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Introduction

Clockwise is a regional credit union, serving members in Leicester, Leicestershire, Rutland and Northamptonshire. Over recent years, we have grown rapidly, and are financially robust. But we are very much aware that Profit and Loss accounts and Balance Sheets only look at the pounds and pence. We wanted to know more: how does what we do affect our members? How are we helping them? What can we do better?

To answer these questions, we commissioned an external assessment using the Social Return on Investment (SROI) approach. Before getting into what the survey found, here's some background on Clockwise and SROI.

The SROI process is independently verified by Social Value UK.



Teresa Manning, CEO



Who are Clockwise Credit Union?

Our slogan sums up what we offer: Safe Savings and Affordable Loans.

By combining competitive rates of interest with the opportunity to put something back into the community, Clockwise generates funds from our saving members which we then lend out at affordable rates to people who otherwise struggle to get loans, or can only get them at punishing interest.

Founded in 1992, Clockwise has doubled in size over the past five years: we now have over 15,000 members. By adding careful financial management to active marketing, we have strong reserves to support our ambitious plans for growth.

As a credit union, we are a co-operative, and we respect the co-operative principles of fairness, sharing, inclusion and integrity. We are a business that is owned and controlled by our members, who share in our profits and have an important say in how we are run.

What is Social Return on Investment?

Social Return on Investment (SROI) is a widely-used technique for assessing the social value that an organisation brings to the community it serves. That value can come in many ways, and the analysis is carefully designed to establish:

First, what those social values are for the organisation's users.

Second, how well the people the organisation serves think it is performing on those values.

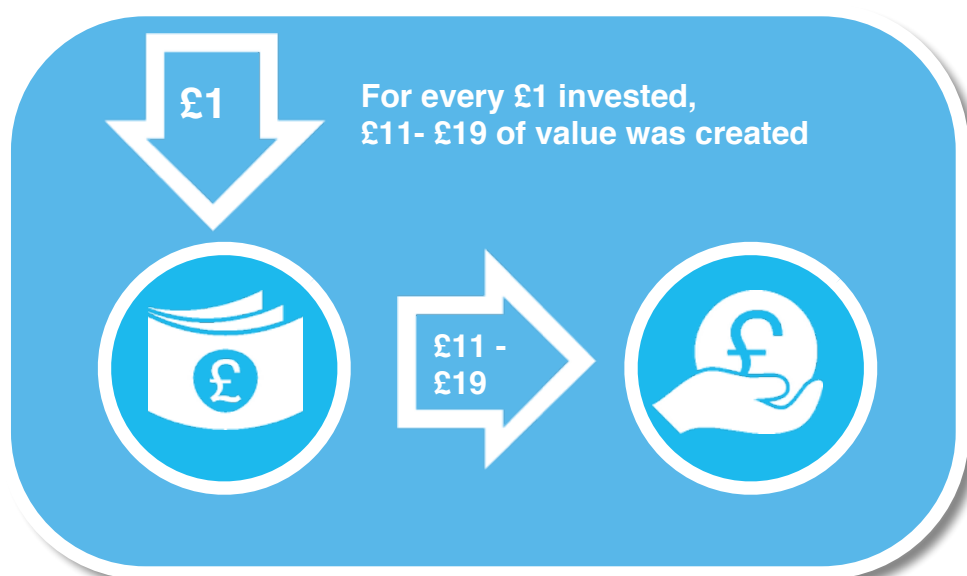
And third, for each of those values to estimate in financial terms what may be the return on the investment the organisation is making.

Clearly, it's vital that the survey be carried out professionally and independently. For this purpose, Clockwise commissioned Kai-Zen, a consultancy with wide experience in this area, who work under the auspices of CASE, the Co-operative and Social Development Agency. A summary of their findings follows.

The Clockwise Credit Union Impact

Over the years 2018 and 2019, Clockwise Credit Union invested £2,376,582 in delivering services to our members. This is the investment being measured.

The range of £11 to £19 in social value depends on a number of social/economic factors and the assumptions made.



Our Members and the Services they Use

Our members use various different products depending on their financial needs and there is some overlap.

PRODUCTS	NUMBER OF MEMBERS
Budget Account Holders	134
Personal Loan Borrowers	3,700
Transactional Members*	2,500
Instant Access Savers	2,900
Borrowers Who Save	170
Borrowers: Personal Loan Plus	700
Gold Saver	307
Rent Payment Accounts	150

* These are members who hold a prepaid card with us.

Financial Exclusion

The survey confirmed that, among our borrowing members, financial exclusion is one of the biggest obstacles they face. But that exclusion can affect different groups differently.

