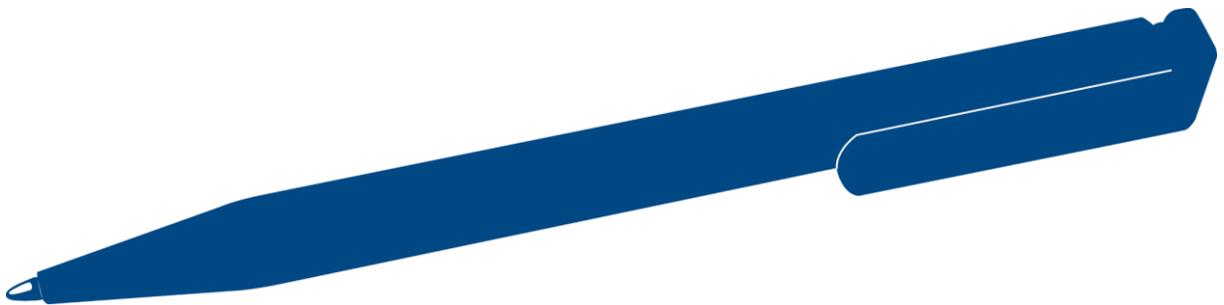


Bucks Money Advice Service 19/20





Summary of progress

2019/20 is the fourth year of operation for the Bucks Money Advice Service (BMAS). While it received 8% fewer referrals for Paradigm residents compared to the previous year, they had 20% higher rent arrears. This shows the increasing complexity of clients' issues and proves the ongoing need for specialist casework advice to Paradigm residents.

Outcomes for 19/20

- **183 (199) Paradigm residents were assisted under BMAS** receiving in depth and sustained support from money advice caseworkers.
- **491 (524) Paradigm residents** were helped by generalist advisers at Citizens Advice Chiltern.
- BMAS has assisted clients with **rent arrears totaling £179,195** (£162,153) with agreed **repayments to Paradigm averaging £820** (£525) **per week**.
- **BMAS prevented homelessness for 18 residents** saving Paradigm an estimated **£71,422** in prevented evictions.
- **Financial outcomes total £108,448 of debts written off and £5,288 of additional income** (comprising discretionary housing benefit, other benefit entitlements and charitable payments).
- Based on the award of £25,000, for every **£1 invested by Paradigm, we have returned almost £5 in financial benefits to clients**.

(N.B. this figure does not include cases that are still ongoing.)

Need for the service

There continues to be a significant and ongoing need for BMAS with many clients in debt. In 2019/20, while referrals declined slightly by 8%, the average rent arrears per client increased by 20% from £815 to £979 when compared with the previous year.

	Apr 2016 – Mar 2017	Apr 2017 – Mar 2018	Apr 2018 – Mar 2019	Apr 2019 – Mar 2020	Total of 2016-2020
Paradigm residents referred to BMAS for money advice	177	171	199	183	730
Paradigm residents' total rent arrears on referral to BMAS	£103,207	£130,766	£162,153	£179,195	£575,321

In addition to the debt casework carried out through BMAS, in 2019/20 we also provided general advice to 491 Paradigm residents. While we do not show the outcomes for these clients, many will have been prevented from falling in to rent arrears and helped to complete new benefit applications to increase their income.

Delivered by our team of 45 volunteers, we estimate the cost of this advice to be **£45,415¹** which we provide outside of the £25,000 BMAS award.

	Apr 2016 – Mar 2017	Apr 2017 – Mar 2018	Apr 2018 – Mar 2019	Apr 2019 – Mar 2020	Total of 2016-2020
Paradigm residents helped with general advice	464	565	524 ²	491	2,243

¹ Based on the award of £25,000, the cost per client of 183 BMAS clients is £137. Citizens Advice Chiltern has calculated that the 491 non-BMAS Paradigm clients have less complex issues not requiring casework and would cost half of this amount at £68 per client.

² Corrected from figure given in 2018-19 report, which included BMAS clients.

Team structure

The BMAS team consists of one paid Money Advice caseworker, Sophie Wye, who is also the Team Supervisor. She is FCA trained, holds the IMA Certificate in Money Advice Practice (CertMAP) and completes annual accreditations to keep up to date. We also have an administrator, four volunteer caseworkers and one in training. Our team is sustainable and can offer long term and consistent support to clients.

Based on a full financial statement, caseworkers offer all forms of debt solutions: informal payment plans, referral for debt management plans and individual voluntary arrangements (IVAs). Debt relief orders, bankruptcy, administration orders, full and final settlement offers and write offs. They also help clients with welfare benefit applications, appeals, mandatory reconsiderations (MRs - for disabled clients appealing a Personal Independence Plan [PIP]), or refer these to external agencies where necessary and depending on resources.

