

Debt is still a major problem for Cambridge people



Advising people on debt is a growing problem in Cambridge CAB; people are taking on loans they can't afford, and pressure selling encourages them to spend beyond their means. Forty per cent of our work involves money advice. **More awareness, increased media coverage, and the Code of Practice that encourages banks to refer people with financial problems to free agencies, have highlighted our service.**

Mortgage shortfalls after possession of property still haunt us. Despite a voluntary agreement by members of the Council of Mortgage Lenders not to pursue after six years have elapsed, some lenders are ignoring this. In one case, as a last resort, we have tried to get media attention to highlight the situation as a means of reaching a settlement.

Money Advice Team achievements this year:

- 464 new multiple debt cases were dealt with, in addition to cases continuing from previous years
- £78,300 of debt written-off by creditors following our intervention
- £6000 gained in charity grants to relieve hardship
- £5,000 awarded in backdated benefits
- £2,500 per week awarded in previously unclaimed benefits

Debt: what causes the problems?

There is a staggering £115 billion of outstanding consumer credit in the UK accounted for by credit cards, store cards and unsecured loans. This excludes mortgages and other secured loans, so total borrowing is many billions more.

It may allow people flexibility in purchasing items they can't afford in one go, but the downside is credit that is too easily available, and that means **people take on commitments they can't afford.**

The 1974 Consumer Credit Act needs an overhaul, the credit industry is self-regulatory and Codes of Practice only apply to those who sign up to them. Banks and building societies do not see the problem as only two to three per cent of their customers experience financial difficulties. They exclude benefit claimants, who are unprofitable customers, but now have to provide basic banking facilities, as benefits are to be paid into accounts by 2003.

CABx face increasing demand for money advice. **Many creditors are happy to deal with us; those that aren't think they can extort more money from the client.** This is counter productive as the client will default on priorities such as rent and council tax, and other creditors will finish up receiving very little. Debt Collection agencies will also avoid dealing with us as they feel they can put pressure on clients to make unrealistic payments at the expense of other debts.

Fee charging agencies still cause problems for some clients. Some very good ones provide sound money advice and work within the Consumer Credit Act guidelines, but others make promises, advertise prominently but do not provide a great service. It is quite easy to set up a debt counselling agency, but CABx have for some time expressed concerns about some of them. As a result, their actions are currently under investigation by the Office of Fair Trading.

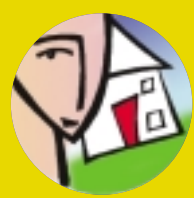
Is there a solution? Here are some thoughts...

- Financial and budgetary management to form part of the **National Curriculum**
- Low interest or interest free loans to be made available for those on benefit or low incomes through the **Social Fund**
- The Consumer Credit Act to be **totally overhauled**
- **Greater regulation** over the financial industry
- All financial institutions to sign up to and adhere to **Codes of Practice**
- A levy to be made on lending institutions to **fund the voluntary money advice sector**
- Restrictions made on the availability of credit - **greater credit control**

Mr C borrowed £5,000 in 1992. In 1994 he defaulted on the payments. Since then he has paid over £6,000 but the debt is now £36,000, with interest accumulating at £1,000 per month. He earns less than £700 per month. We are still trying to negotiate a settlement.

Mrs S had a joint mortgage on a property, which was repossessed in 1993.

Following sale there was a shortfall of £56,000, but she was not made aware of this until 2001. We wrote to the building society reminding them of the six-year rule that they had adopted. Following our intervention they are no longer pursuing the debt.



Free, confidential, impartial and independent advice

Cambridge Citizens Advice Bureau

72/74 Newmarket Road, Cambridge CB5 8DZ

advice line: 08701 264010

administration: 01223 361418

fax: 01223 315137

textphone: 01223 506278

advice@cambridge-cab.demon.co.uk

Monday to Friday, 9.30am to 4.30pm (6pm on Monday);
10am to 12 noon on Saturdays.



