

Supporting the communities we work in

Our community investment strategy supports our social purpose by addressing key barriers to financial inclusion and helping people overcome them.



Supporting the communities we work in

We invest in activities and initiatives which address some key factors which can reduce someone's likelihood to be accepted for credit. These factors include: unemployment or underemployment; low, uncertain or fluctuating incomes; low educational attainment; and physical or mental health issues.

Part of our mission is to play a positive role in the communities we serve. We do this by providing financial products to those not well served by the mainstream credit market. We also invest in the communities where our customers live and work. In particular, we support community projects that help people overcome issues that prevent financial inclusion, helping them build a brighter financial future.

Our strategy is to invest in community activities that seek to alleviate these underlying problems. The strategy delivers support in five ways:

1. Supporting local projects which address social inclusion issues;
2. Supporting accredited community intermediaries such as Community Foundations, to deliver programmes in the communities in which we operate;
3. Providing employees with matched funding for fundraising and promoting volunteering activities;



4. Encouraging our employees to take part in company-led volunteering initiatives; and
5. Supporting the money advice sector to address financial education issues, and carrying out research into broader, societal matters that relate to our customers.

Our community investment activities are delivered through the group-wide Social Impact Programme. During 2017, we built on this review and developed and rolled out a new operating model for the programme. This programme is organised around the following three work streams:

- **Customers:** Working with charities and specialist partners to address issues such as money/debt advice, customer vulnerability, product accessibility, and financial difficulties.
- **Education:** Supporting both children and adults on all aspects of education (including financial education).
- **Local community partners:** Supporting a range of partners to address social inclusion and social mobility issues that are relevant to our customers.

OUR 2017 PERFORMANCE

£2.59m

invested to support community programmes, money advice programmes and social research (2016: £3.1m)



9,711

people experienced a positive change in their behaviour or attitude as a result of their involvement in our community investment programmes (2016: 8,038)

11,241

people experienced a direct positive impact on their quality of life or wellbeing through our community investment programmes (2016: 12,829)

43

partnerships supported on a longer term basis (2016: 53)



We have also distributed grants to a further **31** organisations through community foundations. (2016: 29)

220 hours

were volunteered by employees during work time (2016: 3,632)



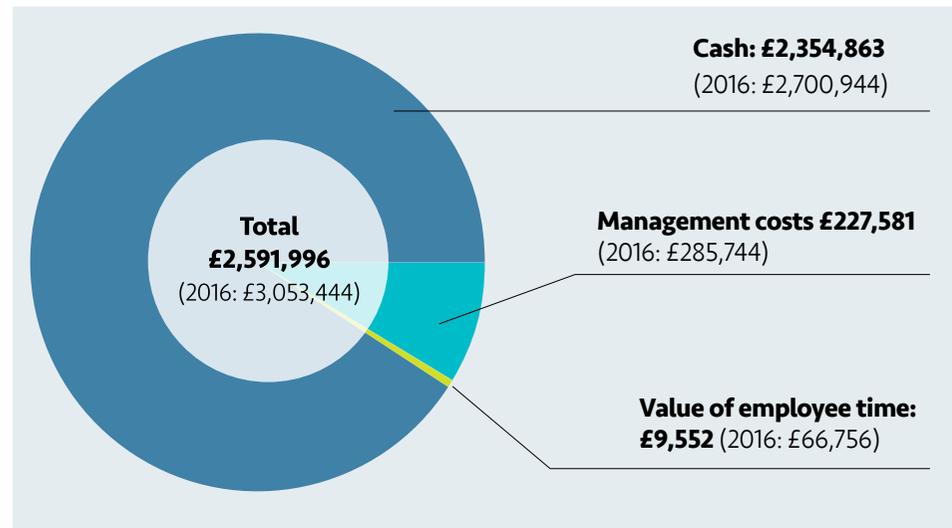
9,337

people developed new skills or improved their personal effectiveness as a result of our community investment programmes (2016: 13,731)



HOW WE INVESTED IN COMMUNITIES IN 2017

We continued to invest over 1% of profit before tax in community programmes, however, due to challenges in the business, our total community investment has reduced. Unfortunately, this has had a knock-on effect on the scale of impact we have achieved. In particular, less time was volunteered by employees during working hours, ultimately caused by the poor performance of the business during the course of the year.



