

## **Sandwell Metropolitan Borough Council**

### **Action Taken Under Delegated Powers**

#### **Funding For an additional Citizens Advice Bureau (CAB) Money Advisor**

##### **1 Summary Statement**

- 1.1 The purpose of this report is to seek approval to fund a second Money Advisor for a three year with effect from April 2017, at a cost of £35K per year. This will provide a stable funding base to continue to deliver a robust and comprehensive homeless prevention service.
- 1.2 The report to cabinet on 19<sup>th</sup> October 2016 – “Grant funding for the voluntary sector advice provision 2017/18 to 2019/20” approved the provision of £35K per year over the three years for the Money Advisor - mortgage arrears.
- 1.3 The additional CAB Money Advisor has been funded previously by a Department of Communities and Local Government (DCLG) grant for 2014/15 and internally for the current year. The post will be co-located within the Housing Choice Team and is not part of the staffing establishment.
- 1.4 Finance has confirmed that the funding is available within the HRA budget for the 3 year period.
- 1.5 There were 4225 approaches to the Housing Choice Team during 2015/16 due to potential homelessness. Due to the impact of the austerity measures in particular the Welfare Reform changes there has been an increase in presentation relating to affordability in particular from tenants in the Private Rented Sector. This tenure alone represented a rise of 62% when compared to the previous year

- 1.6 The CAB Money Advisors have achieved the following outcomes during 2015/16:-
- A total of 149 recorded homeless preventions which when based on an average industry cost of re-housing a family being £5,500 equates to a total saving of £819,500 to the local authority.
  - Provided advice to clients with total debt of £2.45m.
  - Generated an additional income of £487,000 as a result of the advice provided during 2015/16.
- 1.7 Failure to provide effective and robust homeless prevention tools will lead to increase Temporary Accommodation costs. Current overspend on Temporary Accommodation is projected to be £106K for 2016/17
- 1.8 The Homeless Reduction Bill, currently going through Parliament, places a greater emphasis on the provision of homeless prevention advice for non-priority households and those who are likely to become homeless within 56 days.

## **2 Recommendation**

- 2.1 That the proposal to continue to fund a second CAB Money Advisor for the period 2017/18 to 2019/20 at a cost of £35,000 per annum based on the benefits outlined in this report is approved

In accordance with the authority delegated to Chief Officers to act on matters within the authority delegated to them under Part 3 of the Council's Constitution, I intend to take the action(s) recommended above.

I ~~do~~/do not have an interest to declare in this matter

  
Ajman  
Interim Director of Neighbourhoods

Date 31.1.2017

*If the Constitution requires the decision to be taken in consultation with another chief officer, the following signature box should also be included*

I confirm that I have been consulted on the above proposals and have no objection to their proceeding.

Director of XXXXX

Date X

*If the Constitution requires the decision to be taken in consultation with a Cabinet Member, the following signature box should also be included*

I confirm that I have been consulted on the above proposals and have no objection to their proceeding.

**Cabinet Member for XXXXX**

**Date X**

**Contact Officer**

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**Telephone: 0121 569 5008**

**3. Background Details**

- 3.1 The provision of the Money Advice Service in partnership with CAB has been in place since 2008 when the Housing Options service was established. General Funding of £35,000 has been incorporated within the budget since 2008 for the provision of a Money Advisor to prevent homelessness from those clients in mortgage arrears.
- 3.2 An additional CAB Money Advisor has been funded previously by a Department of Communities and Local Government (DCLG) grant for 2014/15 and internally from the HRA for the current year.

- 3.3 There has been a significant increase in homeless approaches from clients within the PRS. During 2014/15 there were 587 approaches, this increased to 951 during 2015/16 a rise of 62%.
- 3.4 This reason for approach now represents approximately 23% of all approaches to the homeless service. This is largely due to the increasing cost of renting in the PRS, loss of employment and the increasing impact of the welfare reforms. This rise in approaches will continue in the future due to the increasing impact of the welfare reforms and the roll out of Universal Credit over the next two years.
- 3.5 The CAB Money Advisors have achieved the following outcomes during 2015/16:-
- A total of 149 recorded homeless preventions which when based on an average industry cost of re-housing a family being £5,500 equates to a total saving of £819,500 to the local authority.
  - Provided Money Advice to clients with a total debt of £2.45m.
  - Generated an additional income of £487,000 for clients as a result of advice provided.
- 3.6 The service is provided through an annual Service Level Agreement and includes a termination clause of three months.
- 3.7 Quarterly review meetings are held between the CAB Service Manager and Area Housing Manager – Housing Choice to review outcomes and discuss any operational / development issues.
- 3.8 The Welfare Rights Team has been contacted to determine if they are able to assist. Unfortunately they are working to full capacity and have advised that their priority moving forward will be to respond to the impact of the introduction of the Housing Benefit Cap, which will affect approximately 500 residents within Sandwell.

