

**Mapping the demand for, and supply of, third
sector affordable credit**

**Research for the third sector credit Working Group
of the Financial Inclusion Taskforce**

Experian Report



FINANCIAL
INCLUSION
TASKFORCE

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Executive Summary

In July 2007, Experian were commissioned by the third sector credit Working Group of the Financial Inclusion Taskforce to identify and map current levels of demand for, and supply of, affordable credit from third sector lenders – credit unions and community development finance institutions (CDFIs). This analysis and mapping has been used to identify the areas of Great Britain with the greatest mismatch between levels of demand and current supply – these are the priority areas with the greatest immediate requirement for new provision

The Local Authorities (LA's) displaying the greatest potential *demand* for third sector affordable credit include Blaenau Gwent, Manchester, Easington and Stoke-on-Trent. The research has also identified individual wards with high demand for such credit - these include Windmill Hill (Halton), Plas Madoc (Wrexham), Orchard Park & Greenwood (Kingston upon Hull) and Parkhead (City of Glasgow).

In terms of *supply*, all Credit Unions (CU's) and Community Development Finance Institutions (CDFI's) involved in making loans to individuals have been identified and scored based upon their current and potential future capacity to serve the financially excluded. The highest ranked 'Flagship' providers include East Lancashire Moneyline, Leeds City CU, Bristol CU, Enterprise CU, Sheffield CU and South Coast Moneyline.

The demand and supply analysis have been linked to identify, at both ward and LA level, the areas with the greatest mismatch between supply and demand. Wards with high levels of mismatch include Burnfoot & Mansfield (Scottish Borders), Birch Green (West Lancashire), Bidston (Wirral), Sandwith (Copeland) and Ayr Lochside (South Ayrshire). At Local Authority level the highest degrees of mismatch occur in places including Stoke-on-Trent, Lincoln and Corby. Of the 408 Local Authority areas in England, Wales and Scotland the research has identified 25 "red alert" areas in the highest need of new affordable credit provision, and 56 "amber" areas, which are next in the priority order.

This project could only be achieved through the continued support of a number of individuals. Within the Taskforce, we especially thank Emil Levendođlu, Robin Newnham, Eric Gibson, Mark Lyonette and Claire Whyley. From an academic and industry perspective we welcome the support of Niamh Goggin of Small Change, Paul Jones of Liverpool John Moores University and all representatives of organisations interviewed and trade associations. Finally, within the DWP Peter Anderson provided invaluable support and information regarding the Growth Fund contractors.

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1 Introduction

1.1 Defining Financial Inclusion

The UK has one of the largest, most sophisticated and competitive financial services sectors in the world. It has responded quickly to the demands of a rapidly changing economy - new technologies, higher living standards and changes to the ways people live and work - providing a wide range of financial products to meet evolving needs.

Yet there is growing evidence that the market is not able to meet everyone's needs. A small but significant minority are unable to access even the simplest financial services, meaning that they pay more to manage their money, find it harder to plan for the future and cope with financial pressures, and are more vulnerable to financial distress and over-indebtedness.

The Government believes that everyone should be able to: manage their money effectively and securely; plan for the future with a reasonable degree of security; and have the information, capability and confidence they need to prevent avoidable financial difficulty, and know where to turn if they do find themselves in financial distress.

1.2 Scope of the Project

The overriding objective of the project was to quantify and map the scale of mismatch between existing demand for, and supply of, third sector affordable credit. In order to achieve this, models were constructed to identify specific areas of Great Britain with potentially high demand, and to assess the likely impact of current provision through third sector providers.

The research covered the whole of Great Britain, namely England, Scotland and Wales, and incorporated a combination of existing data, primary research and bespoke modelling. Furthermore, the input from industry experts and specific Taskforce members throughout the duration of the project ensured that appropriate variables were identified for constructing both the demand and supply models.

1.3 Experian Approach

In response to Taskforce objectives, a three-stage approach was adopted, summarised as follows:

➤ *Demand:*

1. Collating datasets and research information that appropriately explain individuals' financial behaviour and attitudes towards credit.
2. Demographic analysis of these datasets to understand the type of people most likely to require affordable credit.

3. Mapping these demographics to identify , at both ward and LA level, areas with the greatest likely demand for third sector affordable credit.

