
House of Lords debate on “Tackling the advice deficit” Citizens Advice briefing

25 February 2014

Summary of key points

- Access to relevant, impartial advice is a fundamental ingredient to a healthy democracy.
- It is vital that the Government develops a five year strategy for the sustainable provision of advice services. We welcome the Low Commission’s recommendation to this effect and the focus and attention the Commission has brought to the important issue of how advice services can be sustained in future.
- The demand for advice is growing as many households in Britain face hard times. 8.8 million people in the UK are over indebted¹ and welfare reform is driving a growing demand for advice.
- The context in which people seek advice and the way they expect to interact with public services is changing.
- The internet, and the growing ubiquity of online services such as social networks and switching sites, are profoundly changing the way in which we access information and interact with the world around us. 14.5 million people accessed Citizens Advice digital services in 2012/13
- Research by Ipsos Mori for Citizens Advice found that people really value being able to access services by phone. This was the attribute most often highlighted as valuable in an organisation.
- In 2013/14 Citizens Advice consumer telephone advice will deal with an estimated 1.2 million consumer enquiries and Adviceline, our general telephone advice service will deal with an estimated 400,000 calls. We have ambitious plans to develop our telephone advice so that everyone who needs it has access to high quality advice across all topic areas over the phone.
- We need significant additional resources to meet our ambitions to develop our telephone and online services and relieve pressure on face to face advice services provided by bureaux.

¹ *Indebted lives: the complexities of life in debt (2013)* by the Money Advice Service

About Citizens Advice

In 2012-13 the Citizens Advice helped 2.1 million clients to solve 6.6 million problems face to face and on the phone. 14.5 million people visited our self-help website www.adviceguide.org.uk.

Analysis of client problems 2012/13

CAB client problems (England and Wales)	
Benefits and tax credits	2,349,000
Debt	1,956,000
Employment	481,000
Housing	465,000
Relationships and family	312,000
Consumer *	245,000
Legal	237,000
Financial services and capability	118,000
Immigration and asylum	79,000
Health and community care	74,000
Tax	51,000
Education	23,000
Other	106,000

* Includes consumer problems concerning utilities and communications, travel and transport, as well as other consumer goods and services (excluding debt and financial services).

Adviceguide page visits (England, Wales, Scotland and Northern Ireland)	
Consumer *	4,950,000
Benefits and tax credits	4,553,000
Employment (excluding discrimination)	3,842,000
Debt and money	2,676,000
Family	2,118,000
Housing	1,812,000
Legal	1,367,000
Tax	831,000
Health	328,000
Discrimination	253,000
Education	247,000

Adviceguide figures are for web page views and not equal to the overall number of visits.

We provide advice from 3,300 locations including community centres, high streets, doctors surgeries, libraries, courts and prisons, serving every community in England and Wales. Our 22,000 generous and committed volunteers are involved in advising clients, fundraising, administration, PR, campaigning and trusteeship. They work alongside 6,500 paid staff.

The growing demand for advice

Access to relevant, impartial advice is a fundamental ingredient to a healthy democracy. Advice helps us to make the right choices, and gives us voice to influence and challenge decisions that affect our lives. When things go wrong, we seek advice to know how to solve problems. Good advice should empower people, give people control and promote participation and engagement in civic life.

Times are hard for many households in Britain struggling to adapt to the tough economic environment following the financial crash of 2009. Families struggling with household budgets, personal debt, and changes to the welfare system desperately need access to advice, information and support to ease the pressure and find a way forward.

Demand for advice already outstrips supply. Research from the Money Advice Service indicates that 8.8 million people in the UK are over indebted², and that 1.9 million of them are considering getting advice soon. The Office of Budget Responsibility forecasts that household debt will increase from £1.6 trillion in 2011 to £2.1 trillion by 2015.³

Demand for advice is growing as people adjust to a smaller welfare state, declining disposable incomes and the challenges presented by new and emerging markets.

- In the last four years the Citizens Advice service has seen a ten-fold increase in the proportion of clients receiving casework help with multiple debts which included a payday loan debt.
- Research conducted by Citizens Advice found that 9 out of 10 people are not ready to cope with Universal Credit in one or more of the following capability areas: monthly payments, budgeting, banking, staying informed and getting online. However, after receiving advice and support from the Citizens Advice service over half of clients have improved skills in all five key areas so access to advice is key to the success of the Government's flagship welfare reform.
- Since the introduction of the under occupancy charge and the 10 per cent reduction and localisation of council tax support, Citizens Advice Bureaux have seen a 110 per cent increase in enquiries about discretionary housing payments and a twelve per cent increase in enquiries about threatened homelessness from social housing tenants.
- Since Employment and Support Allowance was introduced in 2008 Citizens Advice Bureaux have dealt with almost 1.5 million enquiries relating to the new benefit.

