and working in rural communities can access the financial services and products needed to participate fully in modern society. This publication provides an introduction to financial inclusion and demonstrates how having access to basic financial services and products improves the situation of people living and working in rural areas. It also provides a detailed analysis of the scale and depth of rural financial exclusion and a checklist for financial inclusion policy so that policies and programmes meet the needs of rural communities.
What is rural financial inclusion?

Financial inclusion is about ensuring everyone has the capability and opportunity to access the financial services and products needed to participate fully in modern day society. These include:

- access to affordable and responsible credit
- access to an appropriate bank account
- access to face-to-face debt advice
- access to basic home contents insurance
- access to savings

People are financially excluded when they do not have access to these basic financial services and products.

What is rural?

Broadly speaking, the Office of National Statistics (ONS) classifies population clusters of less than 10,000 people as rural. This includes a range of settlement types from the smaller market towns down to isolated dwellings. The consistent use of rural/urban definitions since 2004 has largely overcome the problem of ‘what do we mean by rural?’ Two classifications are used in this report, according to which is suitable for particular data.

The ONS 2004 Rural and Urban Area Classification is based on Output Areas which it defines as one of four settlement types – Urban, Town/urban fringe, Village and Hamlet & isolated dwelling. Each of these is then distinguished as Sparse or Less Sparse according to the density of population in the surrounding area. The classification allows for analysis at sub-district level with data that can report results for small areas. 81% of the English population live in Urban areas, 9% in Town & Fringe, 7% in Villages and 3% in Hamlets & isolated dwellings (2001 Census).

The Defra Classification of Local Authority Districts and Unitary Authorities in England complements, but is different from, the ONS classification. It creates six categories according to the percentage of the population that live in rural or urban settlement types. The categories are Rural 80 (>80% of population in rural settlements), Rural 50 (>50%), Significant Rural (>25%), Other Urban, Large Urban and Major Urban.

What does it take to be financially included?

1. Financial capability

Financial capability is about individuals being able to manage money, keep track of finances, plan ahead, choose financial products, and stay informed about financial matters. Everyone needs to be able to manage their money well, so they make the most of what they have today and safeguard for their future. Better budgeting and keeping track of spending can help people to avoid problem debt and make a household’s money go further. Shopping around for suitable financial products can help people make the most of their income. Being aware
of which debts to prioritise and how to access debt and benefits advice can help minimise the effects of indebtedness. Saving and taking out appropriate insurance cover can protect a family’s livelihood, should the worst happen. Financial capability is even more important during times of turbulence in the global economy, when rising food and fuel bills mean that many households are under financial stress.

2. Access to appropriate banking

Access to banking is a fundamental aspect of financial inclusion and can act as a gateway to further products and services.

People who do not have access to banking services are limited in undertaking a wide range of everyday financial transactions, and those limitations are arguably increasing as such transactions become more sophisticated. For example, without a bank account a person may not be able to obtain competitive loans or insurance policies or enter into a mobile phone contract. Those without bank accounts often lack security in storing money, leaving them vulnerable to theft or loss. Employers very often require that wages are paid into a bank account, limiting employment opportunities for the unbanked. It can also be difficult to start a business or engage in entrepreneurial activity without a bank account.

3. Access to affordable credit

For low-income consumers without savings, borrowing is often the only option. The amounts they borrow may be small, but without a financial safety net their need for credit is often urgent. People on low incomes are often denied access to high-street credit, forcing them to turn to high interest doorstep lenders and illegal money lenders. As a result, a substantial proportion of their income goes on servicing high-cost borrowing. Credit unions and Community Development Finance Institutions can be a source of affordable credit for people on low incomes. A credit union is a financial co-operative which provides savings, loans and a range of services to its members. Membership of a credit union is based on a common bond. This can be living or working in a certain geographical area, working for a particular employer or in a particular industry. Credit unions charge a maximum interest rate of 2% per month (26.8% APR) with many charging 1% per month or less, especially for established members. There are around 500 credit unions in the United Kingdom and their membership and coverage has grown significantly over recent years.

4. Access to free face-to-face debt advice

While debt advice can be offered through a number of channels (such as telephone, self-help methods, fee-charging debt management companies and other financial professionals), free face-to-face debt advice is a particularly effective method of reaching certain financially excluded individuals. People with severe or complicated debt often need to talk to someone face-to-face, and are often the hardest to reach. The financially excluded are much less likely to have contact with financial professionals, and may find self-help materials difficult to use if they lack basic skills.
5. Access to basic home contents insurance
In times of crisis, insurance is crucial in helping people to get back on their feet. Fire, flood and burglary can be particularly devastating. Despite this, less than half of low income households have home contents insurance compared to over 80 per cent of those with average incomes. Of those with a low income and no insurance, a third borrow funds to replace stolen or damaged household items, increasing their level of debt. Lack of money is the major factor explaining the low take-up of insurance by those on low incomes. But another key issue is a lack of understanding of the benefits and importance of insurance.

6. Access to savings
People with no savings find it difficult to manage through ‘peaks and troughs’ in spending and tend to borrow money as a result. Too often people without savings borrow from high cost lenders. Furthermore, having no savings invariably means that in later life such people have no pension and must rely on the state for support.

What makes financial inclusion different in rural areas?
People in rural areas experience the same financial challenges as people living in towns and cities. But living in a rural area brings additional challenges. Like poverty, financial exclusion is less visible in rural areas compared to urban areas. This makes it harder for service providers to target support to the people who most need it and can mean policy and programmes end up focusing on mainly urban areas.

Poor public transport systems and long travel times can make physical access to mainstream financial services difficult and more costly for people living in rural communities. Also higher service costs in rural areas, due to a widely dispersed client base and poor economies of scale, is a real challenge when delivering financial outreach services. A result of this is the infrastructure required to promote financial inclusion (credit unions, debt advisers, banking facilities etc) is weak or missing in rural areas.

Around 200,000 people living in rural England do not have access to a bank account of any kind and the number of mainstream banking facilities in rural areas is declining. Only one in eight banks and building societies are in rural areas, though a fifth of the population live there. Encouragingly, there has been an increase in the number of free-to-use cash points in rural areas. This is likely to continue as the Post Office implements a programme to install up to 4,000 free-to-use cash points at Crown and sub-post offices across the country.

The Post Office Network has become an increasingly important means of addressing financial exclusion in rural areas. It continues to have extensive geographical coverage with more than 9,000 offices in England, over half of which are in rural locations. Over recent years Post Office Ltd has extended the range of financial services that
branches can provide. This includes access to some current accounts (e.g. Barclays, Lloyds TSB, Alliance & Leicester) and 17 basic bank accounts, savings accounts from the Bank of Ireland and mortgages from Bristol & West.

Credit unions in rural areas face substantial challenges linked to growth and becoming financially sustainable. Operating in a sparsely populated area, they find it difficult to reach the critical mass of membership base and available funds that would make it possible for them to employ full-time staff. Rural areas are also associated with increased time and travel costs for volunteers to oversee the ‘collection points’, and a scarcity of local banking facilities, which can make the collection and transfer of cash difficult. As a result of these challenges, many rural areas are currently not covered by a credit union and/or a community development finance institution.

A lack of public transport in rural areas can mean people have no choice but to rely on private transport to access debt advice. However, for those living in poverty or with a disability private transport may not be affordable or practical. For this reason it is important for outreach workers to visit clients who otherwise would not be able to access face-to-face debt advice. However, it is more expensive to deliver debt advice through outreach workers and the need to travel longer distances in rural areas means fewer clients can be seen. A potential solution is the use of video-link technology, which can be a more efficient and cost-effective way of providing debt advice in some of the remotest rural areas.

What is the Government doing?

The Financial Inclusion Action Plan for 2008-11 sets out how the Government plans to ensure everyone has access to appropriate financial services, enabling them to:

• manage their money on a day-to-day basis, effectively, securely and confidently;
• plan for the future and cope with financial pressure, by managing their finances to protect against short-term variations in income and expenditure, and to take advantage of longer-term opportunities; and
• deal effectively with financial distress, should unexpected events lead to serious financial difficulty.

To achieve this the Government has committed more than £150 million between 2008 and 2011 to promote financial inclusion by:

• funding free face-to-face money advice to financially excluded people;
• increasing consumer access to affordable credit through credit unions and other third sector lenders;
• funding dedicated Financial Inclusion Champion teams to work to promote financial inclusion locally;
• increasing financial capability by helping people with money issues online, over the phone and face-to-face; and
• kick-starting a saving habit among working age people on lower incomes, by providing a strong incentive to save through a Government contribution for each pound saved.

The Financial Inclusion Champion Initiative is a key part of the Government’s drive to promote financial inclusion locally. The Department for Work and Pensions has recruited 15 regional Financial Inclusion Champion teams and two specialist Champion teams focusing on the role of social landlords and the needs of rural communities. These teams are working in partnership with local authorities and a broad range of stakeholders from the voluntary and private sectors to help deliver money guidance and increase the number of people with basic bank accounts, savings, access to affordable credit and face-to-face debt advice, as well as promoting the benefits of having home contents insurance.

The Commission for Rural Communities hosts the Government’s Rural Financial Inclusion Champion team and is working in partnership with the Department for Work and Pensions to promote financial inclusion in rural areas. The Rural Financial Inclusion Champion team is working closely with local authorities and financial inclusion stakeholders from the voluntary and private sectors across England to promote good practice and develop local financial inclusion partnerships and strategies. The team is also helping to ‘rural proof’ the work of central government and the 15 regional financial inclusion teams to ensure financial inclusion related policy and programmes consider rural circumstances and benefit people living in rural communities.

For more information on the role of the Rural Financial Inclusion Champion Team visit:
www.ruralcommunities.gov.uk/financialinclusion
or email them at ruralmoneymatters@ruralcommunities.gov.uk
How can financial inclusion improve people’s lives?

Affordable credit, savings and insurance products help people plan for the future and manage short-term fluctuations in income and expenditure. They can provide a financial buffer – taken for granted by most people – against a range of short term contingencies, both known and unknown.

People find it much easier to cope with the pressure of expected or unexpected spending – such as paying for Christmas, or repairing a broken washing machine – if they are able to borrow small sums of money affordably, over a short period of time, or if they have saved even a small amount of money. And insurance can be used to protect against potential losses arising from risks to assets like home contents or a car.

People without access to these financial products are often forced into using high-cost sources of lending instead, including home credit (‘doorstep lending’) or, worse, illegal loan sharks who use fear and intimidation to extort huge sums from their victims.

In addition to managing the short-term financial fluctuations that everyone experiences, financial inclusion also enables people to get through the more serious problems that can sometimes arise. Long-term sickness, unemployment, or family breakdown can all lead to over-indebtedness and financial distress.

People finding themselves in these situations need the help of qualified money advisers. Beyond money advice, access to financial services (such as credit, savings and insurance) can provide a buffer against financial distress by preventing small problems from getting out of control.

People who are financially excluded face many disadvantages, including:

- finding it hard to get a job as more and more employers require bank accounts for direct credit of wages or salaries;
- paying more for utilities due to lack of access to discounts available for Direct Debit and other automated payment methods;
- having to pay extremely high rates of interest to borrow from doorstep lenders or other providers of ‘alternative’ credit, or worse, facing extortion, intimidation and violence at the hands of illegal lenders or ‘loan sharks’;
- lacking the financial buffer provided by a small sum of saving, or the security provided by simple insurance, meaning that unexpected financial pressures are difficult, if not impossible, to manage; and
- not being able to access the impartial advice, particularly on debt problems, that can help people avoid significant financial distress.

Ultimately, financial exclusion can lead to poor physical and mental health, family breakdown and social isolation.
Across the country organisations are working to make sure everyone has the capability and opportunity to access the financial services and products needed to participate fully in modern society. Funding comes from a myriad of places. Central and local government covers a lot of the cost, but other organisations like housing associations, the National Lottery Fund and countless local charities also play a critical part.

From debt advice in village halls and affordable credit from community banks to money advice in one’s own front room, this funding is enabling a host of local organisations to give people the support and guidance they need to deal with their money matters.

Importantly, these organisations are not working alone. Through local financial inclusion partnerships a range of voluntary, private and public organisations are working together to provide a holistic package of support to promote financial inclusion. These partnerships are often led by district or county councils. Local authorities are uniquely placed to bring together and coordinate the work of local financial inclusion partners and to ensure that collectively their work brings real benefit to those with the greatest need.

Increasingly under pressure, with more clients to serve every day, these organisations make up the front line in the battle to tackle financial exclusion. Many are staffed by volunteers, who give up their own time for no other reward than to help others in a time of need. Their dedication, passion and resilience to keep on going as the recession brings more and more people to their door is truly remarkable. The real life stories captured here represent just a small sample of some of the great work being done across the country. They demonstrate the value of financial inclusion and how being financially included really does improve people’s lives.
Real life story 1

Berwick-upon-Tweed Citizens Advice Bureau

“Citizens Advice Bureau (CAB) makes the world appear, to many citizens in distress, to contain some element of reason and friendship,” wrote William Beveridge, father of the welfare state.

“The adviser at the CAB is only a fellow citizen with time and knowledge and, if he is worthy of his position, infinite patience.”

Sixty years on, and the challenges of social survival persist. “The CAB is busier than ever dealing with the same problems CAB was set up to address,” says Gerry Jones. “It’s expensive being poor, and it’s especially expensive being poor in a rural area.”

Gerry is the outreach worker in Jen Hall’s top-performing Citizens Advice Bureau at Berwick-upon-Tweed – Beveridge’s home Borough.

A prosperous-looking place about as far north as you can go in England, appearances are, as often, deceptive. Wages here are the lowest in the country, and a lot of people have two or three jobs to get by. Two of Berwick’s wards are among the most deprived in England.

Every Wednesday, Gerry brings CAB’s services to a rural ward, setting up shop in the United Reform Church Hall in Wooler.

“It’s expensive being poor, and it’s especially expensive being poor in a rural area”
The shop is a trestle table on which sits a laptop, a bag of benefits forms, a well-thumbed English-Polish dictionary (there is a sizeable migrant community), and a couple of church hall chairs. The setting is not incongruous – the United Reform Church’s mission to ‘respond to human need by loving service’ and ‘seek to transform the unjust structures of society’ could have been written for the CAB.

A typical case is a young mum, with two children, going through a messy and at times violent separation. She has no income, and nowhere to live because she can’t afford the rent on her own.

“She tells me she’s been disempowered all her life,” says Gerry. “By her parents, partner, the school. She says she struggles to handle finances. I help people like her manage their affairs and get some control over their lives.”

Many local people here are in seasonal jobs, related to tourism or agriculture, and are in and out of employment. Incomes drop dramatically. It’s not easy establishing a claim for benefits, and they have to do this all over again every time they are laid off or their hours are changed.

