

# Evidence Review: Developing a Money Advice Performance Management Framework for Local Authorities in Scotland

February 2015



# Contents

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Contents	2
Purpose	3
Background	4
Key Points from Local Authority Submissions	6
Key Points from National Stakeholders	8
Key Points from Desk Review	10
Conclusions and Next Steps	11

# Purpose

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This paper summarises the written evidence concerning the development of a Money Advice Performance Management Framework (MAPMF). The content of this paper has been informed by evidence submitted by local authorities and national organisations as well as a focus group discussion held with national funders and wider engagement with key stakeholders. The paper also includes an overview of key points from an initial desk review of money advice and related performance information. The information submitted relating to key indicators that are currently being measured by money advice services was used to inform the development of a draft indicator guide which will be published separately. Overall, 13 submissions were received, 12 of which came from local authorities.

# Background

The Improvement Service is leading on the development of a Money Advice Performance Management Framework for Local Authorities in Scotland as part of the *Improving Outcomes in Money Advice* Project in partnership with the Money Advice Service. Throughout the research phase of the project, which involved all 32 local authorities in Scotland, the need for improved consistency in reporting and measuring money advice performance was highlighted.<sup>1</sup> The Improvement Service is also currently working in partnership with the Scottish Legal Aid Board and Scottish Government on the development of a Framework for Public Funding of Advice. Consultation events held with funders and providers as part of that work also highlighted the importance of robust performance management.<sup>2</sup>

The Money Advice Performance Management Framework will be developed in close consultation and cooperation with councils and other key stakeholders and it aims to capture key performance indicators from both in-house council money advice services and council-commissioned money advice services. The Improvement Service will develop a detailed guide and a list of indicators as well as collect annual data returns from councils. Based on the returns, an annual report will then be published. The project team will also offer support to councils and their partners and work with them to continuously develop and improve the framework. The framework and data returns will be used to help evidence the scale and impact of money advice services and to identify potential areas for improvement.

Whilst this work is focused initially on councils, it is envisioned that the framework will be of relevance to a much wider range of national funders and providers of money advice. Therefore, the consultation process included national stakeholders and the call for evidence which ran from November – December 2014 was open to all funders and providers of free-to-client money and debt advice. All outputs from developing the framework for councils will be made available publicly. If the initial work with local authorities is seen to be useful, consideration will be given in due course as to whether the work ought to be broadened out across the whole money advice sector.

The call for evidence and wider stakeholder consultation focused on the following questions:

## Call for evidence

1. What do you see as being key outcomes that money advice services ought to be addressing (which should then be reflected in the indicators used to measure performance)?
2. Do you currently have a performance management framework in place for the money advice service you deliver or fund? If yes, could you share a copy of this with us?

1 A detailed research report was published in 2013. To download visit: [http://www.improvementservice.org.uk/documents/money\\_advice/money-advice-services-across-scotlands-local-authorities.pdf](http://www.improvementservice.org.uk/documents/money_advice/money-advice-services-across-scotlands-local-authorities.pdf)

2 For further information on the Framework for Public Funding of Advice visit: <http://www.slab.org.uk/about-us/what-we-do/policyanddevelopmentoverview/Planningandcoordination/>

### Call for evidence cont.

3. Which money advice/debt advice indicators do you currently report on or require as part of your funding? What are the definitions for these indicators?
4. Do you have examples of other performance management frameworks that could be relevant in the context of this work?

# Key Points from Local Authority Submissions

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The list below summarises the feedback received from the local authority submissions concerning the range of **key outcomes** that money advice services ought to be addressing:

- Increased financial skills and knowledge
- Positive attitudes and the motivation to manage money successfully
- Client able to manage their budget and plan financially for the future/improved financial capability
- Clients are prevented from going into debt (again)
- An environment which provides a better balance of positive vs. negative influences on the financial mindset of the population
- Increased access to appropriate financial products and services that meet client needs
- Income maximisation and client financial gain
- People are given help to manage and reduce their levels of debt
- A good quality service is provided/services are accredited under quality standards
- Customer satisfaction ratings are high
- General wellbeing has improved

The evidence submitted by local authorities also highlighted a range of issues regarding performance management and measuring indicators. Some organisations have an established performance management framework in place, while others are reviewing current practices. The evidence also showed that the way services defined outcomes is very varied. Generally, all money advice services report on some key indicators including number of clients, client details, amount of debt handled, and amount of casework/length of a case, customer satisfaction, debt strategy chosen and client financial gain. The information that is being reported includes both quantitative measures as well as qualitative information and some services also report case studies. Some submissions included services targets such as a specific number of new clients per year. However, it is not always transparent how these targets are being defined.