➤ *Supply:*

1. Using a combination of desktop, e-based and telephone research to collate a database of affordable credit providers.

2. Assess the current and potential future capacity of individual organisations to serve the financially excluded.

3. Geographically map current coverage of affordable credit providers, distinguishing between those organisations with strong capacity to serve the financially excluded, and those that are less well placed to do so.

➤ *Mismatch analysis:*

1. Linking the Demand and Supply models together to identify areas with the greatest mismatch.

2. Ranking local authority areas in order of greatest priority for establishing new affordable credit provision.

2 Mapping Demand

2.1 Introduction

Many underlying variables, behavioural, attitudinal and demographic, help to identify the type of people most likely to have a need for third sector affordable credit.

Variables were selected based upon appropriateness, size and accuracy of research data and relevance in indicating likely high demand for credit; these are each explained in sections 2.2 to 2.9.

2.2 Financial Strategy Segments (FSS)

Experian's FSS is a person-level analytical tool classifying individuals into distinct financial lifestyle types that comprehensively describe their typical financial product holdings, behaviour and future intentions, as well as summarising their key socio-economic characteristics.

Originally developed to help financial service companies better target products and better understand their customers, 5 of the 82 lifestyle types were selected as most appropriate in terms of indicating demand for affordable credit.

- Shane & Donna: *Vulnerable singles and single parents often relying solely on benefits and struggling with debt repayments*
- Ahmed: *Very poor singles with few prospects living in council flats, many are unemployed or have part-time, low paid work (male)*
- Leanne: *Very poor singles with few prospects living in council flats, many are unemployed or have part-time, low paid work (female)*
- Brian: *Husbands in ageing families whose income is extremely limited and who live in council houses*
- Stacey & Craig: *Older children of ageing families whose income is extremely limited and who live in council houses*



2.3 Financial Strategy Segments (FSS) Factors

Elements of the underlying data used to build FSS can be further analysed, in order to help understand the locations of individuals who are over-represented. The percentage of people who fall into the most vulnerable 20% of the nation for each of the following categories was assessed;

- Credit Commitment, Financial Instability, Income Security, Wealth To Poverty Scale

2.4 Household Income

Household income models from Experian are derived through a combination of data sourced from MORI and Experian research surveys, calibrated to ONS published figures.

Household income is banded into a number of distinct categories, with the lowest two bands deemed as having the highest likely demand for affordable credit. Analysis identified the percentage of households that fall into the following two bands;

- Household Income, <£10,000 and *Between £10,000 and £14,999*

2.5 FSA Financial Capability Survey

Responses to the survey are coded-up with Experian's FSS and then applied to a national level to help understand those demographic groups more likely to display certain financial behaviour and attitudes. From the survey, 10 questions were identified as contributing to defining a potential demand for affordable credit;

- Mail order, *are users of*
- Credit Union Account, *currently have*
- Credit Union Loan, *currently hold*
- Social Fund Loan, *currently hold*
- Bank account, *does not have*
- Bills, *has problems with*
- Money left at the end of the month, *rarely/never*
- Income Support, *in receipt of*
- To meet unexpected expense, *would take out a loan*
- To meet unexpected expense, *would not be able to meet*

2.6 **BMRB, Access to Financial Services by those on the margins of Banking Survey**

This research for the Financial Inclusion Taskforce included questions based on helping to define a demand for affordable credit. Responses are coded-up with Experian's Mosaic segmentation then applied at a national level to help identify geographic concentrations of likely demand. Of the questions within the survey, 3 were selected as being particularly relevant;

- Credit Union, *would consider in the future*
- Loan collection from Home, *would consider in the future*
- Loan collection from Home, *already have*

2.7 **Fuel Poverty**

Fuel poverty is defined through identifying households that are particularly burdened by a high proportion of household income being spent on household fuel. Data is sourced through research surveys, including MORI and Experian Lifestyle Surveys.

A national score has been developed, of which those households in the top 15% have been identified – i.e. those likely to be the most 'fuel poor' and consequently with the least disposable income.

2.8 **Target Group Index (TGI) Survey**

The TGI survey from BMRB is coded-up by Experian's Mosaic, which provides a demographic profile of responses to the financial attitudes and behaviour questions.