“A new wheeze round here is for agricultural employers to hire agencies to supply their labour, so if people can’t work, say because of weather conditions, they don’t have to pay them,” says bureau manager Jen Hall. “It’s often too bureaucratic for the farm workers to claim Job Seekers Allowance for odd days not worked, and they don’t have an automatic right to housing and council tax benefits. They need to be very good at keeping records – and often they’re not.”

This is touring country. Spoilt for choice when it comes to quaint tea-shops, locals have rather fewer choices when it comes to getting their hands on the money to pay for a cuppa. There are no council offices or jobcentre, and to claim housing benefit (or buy discount supermarket-priced food) you have to make the 20 mile hike into Berwick-upon-Tweed.

In some places it’s only thanks to migrant families – Poles mainly, but also many Portuguese who came for the salmon industry for which Berwick was famed – that local schools remain open, as rolls fall in ageing communities. “We’ve educated out many of our children,” says Jen. “There is no ‘Berwick college’, just the annex of another 50 miles away, so young people are sometimes forced to move away to Newcastle or Edinburgh.”

Wooler is better off than many rural towns, but the Post Office and banks have been steadily drawing in their tentacles in recent years, leaving some nearby communities stranded. Lack of access to mainstream financial services means some people have to rely on alternative credit.

“We sometimes find clients are paying the high interest doorstep lender rather than priority debts like the mortgage or rent,” says Jen.

As well as personally helping the financially excluded, Berwick CAB – independently rated as one of the country’s best in terms of quality of advice – brings in real money to keep communities afloat.
Jen and her colleagues brought a confirmed £1.3m into the Berwick borough in the last year, in the form of extra welfare benefits, lump sums, written-off debt and compensation payments.

But it’s own finances are precarious. Gerry’s outreach job is paid for by the Big Lottery Fund’s Reaching Communities Fund, but securing and administering these pots of money is time-consuming. “One year we had 21 different types of funding from 30 sources, each with a different reporting requirement,” says Jen. “It can be a bureaucratic nightmare.”

The bureau’s largely volunteer team struggles to keep up with demand. In the last audited year, they recorded 6,953 contacts with almost 2,000 new clients – getting on for one in ten of the adult population of the borough. The team, which includes bereavement, debt and welfare specialists, and a benefits worker post funded by Macmillan Cancer Support, dealt with a mind-boggling 4,494 different issues.

No wonder one client wrote in to say: “I cannot praise you all enough. I have no idea how you can know so much about various problems because my brain would be unable to hold even a fraction of the knowledge you all have.”

Jen is “proactive about outcomes,” she says. “We recently carried out some research to find out what people choose to spend their disability benefits and Attendance Allowance on. We wanted evidence to support our experience that even a small income top-up can have a significant impact on our clients’ lives.”

Top three spends, they discovered, are heat, transport and combating ‘isolation’. Those receiving either benefit say the main impacts for them are improved ‘independence’ and ‘wellbeing’.

“It reduces the worry of paying bills”, said one respondent, while another explained: “I live in an isolated cottage, now I have a computer I can email friends and family. Disability Living Allowance has changed my life.”

Jen uses the evidence gathered daily by its volunteers to press for local and national change. Her colleague Rachel Turnbull, for example, who works across Northumbria’s CABs in a post funded by Lloyds TSB, successfully campaigned to get ATMs into rural communities. “It increased the footfall by over a third overnight in one village store,” she says. “The shopkeeper says it was the best thing he’d ever done.”

She’s also leading a campaign to reduce school-related expenses, an issue flagged by CAB volunteers, and is hopeful that the council will reintroduce uniform grants.

Her survey of parents at all 211 schools in Northumberland found that 63% struggle paying for uniforms, and almost one in three say their children have had to miss school trips because they couldn’t raise the money at short notice.
Sixty years after Beveridge, there is still a stigma attached to financial exclusion. “I must be the only person who knows everything about everyone, but can’t say anything to anyone,” says Gerry Jones, as he packs away the trestle table in Wooler church hall after his last appointment of the day. As demand increases waiting times lengthen; while Gerry as a frontline adviser tries not to dwell on the few he’s had to personally turn away, Jen is devotedly seeking ways to work smarter and step up to the demand.

Doug’s story
At 63, farm worker Doug Whillis felt he was a long way from hanging up his overalls, when a stroke forced early retirement.

But with no pension, no family to help out and (doctor’s orders) no car to get himself around, he suddenly found himself in the classic rural poverty trap.

“I’d been working on the estate for 48 years; helping out with the calving, fencing, whatever needed doing. It was a big blow when I had to stop working.”

To get the help he was entitled to Doug was faced with a 50 page benefits form.

“I couldn’t sort things out – didn’t know where to start. Gerry at the CAB sorted it all out – housing, benefits the lot. He calmed us down. He was there for us when I had to move to a bungalow too, because my last stroke was a bad ‘un.”

“I go and see him most weeks now. Everybody should know about what they do – I recommend them to everyone.”
Real life story 2

Registered Social Landlord: North Devon Homes

“People on benefits with their feet up watching Sky TV, living the life of Reilly...? It’s a myth. Some of our customers have nothing. And they’re easy prey to the doorstep lenders who suck money out of the community. As a registered social landlord I don’t want to be hammering in the final nail with an eviction notice. I want to work with our partners and customer to build strong, sustainable communities.”

Martyn Gimber, chief executive of North Devon Homes (NDH), has some of the lowest rent arrears, fewest court appearances and lowest eviction rates of any social landlord in the country. Yet its tenants have the full quota of financial problems.

What’s his secret? Martyn says it boils down to three words - ‘homes, not houses’.

When he took over, Martyn recalls, 90% of company resources went on reactively chasing debt and pursuing eviction, and only 10% on prevention.

“I wanted to turn the model on its head, to spend our time on getting inside homes, meeting customers and forming partnerships with the voluntary and support sector so we could spot and head off problems early.”

Although the rents team had been proactive for a number of years customer service consultants Mary Gober were brought in to help change the culture internally across all departments. “It’s taught us to be proactive. We don’t just sit and wait for the phone to go.”

The results have been startling. Last year NDH had just two evictions – and one of those was where a tenant had abandoned their home. The other was re-housed the next day. That compares to 15-25 evictions formerly. Rent arrears stand at just 1.27%, down from 6%.
“Outreach work in rural areas is expensive. We might see two or three people a day, when you could see eight in a more urban area”

Apart from anything else, this all makes good business sense. It’s expensive to evict someone from their home. Martyn puts the cost at around £40,000 – more if children are involved. The true cost for young people affected by homelessness is incalculable.

The difference is that instead of rounds of reminder letters and a final court summons, NDH takes an altogether more proactive, and human, approach. Tenants are told, ‘if you lose your job or run into any other big problems, make sure your first call is to us’.

It could be the only call they need make. NDH has teamed up with a group of more than 20 partners, including homeless charity Barnstaple Poverty Action Group (BPAG), which offers addiction counselling as well as crisis accommodation; South West Pound, providing finance and budgeting advice and help claiming benefits; and the Citizens Advice Bureau. The partners are looking at joint procurement of training for each other’s staff in the problems their clients face.

That isn’t to say they’ll just take all your problems off your hands. “We try to increase people’s skills to deal with issues,” says Nick Dark, NDH rents team leader. “We don’t just scoop up all their paperwork and sort it out back at the office. We sit down and make the calls with them, so they see the impact of starting a dialogue.”

So how does it work in practice?

Linda Fast is one of two rent officers. Once a tenant is two weeks late with their rent, she’ll pick up the phone. The quality of that first call, the extent to which she inspires trust and asks the right questions, is critical.

Linda’s life experience helps. A qualified nursery nurse, she worked at a school for kids with autism before an injury left her unable to work. “You had to think for them, do risk assessments all the time. But I also know what it’s like to cope alone with children, to be out of work and on benefits. I can empathise. Most of all I really believe in what I’m doing – I’ve seen it work.”

She looks for signs that things have got out of hand. Is there a drinking problem, or ill health? Perhaps a scratch-card addiction. “Rent arrears is a symptom – we want to know what sits behind it,” she says.

Small events can trigger major upheaval. When a local caravan site (and relatively big rural employer) stopped paying by the hour and moved to a per-caravan-cleaned working tax credits and housing benefits were all affected. In rural areas this is especially problematic when you take into account the high level of seasonal work.

“This isn’t some credit crunch phenomenon,” says Phil Davey of BPAG. “People have been teetering on the brink for years, and things like this pull the tattered rug from under them.”

Some tenants pay NDH rent a month in arrears. Linda encourages people to pay a little more each week if they can, so they’re gradually
in credit. NDH also partners with the local credit union, since banks and tenants view each other with equal distrust.

She’ll recommend South West Pound where she thinks they could benefit from budgeting advice, and forwards more serious cases to Phil at BPAG.

“It takes a while to build up that sort of trust,” says Steve Opie from South West Pound. “At least two or three years.”

It frustrates him that large organisations parachute people into North Devon for a year, then leave without trace once the funding’s gone. They don’t understand the peculiar problems of dealing with rural communities. “Outreach work in rural areas is expensive. We might see two or three people a day, when you could see eight in a more urban area.”

The village of Bratton Fleming, an eight mile, £5 return bus trip from Barnstaple, is a good example of rural financial exclusion. When it lost its post office there was no facility to pay council tax or top up utility meters. To buy more electricity villagers had to catch an infrequent bus to town. It was North Devon Homes, who pushed to get PayPoint into the village shop.

“At the beginning we probably messed up more often than we got it right,” says Martyn deprecatingly. “We’re always learning. But it’s now hard to imagine working any other way.”

He brings a welcome long-term view and stability to a precarious world of short-term funding. “I’m interested in what’s it going to feel like here in 30 years’ time – ‘feel’, not just look like. As for the short term, I’m not interested in organisational turf wars. If the customer gets a good service, who cares who does it?”

3. How can financial inclusion improve people’s lives?
Andy’s story
An ex-Army man, Andy knows how to look after himself. Or so he thought.

It wasn’t until he found himself back on Civie Street that he realised the Army in fact takes care of a lot of day-to-day stuff, while your home is run by your wife in your absence. Andy didn’t have the necessary life skills – it’s no surprise one in four rough sleepers are ex-Army.

Andy got a driving job, but was made redundant and quickly fell into rent arrears of £1,200, had £350 housing benefit overpayment and council tax owing. His relationship was, unsurprisingly, feeling the strain. A court case for eviction was looming.

Nick Dark, NDH rents team leader, made the uncomfortable call and got an ‘earful’ from an agitated Andy. But talking afterwards with colleague Linda, whose husband is ex-Forces, both had the same idea – try the British Legion.

“When I called to ask if they could help, it was like Churchill’s Dog – ‘Oh Yes!’” recalls Nick. Within four weeks the money, in three cheques, had arrived at North Devon Home’s offices.

That next call was one Nick will always remember. So will Andy:
“When Mr Dark (Andy retains the Army formality) said he had a cheque in front of him for the arrears, all sorted, I couldn’t believe it. Then when he said he had a second, and a third cheque – he spun it out, to be fair – I was literally crying down the phone.”

“I gave them a hard time when they called about the rent – I was at breaking point, decided the wife and kids would be better off without me. I couldn’t believe they’d go to so much trouble for me after that.”

Today, things are still tight but manageable. Andy volunteers with a cycle club where he lives, one of several peer group clubs encouraged by North Devon Homes. His son has joined too.

“It isn’t just me that’s come through this. The boy’s attitude’s gone up,” says Andy. “I was born here, lived here all my life. You see the effect debt has, how it affects a whole community.”
Real life story 3

Mobile Post Office – Yorkshire

Postman Jeff and his black and white stuffed cat, an ironic present from his colleagues, is on his picturesque round of the villages north of York.

Jeff Simpson was one of the first in the county to take delivery of a mobile Post Office van, introduced in the wake of the closures which has seen England lose more than a fifth of its rural Post Office network.

Today he’s as welcome a sight to villagers as his fictional prototype, but it was not always like that.

“People were very unhappy,” he says. “They didn’t just lose a Post Office, but a social hub and a financial lifeline.”

While most of us can withdraw cash in a couple of minutes as we pass the ATM, if you live in Slingsby, Terrington, Allerston or any of the six Yorkshire villages on Jeff’s mobile post office round, allow a couple of hours. More if you happen to be too poor, ill or elderly to drive a car, as the nearest hole-in-the-wall is at least eight miles away.

By the time you’ve paid your bus fare and had a coffee while you kick your heels in town waiting for the one and only return bus, there won’t be much of that cash left.

Jeff doesn’t have an ATM on board, but he can dispense up to £600 per person per day in pension, benefits or tax credit money on their Post Office Card Accounts. That facility is as important to them as it is to the village shopkeeper, who depends on locals spending some of their pension or benefit with him.

Of course, as far as many customers are concerned, what the Post Office is giving with one hand it’s already taken away with the other. As an active trade unionist who has spent 37 years with the Post
Office, latterly on the sub-postmasters’ executive council, Jeff was opposed to the closures. But he jumped at the chance to plug the gap when the inevitable happened.

“Four of the postmasters and mistresses in the six villages I visit were quite happy to go I think. One was nearly 80. She didn’t want to pack it in, as she felt she’d be letting down the village. In a way she was quite relieved to have the decision taken out of her hands,” he says.

Jeff’s day started at 8.30am in Nunnington. It’s now 9.30am and we’re at his second stop, Slingsby, opposite the Grapes public house. Ten yards down the road would be no good, as the mobile signal is so poor in these parts, but here is perfect.

Jeff will be here for an hour and a half. It takes a matter of minutes to set up and he’s ready for business.

This is Brideshead country, and true to form his first customer is clutching a teddy bear. Its owner introduces the bear to Jess the cat, while her grannie posts some books. Service is fast and friendly, the child not lost below the counter but part of the experience.

What immediately strikes the first-time user is what a pleasant experience it is – and not the second-rate substitute one might expect. There’s a unique intimacy about the transaction, something to do with the enclosed space perhaps. No screens, no queues, no automated voices: just a specially-fitted counter and Jeff’s smiling face. And the cat of course. “He gets more attention than I do,” says Jeff ruefully.

It’s not perfect. While none of the elderly customers complain about the two steep steps up into the back of the van, they are not ideal. Jeff turns it into a customer service opportunity, and offers his arm down. There is a lift, meeting the requirements of the Disability Discrimination Act, but he has never needed to use it – motorised buggies have largely replaced wheelchairs here.

There’s also an audio frequency induction loop. Terry demonstrates it, an unobtrusive device that he places between himself and a customer, and sounds are transmitted at a higher, more audible frequency. He hasn’t actually used it for real, but it’s there if needed.

Revenue is 20% up since he started in May 2008, and business continues to build. “It takes a while to gain people’s trust, for word to get round.”

