



# Stepping Forward:

Our four-year strategy

# Introduction by Phil Andrew, Chief Executive

It's my privilege as Chief Executive of this essential charity to share with you our strategy for 2018-22. Our plans for growth are bold. They reflect not ambition for its own sake, but a vital need to help the rising number of people facing financial difficulty.

These next four years are going to be jam-packed with change – in society, technology, the economy, and the debt advice landscape itself. We need to step up confidently to meet those challenges, and we set out here how we plan to do exactly that.

2018 marks the 25th anniversary since a tiny team came together in Leeds to create the Consumer Credit Counselling Service, now StepChange Debt Charity. Today, we operate right across the UK with 1,500 highly committed colleagues who, last year alone, set some 300,000 people on a path through full debt advice to restoring their financial wellbeing.

I'm hugely grateful that every single one of my colleagues has been actively involved in developing and refining this strategy.

There's a long way to go to close the gap between the number of people who need debt advice and the number of people who get it. We should be outraged that in the UK, in 2018, so many people are in problem debt and not getting the help they need to escape from it.

That's why, at the heart of this strategy, there's the bold aspiration to double the number of people we advise by 2022, including through innovative, earlier ways of helping people.

We're doing this by investing in new technology and ways of working and, most importantly, our single greatest asset – our colleagues.

Crucially, we'll use the unparalleled insight we have from the hundreds of thousands of clients we speak to every year to campaign in pursuit of our vision of a society that no longer needs us – one that is free from problem debt.

Throughout the development of this strategy our Board of Trustees has provided expertise, challenge

and insight to help us develop plans that set us in good stead for the future. I'd like to thank them all but especially our Chair, Sir Hector Sants, who will shortly be leaving StepChange to become the first Chair of the new statutory Single Financial Guidance Body. His guidance and leadership have been invaluable not just throughout the development of this plan but throughout his three years as Chair of StepChange. My colleagues and I owe him a huge debt of gratitude.

I'm very much looking forward to working in partnership right across the sector – and right across all the nations of the UK – to implement this strategy. Together we can and we will deliver the best possible services to help reduce the harm and detriment caused by problem debt.



Phil Andrew



# Executive summary

By 2022, more than two million people will need debt advice every single year. At present the entire advice sector has capacity to help only about one million people.

This is why, at the heart of our new strategy, our ambition is to double the number of people we advise by 2022. As the UK's leading debt charity, it's incumbent on us to step up to our social responsibility and play our part in meeting the need.

To truly reduce problem debt, we also need to help people earlier, before they reach the stage where they're in problem debt.

For the first time, we'll be creating new earlier intervention services to help more people get meaningful support, so that their debt problems never reach crisis point.

We're committed to working in close partnership with creditors and other advice providers to build capacity, maximise efficiency, embed operational excellence, and harness new ideas and innovation – for the benefit of clients across the sector as a whole. Our focus on high quality advice, as a regulated provider, will underpin everything we do.

