

Leek Citizens Advice – Annual Update for the Scrutiny Panel – 20th November 2017 at 2:00 pm

Summary

- Citizens Advice Leek is open 9 Hours per Week for new Enquiries
- This service has an average attendance of 30 Clients
- We have seen 1150 through this method alone in the last 12 Months
- We take Direct Referrals from Children and Adult Safeguarding, Family Intervention Project, Building Resilient Families and Communities (BRFC) and other Statutory and Non-Statutory Bodies. We see between 300 and 350 Clients through this method
- We have provided support to approximately 150 Client's referred or signposted by the SMDC iCAN project. We have a dedicated Volunteer who supports a client in making an Online Housing Benefit and/or Council Tax Reduction Claim, DHP or progress a Change in Circumstance
- The migration of Clients from claiming 'Legacy Benefits' to Universal Credit is gathering pace in the Moorlands. Some of the issues that have arisen have been well documented, such as the 6 Week wait for payment and the previous cost of call charges, however the picture becomes even more murky when an Employer dismisses an Employee without notice and pay. This can often result in a 10 Week wait for funds unless conciliation is successful
- The Legal Aid Cuts have also had a devastating impact on access to justice. This has been most widely experienced in Family Law.
- It is becoming increasingly evident that many consumers have been using Consumer Credit and other sources of Borrowed Capital to supplement uncertain incomes during the economic Recovery. Many experts believe that this is going to result in a 'Credit Bubble' that may burst if there are major variations in Interest Rates and increasing commercial uncertainty during the Brexit process.
- Leek and the Moorlands has a large community of EU Nationals. We are already experiencing issues with passport, nationality and even Residency Permit applications following the Referendum. The outcome of the negotiation is uncertain. This could lead to large populations of the Moorlands becoming subject to the Immigration Rules.
- Clients with long term sickness and disabilities continue to be subject to the continual cycle of assessment and reassessment. This creates unpredictable assessment outcomes. This has led to multiple Appeal Representations as the Mandatory Reconsideration procedure is rarely successful.
- We offer a unique opportunity for many to develop new skills by Volunteering. This provides an added economic benefit to the Community
- We have generated £2,500,000 worth of Welfare Benefits from Central Government over the course of the past 12 Months. In addition, we have helped Client's manage ~£5,000,000 worth of debt. This process has helped release at least ~£3,500,000 into the local economy.

LEEK CITIZENS OBJECTIVES AND ACTIVITIES

Leek Citizens Advice provides free, independent, confidential and impartial advice to everyone. The Organisation promotes equality and diversity and challenges discrimination. The service aims to provide the advice people need for the problems they face and to improve the policies and practices that affect people's lives.

Access to advice services, equality in society and the provision of services in locations where vulnerable or hard to reach groups can make best use of them are important concerns for the charity. The charity provides advice on several levels ranging from basic signposting and the provision of information, generalist advice, specialist casework and representation at tribunal or in a County Court setting.

In addition to the continuing provision of high quality advisory services to the local community, the primary objectives for the year were to extend the means of service provision including closer liaison and joint working with other local bureaux.

To obtain the necessary funding to provide additional services, applications were made on a local and national basis to providers of community finances.

In addition to Generalist advice the following specialist services were also provided:

1. Specialist Welfare Benefits Advice
2. Specialist Debt Advice
3. Specialist Employment Advice
4. Specialist Homelessness and Housing Advice

Advice services were provided through face to face appointments, telephone and home visits. The service is accessible 5 days per Week although beneficiaries will be triaged appropriately in order to protect the integrity of the current 9 Hours per Week Gateway provision. In an ideal situation, we would provide a full service throughout the Week. However, funding is extremely tight in the current socio-economic climate.

VOLUNTEERS

The charity receives help and support in the form of voluntary assistance in advising the public and administering the charity.

Our volunteers contributed approximately 10348 hours of work for the bureau during the year. The estimated value of this help is £202,155.00 in respect of the current year (2016/17).