For example, we found a wide range of issues among these member segments:

- Social housing tenants
- Prisoners and ex-offenders
- Older people
- Refugees and migrants
- Black, brown & ethnic minorities
- Disabled members
- Those with long term health conditions
- Victims of domestic violence
- Young people not in employment, education or training

How our Members Benefitted

5,706 members improved their financial skills and knowledge

5,095 members were better able to manage their money

1,561 were less stressed in terms of their mental health

951 members' needs were better met due to our being based in the community

10,241 members felt that they were able to control and influence decision-making

100 members were better able to manage their tenancies and therefore avoided being homeless

20 members were less likely to reoffend

8 children and young people gained financial skills

Assessing the Social Value

Our survey found that financial capability is not just about learning how to manage money: it's about being able to put this into practice. The value is the distance travelled on the journey from being financially excluded to gaining confidence, learning skills and knowledge and then, crucially, on to behaviour change.

This happens because members are using the various Clockwise products.

The outcome, 'better able to manage money' is where our biggest impact is being created for our financially excluded members experiencing those outcomes.

The SROI Evaluation has provided us with evidence about what members value the most, what their preferences are – and what improved their lives for the better. This is important and it is powerful. Members ranked and valued the following outcomes as the most important:

- Being less stressed
- Being able to manage money

Clockwise and the Community



This SROI assessment echoes the findings of research on affordable credit* carried out this year by Fair4All Finance, a not-for-profit body created to support the financial wellbeing of people in vulnerable circumstances. It highlights that members value financial capability, reduced stress and improved mental health the highest, and that these outcomes generate the biggest social value.

It also echoes Fair4All's recommendation that a range of products is needed to meet different customer requirements and preferences. Accordingly, we plan to create tailor-made products and services targeting specific sub-groups of our membership.

We know that there are many organisations in the region we serve that affect our members' outcomes. The assessment took this fully into account. However, here at Clockwise we offer a service that is very different from our partners – and still more so from our competitors. Our members stay with us for many years, over time using different Clockwise products: a virtuous circle which steadily increases the social value we generate.

'Transforming Affordable Credit in the UK' (2020).

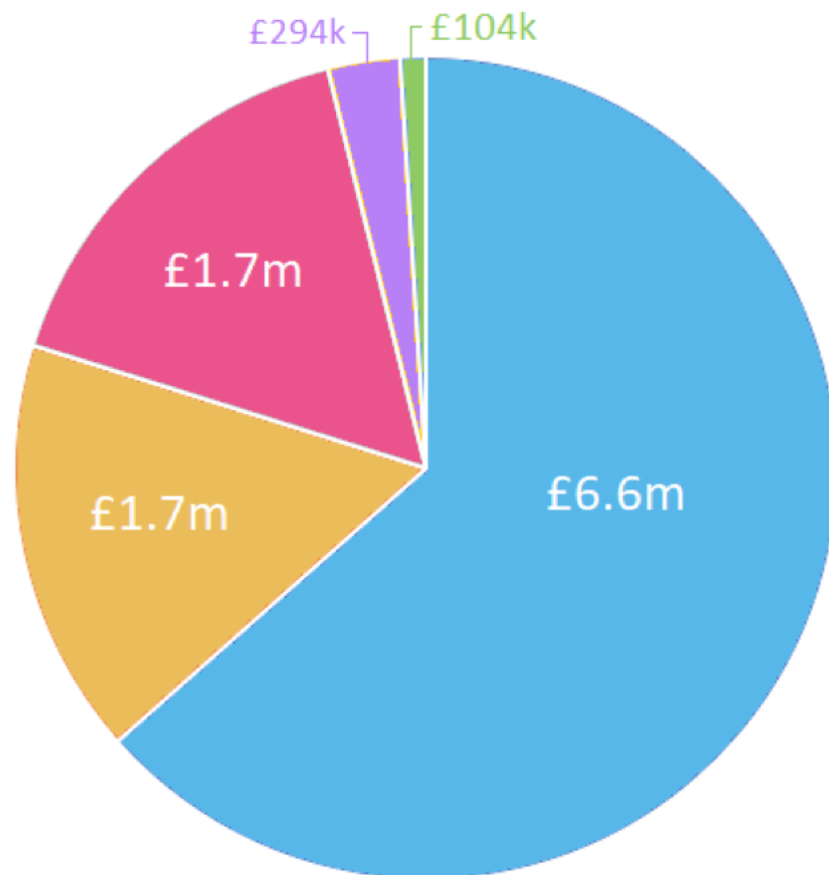
The Financial Value of our Members' Outcomes

The SROI approach is unique in that it estimates the financial value of the social outcomes we help our members achieve. To do this, it uses a range of measures specifically developed for this purpose. More details are provided in the Appendix on page 9.