Most questions of interest from TGI are equally covered by the specific financial surveys outlined above (2.5 and 2.6), therefore only one TGI question was used;

- Savings account, *does not have*

2.9 **Store / Customer Data**

Specific data from the low-income credit market has been used to help understand the Mosaic demographic profile of people likely to have a demand for third sector affordable credit.

In addition to customer data, Experian created geographic catchment areas around specific outlets and analysed the demographic profile of residents. The general assumption is that organisations such as pawnbrokers, "cash generators" and credit and loan facilities marketed at low-income consumers will base themselves in localities where target groups are heavily represented.

Mosaic profiles of the catchment areas for the following organisations' outlets were created and analysed;

- Brighthouse, *retail centre catchment areas*
- Pawnbrokers and Cash Generators, *one mile radii*

2.10 Profiling Variables

For each of the variables listed above, a Mosaic or FSS profile was created, which effectively identifies those demographic groups most likely to display that particular financial behaviour or attitude when compared to the whole nation.

The 'likelihood' of such behaviours and attitudes is quantified, through creating an estimated market share that acknowledges the proportion of households within a certain geographic area likely to display that particular trait. All data is created at Output Area level, and can therefore be summed up to any form of higher geographic level, such as Ward or Local Authority.

2.11 Weightings

Once the variables had been summed-up to Ward level, the percentage was calculated. This creates a proportion, rather than actual counts, and thereby enables Wards to be compared without bias towards those geographic areas that have a greater population or denser housing stock.

Each variable for each Ward is then standardised, using the mean and standard deviation. This provides a value which indicates its position compared to the national average, with a value greater than 0 indicating above the national average and less than 0 indicating below average.

These standardised scores are multiplied by a variable weighting score, ranging between 0, 1 and 2. Through iterations of applying different weightings, consultation and sense-checking, the following variables were given a greater weighting and therefore had a greater influence on the overall model for identifying locations with a demand for affordable credit.

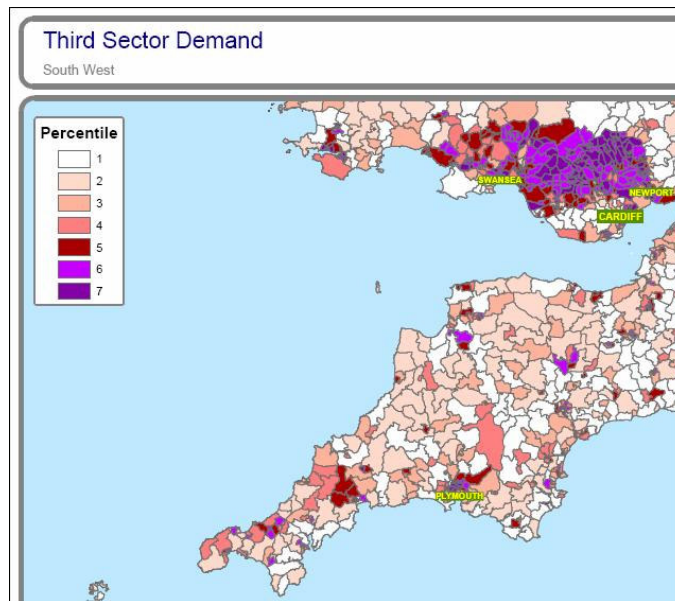
- FSS, *Ahmed or Leanne*
- FSS Factor, *Wealth To Poverty Scale*
- Household Income, *<£10,000*
- FSA Survey, *Has no bank account*
- FSA Survey, *To meet unexpected expense, would take out a loan*
- BMRB Survey, *Loan collection from Home, already have*
- Brighthouse, *demographics of store catchment area*

2.12 Rankings of Wards

These standardised scores are multiplied by the agreed weightings, with all the standardised scores summed-up to provide a final score for each Ward. All Wards are subsequently ranked based on this score, with the top 20 shown below, in terms of greatest demand for affordable credit;