Terry says people outside these communities don’t understand the importance of the pub, the shop, the Post Office in a village, and the social service they provide. “But I can’t see city dwellers happily forking out for it from their taxes,” he concedes.

An elderly lady buys two savings stamps, towards a bill. It saves trailing over to Helmsley, she says. Customers can buy savings stamps to help spread the cost of their water, gas and electricity bills, and pay their council tax the same way.
“It’s a more expensive way of doing it,” says Jeff. “But they don’t have a choice. The less money you have, the more expensive it is. If you can’t afford to pay your bills regularly you have to have a card. Prepay meters are much more expensive.”

Next stop is Terrington, beside The Bay Horse Inn. He used to park outside the local shop (and former post office) but there were a few ‘accidents’ involving cut cables.

“Some people took the closures harder than others,” explains Jeff philosophically.

A woman comes in to buy premium bonds for her brother. Jeff volunteers to fill out the form himself (it can be easier and quicker in the long run). The next customer drives the minibus for the local school, and he’s stopped by to pick up his mum’s pension. “There’s a bus to Malton at 10.30, but it’s unreliable,” he says. “My mother is 90, and the bus had gone when she got here at 10.25. Another time she was waiting half an hour in the rain. I have to drive her into town myself, so this saves a lot of time.”

Terry says in the days of pension books he knew everyone’s names because they were on the books. Now, with the chip and pin cards, it’s not the same. Nevertheless Jeff seems to know everybody. The card gets topped up automatically, and some customers don’t withdraw it all at once but use it as a savings account.

There’s room inside the van to carry sweets, cards and other items, but Jeff doesn’t stock them. “Four of the villages have no shop, but I don’t want to take business from those who do,” he explains.

Jeff is self-employed. The PO provides the van and stock, he supplies public liability insurance and staff. The PO pays him for every village visited per day and for every hour he’s there. He’s only lost one day’s business in the year he’s been on the road, making it through snow and ice during the coldest winter in years.

“I can’t let my customers down,” he says simply. “This job is about helping people, they’d be stranded without me. The postmaster would automatically know if someone is ill, would visit people and take their pensions. A lot of people, especially the elderly, would be lost without this service.”

Joyce’s story
There’s a first time for everything.

Now eighty-something, Joyce notched up three firsts in her seventies. At 73 she passed her driving test; at 75 she got cancer; and at 79 she went abroad.

There’s no question which has had the bigger impact. “Abroad’s fine, but I wouldn’t bother with it again. I don’t know what all the fuss is about,” she says. “Besides, insurance is so expensive once you’ve had cancer.”
The car, on the other hand, has changed her life. Joyce lives in the village of Terrington, close enough to York and Leeds to spike property prices beyond the reach of all but the wealthier commuters yet far enough away to make it a picturesque prison for those who, unlike Joyce, are carless.

There’s a bus to York, 15 miles to the south – but only once a week. "You can get a bus to Malton, which is the nearest place, once a day," she adds, "but you never know when it’s going to be there. And there’s only one back, so you’ve got to make a day of it."

Not that she uses her car for such excursions. Every Tuesday she picks up her disabled friend and they drive down to the Bay Horse pub, a mile or two to what might loosely be described as the village centre, where Jeff parks his mobile Post Office van from 11 am to 12.30, and they collect her pension. Each Thursday she makes the same trip to collect her own.

Jeff asks about a regular customer who hadn’t come in to pick up her pension; Joyce says she’s been ill but would see if she wanted it collecting. Often there’s nobody else worrying about whether elderly people living alone are OK.

Joyce heads off to the village shop to pick up some provisions. Without the mobile PO and the cash it provides, there’d be a lot less money to spend there.

“You’re not taking my picture are you? I haven’t washed my hair. Be off with you!”
Real life story 4

Credit Unions – Norfolk

Ted’s taxis in Diss, rural Norfolk, has seen a 50% drop in business since the credit crunch.

“The old ladies used to come into town for their hairdos once a week, now it’s once a month,” says one driver. “They combine it all in one trip. It might be the one time they see or talk to anyone - I used to do a lot of social work.”

Eleven miles – an £18 taxi ride away – at Long Stratton, it’s a different story. Business is booming for the Norfolk Credit Union (NCU).

“We’re seeing exponential growth – doubling and doubling again,” says Alan Squirrell, an ex-engineer and Shell executive who now helps to run it.

Unemployment and life’s unpredictable events have encouraged more than 600 members to the Credit Union’s open door.

In many cases it’s the only door that hasn’t been firmly shut on them. Banks have tightened lending criteria and aren’t prepared to do the paperwork for small loans anymore.

The Credit Union, on the other hand, lends sums as small as £40. The average is around £400. Payment can be rescheduled where necessary – there’s no charge. Or a payment holiday arranged – again, no charge.

The interest rate, usually between 1 and 2% per month, compares favourably to the doorstep lenders’ high 186% APR. “Then there’s the illegals,” says Alan. “They might do you a deal at 2000% - and sell you into prostitution if you don’t pay up.”
3. How can financial inclusion improve people’s lives?

Sounds far-fetched? “This is another side of rural life to the one people see. It opened my eyes,” says Alan, whose previous life managing men on a North Sea oil rig little prepared him for the sometimes harrowing emotional side of his volunteer activity.

Alan himself lives in a village that regularly gets nominated for Community of the Year. Unfazed by rural isolation, they make up for the lack of a pub by brewing their own beer and cider and holding ‘pub’ nights and interest clubs and events in the village hall.

He takes these strong community ideals and belief in co-operative effort into his job. The key, he says, is partnership – with the county, district, town and parish councils; housing associations; the CAB; and any other social enterprise that looks a good fit.

The NCU describes itself as a ‘maverick’ among credit unions. The traditional model is a small, community-based, grant-reliant organisation, staffed by volunteers in a high density area of financial exclusion.

The new and improved credit unions now emerging are bigger and better able to square up to the doorstep lenders, with more paid staff, but are less firmly anchored in the communities they serve.

The NCU blends both, using volunteers to keep costs (and therefore loan rates) down, branding local offices as community banks, and partnering with other organisations to extend its scale and rural reach.

“Like many rural organisations, we’ve suffered from the perception that density of deprivation, not overall numbers, is the measure that matters,” says Alan. “But while we’ve got as many financially excluded as some large urban areas, they’re not concentrated in dense pockets, which makes servicing them more challenging and expensive.”

One way the NCU is getting around the problem is by recruiting volunteer village representatives working from home, CAB offices, church halls or parish council offices, who help with form filling and checking identification documents.

As well as providing immediate loans, NCU runs a rent advance scheme for a district council, raising repayment rates from “well under 50%” to over 80%, and cheap loans for housing association tenants.

The union also offers a range of savings products, including instant access and lock-in, a young savers account and a salary deduction savings scheme for staff of partner organisations.

More than 200 staff from partner organisations have been trained by the NCU, so they are better able to spot the signs of money laundering, know how to fill out the forms and how not to give financial advice.

The NCU is working with more than a dozen housing associations, who benefit from stronger tenant involvement and lower rent arrears while the NCU gains income from loans and an opportunity to promote itself.
Defaults have fallen dramatically. “They know the money has come from others in their own community. I think that makes a big difference,” suggests Alan. “Also the fact that we’re volunteers, people just trying to help. If they don’t trust us, they can come to our AGM and vote us off – we’re owned and run by and for our members.”

The NCU has formed seven offices, which it is rebranding as Community Banks, with another eleven in progress and a total of 35 planned.

Support comes from South Norfolk Council, in whose offices the NCU is based. Funding from Tudor Trust, an independent funder originally linked to construction company George Wimpey, pays for an office manager; Broadland District Council contributes to the administration of the rent advance scheme; a Norfolk Community Foundation grant funds the setting up of local offices in North Norfolk while a grant from Broadland Community Partnerships does the same for Broadland. Everything else is DIY.

“The support of the council has been invaluable, not just for the premises but the support of council staff, many of whom have become members,” says Alan.

Maverick or not, the model works. In 2009 the NCU paid a dividend (not interest) of 3% to members, who must either live or work in Norfolk.

Membership doubled last year, savings rose 18% and loan activity was up 240%, thanks to a DWP Growth Fund contract, a service level agreement with the council to provide rent advances and with housing associations to offer tenant loans.

Future plans include launching a current account, child trust funds and ISAs, and to service housing associations beyond the county line.
Echoes of the final scene in Orwell’s Animal Farm, as credit unions morph into banks...

“No,” says Alan, “we’re doing what banks used to do, before they became insurers and investors.”

“Long before the credit crunch, banks lost touch with, and interest in, the people it used to serve. Local branches closed, free ATMs were withdrawn, because there aren’t the numbers in rural communities. Emergency loans of less than £1,000 aren’t worth the paperwork,” he says, leaving communities prey to the high cost doorstep lenders.

“We will continue to offer loans to locals at old-style prices, using money deposited by their neighbours. Money stays in the community, vulnerable people are sheltered from loan sharks, and the default rates speak for themselves.”

Emily’s story

Like many people, Emily had never heard of credit unions before her job at a social housing group brought her into contact with the NCU. The name itself was suspect – ‘credit’ and ‘unions’ both had negative connotations for her.

But as customer involvement manager, she saw how generations of families were in hock to the doorstep lenders and she became a champion of the special tenants loan scheme run by the Norfolk Credit Union.

“It’s self-help, not a government hand-out. It makes the community stronger and stops money being leached outside,” she says.

She also supports the saving schemes – by investing herself, using the credit union’s salary sacrifice scheme for staff in partner organisations to put money aside for her honeymoon.

“I trust the credit union,” she says. “I feel safe with them.”
Real life story 5

Telly Talk in Shropshire

The Silicon Valley of its day, Shropshire became the birthplace of the industrial revolution when Abraham Darby commissioned the first cast iron bridge, near Shrewsbury, over 200 years ago.

Today, thanks to Shropshire Council and EU funding, the county is in the vanguard of a new digital revolution, building bridges between town and country with technology it calls Telly Talk.

Telly Talk is a web-based way to access advice and council services, with the added reassurance of face-to-face contact, albeit virtual. It’s bringing debt advice, employment support and other statutory services to people in rural communities (which, at 74%, is the majority of people in Shropshire) and saves service deliverers on the cost of outreach.

The technology has been installed in 11 village locations, including a post office, a museum and a library around the county. In Ruyton it’s the village hall.

Seeing it in situ is a surreal experience. Every Friday, space normally reserved for WI jam sales, gardening club meetings and a dozen other decidedly low tech activities, is transformed into a bank of laptops – the fruits of an earlier EU-funded initiative by the council to jump-start demand for broadband.

Go through to the kitchen and you find the Telly Talk kit - two screens, a webcam, digital camera, scanner and electronic signature pad.

It may sound bafflingly techy, but it isn’t. The really smart thing about Telly Talk is that the user doesn’t need to know a thing about computers to use it.

All you do is touch one of the screens to get hold of the service you want – as well as the council, Citizens Advice Bureau (CAB), Age Concern and a local housing association have signed up – and you’re put through to an advisor, whose face appears on the other screen. They will have been expecting your call, which you need to pre-book to ensure that someone will be available to talk and you are not kept waiting.

Applying for a Blue Badge on Telly Talk in Ruyton’s village hall saves a 12 mile journey to the nearest council offices. The face you see will be Nathan Hoare, or one of his colleagues in Shropshire Council’s customer services team, who talks you through the procedure.

He’ll ask you to put your ID or eligibility document on the scanner, which he operates remotely, and you’ll both see it on screen (you can both look at web pages too, if you need to). Next you stare into the digital camera mounted above the screens and smile, while Nathan takes the shot. You’ll both see the result, and can choose to re-take if you’re not happy.

And that’s it. The card’s in the post.
Nathan, who is usually telephone-based says: “I like the eye-contact, it’s easier for me as a customer services provider to see whether someone understands and is happy with the service we’re providing. And it helps the relationship to be able to put a face to a name. It’s mostly over-60s who use it, applying for concessionary bus passes or a Blue Badge. I’ve helped one customer who was 95. It takes 10 minutes to walk into the local library, where he could have been dropping off books anyway, use the Telly Talk and get his bus pass. Some sites are open Saturday morning too."

The rural nature of Shropshire means that it is important the council supports sparse and sometimes isolated communities. A driving force behind the Telly Talk initiative has been Shropshire Council’s Flavia Humphreys.

Flavia was part of a team that helped Shropshire win EU funding to launch Switch on Shropshire and set up 35 Broadplaces (community ICT facilities) across the county. It made sense for Telly Talk to co-locate with Broadplaces, and many of the 400 volunteers now support both projects.

Her work to get partners such as Severnside Housing Association and CAB on board, including agreeing a confidentiality agreement everyone could live with, has helped catalyse partnership working right across the council.

The Council is currently on a drive to increase the number of people taking up the opportunity to use Telly Talk. It wants to increase the number from 120 people who have used the service during the past six months.

“It’s proving a challenge to convince people that it’s not scary,” says Flavia. “The moment you say it involves a computer, some people turn off. It’s complex, and there’s no precedent for what we’re doing.” “But there’s huge potential,” enthuses Flavia. “Take planning applications. You could scan drawings to show the building control officer online. And it’s ideal for Jobcentre Plus back-to-work interviews, especially for lone parents who find organising travel and childcare to attend a bit of a trauma.” She also says that those people who have taken up the opportunity have all praised the service for its user-friendliness and efficiency.

Liz Warren, who runs the CAB in Shropshire and Alan Dean, Customer Services Manager of Severnside Housing Association, both sing Telly Talk’s praises.

Liz reckons it could save her organisation up to a day a week in her advisors’ travel time, as well as travel expenses, which would allow them to see more clients. This could make a big difference given more and more people are asking for debt advice.

As of yet, her clients have not got into the habit of using it. This may in part be down to where Telly Talk is located. “CAB needs machines in quiet, confidential areas. You don’t want to have to talk to the village caretaker to open up the hall if you need urgent advice. You don’t want everybody second-guessing your business.”
Alan Dean agrees the key thing is where the kit is sited. Severnside Housing has 5,500 properties within a 21 mile radius of Shrewsbury, and believes it could really take off if based in one of his estates.

“People with learning difficulties can get help to complete forms, as they don’t have to type anything, or if they’ve had a letter they don’t understand they can put it on the scanner and we can talk it through with them,” he says.

As well as saving time, money and inconvenience, both Liz and Alan point out useful health and safety benefits for lone workers doing home visits, especially in bad weather, not to mention the carbon savings.

“I think we’re ahead of our clients,” says Liz. “But I see it as the future.”

Back in Ruyton (or Ruyton X1 Towns, to give it its proper name, from a time when it was one of 11 settlements based around a 12th century castle) volunteers Les Foster, the parish priest and Colin Case remain enthusiastic.

