

COUNTY COUNCIL LOCAL COMMITTEE FOR EDEN
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Meeting date: 31 October 2018

From: Executive Director – Corporate Customer and Community Services

CITIZENS ADVICE CARLISLE AND EDEN

1.0 EXECUTIVE SUMMARY

1.1 This report details the mid-year deliver of the Money Advice grant awarded to Citizens Advice Carlisle and Eden for 2018/19 and an update on the grant awarded to the same organisation to deliver Energy Advice in Eden.

2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS

2.1 Improved locality working is one of the ways the Council is delivering on its priorities. The County Council vision, included in the Council Plan, sets out that it will be ‘... an effective and efficient organisation that delivers the best possible services for the people of Cumbria within its available resources, protects the most vulnerable, and works with others in the community to shape services and help find solutions for the future.’ The approach and work of the Local Committee directly contributes to achieving this vision.

2.2 The Eden Area Plan sets out the three targeted priorities for the area, which are: access to services, developing strong and resilient communities, and supporting a better quality of jobs in the area; and details how the Council is delivering its services in support of them.

2.3 The locally devolved funding is available for Local Committees to allocate within the area to support positive outcomes for the communities of Eden. This funding can be targeted to initiate new activity or to enhance/complement existing provision according to locally determined need.

2.4 A separate Equality Impact Assessment is not required for this report as it is primarily for information purposes

3.0 RECOMMENDATION

3.1 Members are asked to note the report

4.0 BACKGROUND

Money Advice Grant

- 4.1 Citizens Advice Carlisle and Eden (CACE) was awarded £34,870 from the Money Advice grant 2018/19 fund to:
- Provide support for individuals in debt to an extent where their home or liberty are at risk or those whose debts are seriously affecting their health and wellbeing of the individual/family;
 - Put in place preventative activity that raises awareness of how to avoid debt, educate people about effective budgeting and money management; and supports people to maximise their income.
- 4.2 The grant agreement has a target of 209 cases per year.
- 4.3 CACE deliver a range of services, some directly delivered by the Money Advice Grant others funded from different sources (see appendix 1 below for listing of services) however advise that the Money Advice Grant ensures they are in the position to offer a comprehensive money advice service to the residents of Eden.
- 4.4 The £34,870 grant provides 3.4 days of qualified specialist debt worker time per week.
- 4.5 CACE work with both individuals and run general campaigns for the public on how to avoid debt, educate people about effective budgeting and money management; and supports people to maximise their income. Further details and examples of this work can be found in Appendix 1
- 4.6 In the first 6 months of the grant CACE has opened 122 cases for people, looking at a range of issues, helping people from across Eden. Helping residents with 372 debts totalling £1,080,084.50. Case Studies showing examples of this work are provided in Appendix 2
- 4.7 CACE are promoting the service in a wide range of ways and with groups and partners, more information can be found in Appendix 1.
- 4.8 As well as delivering the service from its office in Penrith CACE are running outreach sessions at Kirkby Stephen, Appleby and the Jobcentre+.
- 4.9 Additionally CACE has recruited dedicated volunteer Money Advice support, which has assisted the Caseworker.
- 4.10 CACE cites some of the challenges to delivering the service as:
- Complexity: they continue to deal with the more complex debt cases under the CCC Money Advice grant including: Debt Relief Orders, bankruptcies, rent/mortgage arrears, protracted/contentious negotiations.
 - Welfare reform: Increased sanctions and benefit withdrawals continue have a detrimental effect on clients' finances and can often complicate the Money Advice process, as many options (e.g. payment rescheduling) are reliant on a consistent/expected income.
 - Universal Credit - lack of assisted digital support: Introduction of Universal Credit: the full effect of the roll-out is not known as yet. CACE are seeing clients in their

handfuls not hundreds. However, lack of assisted digital support in rural areas has already been highlighted as a problem and discussions have taken place with EDC to try to resolve them.