Also at:

Addenbrooke's Hospital Advice Centre

Monday, Wednesday, Thursday 10am – 3pm, Friday 10am – 12.30pm

Sawston Free Church, High Street, Sawston

General and family law advice

Friday 9.30am – 12.30pm

82 Akeman Street, Cambridge

First Monday of each month, 1pm – 3pm (with a Sylheti interpreter)

Free Legal Advice Sessions

at Newmarket Road Wednesday 12.30pm – 2pm, Friday 6pm – 7pm
first Saturday of each month, 10am – 12noon

and at the Meadows Community Centre, St Catharine's Road

Wednesday 7.30pm – 8.30pm

Architectural Advice

at Newmarket Road various Saturdays and Tuesdays – call for details

Registered charity number 1056102, company number 3191085

Who can use the Citizens Advice Bureau? Anybody. The CAB serves people without discrimination, whatever their age, sex, disability, ethnic origin, sexuality, social status

Solving problems in the work place

We helped foreign nurses with contracts that amounted to bonded slavery. We represented them to their embassy, employer and recruitment agency, and attempted to close down the recruitment agency with some success. Their contracts were modified in line with British employees. They are now applying for nursing positions that provide proper rates of pay and some are looking to bring over their families.



Illegal deductions from wages, changes in terms and conditions and problems with disciplinary procedures are the main areas of advice. Good casework, with a clear argument and a well-structured 'bundle' of documents often leads to settlement before ACAS conciliation, and only rarely do these go all the way to the tribunal.

Our experience shows that redundancies, unfair dismissal and the various discriminations are most likely to run all the way to the tribunal, but again the quality of our casework encourages settlement.

Deciding to represent a client to tribunal level is based on many considerations. These include the justice of the case, the ability of the client to represent themselves, our workload, and the need to make an example of a rogue employer. A key issue is whether the case could get to a tribunal without our free, non-judgmental, quality service.

The number of volunteer advisers limits the workload, and more are needed. There is however, a wide range of skills within the team, including mediation experience, experienced CAB advisers, personnel management practitioners, and people with a considerable knowledge of Employment Tribunals.

Pubs, hotels and restaurants produced a crop of unfair dismissals. In one case we separately represented two employees and got reinstatement for them both. The nationally known company was horrified to find what local management had been doing, ordered the reinstatements and arranged for training for the managers in company procedures.

More benefits success

Ruby came to us when her claim to Disability Living Allowance (DLA) failed. She had severe personality problems and needed a lot of support to look after herself and her two small children. We contacted the professionals involved with her day-to-day care, and built up a picture of her problems to present to the tribunal. We persuaded them to award her the middle rate care component of DLA. This also increased her weekly income from £133 to £234. She has finally been able to pay off her debts, there'll be a surprise holiday for the children and she can afford childcare when she's ill.



It's been another busy year for the Welfare Rights Team, challenging Benefits Agency decisions, making new claims and taking our clients' problems all the way to the Social Security Commissioners.

Changes to Incapacity Benefit, new bereavement benefits and Income Support have kept us on our toes. We have given updates and training sessions to all staff and as usual provided extra training to the newcomers.

A new asset this year has been the **Casetrack** computer system, which helps us keep an eye on our casework and allows us to see at a glance how each case is progressing. It helps provide the Legal Services Commission with all the statistics they need from us, and we can easily see whether we are meeting our franchise target. The secretaries find it easier to log time and we can find our clients' details easily.

This is some of the Casetrack data that helps us focus our work:

- 36 per cent of our clients live in the CB4 area
- 26.6 per cent live in CB1
- 0.6 per cent live in CB6
- 39 per cent are aged 35 – 49
- 6.5 per cent are over 65

Along with information on the gender and ethnicity of our clients, this will help us plan future outreach work.

Most of our work still involves Disability Living Allowance and Incapacity Benefit. It's rewarding for us when we win cases – there is great satisfaction when months of work comes together to win an appeal or overturn a Social Security decision.

Here are some of our achievements:

- A 94.7 per cent success rate at tribunals
- Our clients are £325,236 better off because of our hard work
- In one day alone the team won four Social Security Commissioners' decisions

Mr Green decided to look for employment in Holland. He spent some months there without success and decided to return home. He was now over 60 and had some health problems, so was unable to work again. The Benefits Agency decided he was not habitually resident, clearly contravening European Union directives. It took us eight months and an appeal tribunal to sort this out. Fortunately the Housing Benefit office readily accepted his status so he was able to retain his home. Sadly not everyone in his position has a family who can lend him money during such long drawn out procedures.

Free Legal Advice

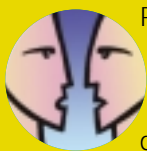
General Legal Advice

Sixteen lawyers (we need more!) give their services voluntarily to staff our free Wednesday sessions at Meadows Community Centre, and Wednesday and Friday sessions at Newmarket Road. Monthly Saturday sessions complete the picture. This is a vital and well used service – 574 people were helped in 2000/01.

Family Law

The Family Law Service is as popular as ever. Approximately 140 clients benefited from individual specialist advice. Thanks to all those solicitors and barristers who participate in our rota.