“Broadplaces and Telly Talk have changed the way people look at their community,” they say. “We’ve lost two of our three pubs in the last couple of years, and this has become a place for people to come, talk about anything, have a cheap lunch – save time and money on getting advice. The Council has been magnificent, they’ve really embraced it.”

Just as Abraham’s Darby’s iron bridge heralded the industrial age and transformed the lives of the local population, Telly Talk is at the cutting edge of the digital revolution, changing the way rural communities access the services they need.
Understanding the scale and depth of rural financial exclusion

To fix a problem first you need to understand it. Tackling financial exclusion is no different. An effective response needs to target people most at risk of financial exclusion and those already experiencing its impact. For this to happen financial inclusion policy makers and programmers need to know who needs help, where they live and what specific challenges they are facing. This chapter looks at the scale and depth of financial exclusion in rural areas and aims to answer these questions. Specifically it looks at:

1. Where is rural financial exclusion?
2. Who is financially excluded?
3. Access to financial services
4. Access to debt services
5. Access to affordable credit

1. Where is rural financial exclusion?

The Treasury has worked with Experian, a leading credit reference agency, to map the scale and depth of financial exclusion across the United Kingdom. To do this they used a combination of existing data sources to create a profile of individuals at high risk of financial exclusion. Individuals who shared the profile characteristics were identified at the household level. Household data was then scaled up to 2001 census ward area, which was ranked by their prevalence of financially excluded households. See figure 1.1 for breakdown of financial inclusion variables.

The Treasury’s ward level analysis shows that while some of the most financially excluded wards are in rural areas¹ (figures 1.2 and 1.3), a greater number are in urban areas.

¹ Ward level analysis identifies the following rural districts with high levels of financial exclusion: Caradon, Carrick, Kerrier, North Cornwall, Penwith, Restormel, East Devon, Exeter, Mid Devon, South Hams, Tegnbridge, Torbay, Torridge, West Devon, Breckland, Broadland, Great Yarmouth, King’s Lynn and West Norfolk, North Norfolk, Norwich, South Norfolk, Suffolk and Waveney.

Rural Money Matters: A support guide to rural financial inclusion
### Figure 1.1 Financial inclusion variables, 2007/08

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<tr>
<th>Category</th>
<th>Variable</th>
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<tbody>
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<td>FSS and mosaic factors</td>
<td>FSS factor - credit commitment</td>
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</tr>
<tr>
<td></td>
<td>FSS factor - financial instability</td>
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<tr>
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<td>FSS factor - income security</td>
<td>2</td>
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<tr>
<td></td>
<td>Mosaic UK factor - wealth to poverty</td>
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<td>UKCDD</td>
<td>HH Income &lt;£10000</td>
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<td></td>
<td>HH Income £10000 - £14999</td>
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<td>FSA financial capability survey</td>
<td>Has no bank account (FSA)</td>
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<td></td>
<td>Problems with bills</td>
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<td></td>
<td>Rarely or never have any money at the end of the month</td>
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</tr>
<tr>
<td></td>
<td>Recieve income support</td>
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</tr>
<tr>
<td></td>
<td>Take out a loan - meet unexpected expense</td>
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</tr>
<tr>
<td></td>
<td>Use unauthorised overdraft - meet unexpected expense</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Would not be able to meet - meet an unexpected expense</td>
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</tr>
<tr>
<td>Fuel poverty</td>
<td>Households top 15 percent</td>
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</tr>
<tr>
<td>Store / customer profiles</td>
<td>Post Office</td>
<td>1</td>
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<tr>
<td>FSS household level</td>
<td>D11 - Child raising challenge</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>D12 - Poor prospects</td>
<td>1</td>
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<tr>
<td></td>
<td>K38 - Seasoned state reliance</td>
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<tr>
<td></td>
<td>M43 - Old-fashioned prudence</td>
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<td>M44 - Shoestring seniors</td>
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<td>M45 - Pensioners in need</td>
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<td>F39 Digified dependence</td>
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<td></td>
<td>F40 Sharing a staircase</td>
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<td>I48 Old people in flats</td>
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<td>TGI</td>
<td>No contents insurance</td>
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</tbody>
</table>

Figure 1.2
Wards colour-coded to show relative levels of financial exclusion, 2007/08

Figure 1.3
Wards in Shropshire colour coded to show relative levels of financial exclusion, 2007/08

F.E. Decile
1 - High
2
3
4
5
6
7
8
9
10 - Low

Figure 1.4
Proportion of wards by financial exclusion deciles and urban/rural classification

<table>
<thead>
<tr>
<th>Area definition</th>
<th>High FE</th>
<th>Low FE</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Decile 1</td>
<td>Decile 2</td>
</tr>
<tr>
<td>Village, hamlet and isolated dwellings</td>
<td>1.6%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Town and fringe</td>
<td>3.7%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Urban &gt;10K</td>
<td>14.4%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Village, hamlet and isolated dwellings</td>
<td>0.0%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Town and fringe</td>
<td>2.8%</td>
<td>9.9%</td>
</tr>
<tr>
<td>Urban &gt;10K</td>
<td>10.5%</td>
<td>13.2%</td>
</tr>
<tr>
<td>Rural</td>
<td>1.6%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Urban &gt;10K</td>
<td>14.4%</td>
<td>13.9%</td>
</tr>
</tbody>
</table>

Source: Experian Limited

A decile is any of the 9 values that divide the sorted data into 10 equal parts, so that each part represents 1/10th of the sample or population. For example the 1st decile cuts off lowest 10% of data, i.e. the 10th percentile.

Figure 1.5
Proportion of wards by financial exclusion deciles and broad rural/urban definition, 2007/08

Source: Experian Limited
This could in part be explained by the fact there are overall significantly more urban wards than there are rural. However, it is also true that a greater proportion, 41.9%, of urban wards are amongst the most financially excluded (i.e. those wards classified as being in the top 30% of financial exclusion) compared to 7.3% of rural wards (see Figures 1.4 and 1.5).

Looking at the Treasury’s data at ward level, financial exclusion is clearly more prevalent in urban areas. However, Census Area Statistics (CAS) wards are made up on average of 2,500 households. While such a high level analysis may relatively accurately pick up larger clusters of financial exclusion in urban areas this ward level analysis fails to identify the smaller pockets of financial exclusion typical in rural areas. This is to say a relatively small number of households experiencing extreme financial exclusion are likely to be missed (due to averaging), when looked at within an overall more financially included population. By presenting the same Treasury data at Output Area (OA) level (on average 125 households) it is possible to identify some of these smaller pockets of rural financial exclusion.

For example, whereas the ward level analysis reveals 7.3% of rural wards have high levels of financial exclusion this increases to 10.9% of all rural Output Areas. This is the equivalent of an additional 380,000 people. (See Figures 1.4 and 1.6). Similarly, the proportion of rural Output Areas in the most financially excluded deciles also increases when analysed at Output Area compared to ward level (Figures 1.5 and 1.7). This means smaller pockets of financial exclusion in rural areas are unlikely to be identified by financial inclusion policy makers and programmers using large scale spatial analysis. As a result people living in these rural areas are less likely to receive the financial support and guidance they need.
4. Understanding the scale and depth of rural financial exclusion

**Figure 1.6**
Proportion of output areas by financial exclusion deciles and rural/urban definition, 2007/08

<table>
<thead>
<tr>
<th>Area definition</th>
<th>Decile 1</th>
<th>Decile 2</th>
<th>Decile 3</th>
<th>Decile 4</th>
<th>Decile 5</th>
<th>Decile 6</th>
<th>Decile 7</th>
<th>Decile 8</th>
<th>Decile 9</th>
<th>Decile 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less sparse</td>
<td>0.7%</td>
<td>1.0%</td>
<td>2.3%</td>
<td>3.2%</td>
<td>4.0%</td>
<td>6.3%</td>
<td>11.1%</td>
<td>18.7%</td>
<td>27.7%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Village, hamlet and isolated dwellings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Town and fringe</td>
<td>4.4%</td>
<td>5.8%</td>
<td>8.4%</td>
<td>9.8%</td>
<td>10.2%</td>
<td>13.6%</td>
<td>16.2%</td>
<td>14.9%</td>
<td>11.9%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Urban &gt;10K</td>
<td>13.8%</td>
<td>10.6%</td>
<td>11.5%</td>
<td>11.5%</td>
<td>10.9%</td>
<td>10.7%</td>
<td>10.4%</td>
<td>9.2%</td>
<td>7.1%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Sparse</td>
<td>0.3%</td>
<td>1.4%</td>
<td>2.0%</td>
<td>2.4%</td>
<td>3.9%</td>
<td>9.0%</td>
<td>19.0%</td>
<td>29.4%</td>
<td>23.9%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Village, hamlet and isolated dwellings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Town and fringe</td>
<td>4.5%</td>
<td>7.4%</td>
<td>14.4%</td>
<td>13.5%</td>
<td>12.0%</td>
<td>15.3%</td>
<td>16.5%</td>
<td>11.6%</td>
<td>4.3%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Urban &gt;10K</td>
<td>7.1%</td>
<td>9.1%</td>
<td>15.9%</td>
<td>18.1%</td>
<td>14.8%</td>
<td>13.5%</td>
<td>10.4%</td>
<td>7.7%</td>
<td>2.5%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Rural</td>
<td>2.4%</td>
<td>3.3%</td>
<td>5.2%</td>
<td>6.2%</td>
<td>6.9%</td>
<td>9.8%</td>
<td>13.8%</td>
<td>17.3%</td>
<td>20.1%</td>
<td>14.9%</td>
</tr>
<tr>
<td>Urban &gt;10K</td>
<td>13.7%</td>
<td>10.6%</td>
<td>11.5%</td>
<td>11.5%</td>
<td>10.9%</td>
<td>10.7%</td>
<td>10.4%</td>
<td>9.2%</td>
<td>7.1%</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

Source: Experian Limited

Mapping this Output Area analysis of financial exclusion reveals relatively high levels of financial exclusion in predominantly rural areas, such as the South West and East of England. (see figures 1.8, 1.9 and 1.10).
Figure 1.8
Output areas colour-coded to show relative levels of financial exclusion, 2007/08

F.E. Decile
1 - High
2
3
4
5
6
7
8
9
10 - Low

Figure 1.9
Output areas in Norfolk colour coded to show relative levels of financial exclusion, 2007/08


Figure 1.10
Output areas in Cornwall colour coded to show relative levels of financial exclusion, 2007/08

2. Who is financially excluded?

Traditionally people living on low incomes have been most likely to be affected by financial exclusion. The lowest levels of full-time weekly pay\(^3\) are found in peripheral rural local authorities. In 2008 median weekly pay for England was £484.40 \(^4\). The local authorities with the lowest median weekly pay were Berwick-upon-Tweed, Northumberland (£321.40) and North Devon (£351.00). In 2008, 24 of the 50 English local authority districts with the lowest resident weekly earnings were rural.

Different groups are vulnerable to financial exclusion in different ways. For example:

- benefit recipients, social renters and the unemployed are more likely to be ‘unbanked’ (without any form of transactional bank account) and have no savings;
- older people are more likely to be ‘underbanked’ (have a bank account but do not use it regularly to manage their money) and have no access to credit;
- benefit recipients and the unemployed are more likely to need money management advice; and
- those in social housing are less likely to have home contents insurance\(^5\).

As a result of the recession new groups are now at risk of financial exclusion. In rural England between July 2008 and March 2009 the level of redundancies increased by 157 percent from 18,347 to 47,093 (Figure 2.1). This is substantially greater than in urban areas, where it increased by 75 percent. Similarly, rural unemployment has increased by 23.5 percent over the same period compared to 13.6 percent in urban areas. The combination of rising unemployment and a falling housing market is creating a fundamental shift in the nature of the UK’s debt problems. People seeking debt advice are increasingly likely to be the more affluent and homeowners. Furthermore, self-employed people and small business owners are becoming vulnerable due to increasing personal debt or the loss of their business.

In rural areas issues of physical access and mobility can also make people without private transport, older people and those with disabilities particularly vulnerable to financial exclusion.

---

\(^3\) Not seasonally adjusted

\(^4\) Annual Survey of Hours and Earnings, 2008. ONS (Resident based analysis)

### Redundancies

<table>
<thead>
<tr>
<th></th>
<th>July to September 2008</th>
<th>October to December 2008</th>
<th>January to March 2009</th>
<th>% change JS08- JM09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Urban</td>
<td>Rural</td>
<td>Urban</td>
</tr>
<tr>
<td>Made redundant</td>
<td>18,347</td>
<td>118,446</td>
<td>37,842</td>
<td>188,046</td>
</tr>
</tbody>
</table>

### Economic activity

<table>
<thead>
<tr>
<th></th>
<th>July to September 2008</th>
<th>October to December 2008</th>
<th>January to March 2009</th>
<th>% change JS08- JM09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Urban</td>
<td>Rural</td>
<td>Urban</td>
</tr>
<tr>
<td>ILO unemployed</td>
<td>193,946</td>
<td>1,462,211</td>
<td>201,148</td>
<td>1,477,289</td>
</tr>
<tr>
<td>Inactive</td>
<td>2,975,438</td>
<td>11,706,173</td>
<td>2,965,649</td>
<td>11,822,031</td>
</tr>
</tbody>
</table>

### Type of temporary employment

<table>
<thead>
<tr>
<th></th>
<th>July to September 2008</th>
<th>October to December 2008</th>
<th>January to March 2009</th>
<th>% change JS08- JM09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rural</td>
<td>Urban</td>
<td>Rural</td>
<td>Urban</td>
</tr>
<tr>
<td>Agency temping</td>
<td>17,547</td>
<td>181,762</td>
<td>27,039</td>
<td>199,701</td>
</tr>
<tr>
<td>Casual work</td>
<td>61,708</td>
<td>208,541</td>
<td>52,623</td>
<td>215,719</td>
</tr>
<tr>
<td>Contract for fixed period/ fixed task</td>
<td>89,020</td>
<td>387,373</td>
<td>93,171</td>
<td>412,157</td>
</tr>
<tr>
<td>Seasonal work</td>
<td>32,216</td>
<td>78,538</td>
<td>17,653</td>
<td>63,229</td>
</tr>
</tbody>
</table>


Notes:

(i) Estimates are based on small sample sizes and are therefore subject to a margin of uncertainty. They should therefore be treated with caution.

(ii) Approximate sampling variability based on a 95% confidence interval.

(iii) Applies to all respondents in employment other than those on college based scheme.

(iv) Estimates are not seasonally adjusted.

