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# SOCIAL RETURN ON INVESTMENT EVALUATION REPORT



**Clockwise  
Credit Union**  
safe savings & affordable loans

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## INTRODUCTION

Clockwise is a regional credit union, serving members in Leicester, Leicestershire, Rutland, Coventry, Warwickshire and Northamptonshire. Over the past two years that this report covers we have increased the area we serve to include Coventry and Warwickshire, increasing our membership and outreach whilst remaining financially robust.

In 2019/2020, we commissioned an external assessment using the Social Return on Investment (SROI) approach as we are very much aware that Profit and Loss accounts and Balance Sheets only look at the pounds and pence. Just as we wanted to know more back in 2019/2020, we continue to evaluate the impact that Clockwise Credit Union has with its members:

- 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.

*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 increased its geographical area over the past two years to include Coventry and Warwickshire: we now have over 22,000 members. By adding careful monetary 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.



SROI is a framework for measuring and accounting change - the difference that we make to people and the planet. We used SROI so that we could find out:

- Where we are making the biggest impact
- Measure the difference we are making
- To use the data to inform planning & decision making

SROI is much more than just a number. It is a story about change, on which to base decisions, that includes case studies and qualitative, quantitative, and financial information. SROI tells the story of how change is being created by measuring the social outcomes and it uses monetary values to represent them. This enables a ratio of benefits to costs to be calculated.



Following our previous investigations the latest being in 2018/19, we commissioned another external evaluation to inform Clockwise Credit Union how to plan their business decisions to meet the needs of our members.



This report summarises a Social Return on Investment (SROI) evaluation of Clockwise Credit Union's services for the period 2022 and 2023. This timescale was chosen because it was a new cycle that included the membership of the credit unions that merged with Clockwise Credit Union.

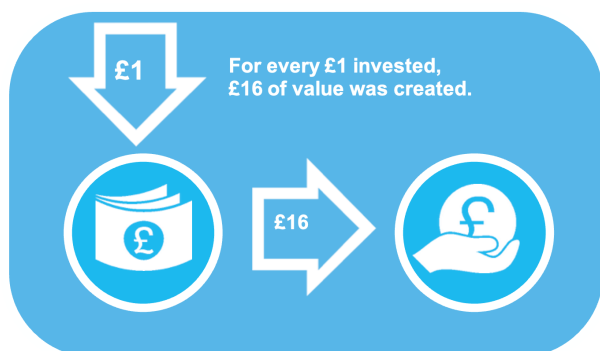
Clockwise commissioned Kai-zen Change for Good CIC, a consultancy social enterprise with wide experience in this area who undertook the previous SROI analysis for continuity of assumptions and methodology used.

## WHAT IS SOCIAL RETURN ON INVESTMENT?

Over the years 2022 and 2023, Clockwise Credit Union invested £4,669,262 in delivering services to our members. This is the investment being measured.

## THE CLOCKWISE CREDIT UNION IMPACT

- The social return on investment ratio is 1:16
- The total value of the social outcomes (after causality) is £55,379,038
- Members valued being better able to manage money and being less stressed the most
- Members being able to manage money created social value of £23,495,000
- The social value of being proud and happy was £18,353,457 - the second highest social value in the account
- Members valued feeling a sense of belonging which was valued at £6,670,455



## OUR MEMBERS AND THE SERVICES THEY USE

PRODUCTS	NUMBER OF MEMBERS
Budget Account Holders	89
Personal Loan Borrowers	6,752
Transactional Members*	2692
Current Accounts	366 with balance over zero. 1,354 active with either zero or negative balance
Instant Access Savers	19,650 S1 accounts with balance above zero
Borrowers Who Save	903 - this is based on the number of borrowers who have at least £50 in deposits
Borrowers: Personal Loan Plus	22
Cash ISA	241 with a balance above zero , 5 of them are Junior ISA's
Gold Saver	55 with balance above zero
Prize Saver	486 with balance above zero. 4,893 active accounts with balance less than £1
Rent Payment Accounts	29