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Leek Citizens Advice Bureau offers the residents of the district and its surrounding areas a high quality core generalist advice service as well as a well-balanced specialist advice service provided through its project funding.

The areas of Welfare Benefits and Debt remain the highest areas of concern and have the largest effect on our clients lives. Whilst having a professional, well trained team of volunteers and paid staff to cope with this demand at times the demand has exceeded the resources available. During 2016/2017 the bureau dealt with 1550 clients on 7856 social policy issues. There were 4530 client contacts. It is anticipated that the demand will continue to grow into the following year due to the changes which were introduced this financial year and those yet to come into force. The roll out of Universal Credit is going to provide a robust challenge to Statutory, Non-Statutory and Charitable Services alike.

The level of client's indebtedness was recorded at £5,075,256.99. This is an increase from the previous year mainly due to some temporary MAS funding which has meant that we have been able to expand General Money Advice Work and Financial Capability. We have continued to process Debt Relief Orders and Bankruptcy Petitions, but non-priority debt clients have been referred to the partner organisation, StepChange and go onto debt management plans.

The total gains for clients during the year were recorded at £3,519,550.29 which includes welfare benefit entitlements as well as tribunal appeals and debt write-offs through formal Insolvency Options.

ADVICE TRENDS – 2016 – 2017

County Court Judgments, Statute Barred Debts and Administration Orders

We have seen the impact of an increased use of the County Court Judgment to enforce debts over the past 12 Months. Prior to the Financial Crisis of 2008-2010, there was an increased use of low cost credit. In many instances, such lending was irresponsible. Many Creditors failed to assess affordability and the likelihood of repayment. The Financial Crisis had a major impact on Debtors ability to repay these loans. Job losses, pay restraint, welfare benefit cuts and increases in the costs of services, such as child minding, created a toxic mix that led to Defaults. These Debts were effectively shelved for a number of Years. However, these debts now appear to have been sold on to third-party specialist debt collection companies who are now enforcing them through the County Court process. In many instances, these debts are either Statute Barred, close to being Statute Barred or enforceable on a technical point of law. There is a strong suspicion amongst Money Advice professionals that accounts are being electronically credited with payments or rebates in order to make them appear enforceable to a District Judge. Such Debtors need specialist advice on setting aside and challenging Default Judgments. We have a Specialist Debt Team who are equipped to deal with such issues. Thirty clients have benefitted from litigation support in this respect.

County Court Judgments can be enforced in a number of ways. These include the use of Enforcement Agents, Attachment of Earnings, Third Party Debt Orders and Charging Orders. We have seen a sharp increase in the use of Enforcement Agents and Charging Orders. This presents a unique challenge to Money Advice Professionals. There is very limited scope for challenging a Charging Order. However, the other forms of enforcement action can be routinely set aside and varied to enable Clients to make affordable offers of repayment. A County Court Judgment can also be an opportunity for Money Advisers. Clients with debts of less than £5,000 who have at least two Creditors, one of which is a Judgment Creditor, can apply for an Administration Order (AO) or a Composition Administration Order (CAO). In an Administration Order the debts are repaid in full over three years. In a Composition Administration Order the debt is settled for less than its legal value over three years but recorded as partially settled on a Credit Reference File. This remedy is available to both homeowners and tenants living in rented accommodation. This option gives eligible Clients the option to repay debts to the satisfaction of the Court at an affordable rate over three years. This remedy is slightly archaic but it is now being 'dusted off' by Money Advice professionals to use as a tool to meet the challenges of an increased use of County Court Judgments. 912,389 judgments were registered against consumers in England and Wales, which is an increase of 24% on the 734,205 registered in 2015. This data is provided by the [Registry Trust](#), which operates the Register of Judgments, Orders and Fines for England and Wales on behalf of the Ministry of Justice.