Rank	Ward	Local Authority
1	Windmill Hill	Halton
2	Plas Madoc	Wrexham
3	Orchard Park and Greenwood	Kingston upon Hull, City of
4	Parkhead	Glasgow, City of
5	Princess	Knowsley
6	Grangetown	Redcar and Cleveland
7	Summerhill	Glasgow, City of
8	Glenwood	Glasgow, City of
9	Barlanark	Glasgow, City of
10	Bridgeton/Dalmarnock	Glasgow, City of
11	Owton	Hartlepool
12	Queensway	Wrexham
13	Thorntree	Middlesbrough
14	Bransholme East	Kingston upon Hull, City of
15	Aspley	Nottingham
16	Walker	Newcastle upon Tyne
17	Park End	Middlesbrough
18	Easterhouse	Glasgow, City of
19	Gurnos	Merthyr Tydfil
20	Longview	Knowsley

Once all Wards are ranked by their score, they were allocated into one of 7 equal-sized septiles, with those Wards in the top three septiles (i.e. displaying an above average potential) depicting where the greatest demand for affordable credit is likely to be found.



2.13 Ranking of Local Authorities

In order to create a ranking of Local Authorities, emphasis is placed upon the proportion of Wards within an LA that are within the higher septiles for displaying likely demand for affordable credit. Thus, the percentage of Wards in the top three septiles was multiplied by a weighting (4 for the top septile, 2 for the next and 1 for the third septile), with results summed-up to provide the overall score and rankings for LA's

An example of the calculation is provided, which ranks LA 'x' the highest in terms of affordable credit requirement as 65% of its Wards are in septiles 1,2 and 3.

	% of Wards within each of the 1-7 septiles						
	1	2	3	4	5	6	7
LA 'x'	25	20	20	15	15	5	0
LA 'y'	0	5	10	25	25	20	15
LA 'z'	5	10	20	30	20	10	5

Weightings						
4	2	1	0	0	0	0

	Revised Score							Score	Rank
LA 'x'	100	40	20	0	0	0	0	160	1
LA 'y'	0	10	10	0	0	0	0	20	3
LA 'z'	20	20	20	0	0	0	0	60	2

This scoring system has been applied to all LA's, with those ranked in the top 15 in terms of overall demand for affordable credit as follows;

Rank	Local Authority	No. of Wards in LA
1	Blaenau Gwent	16
2	Manchester	33
3	Easington	20
4	South Tyneside	20
5	Stoke-on-Trent	20
6	Sandwell	24
7	Merthyr Tydfil	11
8	Knowsley	22
9	Nottingham	20
10	Sedgefield	19
11	Liverpool	33
12	Wolverhampton	20
13	Glasgow, City of	79
14	Newcastle upon Tyne	26
15	Lincoln	11

- Contrastingly, LA's identified with the LEAST demand include Brentwood, Broadland, Horsham, Hart, East Dorset and Elmbridge.

3 Mapping Supply

3.1 Introduction

There is currently a great deal of variation within the credit union and CDFI sectors in terms of the geographic coverage of individual lenders, size, financial performance and capacity to serve the financially excluded. These factors have been analysed to allow for comparison of the potential of individual lenders to grow capacity and increase their service provision to the financially excluded.

Supply data was obtained primarily through desktop research and e-based and telephone surveys. The core assumption is that the current performance of Growth Fund (GF) contractors is a key driver in determining ability to serve the financially excluded as such this information was heavily weighted within the rating system. The capacity factors gained from market research therefore supplemented the GF data and were used mainly to assess the potential of those organisations currently not delivering Growth Fund contracts.

3.2 Collation of Base Database

Desktop research, using the internet and trade associations (ACE, UKCU, CDFA, ABCUL and SLCU) and augmented by industry knowledge from Niamh Goggin and Paul Jones built a comprehensive database of c.550 organisations involved in serving the financially excluded.

This master database included credit unions with a Workplace (such as taxi-drivers, or local authority employees) or Association (e.g. ethnic or religious orientation) common bond – these were excluded from the supply-side analysis as they were deemed to have limited potential to target the financially excluded market.

3.3 Growth Fund (GF) Data

Performance data from those organisations contracted to deliver the GF are strong indicators of current and future ability to serve the financially excluded. Organisations are required to meet challenging contractual target for on-lending and managing delinquency, and as such are likely to have the greatest potential to increase their service provision to the financially excluded.