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





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

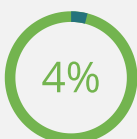
The evaluation of the indicative data told us that we made a difference to these members:



of members went from unemployed to being employed



of members went from being homeless to having their own home



of members reported that their health improved

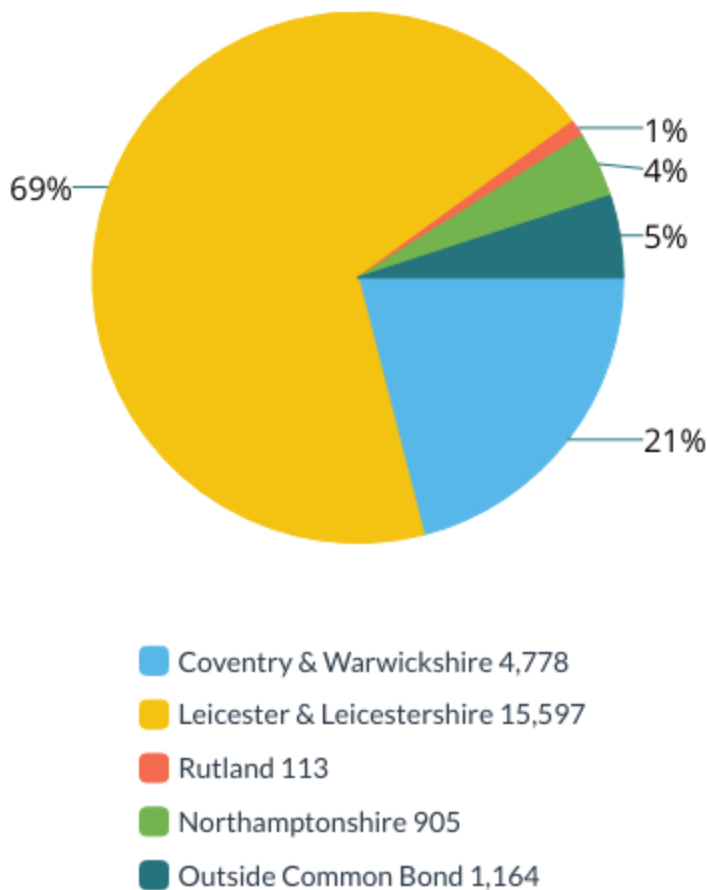
Whilst these percentages may not seem overly high the impact on individuals is truly significant and these vulnerable members will be a focus for Clockwise Credit Union to include in future plans and decisions.

## FINANCIAL EXCLUSION

Clockwise played a vital role to help people with accessing housing, helping people move into employment, helping people leaving prison, the homeless, refugees and asylum seekers reporting the benefits of having a bank account and providing members with access to safe savings and affordable loans avoiding the high-cost payday lender or worse the unscrupulous Loan Shark.

## HOW MEMBERS BENEFITTED

### The Membership of Clockwise Credit Union 22,5k



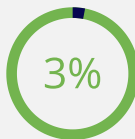
proud and happy to be helping those that are facing social disadvantage



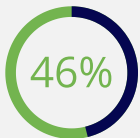
members felt proud and happy to be helping support the local community



members were better able to manage their money



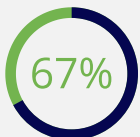
members reduced homelessness



were less stressed in terms of their mental health



members were less likely to reoffend



members feel a sense of community belonging



members secured employment and were more independent

## 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.

## CLOCKWISE & THE COMMUNITY



This SROI assessment faced challenges in collecting data from members partly due to expansion into Coventry and Warwickshire with the closure of a branch and fewer community banking points.

Online banking has grown significantly since Covid -19 and whilst it streamlines everyday banking for the benefit of members and Clockwise Credit Union there is an impact on some members who are not digitally confident.

Sub-Region	Number of Responses	Number of Members
Leicester, Leicestershire & Rutland	473	15,597
Coventry & Warwickshire	134	4,778
Northamptonshire	18	905
Other Areas	30	1,164
<b>TOTAL</b>	<b>655</b>	<b>22,557</b>

The response rate was 3%. The response rate was very low compared to 2019 (10% 2019, 3% 2020, 5% 2021).



Despite these challenges we were able to compare the results with previous years, triangulate with external research and find out what our members valued the most, what their preferences were and what improved their lives for the better. This is so powerful with members reporting how Clockwise Credit Union helped them through the Covid 19 crises and rise in the Cost of Living with members reporting a real positive presence within the community at this uncertain time.

We also considered two further pieces of recent research:

- "Empowering lives: The social impact of Merseyside Credit Unions" - October 2023 FairforAll<sup>1</sup>
- A report by the Chartered Institute of Insurance in 2023, "Building Resilient Household: Low Financial Resilience Households"<sup>2</sup>

The FairforAll research on the social impact of credit unions in Merseyside found that developing savings habits builds resilience and improves overall financial stability and there are a number of different factors that lead to improved resilience including having both savings and access to credit.