ADDRESSING SOCIAL INCLUSION ISSUES

We have a long track record of supporting small, grass roots community organisations, that deal with local social inclusion issues. We have been working with many of them for numerous years, maintaining our funding and offering support so these groups can expand the support they offer for the long-term.

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Helping small charities succeed

To underline our aim to support local community initiatives, we sponsored Small Charities Week in 2017. Small Charities Week was established in 2010 by the Foundation for Social Improvement (FSI) with the aim of:

- Celebrating the contribution that the UK's small charity sector makes to the lives of millions of vulnerable individuals and communities.
- Improving the knowledge, representation and sustainability of small charities.
- Highlighting the work of the small charity sector to the broadest possible audience.
- Encouraging public giving.
- Working with the small charity sector to develop political engagement at a national and local level.

Big Advice Day

Our support brought the first Big Advice Day to Bradford. Big Advice Day is one of Small Charities Week's six days of free activities and initiatives for small charities. The day provided inspiration, advice and information to volunteers, employees and trustees from small charities across West and North Yorkshire, who, working with our long-term community partner, Participate Projects, were brought together with industry experts.

Through this event, local charities were given access to specialist one-to-one advice and attended a range of workshops on topics including branding and communications, impact measurement, sustainable revenues, inspiring workplaces and corporate partnerships. Delegates left with information and advice on how to increase revenue, be resilient, increase visibility, improve team morale and measure social value. A marketplace area also offered opportunities for networking and ideas sharing.

Nationally, 975 hours of advice were given to 290 charities, of which the Big Advice Day in Bradford contributed 293 hours to 80 organisations. Delegate feedback showed that 100% of those who responded received feedback that they found useful. 84% changed something as a result of attending, with 79% reporting that these changes had a positive impact (within three months).

"Big Advice Day was extremely useful and gave me clarity and confidence in moving ahead. I have written a four-month plan which helped me to stop feeling overwhelmed, be realistic about my capacity and review my scattergun approach to funding. I just feel more focused, professional, positive and less scared. So thank you!"

Julie Walker, Founder, Words for Wellbeing



Mencap All In Award

As part of their charity partnership, Vanquis Bank provided funding to enable Mencap to pilot the "All In Award." The project brings together children aged 8-13 both with and without a learning disability to encourage positive experiences.

Research suggests children with learning disabilities are less accepted and have fewer friends than typically developed children. The latter tend to express more negative attitudes towards peers with learning disabilities. As attitudes are still developing in childhood, early intervention to change attitudes is likely to be more successful.

The project has been tested in 11 London schools and the trials will continue over the next two years in Bradford and Medway. Outcomes are being measured in partnership with the Research Department of Clinical,

Educational and Health Psychology at University College of London, with a full feasibility study that was published in February 2018.

"We talk about our friends from the All In Award to our class friends and they always say that it sounds like you have a good time. We say we do, we help each other and now they all want to come."

All In Award Participant

"I think they've benefited hugely, they've worked really well with the boys... but not only that, it's built a relationship between the two schools to the point that I not only do this, but I do other things with other schools as well. We've built up a really great working relationship so it's opened doors and avenues."

All In Award School Facilitator



"We've built up a really great working relationship so it's opened doors and avenues."

Early Focus, Dublin: Supporting vulnerable young people

We have funded long-term partner, Early Focus since 2009. This innovative project was launched in 1997 to address the needs of children at St James' Primary School in Basin Lane, Dublin 8. This part of the city is one of the most deprived and as a result, the home environments of children in the school are extremely challenging. The project's focus is on caring and providing opportunities for the children to experience a consistent relationship built on trust, with a supportive adult via one to one or group sessions.

The children attending the project come from families experiencing various degrees of socio-economic hardship and are highly vulnerable to early school leaving and subsequent social problems. Since the project started no child has been excluded from the school due to the support the project has offered.

