

*People in crisis face delays following changes to claims process*

## Agencies call on MP for help

**LOCAL ADVICE AGENCIES** have called on MP Bill Rammell to help overcome difficulties and delays people in need of crisis loans have encountered since recent changes to the system for making claims.

Welfare Rights & Advice has received numerous reports from people who have been unable to get through to Jobcentreplus on the freephone number, which is now the only way those in need of crisis loans can apply. Some have tried repeatedly over several hours or days, because the number was constantly engaged.

The Homeless Accommodation Project (HAP) and Citizens Advice Bureau have reported both inability to get through on the phonenumber and a change in processing urgent and emergency claims. This has led to HAP's homeless clients losing accommodation, because loans for rent in advance were agreed too late.

When people get through to Jobcentreplus, loans for immediate living expenses such as food are generally decided and paid within hours.

HWRA manager Sue Jones says the introduction of a free-phone number could be an improvement over the previous pay-phone system, but only if claimants can get through. This was vital now that people could no longer apply in person in Harlow. "The situation has improved since early January, but is still very difficult at times", said Sue.

"All the people who contacted us in desperation had valid claims, where delays really mattered."

■ *Crisis loan claims can be made on 0800 032 8356.*



■ *HER first few weeks have been a real eye-opener for Laura Moye, who is our new modern apprentice. "I had no idea of how many different problems people had, or how many people need help." Laura, 17, moved back to Harlow recently after a number of years away, and she is enjoying getting to know the town again.*

*(continued on page 6)*

**FREE TRAINING . . . FREE TRAINING . . . FREE TRAINING**

### AGE DISCRIMINATION

We shall be running two courses on *Age Discrimination*. The training is being funded by the Department of Trade and Industry via *adviceuk*, the national umbrella body for independent advice agencies, and is offered free to local voluntary agencies. To book places, or to find out more, ring Peter Lappin on 446155, or e-mail [peter.lappin@hwra.org.uk](mailto:peter.lappin@hwra.org.uk).

*For independent advice on claims, contact HWRA on 446622.*

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## DANNY LEAVES TO BECOME A TRAINER

**DANNY MURPHY**, a specialist debt and benefits adviser started a new job with Hertfordshire County Council's Money Advice Unit in Hertford in January.

He will organise and run training courses for a wide range of agencies and will also write information leaflets.

While he was in Harlow, Danny, who joined the service in 2004, gained experience in more complex debt and benefits work, including court representation.

He had previously worked for Braintree's welfare rights service.

Although looking forward to the challenges of his new job, especially the chance to develop as a trainer, Danny, *pictured handing over case files to his successor Tina Willis*, says he will miss the face-to-face contact with clients, and the satisfaction of helping to achieve successful outcomes to their problems.

"No day and no case were ever quite the same," he said.

"And, of course, there were always tight deadlines to be met when people were appealing against decisions, or trying to avoid court action and so on."

## Case highlights problems when employee does not know who employer is

**CASES** where there are more complex contractual relationships than the traditional employee/employer, are becoming more common, and the courts are being asked to look again at the rules identifying an employee/ employer relationship.

Mr X's case illustrates problems that may arise when an employee is not clear about who the employer is. Expert advice is essential. It took our adviser some time to gather information and assess whether Mr X's redundancy had been unfair.

He was a manager in a company (we'll call it A) which was contracted to provide services to another company (company B). During this time, the two companies operated completely independently of each other.

Mr X's employer then lost the contract to what appeared to be nothing more than an employment agency (C). The new company (C) knew nothing about the business, and took little interest in its day-to-day running. Instructions about what work was required came from company (B).

Not long after the transfer of business, Mr X was made redundant. In many ways the dismissal appeared to be fair. The new employer – the agency (C) – conducted a consultation exercise, and considered possible other employment in company (C). However, Mr X believed that the consultation process had been meaningless as the real decisions were being made by company (B) and any meaningful alternative jobs would have been available only within that company.

Looking at all the facts, it was decided that there might have been enough evidence to suggest that after the transfer, Mr X's real employer had effectively become the contracting company (B), and their failure to consult or offer suitable alternative employment may have actually made the dismissal unfair.

In order to run such a case it would have been necessary to argue that there was an implied contract of employment between Mr X and the contracting company (B).

In the end, because this is a new and controversial area of law, Mr X agreed to settle the case out of court, when the employer's side made an acceptable offer.