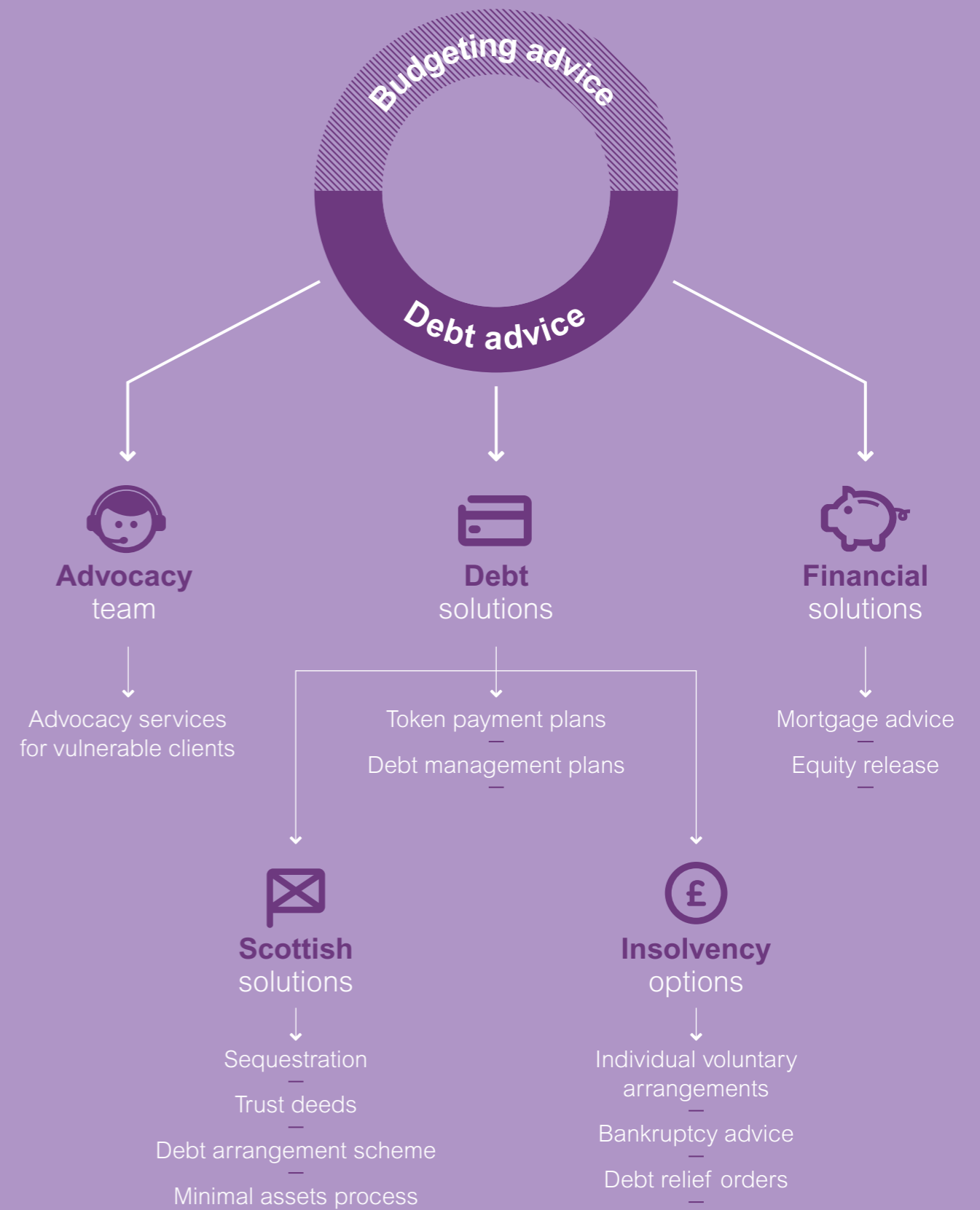
Our policy and campaigning work will harness the powerful insight we gain from advising hundreds of thousands of people every year. We'll explain the debt landscape authoritatively to policymakers and the media, to reduce stigma, encourage action and create positive change.

Crucial to delivering these ambitious plans are our colleagues. We will invest in them so that we recruit and retain the best people to deliver the services our clients need.

In all areas, our four-year strategy aims to strengthen our leadership in bringing solutions to the UK debt landscape.



We offer the widest range of practical debt solutions of any provider in the UK



# Helping more people

To ensure that everyone has somewhere to turn when facing problem debt, by 2022 we're aiming to help twice the current number of people we advise annually.

We'll do this by investing in new technology, diversifying and growing our funding, modernising our ways of working, introducing new services and supporting our colleagues.

We'll build support from private and public sector partners so we can introduce new services to help more people at an earlier stage, intervening before debt becomes severe.

## Over the next four years, we're aiming to:

- **Respond to changes** in the way people access our services by investing in both our online and telephone services

- **Maximise efficiency** and work with others to deliver value and impact
- **Keep our advice free** and offer a range of solutions to clients based entirely on their needs
- **Introduce earlier interventions** so that by 2022 we hope to help 175,000 people a year deal with debt pressures before they reach crisis point
- **Help almost 1.7 million people** through full debt advice over the four-year strategy period – a 42% increase on the previous four years

We'll see growth across the full range of debt solutions offered to clients all across the UK.

Alongside the managed debt plans we offer, we have two dedicated subsidiaries: StepChange Voluntary Arrangements and StepChange Financial Solutions, an intermediary for equity release and mortgage loans. We'll build on this unique full-service offering to deliver the best range of outcomes for people facing a wide variety of financial situations. As we expand our services, we won't let growth distract us from our focus on excellence in client advice and regulatory compliance.





# Responding to the changing needs of clients

Throughout our 25-year history we've always changed to meet the needs of our clients.