The project provides opportunities for them to develop holistically and provides

an environment that promotes social integration. There are areas for play, cooking, art, reading, and computer work along with a multi-sensory room which has an atmosphere of calm and tranquillity. These facilities help to promote self-esteem and foster a nurturing atmosphere, promoting a positive experience of school for the children.

Our funding helps to support the running costs of the project and to keep their long-running programmes viable, enabling vulnerable young children to continue their access to education. This has included providing new equipment for the various activities, such as yoga, that the children are introduced to, as well as the refurbishment of a multi-sensory room which helps those with the most challenging behaviour.

The level of deprivation and stress in the school community has increased due to gang activity in the area and as a result, the number of children with social and emotional needs has risen, leading to a greater demand for the service. In 2015 we identified an opportunity to provide funding

for the project to develop their support into secondary education. Funding is needed to be able to provide consistency to the children of St James's as they transition from primary to secondary education. This period is one of the most difficult for children generally, but especially for those living in deprived communities. There is a high risk of self-removal from education at this stage. Early Focus now works in partnership with their local secondary school to provide this consistency and our funding has allowed them to develop the relevant support.

"We have been blessed to have had this opportunity of support from Provident who have been very encouraging and affirming of the work we do. This support has enabled us to keep our service alive and vibrant, especially when we have suffered cutbacks each year since 2009. We deeply appreciate this support and I cannot overemphasise how important and relevant it is to our school and community. Our service is as good and effective as it is, due to the support we have received."

Melissa Hogan, Project Co-ordinator

"We have been blessed to have had this opportunity of support from Provident who have been very encouraging and affirming of the work we do."



The Solas Project, Dublin: Helping young people reach their full potential

When we first started working with Solas Project it was an after-school intervention project located in the Basin Lane flats, Dublin, one of the most disadvantaged areas of Dublin's south inner city. At the time, the project supported 12 primary school-aged girls who had challenging home situations. Solas offered the girls a safe place to go after school, provided them with a healthy meal each evening, gave them help with their homework and the chance to make new friends and take part in after school activities. Most of the children came from St James' Primary School, home of the Early Focus Project (see page 37).

We provided funding to help with core costs at the centre and to expand the number of places available. With our support the organisation has continued to grow and is now working with many young people every week in the provision of a range of programmes to address their needs.

In particular, the after-school programme has seen:

- The establishment of a new junior after-school programme as an effective

model of early intervention for six to eight year-old children who had been identified by their school as being at risk of low academic and personal achievement.

- The provision of a caring and secure home-like environment which better meets the physical, emotional and intellectual needs of the children.
- Access to activities through which young children can build their self-confidence, self-esteem, interpersonal and academic skills.
- The involvement of the parents in their child's development and education by facilitating each parent spending one afternoon each week in the programme.

Since our involvement began, the project has gone from having one after-school programme with one full-time and one part-time employee and five volunteers, to becoming a charity with seven programmes made up of three education projects and four sports projects, and a substantially increased team of full- and part-time employees, as well as an expanding team of volunteers. In addition, through our partnership with An-Oige, the Irish Youth Hostel Association, residential breaks have been provided for many of the children. This has been especially helpful in helping to get children out of

the city to avoid the potential for them to be drawn into gang-related anti-social behaviour.

Additional funding from us allowed the project to develop an outdoor area for young people/youth café and the refurbishment of after-school club premises, including a new multi-sensory room. Staff from the local Dublin office volunteered to redecorate the premises and have also provided panellists for the project's Dragon's Den-style activities.

"It's such a great encouragement to have your support. We are very motivated to grow and expand our programmes in both width and depth as we tackle the very serious issue of early school leaving and youth crime in Dublin's inner city. Your support will allow us the opportunity to do this."

The support from Provident Financial has given us sustainability and also the ability to plan with confidence. With the support we have been allowed the opportunity to start more interventions that have begun to make a real impact in the lives of many vulnerable children but also attract further support from others which in turn has led to greater sustainability."