Two of our Staff Members have completed the Certificate in Money Advice Practice at Staffordshire University during 2017. The Course has been developed by the Institute of Money Advisers (IMA) to provide Money Advisers with the skills and knowledge required to meet the challenges and standards required by the profession. One of our Advisers is due to complete the Certificate of Proficiency in Insolvency (CPI) in December 2017. This is accredited by the Insolvency Practitioners Association (IPA) and is a precursor to sitting the Joint Insolvency Examination (JIE). Two members of our Money Advice Team has also completed the entire Wiseradviser Money Advice Programme run by the Money Advice Trust and the Giving Good Debt Advice run collaboratively between Citizens Advice, the Money Advice Trust and the Institute of Money Advisers. We are in the process of training another Volunteer to become a Money Adviser and join our Money Advice Team. This Volunteer was looking to retrain after losing his Job in Engineering. He is currently focusing on Income Maximisation and Welfare Rights which is an essential part of the Money Advice process. It will take at least two years to train him to a suitable standard to give general Money Advice. This volunteer is currently helping Clients to complete Housing Benefit and Council Tax Reduction Forms online. He is currently completing between 1 and 3 Housing Benefit and Council Tax Reduction related forms.

The Welfare Rights Team – Helping Vulnerable Clients to Manage Complicated Claiming Processes

The DWP tend to re-assess a Claimant's entitlement to Benefit on a Postcode by Postcode basis. This is an opinion that is supported by local advice trends. The aim seems to be to target a large amount of people in a small geographical area. This procedure puts an overwhelming demand on advice services. We have a team of four Welfare Rights Advisers. Two Advisers specialise in completing ESA, PIP, DLA and AA Forms. We have one Adviser who specialises in Appeal Work and a Supervisor who completes complex Appeal Work including Upper Tribunal Appeals and offers guidance and opinions to the Team. The demand for services in this area never reduces. We have a very high success rate in maximising Client income by assisting with compliance and challenging incorrect decisions. We have a good relationship with the Tribunal Centre at Bennett House because of our good work in Appeal presentation, preparation and evidence gathering. The First Tier Tribunal focuses on the facts of the case. The Appellant has a greater chance of success if the case is presented in a clear and concise manner and it is supported by 'Good' Medical Evidence. GP's are rarely very good at supporting Claimant's and Appellant's appropriately. This is because they simply do not have the time to sit down and prepare an 'on point' submission. Some GP's believe that the system is not fit for purpose because it challenges their opinions. Some GP's are not knowledgeable about the finer points of the DWP Tests. The DWP tests are a functional assessment as opposed to a medical assessment. These tests can generate some very spurious decisions and have recently included a decision that found a Client who was paralysed from the waist down able to walk distances of greater than 50 Metres. This may have been correct in law. However, there were two other descriptors that should have been applied. This case is still ongoing. A Consultant has been approached for appropriate evidence.

Working with Agencies – A Good Example of Partnership Working

As mentioned in the precis, we routinely work very closely with a wide range of Statutory, Non-Statutory and Voluntary Agencies. This provides a significant benefit to the performance of these services for no financial consideration. Our continued existence depends on the charity of others. Our donation boxes are not going to provide sufficient resources to fund the services. Our services are specialised and valued. Retention of knowledgeable and experienced staff is another major challenge to sustainability. Our contribution to the economy of the Staffordshire Moorlands is significant and we appreciate the contribution made by the Local Authority. We think our service also supports provides a significant benefit to Local Services.

An example of our work with SSOTP is cited below. We were approached by SSOTP for advice and assistance in relation to a Housebound Client in her 80's who was being threatened with disconnection by Npower for unpaid electricity to the value of ~£10,000. Investigation revealed that the Client's only source of income was a National Insurance Retirement Pension of ~£83,.10. Npower were contacted to put a hold on the account in the interim. Applications for Pension Credit Guarantee, Attendance Allowance and Council Tax Reduction were made. These were successful and the Client's income was maximised by £180.00 per Week. An application was made to Npower Energy Fund for a Contribution

to the arrears. This was successful and an award of £9,000 was granted. The balance is being recovered by Fuel Direct, a form of Attachment of Benefit, at £3.70/week.