# SUCCESSFUL JOINT EFFORT SAVES MANY FROM HOMELESSNESS

**MORE THAN 11 households each month avoided losing their homes in Harlow in 2006 as a direct result of homelessness prevention work carried out by our advisers in liaison with Harlow Council.**

These 138 cases were in addition to numerous cases where the potential threat of homelessness was averted at an early stage, thanks to advice and support provided on a variety of housing or debt-related problems. Harlow Council's own staff also work directly with people to prevent homelessness.

The council has to inform the government of its performance in most aspects of local authority services, including how it administers housing and homelessness prevention services. Statistics gathered on the incidence of homelessness in the town help to identify the priorities to be addressed by Harlow Council's Housing Needs Service.

## Partnership

Harlow Welfare Rights & Advice is a member of the Harlow Homelessness Prevention Partnership (HHPP), which comprises council representatives and charitable and voluntary sector agencies, such as the Harlow Accommodation Project (HAP) and the Citizens Advice Bureau. The partners meet regularly and are able to build up a picture of the local situation and identify particular problems.

The council, in its published strategy document, comments that HWRA and the council's Housing Needs Service, can "provide very effective intervention to prevent homelessness". It is when someone approaches HWRA that various "triggers" to homelessness may be detected well before a crisis develops. These could be rent arrears caused by a break in payment of housing benefit, financial problems or a variety of other reasons.

## County Court

Sometimes, our advisers meet people for the first time in the County Court and may succeed in having an eviction stopped or postponed either because the client has made an offer to repay arrears which is acceptable to the Court or to allow the client to seek further

advice on courses of action to resolve the problem.

Sophie Bruton, housing advice supervisor says: "Because Harlow Welfare Rights & Advice has specialist advisers dealing with housing, benefits, debt and employment, we are able to take a holistic approach when people who are in danger of losing their home approach the service.

"Often, although we're a completely independent service, we find that the best outcome can be gained by working in co-operation with Harlow Council or other agencies and we have a recently-developed, local referral system which helps with this process."

## Intervention

"It's impossible to stop homelessness occurring in 100 percent of cases, sometimes there isn't a suitable legal remedy for the client; but I'd advise anyone in difficulties with their housing to seek help at the earliest possible opportunity, because that maximises our chances of successful intervention."

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## Advisers provide talks and training

**ADVISERS have been out and about delivering training and talks on advice subjects to other agencies.**

**Lisha Whittet**, benefits advice supervisor, and **Peter Lappin**, who supervises employment casework for HWRA, have provided two *Introduction to Welfare Benefits* sessions to staff at Women's Aid, and one on *Employment Law* for representatives of several organisations.

**Norman Halford**, debt advice supervisor, and **Peter Lappin** have also provided training in *Maximising Income* for Harlow Council staff who deal with residents who may be facing financial difficulties.

**Roni Marsh** and **Danny Murphy**, debt and benefits advisers, and **Adeola Osuntola**, housing and employment adviser, and **Peter Lappin** have explained various aspects of the work of Harlow Welfare Rights & Advice to two groups at Harlow Ethnic Minorities Umbrella organisation.

Manager Sue Jones says: "By providing training, we can enable organisations to help people at an early stage, and to assess when they will need to be referred for specialist advice and support."

# Individual voluntary arrangements

# Agreements are a

**WE COME** back from time to time in this centre-page feature to the subject of DEBT; hardly surprising given the prominence money problems play in the lives of many clients who seek our advice to bring their finances back under control.

What has been a manageable budget can become overwhelming debt should personal circumstances change – job loss, relationship breakdown or illness, for example.

Welfare Rights & Advice's work ranges from simple one-off advice to representing clients in court. In some cases, an **individual voluntary arrangement (IVA)** may be the answer, and advisers will suggest a referral to a service which can deal with this

So: WHAT IS AN IVA?

## Individual

– because it applies only to an individual and so is tailored to meet their particular circumstances.

## Voluntary

– because it is not compulsory on debtors.

## Arrangement

– because it is a method of putting financial matters in order.

An IVA is a legal procedure for individuals who are insolvent (unable to pay their debts) that has to be confirmed by a court.

It has a similar effect to bankruptcy but is not quite as onerous. An arrangement is made between the creditors and the debtor that a fixed monthly payment will be made towards payment of the debts.

Usually some of the payment goes towards paying the fees of the Insolvency practitioner involved.

In practice, normally total unsecured debt needs to be more than £15,000, and a monthly payment of at least £150 has to be possible after allowing for normal living expenses.

An IVA lasts five years, and any debt remaining is then written off. Before the IVA starts, there is a vote by the creditors on whether to accept it, and if 75 per cent, by value of the debt, agree, the other 25 per cent have to go along with it.

This can cause a problem as any creditor who is owed more than 25 per cent of the total debt has an effective veto on the whole IVA.