Promoting mental health



People with mental health problems are vulnerable and more likely than others to have difficulty with their finances.

They need more help and support from us to solve their problems.

We help them with:

- Dealing with debt and negotiating with creditors
- Managing their money and paying their bills
- Claiming benefits, and benefit appeals – especially Disability Living Allowance and Incapacity Benefit
- Solving money problems that arise from stays in hospital
- Gaining access to Community Care services
- Being 'sectioned' under the Mental Health Act
- Avoiding house repossession

The four-person team (all part-time) see clients at Newmarket Road, in their own homes, and at Addenbrooke's and Fulbourn Hospitals.

J H experiences severe depression. He shares the care of his daughter with a social services department outside Cambridgeshire.

He'd been admitted to hospital when our worker met him on a routine visit. His daughter had been taken into care by social services, who were concerned about his debts. He was trying to pay them off by working extra hours, but because of this not giving her enough attention, resulting in neglect.

His depression was related to debts he owed to the utilities... he has now set up regular direct debit payments...

His depression was related to debts he owed to the utilities – including £1,500 to Cambridge Water. We negotiated with the various companies to whom he owed smaller amounts and obtained a grant from the Anglian Water Trust to pay the outstanding water bill.

He has now set up regular direct debit payments to the water company.

Achievements in a year:

- £92360 awarded in state benefits
- £12261 gained in grants for clients
- £12064 in backdated and tribunal awards
- £14339 of debts written off by creditors
- 551 clients helped by the team

Following the death of his wife, our client was caring for his young children, was not working and was claiming benefits. He remarried a person from abroad and had to show he could support her without public funds. **We succeeded in making a compassionate case for entry clearance** on the grounds that, with her in the UK, he could seek work and come off benefits.

Immigration and nationality work

We help people with immigration and nationality problems both under a Legal Services Commission franchise and as part of our general duties. Volunteers undertake much of the work, supported by the paid workers who take on complex cases, such as people seeking asylum.

People we help include:

- Non-British people coming to or remaining in the UK as visitors, spouses, children or family members of British people
- People wanting to work in the UK
- People wishing to naturalise as British citizens
- People wanting to live in the UK on the basis of British ancestry
- EU nationals wanting to clarify the status of their non-EU spouse
- People fleeing political or other persecution
- Work permit holders

Asylum casework is complex and time-consuming, is highly likely to result in refusal, and therefore is likely to require an appeal. We gather the necessary information, present claims and advise applicants on law, financial support, health facilities and education. We provide some limited representation at hearings, or brief a barrister to represent the client, or refer them to the Refugee Legal Centre.

Seventy-five immigration cases were opened in the last year, 80 per cent of them on behalf of asylum seekers. The total number of immigration and nationality enquiries was 2238.

Helping people at Addenbrooke's

We helped 2,510 people in the Advice Centre in 2000/01, with benefits advice by far the largest category. We have increased our clients' annual benefit income by over £47,000 and helped obtain one-off payments of over £18,000.

Evelyn tripped and fell over a broken paving stone. She was off work from her two jobs for over two months and the sick pay was less than half her take home pay. The compensation we helped obtain made her feel a lot better.

Thembe is a specialist anaesthesia nurse and he signed up with a nursing agency in South Africa to come to the UK. But when he arrived he found he was working in a care home doing basic personal care for less pay than he had expected. He needed to be doing proper nursing to maintain his professional accreditation. He wanted to nurse, but the agency said that he could not change his job and would not return his passport to him. We helped sort it out.

Jacky had been coming to the hospital twice a week for dialysis for six months. We made sure she claimed the right benefits.

Martin's five-year-old son was in intensive care. He lived 60 miles away and was out of work. He had debts - we helped by taking the pressure off for a while so he could concentrate on his sick son.

Talks and Training
 Members of our team are available to give talks and training sessions about the work of the CAB or on specific subjects such as welfare rights, to members of any group or to staff and volunteers in other organisations.

The Legal Services Commission Housing Franchise



This service helps people who are in receipt of benefit or a low income who have housing problems. Our annual Legal Services Commission audit was passed again in February. The housing worker also supports other staff and volunteers with housing enquiries

Areas we cover include rent possession, mortgage possession, disrepair, homelessness and allocations, Housing Benefit, harassment and various landlord and tenant issues. A worrying trend is that most possession actions are against tenants of councils or housing associations. These social housing tenants are becoming far more likely to lose their houses than either private tenants or owner-occupiers.

We continue to have a very high success rate, with only one possession case and one homelessness appeal lost in the last twelve months.