(v) ILO unemployed, defined as all those who were without a job at the time the survey was conducted and who were able to start work within the next fortnight and had actively looked for work in the last four weeks or had recently found a job and were waiting to start.
3. Access to financial services

Around 200,000 people living in rural England do not have access to a bank account of any kind. This is equivalent to 10 per cent of the total number of ‘unbanked’ (Figure 3.1). The number of mainstream banking facilities in rural areas is declining, with only one in eight banks and building societies in rural areas, despite the fact a fifth of the population live there. Figure 3.2 shows the decline of bank and building societies and other key financial service outlets in rural areas between 2000 and 2009.

Figure 3.1
Proportion of adults in unbanked households by rural/urban definition, 2006/07

- Hamlet and isolated dwellings: 1%
- Village: 3%
- Town and fringe: 5%
- Urban >10k: 90%

Figures may not total 100 percent due to rounding

Source: Family resource survey, DWP 2009

Figure 3.2
Count and change in number of services, 2000 to 2009

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cashpoints (all)</td>
<td>11,384</td>
<td>22,567</td>
<td>5,804</td>
<td>46,578</td>
<td>-5,580</td>
<td>24,011</td>
<td>-49%</td>
<td>106%</td>
</tr>
<tr>
<td>Cashpoints (free)</td>
<td>n/a</td>
<td>n/a</td>
<td>2,873</td>
<td>28,032</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Banks and Building Societies</td>
<td>1,661</td>
<td>10,962</td>
<td>1,456</td>
<td>9,597</td>
<td>-205</td>
<td>-1,365</td>
<td>-12%</td>
<td>-12%</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>844</td>
<td>4,837</td>
<td>1,033</td>
<td>5,069</td>
<td>189</td>
<td>232</td>
<td>22%</td>
<td>5%</td>
</tr>
<tr>
<td>Post Offices</td>
<td>5,152</td>
<td>8,386</td>
<td>4,000</td>
<td>5,108</td>
<td>-1,152</td>
<td>-3,278</td>
<td>-22%</td>
<td>-39%</td>
</tr>
</tbody>
</table>

Source: Commission for Rural Communities, 2009. Rural services series
Figure 3.3
Areas lacking key financial services, 2009

**Areas where no households are within:**
- 2 km of a Post Office, or
- 4 km of a Bank or Building Society, or
- 2 km of an ATM

- [Financial services ‘deserts’]

**Notes:**
1. This map is based upon the calculation of straight line distances between centres of postcodes and the nearest outlet of a particular service.
2. Calculations use service outlet data provided by: Post Office Ltd (Post Offices); Retail Locations (Bank and Building Societies); and Vocalink (ATMs) - it is not possible to identify specific service locations from this map.

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While there are proportionally fewer free-to-use cash points in rural areas compared to urban areas, there has been an increase in recent years. Encouragingly, this is likely to continue as the Post Office implements a programme to install up to 4,000 free-to-use cash points at Crown and sub-post offices across the country. Access to cash is also improving with more retailers offering ‘cash back’ with purchases paid for by debit card.

Despite the closure of 469 rural post offices in 2008, the Post Office Network continues to have extensive geographical coverage with more than 9,000 offices in England, over half of which are in rural locations. The Post Office has become an increasingly important means of addressing financial exclusion in rural areas. Over recent years Post Office Ltd has extended the range of financial services that branches can provide. This includes access to some current accounts (e.g. Barclays, Lloyds TSB, Alliance & Leicester) and 17 basic bank accounts, savings accounts from the Bank of Ireland and mortgages from Bristol & West.

However, the decline in the number of mainstream banking facilities, coupled with post office closures and low number of free to use cash points in rural areas has created financial service deserts\(^6\) in some rural areas (Figure 3.3). While there has been some change in the areas affected, with an increase in service provision in some and a decline in others, the overall population of these areas in 2009 is 249,895\(^7\).

### 4. Access to debt services

The Citizens Advice service is a leading provider of debt advice in the United Kingdom. During the financial year 2008/09, 1.89 million clients presented one or more debt issues to Citizens Advice Bureau (CAB). The Citizens Advice CASE data-base contains details of each debt case. For the period 2008/09 this included valid postcodes for 92% of clients who presented debt issues, representing 1.74 million issues.

The most common types of debt presented to CAB were credit / store / charge card debts and unsecured personal loans. These debts combined account for 35% of all debt issues. A little over half of all the debt issues presented to CAB concern consumer issues. 10% are mortgage or rent related, and a further 17% are other priority debts (such as council tax or fuel debts). Priority debts are those where the ultimate sanction for non-payment is loss of home, liberty, essential services such as fuel or loss of essential goods on hire purchase.

The number of debt issues presented to CAB increased 11% between 2007/08 and 2008/09. Some types of debt problems increased more sharply than others. The most significant increases were in mortgage and secured loan arrears (49% up on 2007/08), private bailiffs (25% increase), bankruptcy (24% increase) and maintenance and child support arrears (21% increase). When classified by the ONS rural/urban definition the distribution of debt issues presented to the CAB is: Urban 83%, Town/Fringe 9%, Village 5% and Hamlet 2% (Figure 4.1).
4. Understanding the scale and depth of rural financial exclusion

Figure 4.1
Distribution of summary issues presented to the Citizens Advice Bureau, 2008/09

<table>
<thead>
<tr>
<th>Summary category</th>
<th>Hamlet</th>
<th>Village</th>
<th>Town &amp; Fringe</th>
<th>Urban &gt;10K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent / Mortgage</td>
<td>2.0%</td>
<td>5.0%</td>
<td>9.0%</td>
<td>85.0%</td>
</tr>
<tr>
<td>Other Priority</td>
<td>2.0%</td>
<td>5.0%</td>
<td>8.0%</td>
<td>85.0%</td>
</tr>
<tr>
<td>Non-Priority (consumer)</td>
<td>2.0%</td>
<td>6.0%</td>
<td>10.0%</td>
<td>82.0%</td>
</tr>
<tr>
<td>Other Debt</td>
<td>2.0%</td>
<td>5.0%</td>
<td>9.0%</td>
<td>83.0%</td>
</tr>
</tbody>
</table>


Figure 4.2
Distribution of issues by rural/urban definition, 2008/09

<table>
<thead>
<tr>
<th>Issue type</th>
<th>Hamlet</th>
<th>Village</th>
<th>Town &amp; Fringe</th>
<th>Urban &gt;10K</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit, store &amp; charge card debts</td>
<td>23.0%</td>
<td>23.0%</td>
<td>21.0%</td>
<td>19.0%</td>
</tr>
<tr>
<td>Catalogue &amp; mail order debts</td>
<td>3.0%</td>
<td>4.0%</td>
<td>5.0%</td>
<td>5.0%</td>
</tr>
<tr>
<td>Bankruptcy</td>
<td>9.0%</td>
<td>9.0%</td>
<td>8.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>Hire purchase arrears</td>
<td>1.6%</td>
<td>1.2%</td>
<td>1.0%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>


The distribution of debts in these categories does not vary significantly when looked at by the urban/rural classification. However, some differences are apparent against specific types of debt or remedies for multiple debt, four areas of interest are shown in Figure 4.2.

Overall, rural areas have experienced a higher percentage increase in 13, out of a total of 25, different debt categories compared to urban areas (Figure 4.3).

These patterns of distribution may be explained by the nature of poverty and disadvantage in rural areas. Overall, there is less poverty in rural areas than in urban areas, and poverty is more dispersed. Research undertaken by Citizens Advice has found that catalogue and fuel debts are more likely to be associated with unemployment and low income, whereas credit card debts are associated with debt clients on higher incomes.

Credit, store and charge card debts account for 19% of all debts in urban areas, but this rises to 23% of all debts in the most rural areas. A possible reason for this, in addition to the issue outlined above, is that there is less choice of credit products for people in rural areas such as doorstep lenders and other forms of home credit. In contrast, credit cards can be obtained by applying online, by phone or by post.

Bankruptcy issues account for a higher proportion of problems in rural areas than in urban areas. CAB evidence also shows that people in rural areas experience different problems with bankruptcy compared to people in urban areas. They may have to travel longer distances to get to a county court which has bankruptcy jurisdiction.
Petitions need to be made in person and a court hearing is required in all cases. Courts with bankruptcy jurisdiction are usually large county courts in large towns or cities.

Regions with predominantly rural populations have experienced a sharp increase in the number of insolvency and bankruptcy petitions. Devon and Cornwall experienced a 38% increase in creditor bankruptcy and a 21% increase in debtor bankruptcy between the period October 2008 to March 2009 and the same period in 2007/08. This compares to -1% and -3% in London and 2% and 3% in Birmingham.

Hire purchase arrears appear to account for a higher proportion of all debt in the more rural areas. Hire purchase agreements are most often used to purchase cars and other vehicles. People in rural areas may have no other alternative but to buy a reliable car on hire purchase at high rates of interest as public transport is so poor.

Catalogue and mail order debts appear to account for a lower proportion of all debt in rural areas compared to urban areas. Catalogue and mail order debts are strongly associated with debt clients on low incomes. Although mail order may be a more convenient way for people in rural areas to buy goods rather than travelling to visit shops in a nearby town, many people buy goods on mail order via an agent rather than directly with the mail order or catalogue company. They then pay for the goods by making regular weekly payments to the agent. This method is likely to be more difficult to replicate in rural areas with dispersed populations than in tightly knit urban areas.

---

In 2008/09 CAB debt advisors experienced a higher increase in the proportion of debt cases from people living in rural areas compared to urban areas (Figure 4.4). This notably bucked a traditional trend of a lower number of debt cases reported during the last quarter of any calendar year. The largest increase, 53%, was seen in the most remote and sparse rural areas between January to March 2009.

### Figure 4.4
Change in debt advice by rural/urban definition, 2008/09

<table>
<thead>
<tr>
<th>Area definition</th>
<th>Q1 – Q2</th>
<th>Q2 – Q3</th>
<th>Q3 – Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percent</td>
<td>Number</td>
</tr>
<tr>
<td><strong>Less sparse</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hamlet</td>
<td>-235</td>
<td>-27.5%</td>
<td>25</td>
</tr>
<tr>
<td>Village</td>
<td>34</td>
<td>2.4%</td>
<td>294</td>
</tr>
<tr>
<td>Town &amp; Fringe</td>
<td>161</td>
<td>6.7%</td>
<td>19</td>
</tr>
<tr>
<td>Urban &gt; 10K</td>
<td>97</td>
<td>10.6%</td>
<td>37</td>
</tr>
<tr>
<td><strong>Sparse</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hamlet</td>
<td>-101</td>
<td>-1.3%</td>
<td>209</td>
</tr>
<tr>
<td>Village</td>
<td>460</td>
<td>2.4%</td>
<td>908</td>
</tr>
<tr>
<td>Town &amp; Fringe</td>
<td>-25</td>
<td>-0.1%</td>
<td>628</td>
</tr>
<tr>
<td>Urban &gt;10K</td>
<td>14,632</td>
<td>4.5%</td>
<td>4,801</td>
</tr>
<tr>
<td>Rural</td>
<td>294</td>
<td>0.4%</td>
<td>2,083</td>
</tr>
<tr>
<td>Urban &gt;10K</td>
<td>14,729</td>
<td>4.5%</td>
<td>4,838</td>
</tr>
<tr>
<td><strong>England</strong></td>
<td>15,023</td>
<td>3.8%</td>
<td>6,921</td>
</tr>
</tbody>
</table>


Average waiting times for CAB face to face debt advisers operating in rural areas have increased from 2.1 to 3.1 weeks over the past year with some advisers now experiencing waiting times of four weeks or more. This reflects a significant increase in demand for advice and an increase in the average number and value of debts their clients have.

By mapping the prevalence of CAB debt cases by the urban/rural classification at ward level it is possible to identify rural areas with high levels of demand for debt advice (Figure 4.5).
Figure 4.5
Rural debt issues as a proportion of ward population, 2008/09 Q1-Q4

Issues by ward population
- 0% - 1%
- 2%
- 3%
- 4% - 5%
- Greater than 6%

Understanding the scale and depth of rural financial exclusion

4. Understanding the scale and depth of rural financial exclusion

4. Notes on the Community Legal Services advice providers with a Quality Mark in Debt advice (debt centres).

1. Providers is by and large made up of solicitors, NFP advice organisations (for example CABx, Law Centres, etc), and charity sector organisations (Age Concern, Mind, etc).

2. The list does not include outreach offices/locations. It also does not take account of services only delivered by telephone.

3. It is not limited to only Legal Aid suppliers (the broader CLS provider base may derive funding from a number of sources such as Local Authorities, trusts, charitable donations, etc).

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Source: Legal Research Centre, CSJS, 2009

Figure 4.6
Distribution of debt centres in rural England, 2009
Very few debt advice centres are located in rural areas\(^9\) (Figure 4.6). This means many people have to travel significant distances to access advice. A lack of public transport in rural areas can mean people have no choice but to rely on private transport. However, for those living in poverty or with disabilities private transport may not be affordable or practical. For this reason it is important for outreach workers to visit clients who otherwise would not be able to access face-to-face debt advice. However, it is more expensive to deliver debt advice through outreach workers and the need to travel longer distances in rural areas means fewer clients can be seen on any one day.

Using the English and Welsh Civil and Social Justice Survey\(^{10}\) (CSJS) it is possible to identify the different nature, pattern and impact of debt issues in urban and rural areas and assess the different resolution strategies. 8,338 (79.2\%) of CSJS respondents lived in urban and 2,190 (20.8\%) in rural areas (Figure 4.7).

**Figure 4.7**

CSJS respondents by rural/urban definition, 2009

<table>
<thead>
<tr>
<th>Area definition</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Village, hamlet and isolated dwellings</td>
<td>947</td>
<td>9.0</td>
</tr>
<tr>
<td>Town and fringe</td>
<td>1,093</td>
<td>10.4</td>
</tr>
<tr>
<td>Urban &gt;10K</td>
<td>8,327</td>
<td>79.0</td>
</tr>
<tr>
<td>Village, hamlet and isolated dwellings</td>
<td>101</td>
<td>1.0</td>
</tr>
<tr>
<td>Town and fringe</td>
<td>49</td>
<td>0.5</td>
</tr>
<tr>
<td>Urban &gt;10K</td>
<td>11</td>
<td>0.1</td>
</tr>
<tr>
<td>Rural</td>
<td>2,190</td>
<td>20.8</td>
</tr>
<tr>
<td>Urban &gt;10K</td>
<td>8,338</td>
<td>79.2</td>
</tr>
</tbody>
</table>

Source: CSJS, Legal Services Research Centre 2009

Demographic characteristics between rural populations in the CSJS and Census population are broadly similar. With the exception of the respondents who were self employed or retired, there were only nominal differences between the CSJS rural sample and rural Census population. In all, 685 of 10,537 (6.5\%) CSJS survey respondents reported one or more broad money/debt problems. Broad money/debt problem prevalence was almost identical between urban and rural areas. 545 of 8,347 (6.5\%) of respondents in urban areas reported a money/debt problem, compared to 141 of 2,191 (6.4\%) in rural areas. Distribution of problem subcategories was also very similar for urban and rural areas. Most common problem subcategories included ‘incorrect or disputed bills’ (1.0\% of respondents), ‘being threatened with legal action to recover money owed’ (1.0\% of respondents) and getting someone to pay money that they owe (1.0\% of respondents).