None of the creditors can take any action against the debtor while the IVA is in operation.

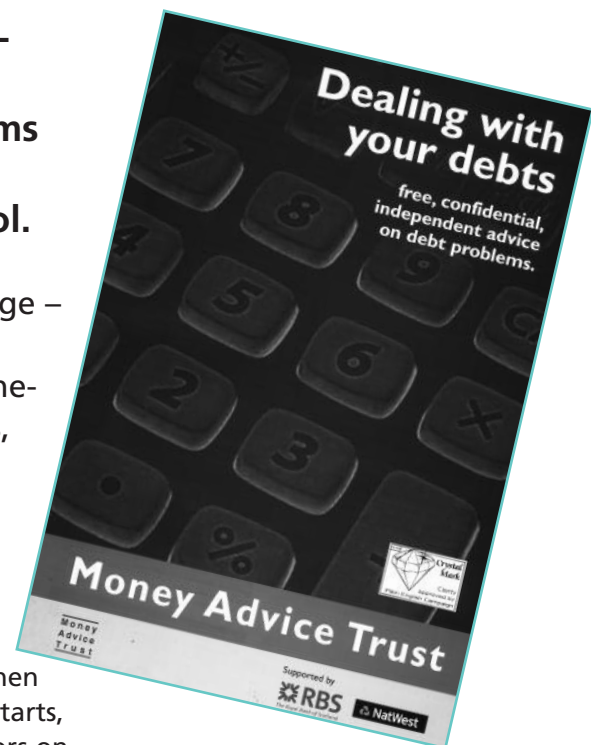
## Advantages of an IVA over bankruptcy

IVAs can be useful if the debtor owns or is buying their home as it does not normally have to be sold, unlike in bankruptcy when it usually does. (see paragraph headed **Homeowners for more details**)

There is no stigma or statutory advertisement of the IVA in the local press and London Gazette.

If the debtor runs a company, it can continue to trade to provide an income to fund the IVA.

The IVA is tailored to the individual so that assets are not automatically lost if the creditors



agree, usually because they will get more money back.

Unsecured creditors are bound by the terms of the IVA, even if they voted against it.

A person with an IVA can still be a company director.

People in professions that have a ban on bankrupts, such as accountancy and the police can continue to work if they have an IVA.

For all the reasons above, an IVA can seem an attractive proposition and a real opportunity to pull back from debt.

## Disadvantages

If the creditors reject the IVA, you cannot apply again for 12 months and you may lose any up-front fees already paid.

Normally the payments you make are higher than bankruptcy payments and over a longer period.

If the debtor's circumstances get worse, the IVA can fail unless a

# ements as a solution to debt

# lifeline for some

new arrangement can be made with creditors.

If the IVA fails after it has started, bankruptcy often follows.

## Monitoring

The debtor is closely monitored during the IVA and has to report any change of circumstances.

We will normally refer people for an IVA if it looks likely that they will be able to sustain payments of at least £150 per month for the next five years, and at the end of that time will have repaid around a third of their total debts.



**Payplan** is the company we often refer clients to for IVAs as they do

not charge up-front fees.

## Homeowners

If debtors own their own home or are buying it with a mortgage, they will be expected to raise money on the equity of the property or their share of it if it is jointly owned.

This normally happens in the last of the five years. The debtor has to re-mortgage the property to take advantage of the equity and the money is then paid to the creditors.

## Informal arrangement

One other solution for someone unable to pay their debts is a simple agreement with creditors that they will accept regular reduced payments until either the debt is paid or an agreed part of it.

This usually involves an agreement that no further interest or charges will be added all the

time the payments are made.

However, because it is not formally approved by a court, creditors can change their minds at any time and ask for the full payment to be made. They can also take legal proceedings at any time.

## Administration Order

If your total non-secured debt is under £5,000 and you have at least one county court judgement, you can apply for an administration order.

This puts all the debts under one court order, and you have to pay the court a fixed sum each month. If you have been making regular payments on an administration order, and your situation does not improve, you can apply for the rest of the debts to be written off.

In some cases the judge will agree to this at the outset as part of what is called a composition order.

All the time the administration order is in force, none of the creditors can take any action against you without permission of the court. This does not normally happen.

## ASK BEFORE YOU ACT

Contact Harlow Welfare Rights & Advice for more information or for help. See page 8 for contact details. Helpful information and self-help packs are available on request.

Help is also available from:

- The Insolvency Service [www.insolvency.gov.uk](http://www.insolvency.gov.uk) or tel: 0845 602 9848
- Payplan [www.payplan.com](http://www.payplan.com) or tel: 0800 917 7823.