Mrs C and her four children were temporarily housed under the local authority's homelessness duties.

The owner of the property requested the return of his house from the temporary housing provider as he wished to sell it.

The housing provider refused to provide further accommodation as they made allegations of damage to the property and rent arrears.

The local authority, therefore, blamed Mrs C for her lack of accommodation and refused to provide more claiming that she was "intentionally homeless".

After a successful appeal with our help, Mrs C was found not to be intentionally homeless and the local authority were found to have a continuing duty to provide further suitable housing for her and her family.

Partnership work includes the maintenance and expansion of the Housing Advice Desk at the County Court, on rent and mortgage possession days. This allows defendants to approach a housing specialist before their hearing and receive advice and, if necessary, representation, an essential means of preventing homelessness.

Delays in the initial payment of Housing Benefit and the shortfall upon payments to private tenants can lead to rent arrears and eviction; steps taken to improve this situation would be welcome. The shortening of review time limits from six to four weeks may also mean that clients who would have qualified for full benefit will fall into arrears.

Out and about around Cambridge

Cambridge CAB staff don't just hang around in Newmarket Road waiting for clients. We go where it's convenient for them. That means three and a half days at **Addenbrooke's**, appointments at **Fulbourn Hospital**, one morning a week in **Sawston Free Church**, legal advice at **Meadows Community Centre**, sessions with a Sylheti interpreter at **Akeman Street**, visiting community events like Strawberry Fair, and the activities of a part-time outreach worker.

The outreach worker has

A woman living alone and surviving on state retirement pension came to our attention. She now gets higher rate Attendance Allowance, minimum income guarantee, council tax benefit and housing benefit - extra weekly income, over £100.

this year:

- Visited an average of five older or disabled people per week to advise on benefits and help fill in claim forms
- Run monthly sessions at East Barnwell, Brookfields and Great Shelford Health Centres
- Run sessions at Arbury library
- Begun outreach sessions at Barnwell Community Cafe
- Attended Sawston CAB monthly
- Given talks, including regular visits to Pelcombe Training, part of a scheme to help unemployed youngsters

We obtained mobility and care components of Disability Living Allowance for a wife and her husband. The husband has suffered a severe stroke and his wife has bad arthritis. Their daughter was caring for them. She has given up work to do so, and now receives Invalid Care Allowance. Total extra weekly income: £187.

CAB Volunteers - committed people, and great value!



It costs £446,000 to run Cambridge CAB, but that does not take into account the free time people give. Do that and you get double value. Committee members, advisers, office workers, lawyers and architects all give their time to keep the service going and serve their fellow citizens.

Here's what they give each year:

- 15 committee members give just under 900 hours - value £9000
- 85 volunteer advisers give 30,600 hours - value £314,000
- 19 volunteer receptionists and admin staff give 3200 hours - value £33,000
- Solicitors, barristers and architects give 840 hours - value £84,000
- Total added value - £440,000

Thorough training means high standards



CABx aim to offer the best possible advice to their clients. Our training scheme for volunteer advisers is rigorous. At the end of the comprehensive training we produce a well-prepared and well-informed adviser who has:

- Attended training for six months before being allowed to advise
- Completed four records of learning
- Completed self-study written modules
- Committed themselves for at least ten hours a week
- Attended a six-day course on interviewing and negotiating skills

- Learned about the main enquiry areas, including debt, housing, consumer, employment, immigration, law, and benefits
- Absorbed information about the aims, principles and policies of the CAB, the information system, case recording and social policy work
- Received a NACAB certificate in generalist advice work after 29 weeks of solo (but supported) interviewing, if they reach the required standard

Between September 2000 and August 2001, nine volunteers completed their basic training and joined the advising teams.

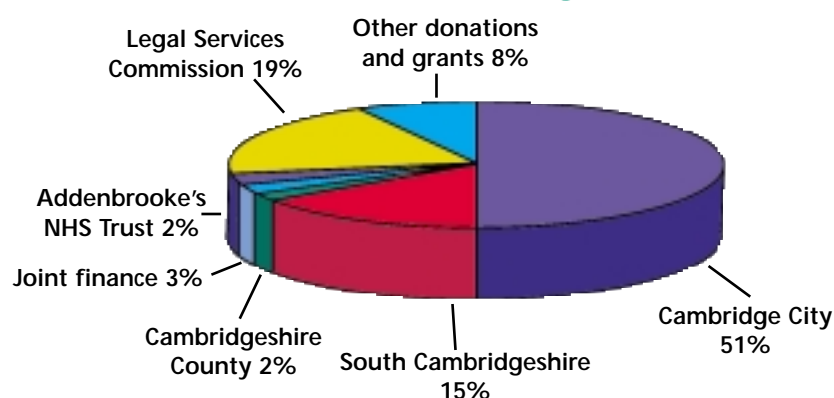
And it doesn't end there!