Our caseworkers are highly regarded by clients for the care and due diligence they provide.

Benefit to Paradigm residents

In 2019/20, outcomes from **BMAS include £108,448 of debts written off and £5,288 of additional income** (comprising discretionary housing benefit, other benefit entitlements and charitable payments).

Each time a caseworker carries out an action for the client this is documented on their case and is called a case note. This could range from: a conversation with a creditor on the client's behalf or helping them set up a new benefit claim. **A total of 5,145 case notes were recorded for Paradigm tenants** during 2019/20. This is an average of 28 case notes per client - **a 41% increase on last year** and illustrates the complexity of clients' issues and the time needed to resolve them. **30% of the case notes relate to Debt, Benefit and Tax Credit and Universal Credits issues.**

Once a client's financial issues are stabilised, our advisers will support clients with budgeting to help them feel in control of their money. In turn, this can improve well-being and resilience. BMAS supports Paradigm residents for as long as it takes to resolve the issues they face.

Our advice is continually audited and assessed for quality by National Citizens Advice.

Savings by preventing evictions

We are aware that evictions can be extremely costly to Paradigm Housing, not only in processing costs but also in the potential loss of rental income.

The estimated cost per eviction is **£1,650**³ which is made up of:

- Court costs £325
- Staff costs £700
- Clearing out and repairing property £625

By preventing homelessness for 18 residents in 2019/20, BMAS has made an estimated saving to Paradigm of **£71,422**. (18 x £1,650 plus rent arrears of £41,722)⁴

In addition, by resolving a client's financial issues and empowering them to feel in control of their money, we are increasing the long term sustainability of residents.

³ Estimate provided by Paradigm

⁴ Calculated by Citizens Advice Chiltern as follows: Average eviction cost £1,650 x 18 unique clients prevented from being homeless = £29,700
Total rent arrears of 18 unique clients prevented from being homeless = £41,722
Total = £71,422

Benefit to local community

Using client data and our own financial modelling tool⁵, we calculate that the preventative work of BMAS in 2019/20 has generated an estimated financial benefit to the local community of **£57,435**.

Outcomes / Benefits	Local Authority	NHS	Criminal Justice System	DWP	Total
Preventing housing evictions/Keeping people in work		£1,288		£19,233	£20,521
Preventing housing evictions/Reduced costs of legal proceedings and repair of property	£8,809		£2,643		£11,452
Reduced statutory homelessness/Reduced cost of temporary housing	£17,276		£534		£17,811
Mental Health/Reduced cost of health interventions	£478	£5,501			£5,980
GP consultations/Reducing the demand for GP services (mental health)		£951			£951
GP consultations/Reducing the demand for GP services (physical health)		£720			£720
Total	£26,563	£8,460	£3,177	£19,233	£57,435

Client profile

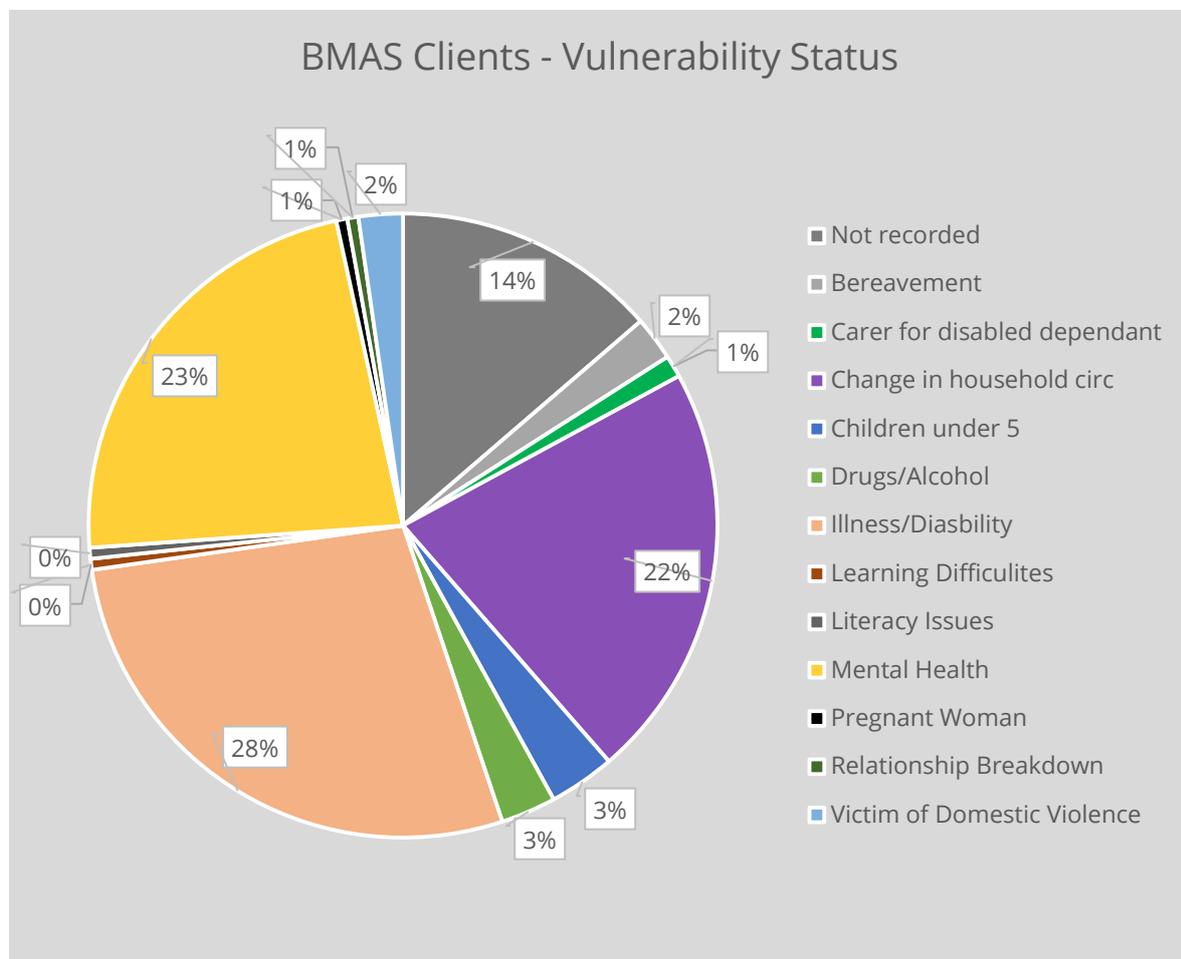
While BMAS clients span a range of backgrounds, from the self-employed to those who are retired, they remain some of the **most vulnerable of Paradigm residents**. Where disclosed, around **80% of clients have sensitive personal**