## A NOTE OF CAUTION

THE number of IVAs negotiated last year hit a huge 45,000. Their increasing popularity has now sent warning signals to some lenders who are complaining that customers are being pushed into IVAs when these are the wrong option.

According to recent national research (*Independent 27/1/07*) some major lenders have now threatened to block agreements. HWRA money advice supervisor Norman Halford says: "Although IVA mis-selling is a problem, IVAs can be the most appropriate option for some people".

Last year, the British Bankers Association (BBA) discovered via a mystery-shopping exercise that many customers were being promised they could escape as much as 80 per cent of their debt.

According to BBA, the not-for-profit Consumer Credit Counselling Service (CCCS) believes IVAs are appropriate for only three to five per cent of cases. CCCS is starting its own IVA service in the spring.

The Office of Fair Trading has just launched an inquiry into the advertising standards of companies which specialise in arranging IVAs.

## Disabled dad did not want his children to suffer because of family's debt

**WITH teenage children to see through school, Mr C could not make ends meet on the disability benefits he received. He had been unable to work since he was badly injured in a road accident some years ago.**

His wife had a part-time job, but still the credit debts built up because of the normal expenses – such as school clothing and activities – associated with growing children.

Over 10 years, Mr C had accumulated £50,000 of debt, which included crippling interest and administration costs that built up month by month as soon as he fell behind on payments.

Our adviser set out the options and advised bankruptcy.

Mr C initially feared that this would affect his children because he would have no way of paying for their uniforms, but our adviser explained grants might be available.

He helped with Mr C's bankruptcy petition and also applied on his behalf to Harlow Community Chest, which came up trumps with £150 towards school uniforms.

The petition was accepted, so Mr C can look forward to a debt-free future

Bankruptcy is not a suitable option for many people, but in Mr C's case, it was clear he would never be fit enough to return to a job. He did not own his house and he had no assets.

## Healthy start for the under-fours



**HEALTHY START is the name of a government scheme which enables families and pregnant women on low incomes to obtain vouchers for free milk, vitamins, fruit and vegetables for their children up to the age of four.**

Pregnant women under-18 are also eligible.

Ask at the Advice Centre for more details, or go to [www.healthystart.nhs.uk](http://www.healthystart.nhs.uk).

There are several benefits- and income-related conditions to be met, and a health professional, such as midwife or health visitor, needs to approve claim forms.

Look out for this symbol displayed by participating shops. Those with access to the internet can enter a local postcode to find the nearest shops.

## THE MINIMUM WAGE ALSO APPLIES TO HOMEWORKERS

**MOST homeworkers are entitled to the National Minimum Wage (NMW), and cannot be sacked or made to suffer in other ways if they act to enforce that right.**

Many homeworkers are paid according to the pieces of work they complete, but the law says these workers must be paid at least the minimum wage for every hour they work, unless their employer has carried out tests to find the speed an average homeworker would take to complete the work.

The supplier of homework must then calculate a rate to enable an average homeworker to earn 120 percent of the hourly rate of NMW – currently £5.35 an hour for those aged 22 and over; £4.45 between 18 and 21; and £3.30 between 16 and 17.

The National Group on Homeworking offers advice and support on this and numerous work-related topics. The free telephone helpline is: 0800 174095.

E-mail: [admin@ngh.org.uk](mailto:admin@ngh.org.uk) Website: [www.ngh.org.uk](http://www.ngh.org.uk)

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## Apprentice Laura keeps busy

**Her evenings are busy as she is studying for three GCSEs, but at weekends she enjoys horse-riding with friends.**

**During her two-year apprenticeship, Laura will complete an NVQ in business administration, followed by a customer service NVQ. This will involve attendance at ITEC at Latton Bush Centre as well as on-the-job training with the support of an NVQ adviser.**

## Disabled man's mobility needs had been under-estimated

MR D has severe learning difficulties, which can lead him to behaving in ways that are so disruptive that someone must physically restrain him to prevent injury and damage. His behaviour is unpredictable and he needs someone with him at all times. His condition has resulted in severe impairment of intelligence and social functioning.

His mum cares for Mr D, who receives Disability Living Allowance (DLA) at the higher rate for his care needs, but at the lower rate for the mobility element.

Mrs D had appealed unsuccessfully against the decision to withhold the higher rate mobility payment. This had been refused because, generally,

Mr D received £1,300 back payment of benefit and can now choose whether to have an extra £26.95 a week or to take advantage of the Motability scheme.

■ *The provision in the rules for people with Mr D's particular needs is not widely known, and it is worth seeking advice when applications for benefit are refused.*

### from the casebook – HOUSING

## Future rosier for one-room family

MRS AND MRS A were private tenants, who had been living in one small room with their three-year-old child.