The CSJS shows a clear relationship between the type of area a respondent lived in and the likelihood of them being isolated from advice. This is clearly seen from Figure 4.8 which shows that respondents living in urban areas were far more likely to have a debt

\(^{9}\) To reflect the diversity that exists amongst advice providers, four discreet datasets were used to identify potential sources of advice. Data obtained from Citizens Advice was used to map the locations of 882 Citizens Advice Bureau. Information from the Law Centres Federation enabled the mapping of 60 Law Centres. Data acquired from the Legal Services Commission related to solicitors’ offices awarded a Community Legal Service (CLS) civil contract. The CLS data contained location information about solicitors providing advice and assistance in key social welfare and civil law categories including advice on money/debt.

\(^{10}\) The CSJS is a large-scale representative household survey of people’s experience of civil justice problems, the strategies employed to deal with them, barriers to advice, sources of financial support for advice and representation, the impact of problems and the impact of advice. More information about the survey can be obtained from www.lsrc.org.uk/projects

Rural Money Matters: A support guide to rural financial inclusion
advice provider within two miles when compared to those living in rural areas (43.1% compared to 5.5%, respectively). Conversely, only 28.8% urban respondents lived five or more miles from a debt adviser compared to 68.1% of rural respondents.

**Figure 4.8**
Distance from advice, 2009

<table>
<thead>
<tr>
<th>Distance from advice in miles</th>
<th>Rural</th>
<th>Urban</th>
<th>England and Wales</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
</tr>
<tr>
<td>0 to 1.99</td>
<td>120</td>
<td>5.5</td>
<td>3,594</td>
</tr>
<tr>
<td>2 to 4.99</td>
<td>578</td>
<td>26.4</td>
<td>2,352</td>
</tr>
<tr>
<td>5+</td>
<td>1,493</td>
<td>68.1</td>
<td>2,401</td>
</tr>
</tbody>
</table>

Source: CSJS, Legal Services Research Centre 2009

As with urban and rural areas, there was little difference in the prevalence of money/debt problems when looking at the relative isolation from advice. Of the 3,713 respondents living less than two miles from advice 238 (6.4%) reported having a money/debt problem; likewise 179 (6.1%) of 2,929 respondents living between 2 and 5 miles from advice and 268 (6.9%) of 3,894 living 5 or miles away from an adviser, reported having a money/debt problem. There were 751 broad money/debt problems in the CSJS problem level dataset. Of these 349 (46.5%) respondents went on to obtain advice to resolve their problem, and a further 329 (43.8%) of respondents handled the problems alone.

Figure 4.9 shows that respondents living in rural areas were less likely to handle a money or debt problem alone (35.1% compared to 46.1% of respondents from urban areas) and slightly more likely to obtain advice (52.6% of rural respondents compared to 44.9% of urban respondents).

**Figure 4.9**
Money/debt problem solving strategy, 2009

<table>
<thead>
<tr>
<th>Money/debt problem solving strategy</th>
<th>Rural</th>
<th>Urban</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
</tr>
<tr>
<td>Did nothing</td>
<td>7</td>
<td>4.5</td>
<td>22</td>
</tr>
<tr>
<td>Handled alone</td>
<td>54</td>
<td>35.1</td>
<td>275</td>
</tr>
<tr>
<td>Obtained advice</td>
<td>81</td>
<td>52.6</td>
<td>268</td>
</tr>
<tr>
<td>Tried and failed</td>
<td>3</td>
<td>1.9</td>
<td>0</td>
</tr>
<tr>
<td>Tried, failed and handled alone</td>
<td>9</td>
<td>5.8</td>
<td>32</td>
</tr>
</tbody>
</table>

Source: CSJS, Legal Services Research Centre 2009
Despite being the closest to a money/debt advice provider, respondents living less than 2 miles from an advice source were more likely to handle a money/debt problem alone. Of the 263 respondents residing less than 2 miles from an advice source who had experienced a money/debt problem, 126 (47.9%) handled their problem alone. In contrast 87 (42.4%) of 205 respondents living between 2 and 5 miles and 115 (40.6%) of the 283 respondents living more than 5 miles from an advice source did likewise.

There were slight differences in the rates at which people tried and failed to obtain advice (and then either did nothing to resolve their problem, or handled their problem alone) as relative isolation from advice increased. Respondents who lived five or more miles away were slightly more likely to fail to get advice compared to those living between 2 and 5 miles and less than two miles from an advice source (rates of trying and failing to obtain advice were 7.1%, 5.9% and 4.6% respectively).

Respondents that successfully obtained advice for their problem did so from a variety of different adviser types. Figure 4.10 compares the advisers used by urban and rural respondents. Rural respondents tended to use both solicitors and, in particular, CAB at noticeably higher rates than urban respondents (9.8% and 15.4% of urban respondent used a solicitor or a CAB respectively, compared to 14.4% and 23.6% of rural respondents.

Figure 4.10
Adviser type, 2009

<table>
<thead>
<tr>
<th>Adviser type</th>
<th>Rural</th>
<th></th>
<th>Urban</th>
<th></th>
<th>England</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
<td>Percentage</td>
<td>Number</td>
<td>Percentage</td>
</tr>
<tr>
<td>Solicitor</td>
<td>22</td>
<td>14.4</td>
<td>58</td>
<td>9.8</td>
<td>80</td>
<td>15.6</td>
</tr>
<tr>
<td>Citizens advice bureau</td>
<td>37</td>
<td>23.6</td>
<td>92</td>
<td>15.4</td>
<td>129</td>
<td>25.1</td>
</tr>
<tr>
<td>Other advice agency</td>
<td>9</td>
<td>5.6</td>
<td>26</td>
<td>4.4</td>
<td>35</td>
<td>6.8</td>
</tr>
<tr>
<td>Local council</td>
<td>10</td>
<td>6.7</td>
<td>64</td>
<td>10.7</td>
<td>74</td>
<td>14.4</td>
</tr>
<tr>
<td>Trade union/professional body</td>
<td>1</td>
<td>0.5</td>
<td>5</td>
<td>0.9</td>
<td>6</td>
<td>1.2</td>
</tr>
<tr>
<td>Employer</td>
<td>1</td>
<td>0.7</td>
<td>11</td>
<td>1.8</td>
<td>12</td>
<td>2.3</td>
</tr>
<tr>
<td>Police</td>
<td>2</td>
<td>1.1</td>
<td>9</td>
<td>1.4</td>
<td>11</td>
<td>2.1</td>
</tr>
<tr>
<td>Insurance</td>
<td>11</td>
<td>7.1</td>
<td>27</td>
<td>4.5</td>
<td>38</td>
<td>7.4</td>
</tr>
<tr>
<td>Health professional</td>
<td>0</td>
<td>0.0</td>
<td>4</td>
<td>0.6</td>
<td>4</td>
<td>0.8</td>
</tr>
<tr>
<td>Other</td>
<td>33</td>
<td>21.2</td>
<td>92</td>
<td>15.5</td>
<td>125</td>
<td>24.3</td>
</tr>
</tbody>
</table>

Source: LSC 2009, English and Welsh Civil Justice Survey

11 The table shows the proportion of people who had money debt problems and obtained advice from a particular adviser type. It should be noted that this percentage also accounts for those respondents that had a problem but did not seek advice.
Looking at Figure 4.11 it would appear that having access to private transport makes little difference in the type of adviser used for respondents who live within 2 miles from an advice provider. However, clients living between 2 and 5 and 5 or more miles from an advice source who had access to private transport, tended to obtain advice from a solicitor or other advice agency more so than those without access to such transport. Respondents living between 2 and 5 miles from advice with private transport were also more likely to use a CAB than those without (though this finding was not apparent in respondents who lived 5 or more miles from advice). Conversely, respondents living between 2 and 5 miles and more than 5 miles from advice without access to public transport were more likely to refer to their local council and their employer than those with transport. Such behaviour was not evident amongst those living within two miles of advice. While the underlying cause of this is not known, it could be speculated that the use of employers and local councils is an issue of convenience. It should be noted that these findings should be treated with some caution due to relatively few people living more than two miles from advice without access to private transport.

While similar analysis was carried out between urban and rural respondents no finding could be drawn due to the very small number of rural respondents who did not have access to private transport.

387 broad money/debt problems progressed to the main CSJS survey. For urban respondents, 304 problems resulted in 170 initial contacts with advisers, combining responses for up to four main survey advisers. For rural respondents, 83 problems resulted in 45 initial contacts with advisers. As can be seen from these figures, rate of contact was almost identical for urban and rural respondents. Mode of initial contact for main survey advisers is shown in Figure 4.12, split into urban and rural.

### Figure 4.11
Adviser type by distance and access to transport, 2009

<table>
<thead>
<tr>
<th>Adviser type</th>
<th>0 to 1.99</th>
<th>2 to 4.99</th>
<th>5+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No transport</td>
<td>Transport</td>
<td>No transport</td>
</tr>
<tr>
<td>Solicitor</td>
<td>17.3</td>
<td>9.6</td>
<td>3.5</td>
</tr>
<tr>
<td>Citizens advice bureau</td>
<td>14.7</td>
<td>15.1</td>
<td>15.6</td>
</tr>
<tr>
<td>Other advice agency</td>
<td>2.2</td>
<td>4.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Local council</td>
<td>12.7</td>
<td>10.6</td>
<td>11.3</td>
</tr>
<tr>
<td>Trade union/ professional body</td>
<td>0.0</td>
<td>0.4</td>
<td>0.0</td>
</tr>
<tr>
<td>Employer</td>
<td>0.0</td>
<td>1.9</td>
<td>4.7</td>
</tr>
<tr>
<td>Police</td>
<td>6.2</td>
<td>0.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Insurance</td>
<td>0.0</td>
<td>6.2</td>
<td>3.5</td>
</tr>
<tr>
<td>Health professional</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Other</td>
<td>10.4</td>
<td>14.4</td>
<td>20.8</td>
</tr>
</tbody>
</table>

Source: LSC 2009, English and Welsh Civil Justice Survey
Respondents in rural areas did not show an increase over urban respondents in the use of the telephone to make initial contact with advisers. In fact, urban respondents appeared to use the telephone for first contact slightly more than rural respondents and make ‘in person’ contact slightly less often (though these differences were relatively small).

In addition to questions on initial contact, main survey respondents were also asked how they obtained advice. While differences were non-significant, rural respondents had a slightly higher percentage of advice seeking over the telephone than urban respondents (55% vs. 46%). Figure 4.13 shows mode of initial contact by distance to debt advice. Differences were relatively small, though those who were furthest from debt advice centres did marginally have the lowest percentage of in person first contact. Respondents furthest from debt advice centres were also more likely to use email/internet as their first point of contact.
4. Understanding the scale and depth of rural financial exclusion

5. Access to affordable credit

For low-income consumers without savings, borrowing is often the only option. The amounts they borrow may be small, but without a financial safety net their need for credit is urgent. People on low incomes are often denied access to high-street credit, forcing them to turn to high interest door step lenders and illegal money lenders. As a result, a substantial proportion of their income goes on servicing high-cost borrowing.

Credit unions and Community Development Finance Institutions can be a source of affordable credit for people on low incomes. With interest rates commonly at 26.8 percent APR for first loans, credit unions offer a real alternative to doorstep lenders. The Government’s Growth Fund is supporting Credit Unions and Community Development Finance Institutions improve the availability of affordable credit to those who are financially excluded and on low incomes, and so reduce levels of indebtedness. A £500 loan from a Growth Fund credit union, repaid over one year, will attract an interest charge of £62. The same £500 loan from a leading doorstep lender will cost over £600 in interest. By making loans available at affordable rates of interest the Growth Fund prevents many poorer people from getting into the unmanageable spiral of debt that often occurs as a result of taking out high interest loans from door step lending companies and loan sharks.

The credit union movement in the United Kingdom has grown rapidly over the last decade, with assets, loans and savings all more than doubling. On average credit union membership has been growing by between 5 and 15 percent for the last 10 years. There are currently 484 credit unions in the United Kingdom with a combined membership of over 650,000. They hold around £600 million in assets, with around £475 million held in savings and £430 million out on loan.

To target Growth Fund resources effectively the Treasury worked with Experian to map the supply and demand for affordable credit in the 408 Local Authority areas in England, Wales and Scotland. From this information they were able to identify 25 “red alert” areas with the highest need of new affordable credit provision, and a further 56 “amber” areas, which are next in the priority order (Figure 5.1).

Figure 5.2 shows the 25 “red alert” areas 56 “amber” areas by Defra’s rural/urban classification of local authorities. Of the 25 local authorities (LA’s) identified with the highest unmet demand for affordable credit 4 are rural and 2 have significant rural populations.
Figure 5.1
Third sector affordable credit, 2007/08

Rank | Local Authority
--- | ---
1 | Stoke-on-Trent
2 | Corby
3 | Lincoln
4 | Wansbeck
5 | Manchester
6 | North Ayrshire
7 | Doncaster City
8 | Hatton
9 | Easton
10 | Gateshead
11 | Newcastle-upon-Tyne
12 | Peterborough
13 | Hartlepool
14 | Rhyd Valley
15 | Inverclyde
16 | Chester-le-Fryst
17 | Southampton
18 | Easington
19 | Bolsover
20 | Bolsover
21 | Norwich
22 | Darwen
23 | Wirral
24 | Bolsover
25 | South Tyneside
26 | Barrow-in-Furness
27 | Manchester
28 | Middlesbrough
29 | Bradford
30 | Knowsley
31 | Blackpool
32 | Copeland
33 | Rochdale
34 | Kingston-upon-Hull, City of
35 | Hartlepool
36 | Neath Port Talbot
37 | Bolton
38 | Newport
39 | North Tyneside
40 | Oldham
41 | Fylde
42 | Salford
43 | Thurrock
44 | Walsall
45 | File
46 | Altrincham
47 | Doncaster
48 | Slough
49 | Sunderland
50 | West Lancashire
51 | Clackmannanshire
52 | Gravesham
53 | St. Helens
54 | Wrexham
55 | South Ayrshire
56 | Crawley
57 | Weymouth
58 | St. Helens
59 | Plymouth
60 | Wolverhampton
61 | Woking
62 | Taunton and Wellington
63 | North East Derbyshire
64 | Dover
65 | Essex
66 | Stockton-on-Tees
67 | Leicester
68 | Preston
69 | Rotherham
70 | Kettering
71 | Middlesbrough
72 | North Lincolnshire
73 | Wirral
74 | Sandwell
75 | Scarborough
76 | Skipton
77 | Durham
78 | Gloucester
79 | North East Lincolnshire
80 | Worcester
81 | Tameside

Source: Experian Limited, 2009

4. Understanding the scale and depth of rural financial exclusion
According to the Association of British Credit Unions Limited (ABCUL) less than 20 per cent of credit unions in the United Kingdom operate in predominately rural areas. Credit unions in rural areas face substantial challenges linked to growth and becoming financially sustainable. Operating in a sparsely populated area, they find it difficult to reach the critical mass of membership base and available funds that would make it possible for them to employ full-time staff. Rural areas are also associated with increased time and travel costs for volunteers to oversee the ‘collection points’, and a scarcity of local banking facilities, which can make the collection and transfer of cash difficult. As a result of these challenges, many rural areas are currently not covered by a credit union and/or a community development finance institution.