The Low Commission's report provides a timely assessment of how vital and valuable it is to invest in advice services like ours. As it identifies, the early intervention, preventative measures and long term benefits of advice are key.

The Future of Advice

Advice services are a vital public service. We welcome the Low Commission's recommendation that the Government develops a five year strategy for the sustainable provision of advice services and the focus and attention the Commission has brought to the important issue of how advice services can be sustained in future. We urge the Government to listen to the call for a national strategy for advice and look forward to using our seventy five years of experience and expertise, in partnership with other advice organisations, to work towards its development.

The context in which people seek advice and the way they expect to interact with public services is changing. The internet, and the growing ubiquity of online services such as social networks and switching sites, are profoundly changing the way in which we access information and interact with the world around us. Policy trends including localism, aim to give people more control over public services as local government intends to widen participation and accountability to local communities. Access to advice is arguably increasingly important in this context to revitalise local democracy, challenge injustice and work together to solve problems. There is already one Citizens Advice Bureau working with its local authority to deliver local library services alongside advice services and many bureaux are pioneering web chats and online forums as channels of advice provision.

Recent research from Ipsos Mori commissioned by Citizens Advice found that:

- People are overwhelmingly satisfied with the service they receive from Citizens Advice.

² *Indebted lives: the complexities of life in debt* (2013) by the Money Advice Service

³ <http://budgetresponsibility.independent.gov.uk/wordpress/docs/household%20debt%20paper%20formatted.doc1.pdf>

- Over 90 per cent of people polled in all age groups said they regarded the Citizens Advice service as an “important” or “essential” service in the community.
- People want to be able to access advice services easily by phone – this was the feature most often identified as valuable in a business or organisation.

We welcome the Law Commission’s recognition of that a national telephone service will be a very important feature of advice provision in the future. Developing and delivering a robust phone service that is capable of meeting current and future client demand, and that complements our digital and face-to-face channels, is a key priority for the Citizens Advice service. Our ambition is to deliver a national telephone service which:

- meets demand
- offers a single phone number so that clients know how to contact us
- offers a Welsh language service
- is available when our clients need it
- is affordable – to our clients and us
- offers a seamless route to all Citizens Advice services
- has the ability to meet our clients’ needs at the earliest opportunity

We also have ambitions to transform our digital advice and information offer. Digital is increasingly the first port of call for people seeking information, advice and self-help tools. Last year, 14.5 million people used our digital services. There is a growing expectation that digital services should make users lives easier by being accessible, integrated, functional and flexible around their needs. We are making significant changes to our websites so that our online service offering is more tailored, interactive and responsive.

It will take a significant investment to deliver on these ambitions.

Funding the Citizens Advice service

By far the biggest source of funding for Citizens Advice Bureaux is local authority funding. Acute downward pressure on local authority budgets raises questions about how local face-to-face advice services will be sustained in future.

In 2012-13 before the cuts to funding for legal aid introduced under the Legal Aid Sentencing and Punishment of Offenders Act 2012 (LASPO) took effect, Citizens Advice Bureaux received 12.9 per cent of their total funding from the Legal Services Commission. Under the reforms which came into effect last year, legal aid funding to Citizens Advice Bureaux has been cut by £19 million.

The grant allocated by the Money Advice Service for providing face-to-face debt advice is now the predominant funding source for the Citizens Advice service’s debt advice. The Money Advice Service is funded through two levies on firms regulated by the Financial Conduct Authority (FCA). From April 2014 pay day loan companies will be regulated by the FCA and will therefore be required to contribute to the levy. We believe strongly that the additional contributions from payday loan companies should result in an increase in the funding available for debt advice.

Citizens Advice Bureaux income 2012/13



Citizens Advice Bureaux estimated income 2013/14



Legal Aid

It is vital that, given the importance of the issues which remain in scope of legal aid, effective access is maintained. We fully support calls for monitoring and reporting of the impact of LASPO and the recommendation that the Ministry of Justice undertakes a sense check of matters excluded from scope of LASPO. We are specifically concerned about access to family legal aid for people who have experienced domestic violence; any consideration of the impact of LASPO should include consideration of whether evidence requirements are forming an inappropriate hurdle to accessing advice. Particular focus should also be given to how effectively people subject to discrimination are accessing help. In respect of scope, we agree with the Low Commission that bringing advice on housing benefit back into the scope of legal aid would make homelessness prevention more effective. Finally, we believe that making payment for legal aid pre-permission judicial review work in part discretionary will make it harder for people to access help to challenge unlawful actions of public authorities.

Contact

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