They were on the council's waiting list, but there seemed to be no light at the end of the tunnel so Mr A sought our advice.

Our adviser realised the family was statutorily overcrowded. There are nationally-set standards which relate to the size of rooms, the numbers of people having to sleep in a room, and the ages of any children.

The adviser contacted the council's Environmental Health and Housing Service, which inspected the room and agreed the family was overcrowded.

The outcome has been that the family has been given a higher priority and can expect to be re-housed by the council in larger, more suitable accommodation far more quickly as a result of the adviser's intervention and the council's action.

## DEBT CLIENT WAS BEING PAID LESS THAN MINIMUM WAGE

MRS B WAS a money advice client. She had recently lost her home and had serious debt problems.

Our adviser suspected she had not been paid the minimum wage for some time, and arranged for Mrs B to see one of our employment advisers. He investigated and found Mrs B had been receiving 60p an hour less than the minimum wage – currently £5.35 an hour for those aged 22 and over – for over a year.

She was not receiving holiday pay either.

It became apparent that her son, who worked for the same employer, was also not receiving holiday pay.

The adviser contacted the employers, who responded immediately, stating they had not known that they were paying below minimum wage, or that they had a responsibility to ensure their staff took paid holidays.

The employers agreed to start paying the minimum wage and holiday pay, and agreed to compensate for the time when it was not paid, which amounted to over £1,500. The client's wage increased by about £20 a week.

The lump sum in back payment and increase in wage, have helped Mrs B to make inroads into her debts, and to plan her future budget.



claimants must prove they are unable or almost unable to walk, and that was not the case.

Our adviser knew there was provision to pay the higher rate to people who are severely mentally impaired, and he believed Mr D met the criteria

He helped the Ds to appeal. The case went to tribunal and higher rate mobility DLA was awarded indefinitely.



# SERVICES ON OFFER AT THE ADVICE CENTRE AND WHEN THEY ARE AVAILABLE

## Harlow Welfare Rights & Advice

**THIS SERVICE** is open each weekday from 10am until 4pm. Specialist advice is available on debt, benefits, employment and housing.

Assisted information is provided on a wide range of other subjects. Tribunal and court representation and advocacy are all part of the service.

Out-of-hours appointments can be made if necessary, and home visits are available for house-bound people.

The telephone number for out-of-hours messages from people in full-time employment is 446777, and the number for inquiries during opening hours is 446622.

The e-mail address is: [admin@hwra.org.uk](mailto:admin@hwra.org.uk). The website is at [www.hwra.org.uk](http://www.hwra.org.uk)

A ground-floor room is available for people who wish to pursue their own inquiries, using computers and reference material.

A good selection of claim forms and explanatory leaflets is available. The Language Line service is available for non-English speakers, and interpreters can sometimes be arranged to attend interviews.

The free and independent service is primarily for Harlow residents. It is largely funded by Harlow Council and the Legal Services Commission.

## Citizens Advice Bureau

**THE BUREAU**, housed in rooms on part of the ground floor of the Advice Centre, is open for drop-in advice on Monday Wednesday and Friday mornings between 10am and 12 noon to see an adviser.

The bureau may have to close early if demand is high.

Clients may be given an appointment once they have been seen by an adviser. These appointments are on Tuesday and Thursday mornings.

An outreach service is available at the Gateway centre from 10am to 12.30pm on Thursday mornings on a drop-in basis.

Telephone advice from either an adviser when available or the national advice line – which operates 24 hours a day – on 0845 12303717.

The bureau provides advice on a full range of subjects as well as casework for debt.

Harlow Citizens Advice Bureau sees clients from Harlow and all surrounding areas and is a registered charity, funded by Harlow Council and other organisations.

*Registered Charity No.213270*

***The centre's  
address is:  
2 East Gate  
The High  
Harlow  
Essex  
CM20 1ND***

## MP's surgeries

**HARLOW MP Bill Rammell invites constituents to discuss their concerns or problems with him at his advice surgeries at the Advice Centre.**

No appointment is necessary.

Please ensure that you bring with you copies of all relevant letters and papers relating to your case.

***Surgeries are held on:***

- the first Friday of each month (5pm–7pm) except August;
- the third Saturday of each month (10am–12noon) except August.

***Other ways to contact***

***Mr Rammell are:***

- by letter to him at House of Commons, Westminster, London, SW1 0AA;
- by fax on 020 7219 2804;
- by e-mail at [rammell@parliament.uk](mailto:rammell@parliament.uk)