**Graham Jones, Managing Partner,
Solas Project**

"The support from Provident Financial has given us sustainability and also the ability to plan with confidence."



Raising literacy levels in Bradford

Helping to tackle the UK's literacy challenge is a key focus for us, which is why we are a signatory to the National Literacy Trust's 'Vision for Literacy Business Pledge'. This commits us to help raise literacy levels in Bradford by taking practical action within our workforce, in our local community and at a national level. Through this commitment, we can help improve the chances of young people by ensuring they leave school with the skills they need to go on to employment or further education.

In 2017, we created a communal book space at our Bradford head office where staff could read and share books. We also established a partnership with the National Literacy Trust's Bradford Literacy Hub and local education consultancy Leading Children Limited. This partnership delivered a 'Parent Reading Power' session which shared tips and resources with employees who are parents or carers to help develop their child's literacy and communication skills.

The partnership also connected with local schools to help improve local children's reading and writing skills. In 2017, 43% of primary school pupils in Bradford left primary school unable to read at the expected level for their age (source: National Literacy Trust). The launch of the partnership also celebrated the opening of a brand-new library at local free school One In A Million, and a school book giveaway scheme both of which we funded. 20 primary schools across the city received the National Literacy Trust's Literacy

Toolkit, which included a range of children's books and guidance materials for teachers to encourage further reading in school and at home. The free books reached thousands of children in schools across Bradford, encouraging them to read for enjoyment.

"Like many schools in the Bradford area, a large number of our students have low levels of literacy as they start secondary education. We know that running this innovative partnership in our school and across the city is having a positive effect on teaching and students' learning. Combined with our new library, funded by Provident Financial Group, this is exposing young people to high quality learning materials that is having a massive impact on unlocking their potential by improving their ability to read and understand the written word."

Philip Grant, Head Teacher, One In A Million School, Bradford

Bradford Literature Festival



In the 140 years since Provident Financial was founded in Bradford, the city has transformed. It is now an incredibly multicultural city with a strong industrial and cultural heritage.

But it is not without its challenges. The city is below the national average for primary education reading skills and lags behind Leeds and other northern cities in school league tables.

As one of Bradford's largest employers, we want to inspire young people living in deprived areas to raise their aspirations. We want to help them leave school with the skills they need and ensure a talent pipeline with the skills we need to drive both our business and the local economy forward.

We believe our partnership with Bradford Literature Festival, alongside other local organisations, allows us to do this.

We are now in our third year of support for the Festival and have pledged to continue that support until 2020. As part of this partnership, we commissioned a Social Return on Investment (SROI) evaluation to be carried out on the 2017 festival to measure the value that it creates for the city. SROI is an outcomes-based measurement tool that helps organisations to understand and quantify the social, environmental and economic value they are creating relative to resources invested.

The main areas of assessment were: Inclusion and diversity; Literacy and engagement; Perception of Bradford city; and Contribution to the tourism economy.

Attendees, Residents and Teachers were also asked how much they would be willing to pay for the Festival. Residents were willing to pay less (average £11.24) than attendees (average £19.63). While teachers suggested their school would be willing to pay on average £197.30 for the Schools Programme. This willingness to pay was linked strongly to the Literacy and Engagement benefits seen by the respondent.



Credit: National Literacy Trust

The SROI analysis will help decision-makers ensure their activities have a greater impact both in Bradford and on attendees from outside Bradford.

Key findings from the SROI study are:

- The festival had a positive impact on the attendees and was valued.
- Audience figures grew to approx. 50,260, from 31,000 in 2016. These figures include people who attended more than one event.
- The audience was young, ethnically diverse and from a range of income levels.
- Two-thirds of attendees were children and two-thirds were female.
- The festival attracted more people in the subgroup Asian Heritage* than would be expected given the profile of the regional population.
- Based on Willingness to Pay the 2017 festival was valued at £2,672,396. Against an investment of £900,000, this creates a social return ratio of 2.97.

