



## **Cabinet Office open letter of 29<sup>th</sup> July 2010**

The Advice Services Alliance's response

August 2010

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# 1 Introduction

- 1.1 The Advice Services Alliance (ASA) welcomes the Cabinet Office's open letter which encourages Government to consider the impact on the voluntary, community and social enterprise sector when making decisions. We particularly welcome the emphasis on the importance of the Compact.
- 1.2 ASA is the umbrella organisation for independent advice networks in the U.K. Full membership of ASA is open to national networks of independent advice services in the U.K. Our full members are:
- AdviceUK
  - Age UK
  - Citizens Advice
  - DIAL UK, a division of SCOPE
  - Law Centres Federation
  - Shelter
  - Shelter Cymru
  - Youth Access
- 1.3 Between them, our members represent some 1,845 organisations in the UK which provide a range of advice and other services to members of the public. We estimate that, between them, our members provide support to over 5 million people every year. In addition, together with ASA's Advicenow website, our members provide some 20 million pieces of information annually to members of the public - via their websites and through leaflets. These services are largely funded through public sector grants and contracts, and charitable fundraising.
- 1.4 Advice services provide support to the poorest and most vulnerable people e.g. disabled people; those facing homelessness; young people from disadvantaged backgrounds and older people. People often seek advice during times of personal, medical or financial crisis<sup>1</sup> - events which can throw lives off course.
- 1.5 The advice sector is an integral part of the Big Society. Most advice agencies are grass roots organisations, managed by local people and offering services within a local area. It is estimated that around 37% of people delivering advice in the sector are volunteers, with 40% of advice organisations having between 1 and 10 volunteers and 20% of organisations having 11 to 20 volunteers<sup>2</sup>.
- 1.6 We are aware that some of our members are responding directly to the Cabinet Office letter and some are making submissions to a range of government departments with evidence-based proposals for change and improvement. The purpose of this response is to outline:
- the case for advice services
  - our contribution to finding better ways of doing things
  - our concerns about the impact of cuts.

## 2 The case for advice services

2.1 People need advice services now more than ever. Citizens Advice has reported that, in the last year, enquiries in areas such as housing, employment, welfare benefits and debt have risen by nearly a fifth<sup>3</sup>. Local authorities are also experiencing large increases in demand for debt and welfare advice services, social housing and provision for the unemployed<sup>4</sup>.

2.2 There is evidence that the advice sector contributes to:

- improving health and well-being
- breaking down barriers and creating opportunity
- promoting fairness and overcoming disadvantage
- improving public services and cutting waste

### **Improving health and well being**

2.3 There can be no doubt that problems lead to ill health and to increased burdens on health services.

2.4 Research<sup>5</sup> published in 2006 found that adverse physical and mental health consequences follow over a third of civil justice problems and that 27 per cent of civil justice problems led to stress-related illness. Nearly a quarter of the people affected by stress sought medical treatment, with an average of 9 visits each to a general practitioner.

2.5 Advice services can have a positive impact on health and can alleviate the pressure on medical services. A report on the impact of debt advice<sup>6</sup> found that 12 months after receiving debt advice two thirds of participants stated that their health had improved with 90% of them stating that this improvement was strongly associated with the advice they received.

2.6 Advice agencies have developed services in conjunction with health services. In a study of advice delivered in GPs' surgeries in Wales, 73% of surgeries felt that "the advice worker had taken a lot of work off the shoulders of health workers and thus released them for other activities"<sup>7</sup>.

### **Breaking down barriers and creating opportunity**

2.7 As mentioned above, a large proportion of people working in the advice sector do so on a voluntary basis. Volunteering promotes economic development, enables active citizenship and increases social involvement<sup>8</sup>.

2.8 Research<sup>9</sup> with young people found that legal problems act as barriers to study, work and enjoying and achieving in life. When asked about the impact of advice 35% of young people reported increased engagement in education, employment and training as a result of getting advice<sup>10</sup>.

### **Promoting fairness and overcoming disadvantage**

2.9 It is important that the law is seen to be fair and that everyone, regardless of their means and personal characteristics, is confident of having equal access to justice. Disadvantaged people, in particular, need help to safeguard their rights as, more than most, they rely on the law to protect their personal safety, homes and incomes.

## **Improving public services and cutting waste**

- 2.10 Advice agencies see the results of poor public service delivery on clients. They play an important role in feeding back to government where things are going wrong and helping to improve the effectiveness of public services.
- 2.11 The average cost per debt problem to the public (including lost economic output) is estimated to be over £1,000, with more serious problems costing many times this amount<sup>11</sup>. The average quantifiable cost to the exchequer of a mortgage repossession is £16,000<sup>12</sup>. The cost of providing advice in these circumstances will vary - depending in part whether it is delivered by a volunteer or paid worker. However, when the cost of delivering specialist legal advice on a serious debt matter is £200<sup>13</sup>, it is clear that advice makes business sense.
- 2.12 A study<sup>14</sup> prepared on behalf of Leeds Council found that "for every £1 invested in financial inclusion in Leeds, £8.40 is generated for the regional economy."
- 2.13 Homelessness and the problems typically associated with it can cost the state thousands of pounds in temporary accommodation, health services, police and criminal justice services and lost output through unemployment<sup>15</sup>.