From face-to-face, to telephone, to online debt advice, we've adapted and responded to new technology and new expectations.

Now, for the first time, we'll develop new services to reach people at a much earlier stage in their debt journey – before they've reached crisis point.

This is vital as we know that many of our clients wait a year or more before they seek debt advice. That's a whole year of stress and, for many, a worsening of their financial situation. We believe it doesn't have to be.

By working with creditors and partners we can better identify those who are showing early signs of problem debt.

If we can work with people before they enter a debt spiral to assess their financial situation, maximise their income, determine the scale of the problem and create a budget, then we can make a real dent in the number of people who hit a debt crisis point.

*"I think the strategy will revolutionise how we deliver our services and improve our efficiency. To make this a success we need colleagues, clients and creditors to 'buy in' and be committed to the future of StepChange."*

**Samantha, Finance Partner**

**We'll establish this new service by:**

- ▶ Working with creditors, partners and clients to identify how best to reach people before they reach a point of debt crisis
- ▶ Seeking new partnerships to raise awareness of problem debt and ensure financial education and support is available to those who need it
- ▶ Securing new funding streams to support these earlier interventions
- ▶ Campaigning publicly to reduce the stigma associated with problem debt so that people are more willing to access the support they need, without fear or shame

We estimate that, by 2022, we will reach 175,000 people a year with earlier interventions to manage their debt problems.

## Investing in new technology and ways of working

We know that the technology we all use in our day-to-day lives is changing rapidly.