Energy Advice Grant

- 4.11 Citizens Advice Carlisle and Eden (CACE) was awarded £2000 from General Provisions 2018/19 towards 6 months delivery of CACE's Energy Advice service in a period where national funding was not available.
- 4.12 The project was delayed whilst awaiting grant confirmation so will now run until the end of October.
- 4.13 CACE has worked with 27 residents in Eden under this grant from June to the beginning of October.
- 4.14 The Energy advice service has secured £7307.00 of savings, averaging £270.63 per client, this was achieved by:
 - 21 securing the Warm Home Discount (£140) - £2940
 - 14 tariff switches carried out - £3187
 - 4 debt write-offs - £1180
 - 18 vulnerable people signed up to the Priority Service Register (no money value)
- 4.15 CACE advise that an added value has been that they have been able to maximise the income of clients accessing this project who may not have sought advice otherwise, evidence of this can be seen in Appendix 3: Energy Advice case study.
- 4.16 The service has also been widely promoted with partners and the general public.
- 4.17 Sessions are running at the CACE Penrith office, Kirkby Stephen, Appleby and the Jobcentre+.
- 4.18 CACE has secured funding to continue the service from October 2018 to March 2019; bringing £23,000 of funding into Carlisle & Eden and have identified one possible source of funding for April 2019 onwards and will be applying when the bidding process is opened.

5.0 OPTIONS

- 5.1 Members can note the report
- 5.2 Members can ask for further information regarding the findings of the report

6.0 RESOURCE AND VALUE FOR MONEY IMPLICATIONS

- 6.1 There are no financial implications for the Local Committee arising from this report.

7.0 LEGAL IMPLICATIONS

7.1 The recommendation in this report is for members to note its contents, there are therefore no direct legal implications.

8.0 CONCLUSION

8.1 The delivery of the Money Advice Grant is on track to fulfil the expected outcomes and is supporting a range of individuals in Eden through the offer at Penrith and the Outreach programme.

8.2 The grant awarded for the Energy advice service has allowed CACE to continue offering a valued service in Eden and given CACE the time to secure funding for the subsequent 6 months with national funders.

Dawn Roberts

Corporate Customer and Community Services Executive Director

Oct 2018

APPENDICES

***App 1: CACE services information;
App 2 Money Advice grant case study;
App 3 Energy Advice grant case study***

Electoral Division(s): All Eden

Executive Decision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Key Decision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If a Key Decision, is the proposal published in the current Forward Plan?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the decision exempt from call-in on grounds of urgency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has this matter been considered by Overview and Scrutiny? If so, give details below.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has an environmental or sustainability impact assessment been undertaken?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has an equality impact assessment been undertaken?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS

[including Local Committees]

15 March 2018 Eden Local Committee Money Advice Grant awarded to CACE

12 June 2018 Eden Local Committee Energy Advice Grant awarded to CACE

CONSIDERATION BY OVERVIEW AND SCRUTINY

“Not considered by Overview and Scrutiny”.

BACKGROUND PAPERS

“No background papers”

REPORT AUTHOR

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£34,870 grant pays for

- 3.4 Qualified Specialist Debt Caseworker days per week.

Service Delivery (how CACE delivers the service)

- Face to face service delivered by qualified Specialist Caseworkers, locally at point of contact
- Debt telephone “hotline” number and “Call-back” service
- Home visit service – this is the most expensive method of delivering the service so is arranged for clients only once other means of delivery have been considered and deemed not to be suitable.
- Outreach services
- Email advice
- Skype

CACE finds that initial advice often takes place via email or telephone and then face-to-face meetings are subsequently arranged. In this way they make the best use of the grant by targeting resources to provide the appropriate level of client support depending on their vulnerability and case complexity.

Service access

- Self-referral: from word-of-mouth/adverts/press articles/Posters/business cards/leaflets
- Partners: EDC; EHA; Eden & South Lakeland Credit Union; AUK; Law Centre, Mind
- Internal workers: Macmillan Service; Energy Best Deal; Connect Project; General Service.

Added value

- Access to Approved Debt Relief Order (Insolvency) Intermediaries
- CACE Macmillan advice service – access to specialist benefit advice
- Specialist Energy/Fuel Tariff switching advice
- Access to Housing Advice
- Research & Campaign work (e.g. Basic Bank Account campaign – CACE investigated whether local financial institutions were providing Basic Bank Accounts in line with statutory regulations and reported finding to national Citizens Advice to lobby for change)
- Access to a team of qualified Generalist Advice Workers who can advise on all enquiry areas including benefit form-filling, challenging decisions and preparing submissions for Tribunal Appeals
- 5 day a week telephone Adviceline service: Monday 10 - 6; Tues - Fri 10 to 4
- Training Officer provides in-house support as well as access to nationally accredited training courses

