Money and Mental Health's submission to HM Treasury's Statutory Debt Repayment Plan Consultation

Introduction

The Money and Mental Health Policy Institute is a research charity established in 2016 by Martin Lewis to break the link between financial difficulty and mental health problems. The Institute's research and policy work is informed by our Research Community, a group of thousands of people with lived experience of mental health problems or caring for someone who does. This written submission has been informed by this powerful, lived experience testimony and our wider body of research.

As part of this consultation response, we draw on our body of research over the last six years, specifically our research with Community members who have experience of mental health crises. Our response focuses on chapter 8, the Breathing Space scheme; specifically, the mental health crisis element of the scheme (MHCBS), and addresses questions 40 and 41 of the consultation. In addition to this response, we recommend HM Treasury review our reports Recovery space and Not a secondary issue.

Background

- The Breathing Space scheme, introduced in May 2021, has been a success. In the first 13 months of implementation, there were 69,613 Breathing Space applications,[1] giving people in problem debt respite from debt collection activity.
- Yet, just 1.6% (1,123) of all Breathing Space applications were for the MHCBS mechanism.
- HMT forecast that 27,000 people would enter MHCBS in the first year, but with just 1,123 MHCBS applications, this has fallen significantly short.[2]
- HMT have acknowledged the initial estimates of the number of people who would enter the standard Breathing Space scheme were an overestimate.[3] While this is also true for the MHCBS scheme, the shortfall in applications for MHCBS does not reflect the level of need.[4] MHCBS is, in fact, desperately required.[5]

[1] Gov.UK. Monthly Insolvency Statistics, May 2022. (Accessed: 22/07/22)
[2] HMT. Breathing Space Impact Assessment. 2019
[3] HMT. Statutory Debt Repayment Plan Impact Assessment. May 2022.
[4] Bond N and Preece G. Not a secondary issue. Money and Mental Health. 2022
[5] Bond, N. Braverman, R. and Clarke, T. Recovery Space. Money and Mental Health Policy Institute. 2018.

- The most recent detailed data shows that between 23% and 33% of people with a mental disorder are in problem debt.[6] Our 2017 analysis found that in England alone, at least 23,000 people in hospital for their mental health were also experiencing serious financial difficulties.[7] Many thousands more are managing debt whilst in the care of a crisis team in the community.[8]
- The cost of living crisis, which is having an adverse impact on many people's finances and mental health,[9] adds a renewed impetus to the need to address these factors in tandem. MHCBS provides a prime opportunity to do so and support people in crisis through ongoing financial hardship.
- Our recent research found that six in ten respondents, while under the care of a secondary mental health team - incurred a bank charge for going overdrawn or missing a payment. Over half (55%) had missed a payment for an essential bill, such as a mortgage, rent, energy or council tax; and 52% had missed a payment for an unsecured credit product such as a credit card, loan or buy-now-pay-later product.[10]
- Limitations in the way in which the scheme is currently configured mean it has not been utilised to its full potential and is falling significantly short of reaching the number of people it was intended to serve.
- Against this backdrop of the high level of need and underutilisation of a potentially life-saving scheme, we welcome the government proposal to use the Statutory Debt Repayment Plan (SDRP) regulations to make limited amendments to the 2020 breathing space regulations to improve the reach of the scheme.

Question 40: Are you supportive of the proposed changes to the 2020 regulations?

The Money and Mental Health Policy Institute agree with the proposed amendments to the 2020 regulations. We are particularly supportive of proposed changes to the treatment of debts and liabilities, including:

- Extending the range of qualifying debts
  BS should include as wide a range of debts as possible; and allow for future and contingent debts to be included within the definition of qualifying debts. Therefore, we are in support of the government's intention to amend the 2020 regulations to reflect this, aligning the regulations with the original policy intent.