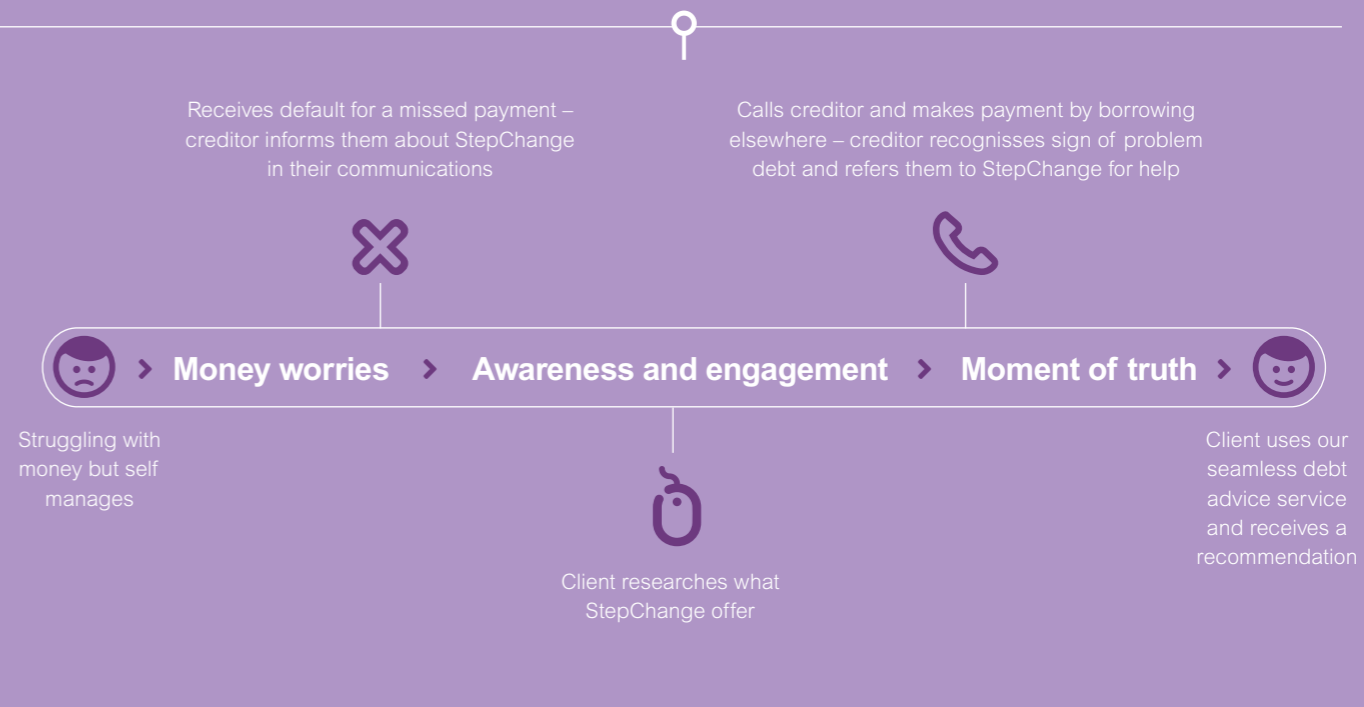
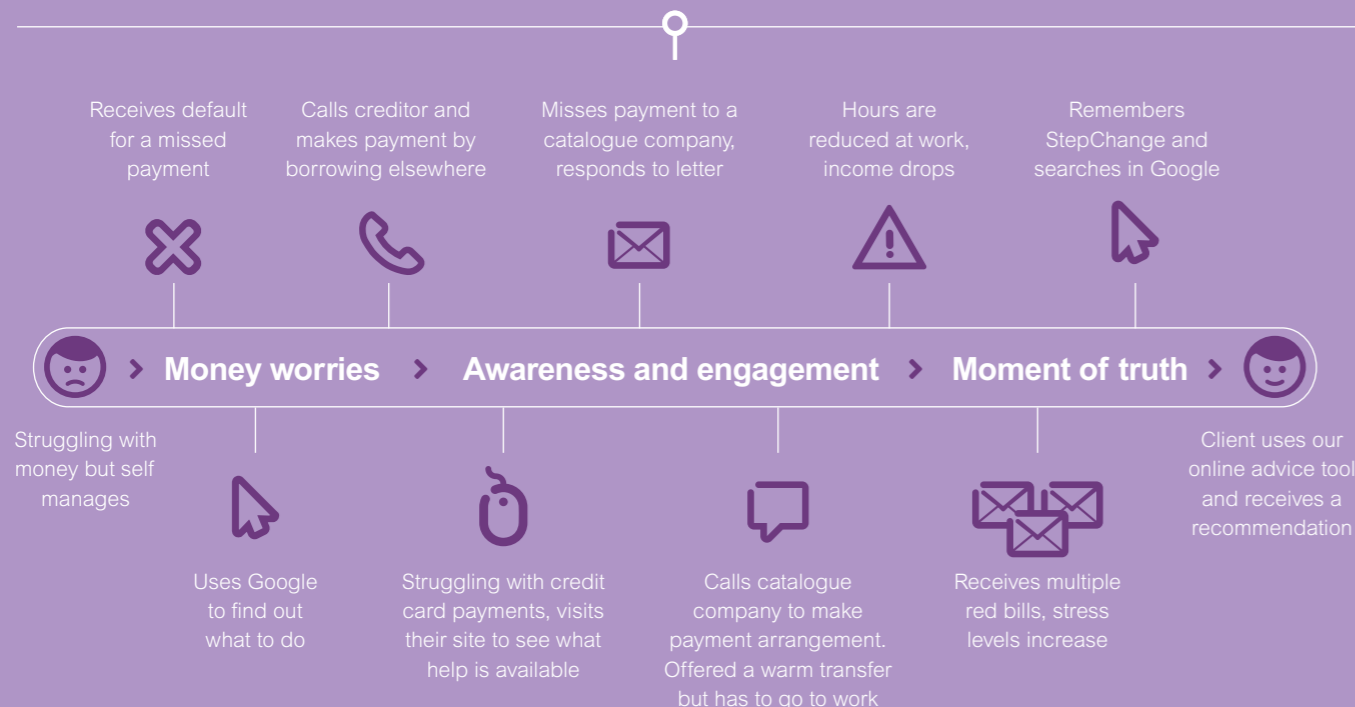
If we're to keep up with the needs of our clients then we need to change too. That's why we're investing almost £30 million into transforming how we work and the technology that we use. By doing this we hope to double the number of people we help without a corresponding increase in costs.

This will mean better services for our clients and a better workplace for our colleagues. It's also a vital investment to make sure we have the flexibility and agility to gear up our service in line with demand.

## A typical journey to debt advice

**now**

**in the future**



# Working together – our colleagues and our partners

One of our charity's core values is working together. That principle is a key building block of this strategy.



## Our colleagues

**Our colleagues are our single greatest asset and the foundation of our plans for the future.**

Almost 1,500 colleagues bring their own unique passion and expertise to StepChange with a shared goal: to support our clients in the very best way that we can.

Our strategy recognises the talent and tireless commitment of our colleagues and sets out how we'll continue to invest in their wellbeing and development.

Every single one of them has helped shape this strategy, and their commitment will be vital to its delivery.