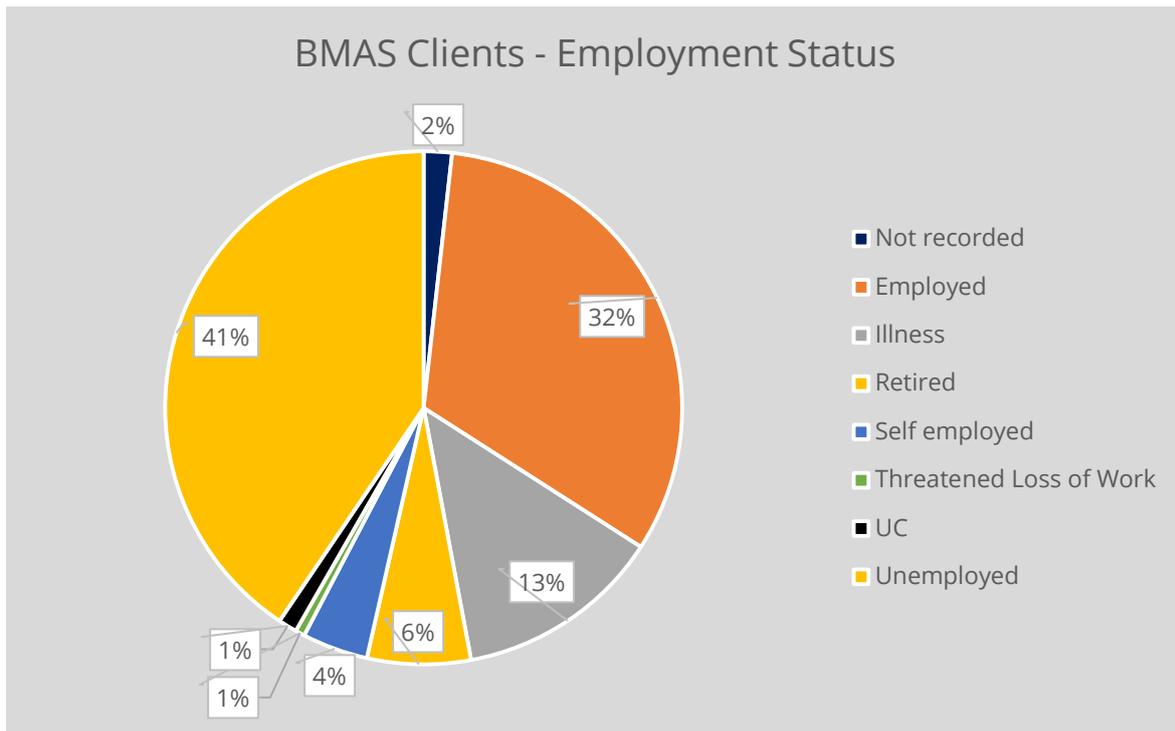
⁵ Updated 19/20 Local Financial Modelling Tool, National Citizens Advice.

reasons for their money issues and **over half have a physical or mental illness** which is well above the 35% average for the rest of our organisation.