The lack of credit unions operating in rural areas meant the Department for Work and Pensions received a very small number of applications to deliver Growth Fund loans in rural areas between 2006 and 2007. As a result only 4.9% of 20,905 Growth Fund loans were made to people living in rural England in this period. Figure 5.3 shows the distribution of growth fund loans in 2006/07.

Since 2007 the Growth Fund has supported the expansion of credit union services in many rural areas including Devon, Norfolk, Shropshire and Cumbria. Between July 2008 and March 2009 the Growth Fund enabled more than 51,000 loans to be made to people who are financially excluded and on low incomes in England, 6.8% of which were made to people living in rural areas. This represents a major expansion of Growth Fund coverage in both urban and rural areas. (Figure 5.4 shows the distribution of growth fund loans between July 2008 and April 2009).
Figure 5.3
Amount of growth fund loans within postcode districts, 2006/07

Loans within postcode districts
- 1 - 4
- 5 - 10
- 11 - 25
- 26 - 75
- 76 - 141
- 142 - 311
- No loans

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Source: DWP, 2009. DWP Growth Fund Data, 2006/07

4. Understanding the scale and depth of rural financial exclusion
Figure 5.4
Amount of Growth Fund loans within postcode districts, July 2008 – April 2009

Source: DWP, 2009 Growth Fund Data, 2008/09

Loans within postcode districts
- 1 - 4
- 5 - 10
- 11 - 25
- 26 - 75
- 76 - 141
- 142 - 1207
- No loans

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Planning for the future

The Government’s key goals for financial inclusion are about ensuring that everyone has access to appropriate financial services, enabling them to:

- manage their money on a day-to-day basis, effectively, securely and confidently;
- plan for the future and cope with financial pressure, by managing their finances to protect against short-term variations in income and expenditure, and to take advantage of longer-term opportunities; and
- deal effectively with financial distress, should unexpected events lead to serious financial difficulty.

Despite these national goals there is no single indicator within the National Indicator Set that references financial inclusion or debt issues. The National Indicator Set is the mechanism by which the Government measures the performance of local authorities and their local strategic partnerships against its national priorities.

Local strategic partnerships bring different parts of the public, private, community and voluntary sectors together within a local authority boundary to work more effectively on policy issues such as economic development and social inclusion. The partnerships work to a ‘community plan’, a vision of what they want their community to be like in the future. Together they decide what needs to done to get from where the community is today to where they want it to be. Once they have agreed their plan of action they commit to achieving certain outcomes in ‘local area agreements’. These commit the local authority and local strategic partnership to delivering specific objectives such as building more affordable housing to reduce homelessness, investing in economic development to create more local jobs or supporting credit unions to increase access to affordable credit.

The benefit of this approach is that local organisations and interest groups have an opportunity to influence the future of the community they live in and represent. It also enables a variety of organisations to work together to achieve shared outcomes. For example in Cornwall the Debt and Financial Inclusion sub-group of the local strategic partnership brings together Cornwall Council, local credit unions and debt advice agencies, Jobcentre Plus, registered social landlords and Volunteer Cornwall amongst others to deliver a holistic package of support to help local people in or at risk of financial exclusion.

Even when a local strategic partnership does not have a dedicated local area agreement to promote financial inclusion, it can be important to achieving a number of other local area agreement outcome targets, particularly around unemployment and social inclusion. Figure 6.1 shows how financial inclusion relates to a number of existing national indicators.
### Figure 6.1
Financial inclusion and the national indicator set

<table>
<thead>
<tr>
<th>Financial Inclusion Debt Issue</th>
<th>Outcome/ Block</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt repayments as a reduction of disposable income impacting on living standards for families in debt</td>
<td>Children and Young People</td>
<td>NI 116: Proportion of children living in poverty PSA 9</td>
</tr>
</tbody>
</table>
| Offenders and debt | Safer Communities | NI 18: Adult re-offending rates for those under probation supervision PSA 23  
NI 19: Rate of proven re-offending by young offenders PSA 23  
NI 144: Offenders under probation supervision in employment at the end of their order or license PSA 16  
NI 143: Offenders living in settled and suitable accommodation at the end of their order or license PSA 16 |
| Student Debt | Children and Young People | NI 106: Young people from low income backgrounds progressing to higher education PSA 11 |
| Access to Work | Children and Young People | NI 118: Take up of formal childcare by low income working families DWP DSO  
NI 146: Adults with learning disabilities in employment PSA 16  
NI 148: Care leavers in employment, education or training PSA 16  
NI 150: Adults in contact with secondary mental health services in employment PSA 16  
NI 151: Overall employment rate PSA 8  
NI 152: Working age people on out of work benefits PSA 8  
NI 153: Working age people claiming out of work benefits in the worst performing neighbourhoods DWP DSO |
| Advice services, credit unions and CDFIs | Stronger communities | NI 7: Environment for a thriving third sector CO DSO |

Source: Debt on our Doorstep

By integrating financial inclusion within local area agreements local authorities can ensure a multi-agency response that can draw on a number of existing funding streams. However, an important risk of local area agreements is that through setting delivery targets attention and resources are focussed on where delivery can most successfully be achieved. This is usually where most people and needs are concentrated, i.e. in more urban areas. So local strategic partnerships need to be careful to deliver fairly and proportionately across urban, rural and other local geographies.
Case study: Inclusion Cornwall - Delivering Change through Partnership Working

Cornwall is well known for its effective partnership working.

Partnership working in Cornwall achieved Beacon Council status for tackling child poverty in 2009 and also achieved Local Area Agreement Demonstrator Status for reducing worklessness through Cornwall Works; with strong partnership working underpinning their Local Area Agreement which was one of the most successful, with 75% of targets being achieved.

The Cornwall Strategic Partnership is the overarching body which brings together organisations with the aim of working together to promote economic, social and environmental well being for the people of Cornwall.

Cornwall Strategic Partnership
The Cornwall Strategic Partnership brings together the key public service providers in Cornwall with voluntary, community and business sector organisations. Their role is to act as the ‘partnership of partnerships’, working together to shape the future wellbeing of Cornwall and improve quality of life for local people.

The Partnership has 3 key roles:
1. They are responsible for creating the long term vision for Cornwall, expressed through the Sustainable Community Strategy.
2. They oversee the associated 3 year action plan, the Local Area Agreement.
3. They have a responsibility to involve communities and special interest groups in shaping Cornwall’s future.

In December 2008 the Cornwall Strategic Partnership adopted a new constitution and restructured into one wide and inclusive strategic partnership, eight thematic partnerships and a single Executive Board. The thematic partnerships are linked to the Sustainable Community Strategy and are responsible for the achievement of certain outcomes and objectives set out in the Local Area Agreement. At present there are eight thematic partnerships in Cornwall. These are:

- Inclusion Cornwall
- Cornwall and Isles of Scilly Economic Forum
- Environment Kernow
- Cornwall Cultural Partnership
- Children and Young People’s Partnership
- Community Safety Partnership
- Health and Well-being Board
- Homes and Communities.
Inclusion Cornwall

Inclusion Cornwall was established in 2004 as one of the eight themed partnerships of the Cornwall Strategic Partnership. It is based on the understanding that economic, social and environmental issues such as worklessness, barriers to education, barriers to employment, vulnerable migrant workers, poverty and poor health are not the responsibility of only one organisation and must be addressed through a multi-agency response.

Since its formation Inclusion Cornwall has become a dedicated voice for inclusion in the county. It provides a unique forum for local organisations to work together. The Partnership consists of a Management Group and a network comprising of over four thousand organisations. Inclusion Cornwall aims to:

• provide a strategic voice for Cornwall addressing social, economic and environmental inclusion.

• actively encourage and facilitate problem solving around inclusion issues.

• raise and challenge inclusion issues across public, private, voluntary and community sectors throughout Cornwall.

• raise understanding of and call for action on breaking the cycle of deprivation within Cornwall.

• lobby inclusion issues across and on behalf of partners and partnerships.

• work across sectors to raise understanding of linked issues and act as a catalyst for multi-agency approaches to delivery, linking partners and facilitating changes in culture, practice and processes.

Inclusion Cornwall is also the delivery partnership for Cornwall Local Area Agreement outcomes on raising employment rates/reducing worklessness, poverty and migrant workers.

Cornwall Works

Launched in October 2006, Cornwall Works provides a strategy and an over-arching brand for the delivery of welfare to workforce activity in Cornwall. It is overseen by Inclusion Cornwall and reports to the Cornwall Economic Forum and Cornwall Strategic Partnership. It is not a project in its own right but brings other projects, partners and organisations together to ensure that there is appropriate support in the right place at the right time for all people to progress towards, enter and remain in work. Its aim is to change the behaviours and ways that organisations work together to support mutual customers as this will outlast any particular funding stream.

Cornwall Works has a preventative rather than reactive approach to ensuring more people can enter work, stay in work and progress in work. It’s ethos is that a significant change will not happen unless preventative activities are delivered alongside measures to bring long-term workless people closer to work. In its first phase (LAA 2006-09) the preventative approach was mainly about early intervention to prevent long-term benefit dependency. It was also about people who go into work from dropping out within the first few months. In the next phase (LAA 2009-11) Cornwall Works aims
to strengthen this focus on preventing people from dropping out of work and on to benefits. This will involve a focus on building healthy workplaces, and providing support for people under threat from redundancy or other developments.

Inclusion Cornwall, Cornwall Works and partners recognise financial inclusion as being a critical factor to delivering a reduction in worklessness and improving social inclusion. At the current time Cornwall’s unemployment rate compares favourably with other parts of the Country and although the numbers have doubled in a year the rate is now 3 percent.

**The Debt and Financial Inclusion Sub Group of Inclusion Cornwall**

In late 2007, Inclusion Cornwall members saw the first evidence that income to debt levels – the amount of debt people had relative to their income – were becoming unsustainable. At the same time the number of repossessions and demand for debt advice and affordable credit was rising. In response, Inclusion Cornwall commissioned a review to look at what would be required to deliver a strong financial inclusion service across the county.

In April 2008 Inclusion Cornwall published ‘The Case for a Strategic Approach to Financial Inclusion in Cornwall’. This set out how issues such as debt, worklessness, poverty, health and housing were all important to promoting financial inclusion. It called on partners like the Citizens Advice, credit unions, registered social landlords and voluntary and community groups to work together to ensure everyone had the capability and opportunity to access the financial services and products they needed. Importantly, the report recognised that responding to crisis situations alone, would not be enough. It emphasised the importance of building people’s financial capability to ensure a long-term and sustainable solution.

To help achieve these goals Inclusion Cornwall established the Debt and Financial Inclusion Group based on the ‘Cornwall Works’ model. This group has brought together 40 representatives from the local strategic partnership, the eight themed partnerships and other specialist stakeholders to promote financial inclusion locally.

One of the first things the group did was commission their own research to pinpoint the locations of most need. The result was a detailed map showing areas of high financial stress. The next challenge was to draw the work of organisations together, and identify the first point of access for people at risk of financial exclusion.

The Debt and Financial Inclusion group knew the importance of using established and trusted local infrastructure to deal with local problems. They used the lessons learnt from Cornwall’s successful NHS health trainers initiative (which was itself founded through investment from Cornwall Works) to train a broad range of frontline staff to spot the early symptoms of financial stress and direct people to the help and support they need at an early stage.
The CAB working with Jobcentre Plus has located face to face advisers in Jobcentres to support any area of need but also to address financial concerns. The idea was piloted in Bodmin and St Austell, and within six months had prevented 370 clients from getting into crisis. To make it easier for people to get the help they need, the CAB now plan to base debt advisers in doctors’ surgeries (supported by NHS Cornwall and the Isles of Scilly Primary Care Trust) and in county courts.

Jobcentre Plus are ensuring that access to their services is easy with additional on line services and extended opening hours. A Rapid Response Team has also been established to support people and employers facing redundancy in Cornwall.

Through the group Cornwall’s Credit Unions are building partnerships with local registered social landlords to provide credit union services to their residents. For example, Cornish Community Banking is working with Penwith Housing Association to help residents with their money management and provide access to ethical savings and affordable loans. The Treneere Together Partnership is predominantly run by residents in West Cornwall with proven success in co-ordinating initiatives designed to raise the living standards and aspirations of the estate’s residents. With the highest level of deprivation in Cornwall and ranked in the top 3% nationally Cornish Community Banking has appointed an outreach worker to run a credit union service point, give budgeting assistance and make referrals to a specialist debt adviser where necessary.

Volunteer Cornwall, another member of the group, has placement officers in every Jobcentre in the county, promoting volunteering as a way of gaining the skills and confidence that will boost their paid-job prospects. They are reaching into schools too, training volunteers to drive school buses; and thanks to the Inclusion Cornwall network, they’ve found new community uses for the buses which, when they’re not ferrying children, would otherwise stand idle. The group are also targeting schools with financial literacy advice, working with the Personal Finance Education Group, Family Services, Trading Standards and others.

Most importantly, the Debt and Financial Inclusion Group has informed the work of Inclusion Cornwall and the Local Strategic Partnership. As a result the Council used the recent Local Area Agreement refresh process to incorporate a specific outcome target to increase opportunities and reduce indebtedness for people on low incomes. In this way, they have prioritised financial inclusion as a policy issue and successfully embedded it within Cornwall’s Local Strategic Partnership.
Rural proofing financial inclusion policy and programmes

Once policy makers and programmers understand the nature of rural financial exclusion they then need to tailor their work so that it addresses rural circumstances and delivers real benefit for those with the greatest need in rural areas. This can be achieved by 'rural proofing' the design, implementation and evaluation of financial inclusion policy and programmes.

What is rural proofing?

Rural proofing is shorthand for a process that involves assessing how policies will work for rural people and places and, so, ensure that the policies are implemented fairly and effectively. As policies are developed, policy-makers need to ask:

• Is the policy likely to have a different impact on different areas/communities?
• Will the impacts be significant in rural areas?
• How can a policy be adjusted to ensure that the needs of rural communities are taken into account?