We'll continue to invest in our colleagues by:

- › Identifying and embedding career opportunities to help us grow, retain and reward talent
- › Introducing graduate entry and apprenticeship schemes
- › Delivering meaningful wellbeing initiatives to support colleagues personally as well as professionally
- › Building on our successful communication approach in developing the strategy to make it 'business as usual' to listen to our colleagues, recognise their insight and act on their feedback

We want our colleagues' job satisfaction levels and sense of opportunity to match their commitment, making us a top charity employer of choice.



## Our partners

**Working together with our partners is central to everything we do.**

We work with over 900 organisations across the debt advice, financial, regulatory, charity and public policy spectrum.

We'll continue to develop our relationships by:

- › Innovating, to ensure we remain at the forefront of good practice, fostering trust and confidence
- › Working with partners from across the sector to implement key recommendations from the independent Wyman review of the funding of debt advice
- › Actively seeking ways to collaborate with our partners, ensuring our clients are always at the centre of what we do
- › Developing joint policy initiatives to reduce the harm of problem debt



“By aiming to double the number of people who receive full advice from us we hope to snatch more people from the jaws of private companies attempting to profit from their misfortune.

As an advisor on the front line of debt advice, streamlining our processes and systems means providing better, more consistent and industry-leading advice as well as helping me feel more supported in our journey with our clients.

Moreover, all the key goals we’ve set make sure the light we provide at the end of a long dark tunnel for our clients shines ever brighter.”

Christopher, Debt Advisor



# Creating a society free from problem debt

Our vision – a society free from problem debt – is, sadly, unlikely to be achieved over the four-year time horizon of our strategy.

Yet it remains our fundamental goal. To achieve it is going to require strenuous and engaging public debate - and equally strenuous public policy effort to remove the structural barriers and inequalities that trap people in debt and poverty.

Following the recent Wyman analysis for the government suggesting that twice as much debt advice capacity is needed, we’ll continue to deliver high quality, compelling research, insight and evidence to policymakers.

## On public policy, we’ll:

- › Deliver a comprehensive and evidence-based explanation of the drivers of debt to enable us and key policymakers to better understand what causes problem debt across society
- › Develop detailed evidence-based policy proposals covering:
  - Building financial resilience, health and wellbeing
  - Supporting households to make ends meet
  - An effective system of safety nets for life events
  - Mitigating the harm debt causes and helping people recover
  - Safer key markets that meet all needs (financial services, housing, fuel, communications, employment)
  - The relationship between debt and the wider economy

## Campaigns and media

As well as developing a robust evidence base, we’ll continue to campaign for changes to public policy and to tackle the stigma and negative attitudes still all too often associated with debt.

### In our influencing, we’ll:

- › Explain debt and shape opinion - both as a charity and in partnership with other free debt advice providers - among politicians, the media and other influencers
- › Work with government and agencies to deliver excellent strategies not just at the UK level, but also within the increasingly devolved infrastructures in Scotland, Wales and Northern Ireland, and in local authorities
- › Campaign to challenge and change attitudes to problem debt
- › Use our insight and expertise to offer value-adding commentary, against a backdrop of rapid shifts in the economic, political and media environment



## Our vision

Our vision is to create a society free from problem debt.

Problem debt isn't just an issue for individuals. The serious debt problems that people are experiencing now cost the UK more than £8 billion due to the impact on mental and physical health, productivity and employment prospects, and costs to the welfare state, the NHS, local government and other agencies.

By helping people deal with debt, and campaigning for policies that aim to prevent it, we'll help overcome the difficulties that debt creates for our society in the 21st century.

## Our objectives

Our core objectives are to:

- › Provide independent free advice and debt solutions
- › Create greater awareness of free debt advice
- › Champion the cause of people in, and at risk of, problem debt
- › Educate and inform people through our services to help them better manage their money and recover from problem debt
- › Be the most efficient and sustainable provider of debt advice and solutions
- › Engage and develop our colleagues to fulfil their potential

## Our values



We're committed  
to our clients



We make  
change happen



We work  
together

# We hope you share our ambitions and aspirations to help achieve a society free from problem debt.

It's only by working together across organisations and sectors that problem debt in the UK can be managed, reduced and, ultimately, eradicated.

We thank all our existing partners and contacts for working with us to find solutions and strategies to help people facing debt problems.





# Get in touch

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Debt Charity

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