The GF data provided included;

- Organisations that applied, and were not successful, for GF wave 1
- Organisations that applied, and were successful, for GF wave 1
- Organisations that have applied for the second round of Growth Funding in summer 2007 (GF wave 1.5)

- Loan volume and value (actual, target and variance), for wave 1 successful applicants
- Number of loan applications made, for successful wave 1 GF applicants

These performance indicators contribute towards distinguishing between the different GF contractors– with the underlying assumption that GF contractors should sit towards the upper end of the scoring system, along with those likely to apply or displaying a willingness to apply in the future.

3.4 Market Research – CDFI's

Data analysis for CDFI's engaged in personal lending was undertaken by Niamh Goggin of Small Change. The analysis did not include CDFIs engaged in lending to small businesses and/or social enterprises, which did not fall within the remit of this study.

This encompassed c.16 organisations (including start-ups), with data captured including;

- Geographic coverage and location visibility and presence
- Loan value and volume, 2005-2007
- Number of full-time employees (FTEs), loan officers and their productivity
- Age of organisation

Each CDFI was allocated a score that incorporates metrics on Scale, Coverage & Visibility, Growth & Maturity, Quality and Efficiency, and allocates each CDFI into one of 4 development stages: 'Start-Up', 'Pilot', 'Going to Scale' and 'Major Expansion'. These scores were used as a benchmarking tool when compared to CU counterparts.

3.5 Market Research – CU's

Market Research was conducted on CU's via e-based and telephone research. Given the volume of organisations involved and the size of many of the smaller, community-based CU's, the research questions were deliberately kept to a minimum and avoided sensitive, contentious or onerous questions.

Questions asked covered the themes of coverage, visibility, growth, size and performance;

- Geographic coverage and Location visibility and presence
- Expectation of growth in geographic coverage and/or Merging
- Number of FTE's and Volunteers

- Have Growth Fund or Would apply for it
- Size and Growth of Membership numbers
- Staff training initiatives and motivations

Some organisations were not contactable, refused to respond or did not return survey data or call back – where other reliable information was not available, these were allocated a relatively low score, as a reflection of lack of ability or willingness to develop and serve the financially excluded.

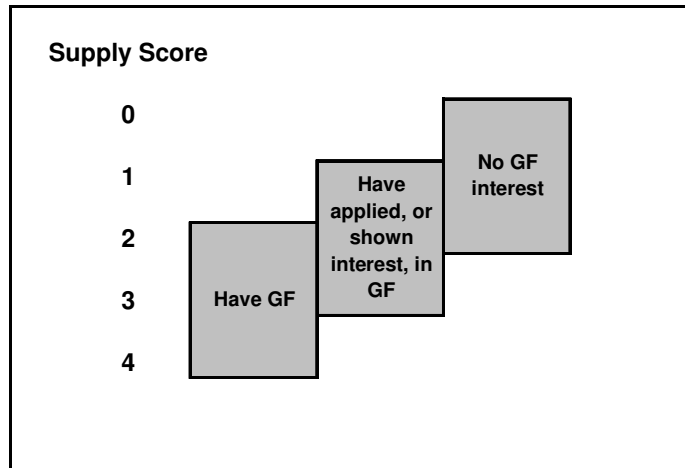
3.6 Scoring Definitions

Each CU and CDFI has been allocated into one of 5 quintiles, reflecting the GF data and market research analysis. These 5 quintiles are designed to reflect the relative potential of these organisations to provide an effective service to the financially excluded;

- 0, *Not serving the financially excluded*
- 1, *Limited potential to serve the financially excluded*
- 2, *Displaying some potential to serve the financially excluded*
- 3, *Currently serves the financially excluded, displays potential to grow*
- 4, *Currently serves the financially excluded, has capacity to grow*

To reflect the overriding assumption that the GF is a strong indicator of capability, the following 3-tiered allocation methodology was employed, with actual GF performance metrics and market research data determining the relative position of an organisation within each of the tiers;

- First tier: those organisations currently involved in the Growth Fund – *supply score of 2, 3 or 4*
- Second tier: those organisations that applied for GF 1.0 but were not successful; those that have applied for GF 1.5; and/or those that expressed an interest in applying in the future – *supply score 1, 2 or 3*
- Third tier: those organisations that have not applied for a GF and have not expressed an interest in applying in the future – *supply score 0, 1 or 2*



3.7 Scoring System

Results for all variables captured through the supply side analysis have been assessed and scored based within these 3 broad tiers. Within these tiers the position of organisations have been determined on the basis of (1) Growth Fund performance and (2) market research information, with a heavy weighting placed on the former.