Other key issues highlighted in the evidence that was received from local authorities:

- Difficulties for advice services providing more generic advice to distinguish between money advice and other activities
  - MAPMF needed to achieve greater consistency
  - SLAB monitoring framework could be used as a good example
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- Some differences in performance indicators between council in-house services and third sector organisations/CABx; this can lead to double entry
- Issues highlighted around definitions for indicators and how they can be interpreted differently; this had been resolved by one organisation through a joint working group, which involved representatives of local advice agencies, to help ensure that the same language was being used consistently when reporting back to the major funder
- Quality standards should be integrated in the MAPMF
- Need for a framework which allows data collection from range of different casework systems;
- Some organisations that submitted evidence are trying to focus more on qualitative outcomes for clients than financial gain; however, this is not easy to measure. One organisation used an outcomes framework with three different types of outcomes: strategic, operational and person centred; this was provided within their service specifications along with associated objectives, and how this would be measured
- Some organisations felt it was very important to focus on the amount of activity for the advisers and how this can be measured adequately
- Any money advice service should be put into context meaning its' remit, area covered etc. (a rural advice agency will have differing pressures from a debt advice agency based in a small urban area)
- While financial gain is often used as an outcome indicator, one organisation felt that it did not always adequately reflect the work of a money advice service since some services are resourced to collect this information whilst others do not have the resource to chase up this information and record it.



# Key Points from National Stakeholders

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The Scottish Legal Aid Board has a performance monitoring framework in place for its Making Advice Work programme and Tackling Money Worries funding stream. The monitoring frameworks include debt advice indicators; however their remit is broader and includes other advice areas. Projects provide both quantitative information as well as a narrative report. This information is supplemented by a client questionnaire to measure wider client outcomes regarding their experience of getting advice, the debt strategy chosen, financial capability and wellbeing. The information gathered is based on the Money Advice Service Debt Evaluation Framework. SLAB reports the performance information to its board and the Money Advice Service to ensure that various programmes and funding streams meet their objectives or outcomes. SLAB also uses the information to identify wider policy lessons.

The Money Advice Service Debt Advice Evaluation Framework<sup>3</sup> includes 15 client outcomes which have been developed to evaluate the effectiveness of debt advice across all delivery channels. The toolkit is available for all debt advice organisations to use. The 15 client outcomes are focused around 'recognising and framing debt problems', 'action to resolve debt problems', 'money management', 'towards debt resolution' which includes indicators to measure the client's wellbeing. The client outcomes included in this toolkit are very similar to the client outcomes that local authorities have reported they would like to see from money advice services.

As part of the consultation process a national focus group was also held involving national funders of advice. The focus group discussed questions around key outcomes, indicators and the logic chain model of the proposed framework as well as potential wider use at national level. The range of key 'outcomes' discussed included:

- Person directed to the right channel
- Right advice at the right time from the right provider
- Improved financial understanding
- Preventing problems when you can
- Helping when you can
- Prevention of issues
- Reducing the amount of debt
- Improved wellbeing
- Outcomes linked to strategic and national outcomes
- Financial gain – economic impact

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3 <https://www.moneyadvice.org.uk/en/tools/debt-advice-evaluation-toolkit-registration>



- Impact and change for individual/behavioural change – resilience (much more difficult to measure but definitely of use especially for funders)
- Sustainable solutions/change
- Reaching unmet need; targeting the right people.

The focus group also discussed the logic model and felt that some indicators such as 'referrals' could be included in both 'activity' (making the referral) and 'output' (number of referrals made). It was also more challenging to distinguish between 'output' and 'outcome' indicators while the group agreed the outcome measures should ultimately evidence the difference made to a person's situation. A suggestion was made to replace the 'input' category with 'service specification'. In terms of measuring softer outcomes funders agreed that advice services should evidence their contribution to the outcome rather than attribution. Many factors can influence the final outcome and advice services should measure and evidence the difference they are making in a proportionate way. Generally, the group participants agreed that different funders might be looking for different information, however they could all agree on a focus on client outcomes at the core of a performance framework. It was felt that the MAPMF could be very useful for national funders in terms of understanding local provision, identifying gaps and targeting funding more efficiently. Participants also pointed out that once the framework was established elements could be used by national funders as well.

# Key Points from Desk Review

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The desk review highlighted that currently there is no consistent way of measuring and reporting money advice performance in Scotland; there are numerous examples of differences in reporting and defining performance indicators. Whilst local authorities in Scotland are major funders and providers of money advice, their contribution is not highlighted in any national statistics. There is however significant overlap in the type of information that is being reported especially in relation to demography. It was also found that there is a lack of reporting on service and client outcomes.

Most performance frameworks that were reviewed included detailed guides and clear definitions and examples for each indicator.

The *Improving Outcomes in Money Advice* project has identified a growing appetite across the money advice sector in Scotland, and amongst local authorities in particular, to develop and agree on a common performance framework for money advice.

# Conclusions and Next Steps

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The evidence reviewed highlighted that:

- There is currently no consistent approach to recording and reporting of performance information for money advice services in Scotland
- The way in which outcomes are defined and understood varies across services (for example, the research highlighted evident issues around the 'language of performance management' and variable interpretation, for example, in relation to what is meant by an 'outcome')
- Services report on a mix of quantitative and qualitative information
- Some services have specific targets such as a number of new clients per year, and it is not always transparent how these targets are defined
- There is however significant overlap in the type of information that is recorded by money advice services
- Overall, the findings from the desk review and call for evidence highlight the need for the development of a robust performance framework for money advice services; local authorities and other key stakeholders are largely supportive of this work.

Following publication of this report a steering group comprised of local authority representatives and national stakeholders will develop a detailed indicator guide and definitions which will then be published for final consultation with all 32 councils in Scotland. The first version of the MAPMF will be published in Spring 2015 and openly available via the Improvement Service website. A data return template will also be made available.

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