Client Groups include those:

- With Disabilities
- With Mental Health issues

- On probation
- Who are Homeless or threatened with homelessness
- Affected by Domestic Violence
- Who are "Persons from Abroad"
- With Protected Persons Status (formerly came under Witness Protection)

Additionally CACE deal on average over 200 debt cases annually which are not recorded under the CCC Money Advice Grant (these are predominantly vulnerable clients, with lower level debt issues)

Financial Capability & Preventative work

- Financial Capability, Income Maximisation and Budgeting are all integral parts of the money advice process that CACE follow with each client
- Each debt case has Personal Budgeting Support (PBS), financial capability and preventative advice.
- Empowering/educating people to deal with debts themselves (providing appropriate levels of support, where necessary) leaving them better able to deal with issues and problems in future
- CACE are EDC's chosen provider for PBS for Universal Credit claimants
- Research & Campaigns - Basic Bank Accounts Campaign (as above)
- Encourage saving – strong links with Eden and South Lakeland Credit Union
- Directing clients to affordable credit (where appropriate)
- Talks/presentations/events:
 - where to go to access appropriate advice
 - Info about Universal Credit and changes to disability benefits.
 - Tariff switching and Smart Meter training (DWP, Penrith Library)
- Extensive media work, for example:
 - News & Star weekly advice column
 - Press releases
 - Bi-monthly attendance on Money Talks Radio Cumbria
 - CFM
 - What's on Cumbria TV
 - BBC Lookaround

Examples of events:

- Kirkby Stephen Rotary Club event
- Universal Credit awareness training to mental health groups (Here and Now, Art and Soul, Bi -Polar UK)
- Tariff Switching & Advice Session at Kirkby Stephen, Appleby and Alston.
- Outreach at Job Centre + Penrith (following pilot at Carlisle Job Centre +)

Contract information	
Contract title	Money Advice
Organisation	Citizens Advice Carlisle and Eden
Project	Money Advice service
Quarter	Q2 2018/2019

1. Background to the case study - What's the story?

What is the client's situation/client profile?

2 examples of clients facing hardship as result of having to repay benefits. [Note that this case study only looks at the issue of benefit overpayment. Both clients have received other assistance from CACE not detailed here.]

1. Single person, living in private rented accommodation. Retired and now in receipt of state pension. She had a benefit overpayment from when she was working. There was no question of fraud. She had been overpaid benefit by error. Deductions were being made from her state pension to repay the benefit overpayment. She was happy to repay the money. However, the level of deduction from her pension was causing hardship and she was finding it difficult to pay her rent. One third of her state pension was being taken to repay the debt.

2. Single person, living in housing association accommodation. He has not been able to work for some years, because of disability and mental ill health. He is dependent on income related and disability benefits. He lives in a two bedroom house. He used to need 2 bedrooms because he was the full time carer for a relative now deceased. As a result, housing benefit does not cover all his rent and he has to make up the shortfall from his disability benefit.

When he was in work, his income fluctuated significantly because of lengthy periods of absence caused by his ill health and disability. He had been overpaid tax credits in the course of those fluctuations. Now that he is no longer in employment and receiving statutory sick pay, HMRC were threatening him with action to recover the overpayment. There is no spare money for paying debt in a household budget where sole income is from benefits. So the client could not begin to meet HMRC's demands for repayment. [Tax credits are being replaced by universal credit, but this agency continues to deal with problems associated with tax credits and we expect to have to do so for some years to come.]

2. What is the issue?

Particularly in relation to the Money Advice Service

1. Recovery of debt from state pension at unaffordable levels causing hardship and putting the client at risk of homelessness.

2. Demands for payment from a vulnerable person, causing substantial distress, anxiety and undermining his sense of security in his home.

3. What was the action taken

What did the contractors do to address the issues highlighted?

1. We carried out a benefit check and ruled out any means to increase the client's income. We provided budgeting advice on how best to manage limited income in retirement. We prepared a financial statement and negotiated with the DWP, who agreed to reduce repayments from around £54 to £11 per week.