Because this is the first time that we have tried to value our social outcomes, our consultants had to make several assumptions. This evaluation is an important first step which will help us to undertake more in-depth analysis in the future.

The total value of all our outcomes was £10.4 million

The chart below shows the different ways our members benefit from this value.



- Members feel less stressed and anxious
- Members gain skills and are better able to manage money
- Members have influence and control over decision making
- Volunteers are proud and happy
- Members are more independent

Our social value is high: this is partly because we serve the most disadvantaged people in society and help them to be financially included.

What our Members Say

Clockwise helps me to better manage my bills and save money. I am more disciplined with my money.

- Hayley, member

I was desperate. Clockwise helped me a lot. When things are not right I know where to go. I now better manage my money. I am less worried and more comfortable. I had trouble with my status and if it wasn't for Clockwise I wouldn't be here in the UK.

- Emily, member

If I get behind on my bills, Clockwise is a good healthy solution. I am now building up savings so that I can go on holiday. I am more in control and I have a grip. Clockwise is my safety blanket. They always give me options with advice, explaining everything clearly and without any jargon. It makes me feel more included. I have less stress. If it wasn't for Clockwise I would have more debt, I would be in arrears with my rent and I would be homeless.

- Hannah, member

I am a single mum of four and struggled to feed the kids and afford their school uniforms. This stressed me out and made me anxious. Clockwise showed me how to manage a budget and save so that I had a fall back in times of need.

- Kerri, member

One of our clients uses the Clockwise budget account. He was previously high risk and vulnerable. He is now more financially secure and more in control of his money. He has cleared his debts and he now has savings. His living conditions have improved because he can now afford a cleaner.

- Hinckley and Bosworth Borough Council support worker

If it wasn't for Clockwise I would have ended up with bailiffs, in the courts and with fines. This would have made my mental health worse and I may even have gone to prison for not paying my council tax.

- Helen, member

I believe in fair and equal distribution of profit. Having savings with Clockwise I not only get a better rate of interest but I am also proud and happy to be helping people that are financially excluded.

- Mark, ethical saver

I am proud and happy to be supporting Clockwise Credit Union because it helps people that need it. As the Chair of the board I share my skills and this is very satisfying. I want to see Clockwise Credit Union gain more coverage and become more mainstream so that we are not just lending to people that are financially excluded.

I want to increase our impact and reach more people.

- Chairman

Next Steps

This is the start of our journey and we have more work to do.

1. We need to investigate how many of our members are experiencing relief from being heavily in debt, how many can now save regularly, and what specific outcomes they experience.
2. Now that we have a clear idea about what outcomes our members value and what their experiences are, we can start to collect more specific data to shape our decision-making.
3. Specifically, we will study member sub-groups with different socio-economic profiles, to identify how we:
 - a. Add most value for our members, and
 - b. Should design our products and target our resources.
4. We also found that there is a clear link between financial exclusion, stress, anxiety, depression and other mental health conditions. We will explore this further.
5. Finally, a significant number of our members valued being able to have a say in and influence our decision-making. This relates closely to our co-operative values. We will work to enable our members to participate still more in the decisions that Clockwise makes.

The Social Return on Investment Evaluation was prepared by Natasha Jolob.
Evaluation Summary Report compiled by Clockwise Credit Union.



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safe savings & affordable loans

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Appendix

The Social Return on Investment Method

SROI is a framework for measuring and accounting for change - the difference that we make to people and the planet.

It tells the story of how change is being created by measuring social outcomes. It then uses monetary values to represent them. Our consultants used the Housing Association Charitable Trust value calculator, together with financial proxies identified by external sources for the social outcomes. This enables a ratio of benefits to costs to be calculated. We plan to carry out further detailed analysis so that we can develop our own financial proxies.

The methodology uses a mix of qualitative and quantitative research to identify the outcomes and the number of members' experience.

Consulting with financially-excluded members about financial proxies and values was considered to be too sensitive and would be purely subjective. Further consultations with the different sub-groups will be undertaken at future focus group meetings.

SROI is a principles based methodology. The SROI analysis followed the six stages of the SROI process and used the SROI principles

SROI Principles

1. Involve Stakeholders
2. Understand what changes
3. Value what matters
4. Include only what is material
5. Avoid over-claiming
6. Be transparent
7. Verify the result

SROI Process

1. Establishing scope & identifying key stakeholders
2. Mapping outcomes
3. Evidencing outcomes and giving them a value
4. Establishing impact
5. Calculating the SROI
6. Reporting, using and embedding

The SROI evaluation process is independently verified by Social Value UK, who are a member led, professional body for social value and impact management. The mission of Social Value UK is to change the way the world accounts for value.