Rural proofing applies to all policies, programmes and initiatives – national, regional and local - and at both the policy design and delivery stages. Such approaches have been developed in a number of other countries across the world and for various other proofing or equity issues within England. The English rural proofing approach has been one of the more successful systems developed and tested.

Why undertake rural proofing?

• Rural proofing is a commitment made by the Government in the Rural White Paper 2000, to ensure that all of its domestic policies take account of rural circumstances and needs.
• The Government also promotes a linked agenda of 'Rural Mainstreaming', meaning that rural needs should be fairly considered within mainstream Government policies and in their delivery.
• Rural proofing is the tool for delivering the Government’s principle of ‘Rural Mainstreaming’. Rural proofing is a mandatory part of the Government’s policy making process.
• Rural proofing is part of the Impact Assessment process that Government departments are required to undertake.
• Rural proofing is a way to assess how a policy will impact on different geographic communities, to ensure proportional impacts.
• Effectively-delivered mainstream policies and programmes that take account of rural are almost always more successful and sustainable than short-term, stand-alone, rural-specific interventions.
How to start “thinking rural”

The first Rural Proofing Checklist appeared in 2002. This has since been refreshed to create the following tried-and-tested guidance. The guidance is designed to help policy-makers to decide if a national, regional or local policy is likely to have a different impact in rural areas. It should be applied from the earliest stages of policy making, but can also be used during implementation and evaluation, including by policy and programme deliverers, monitors and inspectors.

Rural proofing guidance

This guidance has been prepared by the Commission for Rural Communities. It is designed to be used alongside other appraisal systems, including Sustainable Development Action Plans and the formal Impact Assessment process within Government. It does not duplicate or substitute these systems; instead, it complements and enhances them.

The questions below will help you to work out if your initiative is likely to encounter the challenges posed by rural circumstances. Some potential solutions are also indicated, to help you consider helpful adjustments. The questions have been designed to apply to general policy making processes and are not specifically tailored to financial inclusion initiatives. For more specific advice on rural proofing for financial inclusion, please contact the Commission for Rural Communities.

Step one: The policy development process

Most departments have tailored guidance covering how policy should be developed. What follows is a recap of the general stages, highlighting where ‘thinking rural’ will be most useful.

- What are the objectives of the proposed policy?
- What are its intended impacts or outcomes?
- Which areas, groups or organisations are supposed to benefit?
- What is the current situation and why is it not delivering the outcomes required?
- How will you move from the current situation to where you want to be? What’s the rationale for intervention? How will you deliver what is needed? Are all realistic options being appraised?
  - Where answers reveal a potentially different impact for rural areas/people; or uncertainty, investigate further. Evidence based decisions are key to good policy-making. Use Step Two (below) to help to rural proof your policy and consider what evidence you may need.
  - Where the impact in rural areas will be significantly different, explore how to adjust policy options to produce the desired
outcomes in rural areas or avoid/mitigate any undesirable impacts. This exercise may also highlight opportunities to maximise positive impacts in rural areas.

- Seek advice, as necessary, including from the Commission for Rural Communities and other rural stakeholders and experts.
- On implementation, monitor change - evaluate the impact the policy is having, using appropriate data collection, and assess what is, or isn’t being achieved.

Step two: Rural proofing policy development

In order to consider the themes, questions and prompts below, the availability of a strong and credible evidence base is essential. Such evidence could include:

- Existing research, surveys or analysis that includes a rural dimension
- Specially commissioned data and research
- Use of the ONS Rural and Urban Areas definition to interpret data sets.

Service provision and availability

The current recession is likely to affect many programme budgets. When you are considering methods of reducing budget spend, services delivered to rural communities should not be perceived as a source of ‘quick-fix’ budget savings.

Rural communities are particularly vulnerable to service cuts as they are already reliant on a limited number and have reduced access to alternatives. Therefore, the CRC urges careful consideration of rural circumstances, and the options listed below, prior to any budget cuts being made.

Will the policy affect the availability of public and private services? Will it result in closures or centralisation? Will this have a disproportionate effect in rural areas where services are already more limited?

For nearly all service types, availability has fallen in rural areas since 2000, with NHS dental surgeries, Post Offices and Job Centres most affected.1

Rural Solutions:

- Share premises or staff with other service providers to maintain or create a rural outlet (‘joint provision’).
- Provide additional funding to rural outlets to maintain service standards.
- Improve transport/accessibility to compensate for the centralisation of services.
- Encourage alternative funding streams for threatened rural services.

1 Commission for Rural Communities, State of the Countryside Report 2008, p26
Will the policy rely on existing service outlets, such as schools, libraries and GP surgeries? How will you ensure rural residents can access services in areas where such outlets are few and far between?

*The number of service outlets is declining in urban and rural areas. Such reductions tend to be felt more keenly in rural areas. Generally, rural people already have to travel further to access key services than their urban counterparts, and are losing services more quickly than elsewhere.*

**Rural Solutions:**
- Use mobile and outreach services.
- Use ICT to avoid the need to visit outlets.
- Deliver effective public and community transport solutions.
- Share premises or staff with other service providers to maintain or create a rural outlet (‘joint provision’).

Will the policy rely on the private sector or a public-private partnership? Will the smaller and scattered nature of rural populations provide a sufficient market to attract the private sector? Will there be similar opportunities for choice and competition? Does the private sector in rural areas have a capacity to deliver?

*The 2007 Index of Multiple Deprivation shows rural areas have, on average, lower concentrations of deprivation than urban areas.*

**Rural Solutions:**
- Consider the use of regulation, including universal service obligations.
- Set rural delivery targets.
- Draw up contracts which prevent cherry picking of the most profitable (urban) markets.
- Encourage commercial providers with incentives.
- Offset higher rural costs, for example through rate relief.

**Delivery costs**

Will the cost of delivery be higher in rural areas where clients are more widely dispersed and economies of scale can be harder to achieve? Will longer travel times or distances add to the cost of service provision? Will services need to operate out of smaller outlets, so losing economies of scale?

[Rurality] leads to increased travel by both service providers and service users. Debt advisers have reported that they see a lower number of clients in a day than their urban counterparts because of the travel distances involved. GPs found that they did more home visits in rural areas because they knew that many of their patients had no transport and could not travel to the surgery.
Despite significant investment by national and local government to promote financial inclusion, the infrastructure required (credit unions, debt advisers, banking facilities etc) is weak and often missing in rural areas.

Rural Solutions:
- Provide specific support for capacity building.
- Allow longer timescales for bidding.
- Simplify the bidding process.
- Allow for an increased level of public or voluntary sector input to compensate for the possibility of limited private sector input.

Accessibility and infrastructure
Will the policy affect travel needs or the ease/cost of travel? Will the impact be different in sparsely populated or remote rural areas where, typically, journey times are longer, public transport is poor, and alternative travel options are limited or expensive, especially for low income groups?

Rural residents travel greater distances in their daily lives than urban people, and more of their travel is by car. During 2006 urban traffic levels fell by 2% but grew by 1% on rural roads, and 2% on motorways.  

Rural Solutions:
- Reduce the need to travel by using mobile services or local delivery or telephone/internet.
- Address travel difficulties by co-ordinating and improving transport links, for example additional services, demand-responsive transport or community transport schemes.
- Alleviate the costs of travel either by subsidising services or individuals (remembering that there may be no public transport service between many rural locations).
- Consider operating times – late night or weekend hours may be more useful to one-vehicle rural households where the main breadwinner needs private transport for work.

6. Rural proofing

“Despite significant investment by national and local government to promote financial inclusion, the infrastructure required is weak”
Does the policy rely on infrastructure (e.g. broadband ICT, main roads, utilities) for delivery? How will the policy work in rural areas, where the existing infrastructure is typically weaker (e.g. roads, broadband quality), some infrastructures don’t exist (cable TV, mains gas supply) and the upgrading of infrastructure may be difficult or expensive?

Initiatives started in 1998 mean that the percentage of people living within 10 minutes of an hourly or better bus service has risen. However, rural transport provision is still a major concern and many rural areas remain poorly served by public transport.\(^6\)

Rural solutions:

- Consider using regulation or licences to encourage the development of improved infrastructure.
- Encourage or co-ordinate demand to make supply viable.
- Use the public sector’s collective demand to stimulate supply.
- Provide alternative means of accessing the service.

Will delivery of the policy be challenging at the ‘edges’ of administrative areas? Many rural people live in the borderlands of regions/local authorities and sometimes find it easier to cross an administrative boundary to access services. Particular effort may be needed to make sure that a policy does not disadvantage border communities.

The East Riding of Yorkshire is a very large unitary local authority covering 2,408 square kilometres and with a population of some 321,000. Its main administrative seats are Beverley and Bridlington yet for many westerly communities, York, in the neighbouring local authority area, is very much closer. The smallest English unitary authority is Rutland County Council with a population of 35,000, all within fairly easy reach of Peterborough, Leicester and Nottingham.\(^7\)

Rural solutions:

- Encourage ‘postcode blindness’ and the reciprocal sharing of service provision across administrative borders where this makes sense (as is already the case with some emergency services).

Is the policy dependant on new buildings or development sites? Where will these go in rural areas, given that there are fewer brownfield sites, more planning restrictions, and certain locations where development may be unacceptable?

Government guidance to planning authorities sets a target of at least 60% of new housing to be built on previously developed (brownfield) land. The 2007 CRC State of the Countryside report showed that there has been an increase in the area of brownfield land that has been redeveloped between 1998 and 2005 and that this has occurred more in urban than rural areas.\(^8\)

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\(^8\) Commission for Rural Communities. State of the Countryside Report 2008, p115
Rural Solutions:
• Check any proposals with local planning authorities.
• Create flexibility for development to be located where it is most appropriate and needed, for example in market towns or villages.
• Opt for high quality development that will contribute to local character and distinctiveness.

Communications
Does the policy rely on communicating information to clients?
How will clients access information in rural areas, where there are fewer (formal) places to obtain advice and information?

Most rural communities benefit from a long established form of statutory and elevated neighbourhood council - the Parish or Town Council. England has over 10,000 Town or Parish Councils (2004 figure) of which about 9,000 were in rural areas.9

Rural solutions:
• Be flexible about using the rural networks and meeting points that do exist e.g. post offices, village halls, and parish noticeboards.
• Link up with other information providers, including parish and town councils.
• Use local radio, newspapers and websites.
• Provide mobile advisors.
• Use the internet and information technology.

Economies
Will the policy impact on rural businesses, including the self employed?
Will it have a different effect on smaller businesses (which employ a greater proportion of the workforce in rural areas) or those sectors which are typically more significant in rural areas? Will the higher proportion of self-employed people in rural areas be affected by the policy (including women running part time businesses)?

In 2006, more than 1 in 4 (26.8%) of employees worked in small firms (employing less than 10 people) in less sparse villages, compared with only 11% of employed people in urban areas.10

Rural Solutions:
• Ensure the needs of smaller businesses are specifically addressed.
• Take support, advice and training out to businesses.
• Where possible avoid regulatory or other burdens that will disproportionately affect small firms.

9 Commission for Rural Communities, State of the Countryside Report 2007, p52
Will the policy affect land-based industries and, perhaps, rural economies and environments? How will the policy affect agriculture and/or local mining, extraction and water industries (which have a particular importance in many rural areas)? Will there be a knock-on effect on the environment? What might the impacts be for businesses which rely on a high-quality environment – such as farming, tourism, leisure, renewable energy and food production?

Employment in agriculture has fallen by about 7% since 1999, and by 39% for full-time farm workers.¹¹

Rural Solutions:
- Identify ‘win – win’ solutions which will deliver economic and environmental benefits, for example by promoting local supply chains, especially between food producers and consumers.
- Consider incentives for environmentally-friendly practices.
- Allow for, and encourage, a diverse range of rural enterprises.

Will the policy affect people on low wages or in part-time or seasonal employment? Wages tend to be lower on average in rural areas and a higher proportion of the workforce relies on part-time or seasonal employment. Will the proposal affect wage levels or access to quality employment? Will it affect the type of businesses that tend to pay low wages or offer seasonal/part time work, for example agriculture or tourism?

The Annual Small Business Survey conducted for the Small Business Service showed that business in rural areas are more likely to employ some staff on the minimum wage than non rural.¹²

Rural solutions:
- Check the effects of your proposal against other (especially welfare) policies to ensure that the transition between wages/benefits and employment/unemployment is sufficiently flexible and supportive.
- Consider measures to improve the choice of work, for example by increasing skills, improving local childcare or improving transport to work.

Disadvantage
Will the policy target disadvantaged people or places? How will this work in rural areas where disadvantage is rarely concentrated? Do the indicators being used to identify deprivation take account of uniquely rural challenges, such as access to services, job opportunities, low earnings, transport and the affordability of housing?

Only 2.4% of the small-areas in the bottom fifth of England’s index of worst deprived places are rural. But other indicators, based on statistics about individuals, show that 15% of the country’s most deprived people are rural residents.¹³

¹² Commission for Rural Communities, England’s Rural areas: steps to release their economic potential 2008 p22
¹³ Commission for Rural Communities, State of the Countryside Report 2008, p72
Rural Solutions:

• Target population groups rather than deprived areas.
• Use small-area statistics to identify the smallest pockets of deprivation.
• Adjust the indicators, or their weighting, to accommodate both urban and rural aspects of deprivation.
• Designate larger areas for targeting, to pick up scattered disadvantage.

Step three: Policy implementation and evaluation

Like many aspects of good policy development, rural proofing is an ongoing process. Once a policy initiative has been implemented, it is important that any evaluation mechanism includes the rural perspective.

Implementation

Implementation is a key part of any policy process. Unless properly implemented, a policy is unlikely to achieve the outcomes intended. It is at implementation that the decisions made during the policy design and delivery stages make their impact felt. This is also when issues that are particular to rural areas can arise. Traditionally, the implementation phase is when tweaks are made to accommodate rural needs and challenges. But good, and early, rural proofing should result in fewer flaws surfacing at this point - because the needs of rural locations and communities have been taken into account already.

Evaluation

Evaluation has become a key part of contemporary policy making. Once a policy or programme is in place, it is important to provide evidence of its effectiveness and it is equally important to make rural communities part of the evaluation process. An evaluation which ignores the effects of a policy on people in rural areas will fail to show if a mainstream policy is truly effective.
Will Aston is the Rural Financial Inclusion Champion.

Will and the rest of the Rural Financial Inclusion Champion Team is available to help organisations engaged in financial inclusion activities consider rural circumstances so that their work brings real benefit to people living in rural communities.

They can provide:
• half day seminars to local strategic partnerships;
• face-to-face advice to financial inclusion policy leads within local government; and
• support and guidance to local financial inclusion partnerships.

For more information visit our website at www.ruralcommunities.gov.uk/financialinclusion

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