2. We initially questioned the creditor's right to recover the overpayment. We then advised the client on his liability. He accepted that the overpayment was recoverable. We then sought formal medical evidence from a health professional about the client's mental health specifically in the context of debt. We presented the evidence to HMRC and persuaded them to agree not to pursue the debt. In the event we did not need to progress to the next stage, which would have been to negotiate affordable repayments.

4. Outcomes for the person accessing the service

How has the action taken had an impact for the person accessing the service, has there been any challenges or barriers?

1. Client can afford the reduced repayments. She is keeping up with her rent. She is freed from the risk of homelessness for rent arrears.

2. Client no longer faces demands for payment which he could not meet. He is no longer insecure in his accommodation, as he can manage his full rent from his benefits. He is not going to be faced with the stark choice of falling into rent arrears or falling behind with other essential spending. He can make ends meet and his mental health has improved as a result.

5. Social Policy Issues or locally specific issues?

Does this case study highlight any social policy issues or is it related to any locally specific issues (eg. factory closures) that may support research and campaigning.

The complexities of the benefits system frequently gives rise to benefit overpayment. In both of the above examples there is no question of fraudulent conduct by the clients. The first social policy issue here is that ordinary, intelligent, diligent people lose their way in the labyrinthine back alleys of the benefit systems through no fault of their own.

The second social policy issue is that one government department can make demands on individuals, which result in other services having to pick up the pieces. If it had not been for our intervention, both of these clients would have been at risk of homelessness sooner or later.

Citizens Advice Energy Case Study Oct 2018

The client is an 81 year old lady from the Rural Eden area who has arthritis and COPD and is hard of hearing. Her mobility is limited so she spends a lot of her time at home. The client is fiercely independent and although she has family, she doesn't like to call on them for help.

She had a limited income of £159 a week pension in addition to council tax reduction and had no savings. She was living in the family home which she owned outright.

Due to the rural location, the client was not connected to the gas network and so relied on electric storage heaters to heat her home. After a particularly cold start to the year, she found herself in debt to the electric company for £483 which put her monthly payments up from £82 to £105. She was struggling to afford these payments so called the electric company to see if they could be lowered. Because she is hard of hearing, she gave up without finding a solution.

The client attended a local drop in session with Citizens Advice and asked for help to lower her energy bills. She told us she was worried about the upcoming winter and felt she was unable to put her heating on because she couldn't afford it.

What we did for her:

- Benefit check – We carried out a benefit check for her and with a better understanding of her health needs, we advised her to make an application for Attendance Allowance. This was successful and she was awarded the lower rate of £57.30 a week.
- Tariff switch – The client was on a standard tariff and had been with the same supplier for a number of years. Because she was in debt to the company, she was unable to move to another provider. We spoke to her existing provider who agreed to move her onto a cheaper tariff which saved her £228 a year.
- Debt repayment – We offered to apply for a grant to clear the energy debt but the client did not want to do this. Instead, we asked the energy company to reduce the direct debit amount and working with the client, reduced the payments to £91 a month, (£63 usage and £28 towards the debt). The client found this more affordable with the new additional income.
- Energy savings – The client had storage heaters at the property but stated her late husband always sorted them out so she had just left them as they are. CI was given some information on how to use her heating system and found she had the outlet settings on full constantly which meant the system didn't get a chance to charge up overnight and she had to use the boost facility which was more costly. The client was able to change the settings on the heaters herself and agreed to ask one of her children to check the timer for her. This means she will save more money on her usage every year.
- Warm Home Discount – The client's supplier is part of the scheme and as she fit the criteria, we applied for a WHD on her behalf. She has been awarded the money which will be paid early next year. She will receive £133 (after tax) towards her electric.
- Priority Services Register – Because of her ill health, the client is more susceptible to the cold. Having only one fuel source into the property, if she loses supply, it could be detrimental to her health. The client was added to the PSR which means she would have her supply reconnected as a priority and her energy company are more aware of her health needs, including that she's hard of hearing. This should make it easier for her if she needs to call them in the future.

We were able to increase the client's income and save her money instantly on her energy bills which meant she was financially better off in the short term. The advice about how to use her heating system will reduce her energy usage and lower the cost of her bills in the future. The client is also better supported in case there is disruption to her supply and feels more confident contacting her supplier herself ensuring she keeps her independence. We listened to our client's wishes and helped her make her debt more manageable instead of writing it off but also applied for a heating grant to help ease her worry about affording her heating costs in the future.