Interestingly we see equal numbers of people in and out of work, yet almost **a quarter of clients reported that a recent change in circumstance has left them in debt**. This suggests that those who are working are in low paid or part time work which does not cover their outgoings. Furthermore, it illustrates how vulnerable clients are when one change can affect their entitlements and devastate them financially.

Support through BMAS can resolve their current situation and equip them to manage their money in the future and prioritise household bills such as rent.





Feedback

Here are some recent pieces of feedback from BMAS client survey:

“My circumstances were so difficult I felt like ending my life until CAB helped me. I am very grateful.”

“Thanks to your support, my disability benefit has been reinstated. It makes what was an unbearable life bearable and gives me an ability to cope on my own.”

“I was in a lot of rent arrears and I was making myself ill due to so much stress. It took 10 months but now my rent arrears are cleared! I feel I can start all over again. The lady I worked with was great and very helpful.”

BMAS case study

Issue

Client housed in two bed Paradigm property, single, affected by bedroom tax. Client was housed initially in a two bed property as her daughter lived with her. Due to work commitments and childcare issues, it was agreed that her daughter would live with the client's mother who now receives Child Benefit and Council Tax Credit. The client is left with a 14% deduction for her housing costs. Daughter stays at weekends so client wishes to stay in the property. Client was working part-time in the evenings and trying to find full time work. She is in receipt of Universal Credit but due to issues with being in and out of work, assessment periods for Universal Credit and wages, she had struggled to budget and incurred high rent arrears. Client was diagnosed with depression and is taking medication.

Due to level of rent arrears Paradigm had no option but to apply for possession. Client failed to attend the hearing and outright possession order was awarded.

Advice

The BMAS caseworker helped the client with income maximisation and was successful in applying for a six month discretionary housing payment made direct to the landlord which helped to reduce rent arrears.

The caseworker assessed the client's income and expenditure which helped client to budget. From initial contact there were more debts than first thought. Debt options were discussed in full with client and client felt that the best option was to apply for a Debt Relief Order (DRO). The DRO has written off all debts, a total of £10,101, but if client wishes to stay in her home rent arrears have to be repaid and the outright possession order supersedes the DRO.

Outcome

Since the Debt Relief Order was approved, the client is expecting a baby this year. With the threat of eviction she continues to engage with the BMAS team. Due to Covid-19 there is hold on court action, but once the courts reopen a stay will have to be applied for her to stay in her home.

The BMAS caseworker is assisting by applying to a local charity, which has been successful and they have awarded a grant of £1,500 which will see her rent arrears reduce by half. The council's homelessness prevention fund has been contacted for a further grant of £1,000. If awarded this will see the rent arrears reduced and the landlord unlikely to oppose a stay of eviction.

Client and her baby will be able to stay in the property, client will be able to afford a repayment plan to clear the remaining arrears. All other debts cleared and client enabled to budget and pay for ongoing essentials moving forward.

The client first approached BMAS in September 2019, it is still an ongoing case and highlights the complexities of client's issues and the need for ongoing face to face assistance.

Forward look

People in the UK are already experiencing the financial impact of Covid-19. Many have lost unreliable work, weren't applicable for furloughing schemes, are struggling with furloughed income not covering outgoings or experiencing errors resulting in existing benefits being underpaid or delays receiving new benefit payments.

Four million have fallen behind on rent, council tax or a telecoms bills⁶. We also know that **two million people made claims for Universal Credit** between 16th March and 4th May 2020⁷. This is **six times the normal rate**.

As furlough schemes are gradually phased out in October and holiday periods on credit arrangements eventually stop, many more people – even those who are unfamiliar with debt and benefits - will not be able to return to their pre-Coronavirus situation of being able to manage their debts and bills⁸.

Before the pandemic, MaPS had estimated that over 5 million people in the UK had regularly missed debt repayments and needed debt advice. It now predicts

⁶ National Citizens Advice Near the cliff-edge: how to protect households facing debt during COVID-19, 1st May 2020

⁷ BBC News, May 2020

⁸ Debt Camel, May 2020

that **demand for debt help will increase 60% by the end of 2021⁹**, equating to 8 million people. Therefore, Paradigm's continued support of BMAS is crucial.

Free, confidential advice.

Whoever you are.

We help people overcome their problems and campaign on big issues when their voices need to be heard.

We value diversity, champion equality, and challenge discrimination and harassment.

We're here for everyone.

⁹ <https://moneyandpensionsservice.org.uk/2020/06/09/extra-38-million-for-debt-support-in-england-in-the-wake-of-coronavirus/>