The resulting scores for each of the individual variables for each organisation within the 3 tiers is summed, to provide an overall score that can be used to rank and compare each CU and CDFI.

This allocation methodology was subject to a process of consultation and sense-checking.

3.8 Counts for each Score

This scoring system has allocated CU's and CDFI's into the 5 quintiles as follows:

Score	Categorisation	No. of lenders
0	Not serving the financially excluded	139 (34%)
1	Limited potential to serve the financially excluded	88 (21%)
2	Displaying some potential to serve the financially excluded	116 (28%)
3	Currently serves the financially excluded and displays potential to grow	54 (13%)
4	Currently serves the financially excluded and has capacity to grow	17 (4%)

For reference, those 17 organisations that have been allocated into the top quintile and therefore display the greatest capacity to serve the financially excluded are;

- Bristol Credit Union, Castle and Minster CU, East Lancashire Moneyline, East Manchester CU, Enterprise (Liverpool) CU, Hull and East Yorkshire CU, Ipswich and Suffolk CU, Leeds City CU, Lewisham Plus CU, Llandudno and District CU, Nottingham CU, Park Road CU, Portsmouth Savers CU, Sheffield CU, South Coast Moneyline, Southwark CU, Tower Hamlets (Greenlight) CU

4 Mismatch Analysis

4.1 Introduction

Upon collation and agreement of the demand and supply scoring systems, the next stage was to combine these scores and identify those geographies which display the biggest potential disjoin between high demand and low supply.

This analysis has been completed at both Ward and LA levels.

4.2 Ward Mismatch

Firstly, for each Ward allocated in the top three septiles for demand, a supply score was constructed that combined the number, and quality, of affordable credit providers present in that Ward. Additional weightings were applied to those organisations deemed to have a stronger capability score; these being 0.5 for a 0, 1 for a 1, 4 for a 2, 8 for a 3 and 12 for a 4.

In the example provided below, Ward 'x' is covered by the least amount of providers (2) whilst Ward 'z' has the highest coverage (6) – however, owing to the rating of these organisations, Ward 'x' is actually best-served in terms of providers of third sector credit:

	Affordable Credit - provision rating					Total providers
	0	1	2	3	4	
Ward 'x'	0	0	0	1	1	2
Ward 'y'	0	1	2	1	0	4
Ward 'z'	2	2	2	0	0	6

Weightings				
0.5	1	4	8	12

	Revised Score					Total	Rank
Ward 'x'	0	0	0	8	12	20	1
Ward 'y'	0	1	8	8	0	17	2
Ward 'z'	1	2	8	0	0	11	3

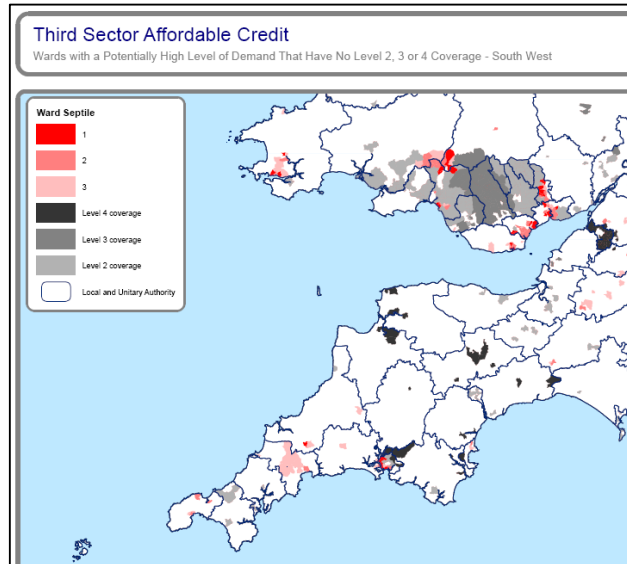
Using this calculation, Wards with the highest score for affordable credit provision include Summerhill (City of Glasgow), Sparkbrook (Birmingham) and Clubmoor (Liverpool).