The Task Force report in November 2019 highlighted the harm that low resilience can cause to individuals, families, businesses and communities and public services. Since then, the Covid pandemic and the Cost-of-Living crisis have created further challenges to the finances of both the nation and individual households.

The FCA reported last October that the number of people lacking financial resilience was 12.9 million in May 2022 – an increase of a million on the February 2020 figure. The general sense was that this is a deep-seated issue which has been exacerbated by the Covid years and the recent sharp rises in the cost of living.

Our research shows that developing savings habits and having access to credit builds resilience and improves overall financial stability and that certain social groups were more vulnerable.

The Clockwise Credit Union 2023 research found that 303 members reported that they felt less stressed as a result of Clockwise and 71 out of these 303 reported that this impacted on their mental health to a large extent. The external content – the cost of living and covid significantly impacted on the external content and household budgets and mental health. We therefore felt that mental wellbeing was an important social value for the Clockwise membership because members reported a direct impact on their mental health.

A significant number of members also valued being part of a cooperative that helps those that are facing financial exclusion and that supports money to stay in the social economy. This is important and the report and social value account does not capture sufficiently the effect this has on building and supporting the social economy. The credit union is an important and major stakeholder that is supporting change during a time of systems failure. It is recommended that future research better accounts for multiplier effect.

<sup>1</sup> <https://fair4allfinance.org.uk/resources/the-social-impact-of-merseyside-credit-unions/>

<sup>2</sup> <https://www.cii.co.uk/media/10129965/building-resilient-households.pdf>

## 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.

**The Total Value**  
of all our outcomes

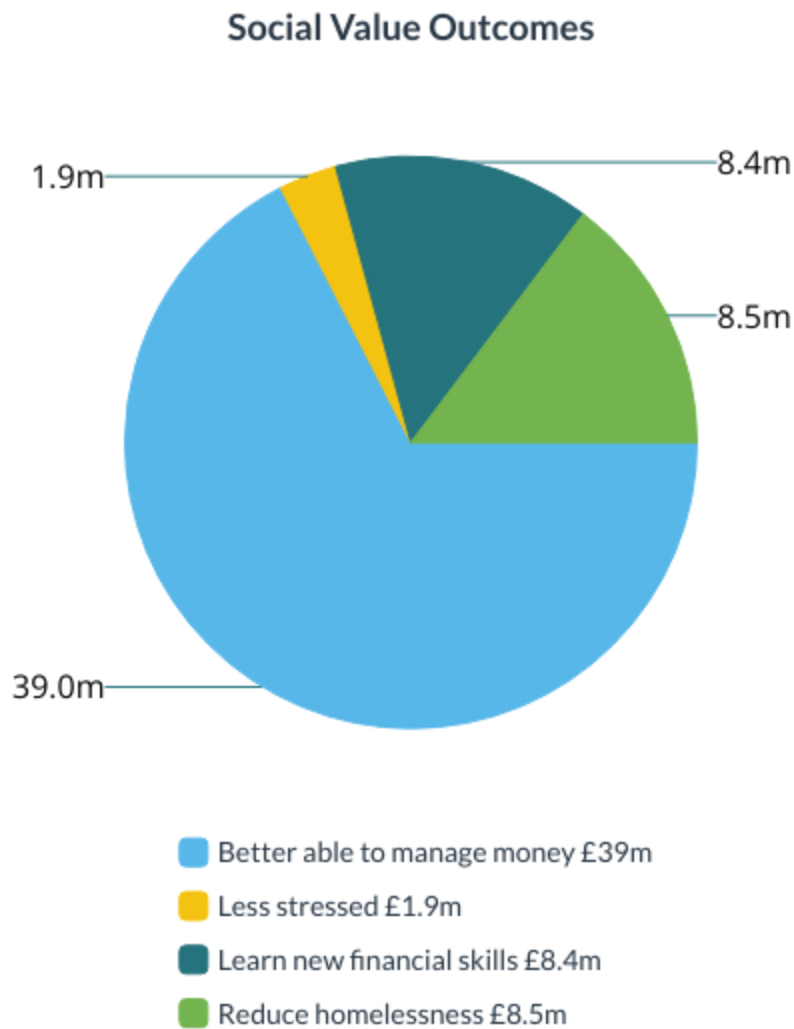


- Members valued being better able to manage money and being less stressed the most
- Members being better able to manage money created social value of £23,5 million
- The social value of being proud and happy was £18 million – the second highest social value in the account
- Our social value is high: this is partly because we serve the most disadvantaged people in society and help them to be financially included.

