



Specialist Money and Debt Advice

CAEE & Rosebery Housing Association

Our Year in Review: April 2021 – March 2022

Overview

During this past year, we have continued to work with referred Rosebery Housing Association (Rosebery/RHA) tenants to help set their financial situation in order, empower them to manage their finances with paying their rent as a priority, and ultimately to stay in their homes. We believe that we provide a 'Value for Money' service to Rosebery, whereby the rent paid together with the cost of evictions avoided greatly exceeds the grant provided for this specialist service, with high levels of tenant satisfaction.

This review is designed to complement the excel workbook (the source of all figures provided here), and which is attached. At the end of this report are two case studies which highlight how the work we do can really have an impact on the lives of our clients, their families and the local community.

As always, we are grateful to Rosebery for the continued funding support. The regular engagement through the bi-monthly meetings with the Income team members and the quarterly steering meetings amongst our senior leadership fosters an effective and collaborative partnership, enabling us to navigate our way through such a period of uncertainty together.

Over the past year, the team has persisted in demonstrating its adaptability and resilience, being flexible in their ways of working as well as to the changing needs of those they help. The service is now very much a multi-channel delivery one with clients being able to access the support they need via face to face, phone and video.

Our Outcomes

In the past year, we assisted **133** (85 last year) Rosebery tenants, **85** of those being new referrals (54 last year). Of the new clients, **58%** were referred by Rosebery directly and **26%** came to see us themselves (the remaining **16%** were referred in from other sources, such as the Council).

We helped these clients to maximise their income, to an annualised total of **£286,280** (£264,946 last year) in income gain for them. From within this increased income, **£69,259** went directly into paying rent and rent arrears to RHA. In addition to this, **£68,957** went to paying off Council Tax liabilities. The clients helped also paid off **£65,736** in other debts, making a total of debts repaid over the year of **£203,952**. All debt management helps tenants to be better able to meet their rent liabilities to Rosebery, as lessened financial demands from externals leaves more income available for priority payments such as rent. We also helped Rosebery tenants to resolve unmanageable debt situations with **£83,906** in repayments rescheduled.

A quality service all round

Our team of two are both accredited in debt advice by Money Advice Service. We are overseen and regulated by the Financial Conduct Authority (a legal requirement), are subject to an annual audit by our National Office as well as scrutiny of our casework via regular quality assurance reviews. Our recently held National Office Performance Assessment (March 2022) reviewed a sample of the team's cases and have reaccredited both our welfare benefits and debt advice for the Advice Quality Standard for another 3 years.

Additionally, the team works on upskilling and expanding their knowledge through training courses and keep themselves abreast of changes in legislation and working practices. Through various meetings they have nurtured relationships with key stakeholders such as EEBC Housing & Council tax departments and the local Job Centre Plus. We have also linked in with the new Epsom Skills Hub and will be available should those young people using the hub need advice and support in budgeting and managing money.

We are pleased that the funding for the project is continuing this year. We know that the demand on debt advice will increase significantly as a result of more people falling into debt with the cost of living crisis. We know that our early involvement and holistic approach makes an impact and a difference to the lives of our clients – not just in terms of quantitative outcomes but qualitatively through reduced stress, depression and anxiety. In this way, not only does the service benefit the client but the wider community including health services.

Developments In Money Advice

The overriding issue that we expect to impact on the service is the significant increase in the cost of living and its impact on Money Advice. However, we ought also to refer to Breathing Space and its advantages and disadvantages.

Breathing Space has certainly encouraged creditors to allow 60 day repayment holidays more readily. However, anecdotally it has also encouraged creditors to take a more bullish approach to enforcement once those 60 days are exhausted. Further, 60 days is a short period of time to gather all of the information required to allow a client to make a fully informed decision about their debts and to start to take steps to act on that decision.

Breathing Space has (for this and other reasons) been less useful than hoped. Clients have to pay their ongoing liabilities to be and remain eligible for Breathing Space. Ongoing liabilities include their Council Tax and water charges, for example. Many clients fall foul of this requirement. All of a client's debts have to be included in Breathing Space and this includes a bank account overdraft. Many clients rely on their overdraft to survive from month to month so for these clients Breathing Space may not be appropriate.