Secondly, in order to compare supply to demand these scores were ranked and allocated into deciles. The demand score for each Ward derived from Section 2.12 was then divided by that Ward's supply decile in order to provide an overall 'mismatch' ratio score.

A list of Wards with the greatest mismatch has been identified, namely those Wards which have a high score for potential demand but currently score low for supply of affordable credit providers.

Within the top 15, these include;

- Burnfoot & Mansfield (Scottish Borders), Birch Green (West Lancashire), Bidston (Wirral), Sandwith (Copeland) and Ayr Lochside (South Ayrshire).



4.3 Local Authority Mismatch

The mismatch analysis at Ward level has been summed up to reflect the situation at LA level. To achieve this, the top 1,000 'mismatch' Wards (as identified in Section 4.2) were selected and the percentage of these within a LA in comparison to total number of Wards in that LA was calculated. This highlights those LA's with the highest proportion of Wards with a significant mismatch between a high demand for affordable credit and limited existing supply.

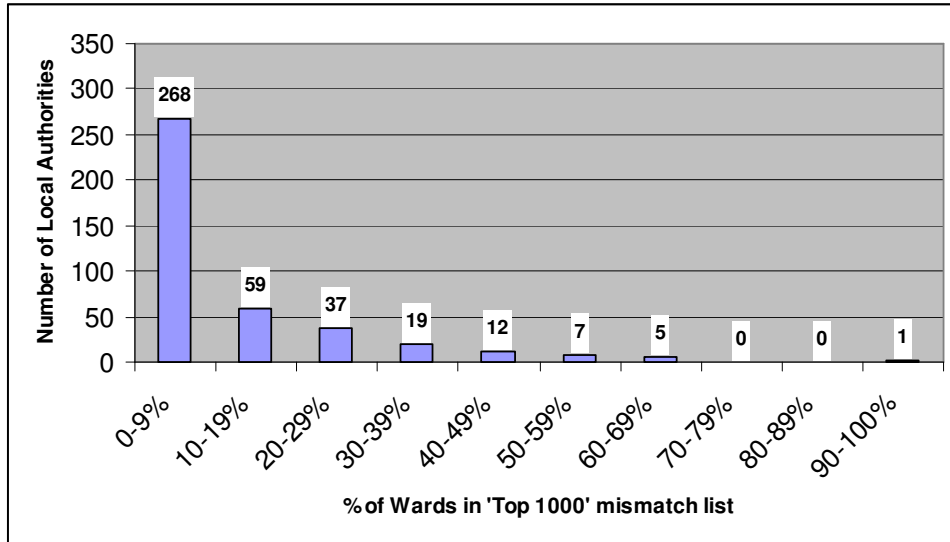
This analysis has been used to identify 25 "red alert" areas – defined as those with 40% or more of wards in the local authority in the most mismatched 1000 wards nationwide – these LA's have substantial gaps between demand for third sector credit and current supply, and represent the areas in most immediate need of new provision.

"Red Alert" Local Authorities (and mismatch ranking)			
Stoke-on-Trent	1	Hartlepool	14
Corby	2	Blyth Valley	15
Lincoln	3	Inverclyde	16
Wansbeck	4	Chester-le-Street	17
Manchester	5	Southampton	18
North Ayrshire	6	Ellesmere Port and Neston	19
Dundee City	7	Torfaen	20
Halton	8	Carlisle	21
Easington	9	Derwentside	22
Gateshead	10	Wirral	23
Newcastle upon Tyne	11	Bolsover	24
Chesterfield	12	South Tyneside	25
Peterborough	13		

In addition, 56 “amber” areas have been identified – defined as those with between 20% and 40% of wards in the local authority in the most mismatched 1000 wards – significant parts of these LA areas lack coverage of third sector credit where it is most needed. New provision is likely to be required in many of these areas.