Outcome	Impact Calculation after causality
Better able to manage money	£23,495,000
Less Stressed	£752,444
Reduced homelessness	£916,976
Greater sense of belonging	£6,760,455
Proud and happy	£18,353,457
Improved ability to manage tenancies	£3,915,308
Reduced re-offending	£28,058
More independent	£1,680,976

Negative outcomes are as important to us as positive outcomes as these give us information to make pro-active changes for our members. Some 14% of members reported being more lonely or isolated as a result of our services, partly due to our branch closure in Coventry and reduced banking hours. This is something that we will address as a result of our findings.

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



## WHAT OUR MEMBERS SAY

### THANK YOU

“ I would recommend the credit union to as many people as possible. It is the best and safest company I know and I would never use anyone else. ”

“ I have saved enough to pay off my debts. I now have a little left in my account for any emergencies, or even to spoil myself with! ”

“ Having the Clockwise loan and top ups has made me able to do more things for the children. It is hard being a single mum and having this has helped me massively. ”

## THANK YOU

“ I learnt how to manage my money via the website. It means I can manage my money easier and saves me the bus fare coming to town. If I have money left at the end of the month, I can transfer it over to my credit union before I am tempted to spent it! ”

“ I've been a member for 14 years. When I first joined I was homeless and unemployed. The credit union helped me get somewhere to live. That was a starting point to getting a job and getting myself into the position where I have now been in employment for over 11 years with the same company. I have fortunately never been in that situation again since. ”

”

Clockwise has taught me how to save and keep money, whilst being able to afford additional things

## THANK YOU

“ I experienced having an account I can rely on and it makes things easy for me. I don't feel so down and I will always be able to get a sense of belonging being a member with Clockwise. I enjoy being appreciated and I feel trustworthy. It makes me want to continue to keep my account for years. I want to tell the world about it and I have told my family and friends about it. ”

“ Just knowing that Clockwise is on hand has made life a lot easier. ”

Super  
Helpful

## NEXT STEPS



This is a journey and the information gathered will be used to inform planning and decision making alongside measuring our responsibilities for Consumer Duty to ensure the best outcomes for our members.

Improving the emotional and financial wellbeing of members was identified from the research to be a priority for members.

We will form an Action Group, including a diversity of members (especially inviting members from disadvantaged social groups), to identify where we can optimize our social value by making strategic, tactical, or operational decisions.

This is in line with best practice and the Social Value UK principles (<https://socialvalueuk.org/resources/standard-on-applying-principle-8-be-responsive/>).

The Social Return on Investment Evaluation was prepared by Natasha Jolob, Advanced Accredited Practitioner in Social Value.

Evaluation Summary Report compiled by Clockwise Credit Union



## Clockwise Credit Union

safe savings & affordable loans

Head Office  
1 St. Nicholas Place, Leicester LE1 5LB  
t: 0116 242 3900 e: [enquiries@clockwise.coop](mailto:enquiries@clockwise.coop)  
[www.clockwise.coop](http://www.clockwise.coop)



# APPENDIX

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

SROI is about value, rather than money. Money is simply a common unit, and as such is a useful and widely accepted way of conveying value. In the same way that a business plan contains much more information than the financial projections, SROI is much more than just a number. It is a story about change, on which to base decisions, that includes case studies and qualitative, quantitative and financial information.

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

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:

- Members being better able to manage money
- Members being less stressed

SROI is a principles-based methodology (<https://socialvalueuk.org/principles-of-social-value/>)

This analysis followed the six stages of an SROI and used the SROI principles. This analysis has been carried out to the standard approach to SROI as documented by the UK Government, Cabinet Office sponsored guide to SROI (Social Value UK, 2009).



## SROI Process

- Establishing scope and identifying key Stakeholders
- Mapping outcomes
- Evidencing outcomes and giving them a value
- Establishing impact
- Calculating the SROI
- Reporting, using and embedding

## SROI Principles

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



## Being Transparent

Natasha Jolob of Kai-zen Change for Good CIC was commissioned to carry out this analysis. She is an independent consultant, Advanced Accredited Practitioner and Director of Social Value UK. She has produced three SROI accounts for Clockwise Credit Union and is considered as a 'critical friend' of Clockwise Credit Union. She, therefore, offered an independent, unbiased judgement.

## Transparency SROI Definition:

Each decision relating to Stakeholders, outcomes, indicators and benchmarks; the sources and methods of information collection; the different scenarios considered and the communication of the results to Stakeholders should be explained and documented.

'The SROI evaluation process follows the 8 Principles and 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.

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.

