

# Cabinet Member Decision Note

## Money Mentoring Service

**To: Deputy Leader of the Council and Cabinet Member for Commercialisation and Education and Skills**

**Date: 13<sup>th</sup> April 2021**

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Author: Head of Revenues & Benefits

Wards: All

Parishes Affected: All

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### 1. Purpose and Reasons

- 1.1 This Decision Note seeks the Cabinet Member's authorisation to provide funding to Swindon Citizens Advice to provide the Money Mentoring Service. This work is focused specifically on those who are in receipt of low incomes.
- 1.2 The Money Mentoring service provided by Swindon Citizens Advice assists the Council in delivering Priority 4 which is to 'Help people to help themselves while always protecting our most vulnerable' and in particular Pledge 17 which is to 'Provide early support so that Swindon residents are financially included and avoid getting into debt.'
- 1.3 The Money Mentoring Service also assists in delivering the Financial Inclusion Policy adopted by the Council's Cabinet on 13<sup>th</sup> July 2016. The aim of which is *"to help our residents to maximise their income and make the most of their money helping them to live free from the harmful effects of poverty. We know that poverty and money worries adversely affect wellbeing and health and can separate people from the community, so we want to do all we can to prevent financial crisis and promote social justice."*

### 2. Recommended Action to be Authorised by a Cabinet Member Under Delegated Powers

#### Recommended that:

- 2.1 The Head of Revenues and Benefits be authorised to provide funding of £19,224, from the Council's Emergency Assistance Fund, for the financial year 2021/22 to Swindon Citizens Advice to provide a Money Mentoring Service, with options, subject to funding, to extend the service as shown in paragraph 3.12 of the report.

### 3. Detail

#### Background

- 3.1 In the wake of the Covid-19 pandemic, many residents are dealing with financial difficulties and insecurity with job losses predicted to rise. The Council's Financial Inclusion Policy aims to help residents maintain control of their finances and prevent the

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Further information on the subject of this report can be obtained from Andy Stevens Direct Dial (01793) 464607, Astevens3@swindon.gov.uk.

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impact of poverty particularly on children, homelessness, bankruptcy and poor mental/physical health.

#### The Money Mentoring Service

- 3.2 The service was created out of an identified need to get people actively engaged with their financial challenges well before they reach the point of financial “melt down”.
- 3.3 People identify “money advice” as “debt advice”, consequently Citizens Advice are far more likely to have someone present to them with unmanageable debt. When if they had seen them many months earlier and offered general money advice they would not have reached that point.
- 3.4 People are also generally “reluctant” to seek help. This is due to a multitude of factors including pride, seeing the issue as a failure which undermines their self-esteem, going into denial etc. They will often isolate themselves when in debt, scared to answer phone calls or the door in fear of having to confront a creditor. Further to this mental health issues are strongly linked in a vicious cycle with financial difficulties affecting the individual’s ability to engage. The idea was to make money advice available at an early stage, easier to access and more personal and friendly. People are referred directly into the service by professionals who are already supporting them e.g. Family Workers.

#### The Money Mentor Service Process:

- 3.5 On referral, a Money Mentor contacts the client directly to arrange for an initial appointment, which may be up to two hours in duration. The client is advised as to what documentation they need to bring to enable a thorough evaluation of the client’s financial position. During the Covid19, pandemic appointments have continued by telephone or online.
- 3.6 The Money Mentors provide advice in the following areas:
  - 3.6.1 Budgeting Advice: A budgeting action plan is agreed which looks at the individual’s current regular expenditure. The new plan will include ‘savvy shopping’ hints and tips, how/where to get online, online comparison sites and other guidance on how to make savings and reduce expenditure.
  - 3.6.2 Energy Advice. Savings can often be made on energy tariffs.
  - 3.6.3 Income Maximisation: A Benefits check and check for charitable grants eligibility.

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- 3.6.4 If a client requires more detailed advice on debt, they make a direct referral into one of Citizens Advice debt advisors to advise the clients further.
- 3.7 Debt advisors identify priority and non-priority creditors and deal with any emergencies e.g. Enforcement Officers (bailiffs), court summonses etc. They identify options for dealing with debt and can refer clients to Citizens Advice caseworkers, the Citizens Advice telephone debt advice service, or self-help materials.
- 3.8 The client agrees a course of action based on the evaluation and the Money Mentor remains available to provide further support if the client encounters any issues or simply needs to talk something through.
- 3.9 From what clients have fed back based on a 12 month average the following has been achieved by Money Mentoring (the actual values could be higher):

Potential Additional Income, Savings and Debt Write Off	Known Additional Income, Savings and Debt Write Off	Cost to provide service
£540,209	£127,928	£29,909*
Average per client	Average per client	Average per client
£5,512	£1,305	£305*

\*Additional funding was obtained previously. More recent information shows that the cost per client has now reduced to under £200 per client.

- 3.10 In addition to the financial benefit achieved by these clients the following social benefits are likely to result:
- 3.10.1 Reduction in mental health issues, which could have an impact on the client's ability to maintain/seek employment, support families and can affect Health and other Support services.
- 3.10.2 Reducing the possibility of homelessness, which can also affect mental health and also add a burden to the Council's Housing Service
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3.10.3 Reduction in family breakdowns caused by financial worries and future financial exclusion.