Continual updating is essential for advisers, specialists and general staff. New legislation, changes to benefits, and reforms to procedures must be assimilated. Regular training sessions are given by our specialist staff or outside agencies.

New working practices, such as using information technology, require training. As well as enabling advisers and staff to become more effective, it helps them develop their skills, especially important, as some advisers will use CAB experience to return to paid work.

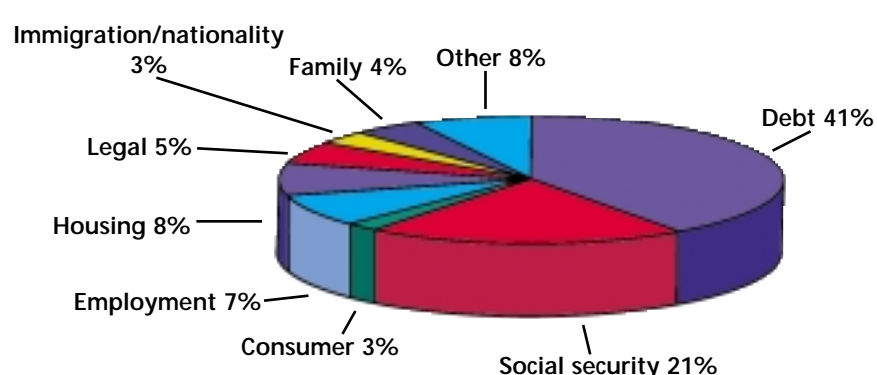
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Sources of Cambridge CAB's income of £437,402



Cambridge City	219249
South Cambridgeshire	67273
Cambridgeshire County	9172
Joint Finance	11575
Addenbrooke's NHS Trust	10042
Legal Services Commission	84322
Other donations and grants	35769
Total	437402

57,601 enquiries analysed by topic



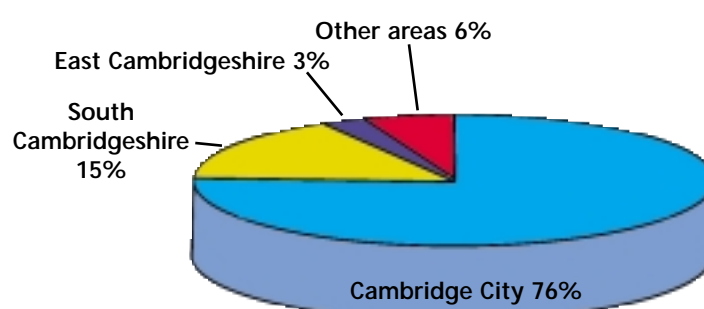
Debt	23003
Social security	12009
Consumer	1529
Employment	4192
Housing	4836
Legal	2898
Immigration/nationality	2238
Family	2490
Other	4406
Total	57601

Another busy year at Cambridge CAB

In 2000 - 20001

- 27000 people came to us for help
- They brought us 57600 problems to solve
- About half came in person
- 8500 were helped on the 'phone
- Over 4000 people wrote to us
- We represented just under 1700 other people at various courts and tribunals
- We negotiated with third parties on behalf of another 5000
- 18500 received extensive advice from an adviser

Where Cambridge CAB's 27,096 clients come from



Cambridge City	20578
South Cambridgeshire	4187
East Cambridgeshire	724
Other areas	1607
Total	27096

Social Policy

CABx don't just solve the problems - we identify trends in the enquiries people bring to us and bring them to local and national notice.

These are some of the issues brought to our attention:

- Building societies not sticking to code of mortgage practice
- Benefits Agency being inaccessible
- Unscrupulous selling practices by home improvement company
- Import of workers from Far East and African countries with slave level conditions and payment
- Flouting of maternity rights by several small companies
- Debt Management companies' practices
- Rising levels of debt
- County Court administration - problems with slowness of paperwork and level of fees
- Endowment Mortgage shortfalls

Future Plans

- Aim to handle more telephone calls
- Pass our NACAB audit
- Increase outreach work
- More emphasis on social policy work
- Bid for debt franchise from the Legal Services Commission
- Bid for Innovation partnership funding
- Obtain continuation funding for our mental health work
- Refurbishment of office to make better use of the building
- Aim for fully computerised office systems