To read more in-depth results on the SROI work, please refer to the full report at www.providentfinancial.com

* subgroup of Black, Asian and Minority Ethnic groups (BAME) within the Mosaic data

Supporting grass-roots community groups to tackle local issues

We have now launched a total of five community funds as an additional way of reaching even more grass-roots organisations, whilst also involving our employees in the process of awarding funding. The funds are administered by local Community Foundations in Leeds/Bradford, London, Kent and Hampshire Isle of Wight. The foundations disburse grants to projects in their locations according to criteria which we have tailored to reflect our Social Impact Programme's strategy, addressing issues including mental health, food and nutrition, well-being, self-esteem, employability, family relationships and low educational attainment. In 2017, grants totalling £250,000 were awarded to 37 community organisations.

In 2017, Leeds Community Foundation launched #GiveBradford with our support. This included underwriting their programme of development in Bradford, building on their existing investment of over £3.8m in the area since 2012.

#GiveBradford aims to get local communities the support they need to create positive change and improve the lives of local people. The campaign is supporting corporate funders to invest their charitable contributions

strategically and has created the "Bradford 100 Club", a membership network of businesses and individuals working to address challenges faced by the city.

We are members of the #GiveBradford Steering Group, working alongside the Council and other key stakeholders from the district to help drive the project forward and harness the support that we know exists in our business community.

"Provident have given Leeds Community Foundation essential core funding which has enabled us to develop our grant-making capacity across the Bradford District through the #GiveBradford Campaign. There is a huge opportunity to galvanise the corporate and private giving landscape in the region, by offering a number of giving platforms and creating a strategic grant-making programme to invest in communities that need help the most. Provident's financial support was crucial in getting this project off the ground and has set the tone for other businesses to follow suit – clearly demonstrating their commitment to the city of Bradford and the wider district."

**Matthew Roberts, Head of Development,
Leeds Community Foundation**

Encouraging and supporting employee volunteering and charitable giving

It's important that we enable our people to engage with our community involvement programme. Volunteering provides them with valuable development opportunities, helping them develop skills and build teams while supporting initiatives close to their hearts.

Volunteering can be undertaken via company-led volunteering team challenges or skills-based volunteering for specific projects. In 2017 we launched an online employee volunteering portal to enable them to identify individual volunteering activities. Staff are offered two days paid volunteering leave each year and we encourage our people to volunteer for or take part in the initiatives of their choosing. Additionally we offer them a volunteering grant for the organisation they give their time to.

A number of opportunities are made available to staff to offer skilled and professional volunteering. For example, in 2017 a group from our graduate programme took part in a

workshop where they collaborated to propose solutions for challenges faced by four local community organisations.

In 2017 our people volunteered 220 hours during work time, which is significantly lower than in 2016, and reflects the challenges that our business and our people faced throughout the year. It is our intention to encourage participation in the programme this year with sponsorship from senior leadership across the business.

Our matched funding programme continues to be made available for any fundraising activities our people take part in. This allows employees to focus on the organisations that mean the most to them personally. In 2017 we provided £43,348 matched-funding (2016: £43,063)*.

*We have restated the 2016 matched-funding figure from £20,976 to £43,063 as we discovered it did not include Vanquis Bank's matched-funding donations.



Mencap

In 2016, Vanquis Bank signed a three-year partnership with Mencap to help support people with a learning disability into employment. Through direct funding, Vanquis Bank has enabled Mencap to establish new employment programmes in areas with limited employment support.

Nationally the number of people with a learning disability in paid employment remains chronically low, eight out of 10 could work but only two out of 10 do. During 2017, these programmes supported 184 people with learning disabilities in Bradford, Medway and London with 32 gaining paid employment and a further 41 securing volunteering opportunities or work trials.

“I am happy that I am less dependent on my benefits and can earn my own money now.”

The partnership provides great development opportunities for the participants, helping them develop communication, problem solving, management and organisational skills. It also helps Vanquis employees develop, through volunteering opportunities with the programmes. Vanquis employees have also supported Mencap by getting involved in a variety of fundraising events including The Big Massif Trek, Dodgeballdayer, Tough Mudder and the Royal Parks Half Marathon.