- 3.11 The current cost of the service is £19,224 and this provides for 22.5hrs (3 working days/week) of experienced Money Mentor expertise.

#### Future Plans

- 3.12 It is hoped that the service can be extended and become more community based. With Advisors being available at Food charity locations or other public buildings. External funding will be sought to extend this, but provision for further use of the Council's 'hardship' grant to support this is sought. If 'hardship' funds remain and the service remains a success, it is also hoped that the Council can also extend the service for future financial years.
- 3.13 Given that the Money Mentoring Service has been a success as set out above, officers recommend that the Council should continue to enable Swindon Citizens Advice to provide the Service, utilising other Central Government grant the Council has received to fund it.

#### **4. Alternative Options**

- 4.1 The alternative option would be not to continue to support the Swindon Citizens Advice, which would result in the closure of the Money Mentoring Service. This would be a loss to Swindon and its residents and would not help in delivering the Council's Financial Inclusion Policy.

#### **5. Consultation**

- 5.1 The following Opposition and Minority Group Spokespersons / Ward Members have been consulted on the recommendations of the report and their responses are also summarised below:

Councillor Bob Wright - I support this decision. I think it is disgraceful that the government have cut the essential funding to support 'Benefit capped' families and that we should ask for reinstatement. This is not levelling up it is disenfranchising. In real terms, it will mean less money to assist those already in trouble albeit we keep prevention as the priority.

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Councillor Stan Pajak – I very much believe the Citizens Advice has a crucial role and support the recommendation.

Councillor Oliver Donachie - I support the recommendation

Councillor Kevin Small – No comment received.

#### **6. Implications, Diversity Impact Assessment and Risk Management**

##### Financial and Procurement Implications

- 6.1 The £19,224 per annum cost and any further costs would be met from the funds allocated to the Council's Local Welfare budget (emergency Assistance Fund). A sum of £150,000 was allocated to this from the Hardship grant that the Council received from the Department of Housing, Communities and Local Government (Cabinet Minute 2<sup>nd</sup> December 2020 refers). Swindon Citizens Advice is already commissioned by Swindon Borough Council to provide "Advice Services" to the residents of the Borough.

##### Legal and Human Rights Implications

- 6.2 All legal and Human rights have been taken into account. The Council has used its Local Welfare budget previously to support financial inclusion. A grant of £51,027 was made to the Swindon Food Collective (Cabinet Member Briefing note 13<sup>th</sup> June 2018). This enabled the Food Collective to continue to run a food charity in Swindon.

##### Climate Change Impact

- 6.3 The proposals would not bring a change in service delivery and Officers believe that there is no expected effect on the Council's carbon footprint.

##### All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 6.4 The recommendation if agreed helps promote financial inclusion.

##### Diversity Impact Assessment

- 6.5 A Diversity Impact Assessment (DIA) has been undertaken and the proposal is seen as having a positive impact, as it will help low-income households. No negative effects have been identified, but a request will be made to have more information on the communities that are currently being referred and utilising the service. A copy of the DIA can be obtained from the report author.

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#### Risk Management

- 6.6 The risk to the Council is that if the recommendation is not accepted then the Money Mentoring Service will cease to exist removing support for low-income households. This may have the effect of increasing debt and the implications of debt on Swindon households.

#### **7. Consultees**

- 7.1 The Corporate Director of Finance and Assets (s151 officer) and Chief Legal Officer (Monitoring Officer) are consulted in respect of all reports.

#### **8. Background Papers**

- 8.1 None

#### **9. Appendices**

- 9.1 None

#### **10. Declarations of Interest**

##### Opposition and Minority Group Spokespersons / Ward Members

- 10.1 Opposition spokespersons / Ward Members are reminded to consider whether they have any known interests in any of the matters referred to in this Decision Note. If such an interest exists this should be declared to the Monitoring Officer (or Senior Committee Clerk), and they should take no part in the consideration of the Briefing Note and should refer the Briefing Note to their Group Leader.

##### Cabinet Member(s)

- 10.2 Cabinet Members are reminded to consider whether they have any known interests in any of the matters referred to in this Decision Note. If such an interest exists this should be declared to the Monitoring Officer (or Senior Committee Clerk), and they should take no part in the consideration of the Decision Note and should refer the Decision Note to the Leader of the Council instead for consideration.

#### **11. Sign-off**

- 11.1 The Cabinet Member is requested to respond with 5 days of the date of this report (by 18<sup>th</sup> April 2021).
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11.2 Decisions of Cabinet Members will be published in the Members' Bulletin. The Decision must not be implemented until such time that a five-day "Call-in" period has expired. This date will be specified in the Members Bulletin. If a Decision is "called-in" it will be referred to the Scrutiny Committee for consideration. It must only be implemented if the Scrutiny Committee has raised no objection. If an objection is forthcoming the matter will be referred back to the Decision-Maker.

11.3 The Cabinet Member is requested to indicate one of the following responses to the Recommendations set out in Section 2 of this report.

[To be signed electronically and redacted for publication.]