"Amber Alert" Local Authorities (and mismatch ranking)					
Barrow-in-Furness	26	Fife	45	Dover	64
Newcastle-under-Lyme	27	Allerdale	46	East Staffordshire	65
Mansfield	28	Doncaster	47	Stockton-on-Tees	66
Bradford	29	Slough	48	Leicester	67
Knowsley	30	Sunderland	49	Preston	68
Redcar and Cleveland	31	West Lancashire	50	Rotherham	69
Copeland	32	Clackmannanshire	51	Kettering	70
Rochdale	33	Gravesham	52	Middlesbrough	71
Kingston upon Hull, City of	34	St. Helens	53	North Lanarkshire	72
Blaenau Gwent	35	Merthyr Tydfil	54	Wrexham	73
Neath Port Talbot	36	South Ayrshire	55	Sandwell	74
Bolton	37	Crawley	56	Scarborough	75
Newport	38	Wear Valley	57	Swale	76
North Tyneside	39	Darlington	58	Durham	77
Oldham	40	Plymouth	59	Gloucester	78
Pendle	41	Wolverhampton	60	North East Lincolnshire	79
Salford	42	Wellingborough	61	Worcester	80
Thurrock	43	Telford and Wrekin	62	Tamworth	81
Walsall	44	North East Derbyshire	63		

The following graph indicates for all of the 408 Local Authorities the decile split of the percentage of each Local Authority's Wards that are allocated within the overall 'Top 1000' mismatch list:



4.4 Local Authority Mismatch – Distinguishing between a requirement to supply new provision and expansion of existing lenders

Report findings have identified the mismatch in terms of places with a likely high requirement for affordable credit yet a low overall score for current provision.

For these 81 Red and Amber Alerts, it is necessary to distinguish between a requirement to supply new provision (i.e. no quality coverage at present) and the possibility of achieving greater coverage through expansion of existing lenders (i.e. working with current organisations that display potential to build upon).

Of the 25 Local Authorities identified as "Red" Alert;

- 17 have no affordable credit provider rated as 3 or 4 and may require a new lender to be established
- Stoke-on-Trent, Lincoln, Corby, Chester-le-Street, Carlisle and Wirral have no organisations rated at 2, 3 or 4 – of which, Stoke-on-Trent and Wirral have no affordable credit providers present
- 8 have 1 or more provider rated at 3 or 4 that it may be possible to work with to extend coverage

Mismatch Rank	Alert	Local Authority	Demand Rank	0's	1's	2's	3's	4's
1	Red	Stoke-on-Trent	3	0	0	0	0	0
2	Red	Corby	25	1	0	0	0	0
3	Red	Lincoln	15	2	0	0	0	0
4	Red	Wansbeck	17	2	0	1	0	0
5	Red	Manchester	2	0	6	5	0	1
6	Red	North Ayrshire	28	2	5	1	0	0
7	Red	Dundee City	27	0	0	1	0	0
8	Red	Halton	29	0	2	3	0	0
9	Red	Easington	3	1	1	2	1	0
10	Red	Gateshead	21	5	0	0	0	1
11	Red	Newcastle upon Tyne	14	1	1	1	1	0
12	Red	Chesterfield	38	0	0	1	0	0
13	Red	Peterborough	81	1	0	0	0	0
14	Red	Hartlepool	53	0	1	1	0	0
15	Red	Inverclyde	32	1	2	1	0	0
15	Red	Blyth Valley	47	1	1	1	0	0
17	Red	Chester-le-Street	55	4	0	0	0	0
17	Red	Southampton	85	0	0	0	0	1
19	Red	Ellesmere Port and Neston	110	0	0	1	0	0
20	Red	Torfaen	71	1	0	2	1	0
21	Red	Derwentside	35	2	0	2	0	0
21	Red	Carlisle	108	1	0	0	0	0
21	Red	Wirral	111	0	0	0	0	0
24	Red	South Tyneside	3	0	0	0	1	1
24	Red	Bolsover	47	0	0	1	2	0

Of the 56 Local Authorities identified as “Amber” Alert;

- 29 have no affordable credit provider rated as 3 or 4 and may require a new lender to be established
- 7 have no organisations rated at 2, 3 or 4 – of which, Barrow-in-Furness, Crawley and Kettering display the lowest levels of affordable credit providers present
- 27 have 1 or more provider rated at 3 or 4 that it may be possible to work with to extend coverage