Significant increases in the cost of living are having and will continue to have a significant "knock-on" effect on Money Advice. Clients are now regularly in more straitened circumstances and they are more anxious about those circumstances. Fuel and food poverty are increasing. In the immediate future we anticipate a sharp increase (which is already visible to some degree) in clients' use of Buy Now Pay Later (Klarna, ClearPay, DivideBuy). This is unregulated lending and there is evidence that clients are using it for household essentials such as food. In the medium term we expect to see desperate clients

resort to loan sharks or illegal money lenders which will in turn result in a deterioration in their financial circumstances and a possible deterioration in the client's mental health.

A silver lining is perhaps the more joined-up approach to social prescription which is being encouraged. The impact of financial worries on mental health is well-known. GPs and other health professionals are being encouraged to use social prescription to refer vulnerable clients for money advice with the aim of taking a more holistic approach to client welfare.

Case Studies

Resident A

Our specialist debt adviser has been working with Resident A throughout this financial year and maintained contact and support via face to face appointments, emails, telephone calls and text messages.

A is over 50 years of age and a single man who lives in 1 bed permanent accommodation.

A has a persistent history of rent arrears, Council Tax arrears and non priority indebtedness. A has previously struggled to engage consistently with our Service. He has long standing addiction issues and consequent physical and mental ill health. He does not have a supportive family or community network. A has been employed sporadically but his addictions and ill health have generally resulted in loss of that employment – which has been largely characterised as low pay or zero hours.

A is an otherwise capable person with insight into the harm that has been caused to his relationships, work life and prospects and his health by his addictions.

Through collaborative work with Adult Social Care (and their various teams) and local charities:

- A's accommodation has been deep cleaned
- A's accommodation has been adapted to make it more suitable for his mobility needs
- A has been provided with furniture to replace broken and soiled household items
- A has been provided with mobility aids.

We have assisted A to apply successfully for LCWRA and we are currently assisting A to appeal a PIP refusal. We will be attending a PIP Tribunal to support A in this regard.

We are now investigating options for a transfer to ground floor accommodation due to A's restricted mobility and assessing what permanent debt solutions might be available for A.

The Income Team have been very responsive; providing information and support as and when required to assist with options to reduce A's rent arrears to try and progress a transfer. The Neighbourhood Team have also been very helpful and have provided forms for A to complete to provide updated medical evidence to ensure A is as well placed as possible to secure a transfer.

As to a debt solution, Lisa Davis (our CEO) has recently agreed to invest a in a new Credit Report platform to greatly improve the quality and speed of service we are able to offer particularly to vulnerable clients such as A. It has already proved to be very helpful in securing the information required to assist clients such as A.

Resident B

Our specialist debt adviser has been helping a 30 year old lone parent who was housed with her young daughter in housing association temporary rented accommodation on account of DV. She claims Universal Credit, child benefit and carer's allowance to look after her disabled sister who lives away from the Borough in an area where she lived previously and where her daughter remains at school. She made contact with the main office as a result of a referral from the Council Tax department and remembered interacting with the service a few months earlier (where she had failed to engage).

The client presented with rent and Council tax arrears, a housing benefit overpayment from her previous local authority and priority and non- priority debts. Daily trips to her daughter's school and to care for her sister had caused financial hardship.

We drafted a budget sheet to show her income and outgoings and identified reasons for her deficit. The client made arrangements to pay her utilities charges to her landlord by DD and we made an application for Council Tax Income Discount as well as a further application for a discretionary payment to reduce the balance of the outstanding charges.

We liaised with:

- The benefits department at her previous local authority to arrange repayments of an overpayment to be collected from her Universal Credit.
- The housing department at EEBC to be able to clarify the contribution to her benefit charges from that department.
- A creditor regarding a debt which had become the subject of a county court judgement.
- The housing association for details of her rent, arrears and arrangements specific to temporary accommodation tenants.
- The Council Tax department.

We advised regarding an application to the Surrey Crisis Fund, have provided food bank vouchers and grants from the Wenceslas fund and will be referring the client's rejected PIP application (made prior to her engaging with CAEE) to the main office for further assistance. The client was awarded LCWRA which affects her carer's premium for UC so the rules and the effect of them on her payments were explained to her.

The client has engaged using telephone calls, emails and texts and reports feeling very much more comfortable and more able to manage her budget since engaging with us.