- 3.9 The National Homelessness Advice Service (NHAS) was approached a number of months ago in attempt to increase capacity, but unfortunately, they can only deal with a limited number at any one time and operate over the phone only. They work with those at early prevention rather than at crisis. It would have some value but only as an addition not a replacement of our current debt advice. There is no cost for referrals and therefore their representative has been invited to the next Housing Choice team brief. Officers are actively seeking suitable cases to refer as households approach the service.
- 3.10 Sandwell Consortium has been contacted, who have three debt advice workers based within the Children's Centres. However, they do not provide full debt advice as they do not meet the FCA Licensing regulations on debt counselling. This means they are unable to give advice around debts such as credit agreements or consumer hire agreements.
- 3.11 Step Change is another nationally based debt advice service. It is a free debt advice service which accepts referrals over the phone or free advice can be obtained on their website. The Income Management Team have had limited success and as a result most cases are referred to the Citizens Advice Bureau.
- 3.12 The Housing Choice Training Plan has identified the need to provide general low level debt advice to Housing Choice Officers, this will be delivered by CAB during February / March 2017.
- 3.13 Failure to provide an effective and robust homeless prevention tools will lead to increase temporary Accommodation costs. The projected overspend for 2016/17 on Temporary Accommodation is £110,000.
- 3.14 This post will contribute to two Performance Indicators within the neighbourhoods Scorecard:-
- SI213 Prevention per 1000 households
  - SI156 Number of Households within Temporary Accommodation
- 3.15 The report to Cabinet on 19<sup>th</sup> October 2016 – "Grant funding for the voluntary sector advice provision 2017/18 to 2019/20"

approved the provision of the Money Advisor – Mortgage Debt for a period of three years.

3.16 The Homeless Reduction Bill has received its second reading within the House of Parliament and will place a far greater responsibility on Local Authorities to provide homeless prevention advice to non-priority households and those homeless who are likely to be homeless within 56 days.

### **Source Documents**

Report to Cabinet 19<sup>th</sup> October 2016: Grant funding for voluntary sector advice provision 2017/2018 – 2019/2020 (Key Decision Ref. No. CCs130)

Service Level Agreement: Sandwell MBC / Sandwell Citizens Advice Bureau Ltd 1<sup>st</sup> April 2016 – 31<sup>st</sup> March 2017

Citizen Advice Bureau Annual Report 2015/16 – Housing Choice Project





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#### **Additional Information**

- (i) Is this post HRA funded?

The first CAB Money Advisor is funded through the General Fund approved by Cabinet on 19<sup>th</sup> October 2016 for a three year period. The second Money Advisor, if agreed, will be funded by the HRA. Dave Smith – Finance, has confirmed that the budget is available for the three year period.

- (ii) Is this a new post?

Neither of the CAB posts are included in the establishment as they are co-located within the service from the CAB. The second post has been in place for a number of years, which has been funded by two successive grant regimes until last year. Last year the post was funded internally.

- (iii) Can the Welfare Rights Team be utilised?

I have been advised that the Welfare Rights Team is working to full capacity. They currently experience delays in seeing customers, although, this will reduce once the newly appointed Advisors are in post. However, they have confirmed that their priority moving forward is responding to the implications of the introduction of the revised Housing Benefit Cap, which will affect approximately 500 residents within Sandwell.

- (iv) What alternative options are there?

We are looking to work with National Homelessness Advice Service (NHAS) debt workers in an attempt to increase capacity, but unfortunately, they can only deal with a limited number at any one time and operate only over the phone. They work with those at early prevention rather than at crisis. It would seem to have some value but only as an addition not a replacement of our current debt advice. There is no cost for referrals and as a result we have invited their representative to our next team brief. We are actively looking for suitable cases to refer as households approach the service.

The Sandwell Consortium has been contacted regarding the provision of debt advice. They employ three debt advice workers who are based within the Children's Centres. However, they do not provide full debt advice as they do not meet the FCA

Licensing regulations on debt counselling. This means they are unable to give advice around debts such as credit agreements or consumer hire agreements.

Step Change is another nationally based debt advice service. It is a free debt advice service, which accept referrals over the phone or clients can access advice over the internet. The Income Management Team have had limited access and as a result in most cases refer clients to the Citizens Advice Bureau.

Finally, the Housing Choice Training Plan has identified the need to provide a general low level debt advice to Housing Choice Officers, this will be delivered by CAB during February / March 2017.