“Since I started my role, I am very confident and love helping to support others with learning disabilities, as I understand their struggles as I faced them myself. I am happy that I am less dependent on my benefits and can earn my own money now.”

Katy, Mencap participant

FareShare: Reducing food waste whilst providing food to those who may need it

Vanquis Bank has been working with FareShare since April 2016. Vanquis Bank is supporting FareShare to save fresh, in-date and good-to-eat surplus food from the food industry to feed vulnerable people. In the first year of this partnership a total of 2,115 tonnes of food was saved from waste, supporting 504 frontline charities and community groups in Bradford, Kent and London. These community groups turned this food into over four million nutritious meals for vulnerable people in our local communities.



FareShare at Deptford Park Primary School

The breakfast club at Deptford Park Primary School serves up a brainpower boost breakfast to the 35 children who attend each morning. Helpings of yoghurt, cereal, fruit and juice, which have been saved from waste and delivered to the club by FareShare London, ensure the students go to their classes with full stomachs and focused minds. The breakfast club is in an area of South East London where there is a high rate of child poverty. It is estimated that 37% of children in London live below the poverty line (source: Child Poverty Action Group). Since this breakfast club was launched, the school has seen a marked improvement in punctuality of the children attending.

“I have more energy to work and play because I get my breakfast at school.”

Student, aged 10



Measuring our Impact

In 2017, we launched a partnership with social enterprise, thirdbridge, which saw us create an online platform that is dedicated to building links between our business and the community and voluntary organisations we support to help us to collect and report the measurable social impact of our community investment activities.

In partnering with thirdbridge, our aspiration is to enable our employees to connect with the community and voluntary organisations of their choice, and provide them volunteering and fundraising opportunities. We will also use the platform to help us to collect and analyse our social impact data, such as spend, volunteering hours and partnership feedback.

Throughout 2018, we will continue to develop this resource which will improve the way we measure the social impacts of our community investment work.

Ensuring consumer access to free money advice

We work with a number of money advice providers who offer free support to consumers (some of whom may be our own customers) who may find themselves having difficulty in managing their debt repayments. We understand the impact this can have on their lives both in the short term and longer term, and therefore make this commitment to the money advice sector to ensure access to free, reputable, and independent advice.

The Money Charity

We provided £65,500 in funding to The Money Charity to support two key areas of their work; delivering Money Workshops and Financial Capability Workshops.

Money Workshops – these workshops provide children and young adults between the ages of 11 and 19 with financial education that they wouldn't otherwise receive. In 2017, 328 hours of workshops were delivered and since 2012 our funding alone, has allowed 1,312 workshops to take place that reached 32,962 young people. A feedback study revealed that 79% of students felt they had increased confidence and skills in creating budgets and 91% of students understood the difference between 'needs' and 'wants' when it comes to making financial decisions. 100% of teachers who provided feedback felt the workshop was engaging and provided participants with new skills.

Financial Capability Workshops – workshops to help adults gain knowledge, skills and confidence in making the most of the money they have. Our funding allowed The Money Charity to deliver 31 workshops to 308 participants.

"I had to make sure I sent you an e-mail as I think the workshop was one of the most useful I've ever been to. I still can't believe how much I took away from it! Now I have a budget which I stick to every month and monitor all my outgoings – and I enjoy it! I never thought I'd say that. I've saved up just over £600."

Laura, Workshop Participant



By providing funding and support to a wide range of money advice organisations, we can be confident that we're contributing to the provision of advice to those customers who find themselves in financial difficulty. In 2017, we supported the Money Advice Trust, Money Advice Scotland, The Money Charity, Advice UK, Christians Against Poverty, Step Change, Income Max, the Institute of Money Advisers, and the Money Advice Liaison Group.

In addition, we have a number of partnerships through which we support the commissioning of publicly-available, independent research into areas which are material to our social purpose by exploring the financial behaviours of those on modest incomes.

For more information about how we support the money advice sector please see pages 19 -21.