## **3 Finding better ways of doing things**

- 3.1 As already mentioned, the advice sector has a significant contribution to make in finding better ways of doing things. We welcome the recent establishment of a taskforce to consider the scope for reducing red tape and look forward to contributing to this initiative.
- 3.2 In Nottingham, a group of advice agencies, working with AdviceUK identified that over 30% of their capacity is taken up dealing with demand that is generated by the failure of external organisations to act or get something right for clients.<sup>16</sup> They are now working together with public bodies to identify ways to minimise unnecessary demand, support service improvement, reduce the cost of administration, and produce better outcomes for local people.
- 3.3 Citizens Advice draw on their extensive evidence from advising the public to highlight problems and suggest solutions on a wide range of issues.
- 3.4 In addition, the sector has made significant strides in improving the effectiveness of services to clients through better referrals and partnership working<sup>17</sup>. Partnership working helps the most vulnerable clients to access advice and ensures that they see the best adviser for their needs.
- 3.5 The sector has explored the benefits of preventative measures such as early intervention and public legal education through its involvement in the Public Legal Education Network (Plenet)<sup>18</sup>.

## **4 Concerns about the impacts of cuts**

- 4.1 We will not repeat comments made in our members' responses. However, we note that concerns are expressed about the potential for public service reform to impact unfairly on the most vulnerable.

- 4.2 The advice sector is also concerned about the impact of public services cuts on the ability of the sector to meet the needs of the most vulnerable. As stated above, the need for our services has grown over recent years and we anticipate that changes, such as benefit reform, will lead to further increases.
- 4.3 At the same time, advice services themselves are facing cuts in funding. The sector has a diverse funding base, which reflects the diversity of needs that we seek to address. However, there is concern that the sector may be disproportionately affected, particularly by local authority cuts. If this happens, it is clear that the voluntary advice sector as represented by ASA will not be able to support as many people in future as it does today.

## 5 Summary

- 5.1 The advice sector provides support for the poorest and most disadvantaged in society. When government sources say that they wish to protect frontline services we hope that they appreciate that the advice sector works on the front line picking up the pieces of departmental error and filling the gaps left by departmental silos. The advice sector provides the holistic services that the vulnerable so desperately need and has a track record in innovation and working with government to improve public services. We welcome the opportunity to discuss this further with Government.

<sup>1</sup> Information and Advice for Older People, Age Concern England, 2008

<sup>2</sup> NOS workforce survey 2006

<sup>3</sup> Citizens Advice annual advice statistics 2009/10

[http://www.citizensadvice.org.uk/index/pressoffice/press\\_index/press\\_20100517.htm](http://www.citizensadvice.org.uk/index/pressoffice/press_index/press_20100517.htm)

<sup>4</sup> Council Leader survey on the impact of the economic downturn on local authorities Local Government Association, March 2009

<sup>5</sup> Causes of Action: Civil Law and Social Justice (2nd edition) 2006, page 60, TSO

<sup>6</sup> Impact of debt advice – advice agency client study Williams K, Sansom A, August 2007

<sup>7</sup> Welfare Advice in General Practice – The Better Advice Better Health Project in Wales Borland J, Owens D, 2004

<sup>8</sup> Volunteering works, Institute for Volunteering Research and Volunteering England, September 2007

<sup>9</sup> Transforming Lives: Youth Access' Rights to Access Project Michael Bell Associates Research & Consultancy, 2007

<sup>10</sup> Youth Advice Outcomes Pilot, Widdowson B, Del Tufo S, and Hansford L, Evaluation Trust for Youth Access, 2010

<sup>11</sup> A helping hand the impact of debt advice on people's lives Pleasence P, Buck A, Balmer J, Williams K, LSRC 2007

<http://www.lsrc.org.uk/publications/Impact.pdf>

<sup>12</sup> Homeowners Support Package Impact Assessments, DCLG, September 2008

<sup>13</sup> Legal Services Commission fixed fee for a debt problem is £200

<sup>14</sup> Economic impact and regeneration in city economies - The case of Leeds, 2009, Community Finance Solutions

<sup>15</sup> How Many, How Much? Single homelessness and the question of numbers and cost Kenway P, Palmer G, Crisis 2003  
Looking at 6 different homelessness scenarios Crisis found that the cost ranged between £4,500 and £83,000 per individual scenario

<sup>16</sup> Advice UK, November 2009, Radically Re-thinking Advice Services in Nottingham Interim Report of the Nottingham Systems Thinking Pilot

<sup>17</sup> See, for example, the Sunderland Advice Partnership website <http://www.sunderlandadvicepartnership.co.uk/index.php> .

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<sup>18</sup> Please see website: <http://www.plenet.org.uk/>

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