- Adding internet service and mobile phone network provision to the list of ongoing liabilities
  Our recent research found that people with mental health problems were four times more likely (16%) to have fallen behind on a mobile phone, internet or landline telephone

[6] Jenkins R et al. Debt, income and mental disorder in the general population. Psychological Medicine 2008; 38: 1485-1493.
[7] Money and Mental Health analysis of NHS England data. See Annex A for further details
[8] Bond, N. Braverman, R. and Clarke, T. Recovery Space. Money and Mental Health Policy Institute. 2018.
[9] D'Arcy, C. A tale of two crises. Money and Mental Health. 2022.
[10] Bond N and Preece G. Not a secondary issue. Money and Mental Health. 2022. Money and Mental Health survey of 191 people. Base for this question: 163.

payment in a twelve-month period during the pandemic than people without mental health problems (4%).[11] Given these high rates of telecoms debts and the essential nature of access to telecoms, we support the proposal to include telecoms debts within the list of ongoing liabilities.

Question 41: Are there any other changes to the 2020 regulations that would result in (a) greater eligibility and/or applications for the scheme and (b) better debtor outcomes?

MHCBS regulations are sufficient to ensure maximum eligibility for people with mental health problems who are receiving crisis treatment. Yet how the scheme is administered limits the application of the mechanism and has contributed to the low rates of MHCBS applications in the first year of the service. To address the low rates of MHCBS applications, we propose the following two amendments to Part 3 of The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020:

Extend the criteria for who can sign off on mental health crisis treatment

Under Part 3 of the regulations, to be eligible for MHCBS, evidence must be provided that confirms a person is in receipt of mental health crisis treatment. Regulation 29 (2)(b) stipulates this can only be an Approved Mental Health Practitioner (AMHP). Only certain professionals are eligible to apply for AMHP status, including social workers, psychiatric nurses, occupational therapists or clinical psychologists - and extensive training, qualification and approval by the local social services authority is required.[12]

The AMHP role is a complex one which is under huge pressure. AMHPs are responsible for leading statutory mental health assessments and have key responsibilities for ensuring people's human rights are upheld, and the guiding principles of the Mental Health Act (MHA) are followed.[13] This, combined with growing recruitment and retention issues,[14] means that people in mental health crisis do not always receive the service quality they should expect.[15]

In 2018 there were around 3,250 AMHPs authorised by local authorities in England, with a national average of 20 AMHPs per region. This equates to just six AMHPs per 100,000 population.[16]

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[11] Money and Mental Health analysis of online polling conducted by Opinium. 5,001 people with mental health problems, weighted to be nationally representative of those who have experienced a mental health problem, and 1,000 people without mental health problems were surveyed between 25 June and 22 July 2021

[12] The Mental Health (Approved Mental Health Professionals) (Approval) (England) Regulations 2008

[13] DHSC, Social Work England, Skills for Care and Health Education England. National Workforce Plan for Approved Mental Health Professionals (AMHPs). October 2019

[14] Association of Adult Social Services (ADASS). Top Tips for Directors of Adult Social Care. 2018

[15] DHSC. Mental Health Act Review Final Report. 2018

[16] DHSC, Social Work England, Skills for Care and Health Education England. National Workforce Plan for Approved Mental Health Professionals (AMHPs). October 2019

It is simply unrealistic and excessively bureaucratic to require all MHCBS applications to include 'sign-off' evidence by an AMHP. Due to the narrow nature of how MHCBS is administered, awareness of the scheme outside of the AMHP role is low, and opportunities to ensure those people who are eligible for and would benefit from MHCBS are being missed. The current approach ignores the wide range of professionals that have day-to-day contact with people in crisis, who may be better placed to identify and certify that a person is receiving mental health crisis treatment.

A range of professionals may be involved in a person's care during a mental health crisis. These professionals, such as social workers, mental health nurses based in the community or inpatient settings, and occupational therapists, are well placed to enquire, understand and respond to the holistic challenges patients face, including financial difficulties. The roles identified above are registered professions with protected titles.

We propose that regulation 29 (2)(b) should be amended to include a range of other registered professionals involved in a person's care who can professionally certify that a person is receiving mental health crisis treatment. This should include registered: social workers, clinical psychologists, mental health nurses and occupational therapists - who are required under the terms of registration to evidence sufficient levels of continuing professional development. Opening up the range of professionals who can attest that a person is in crisis treatment while ensuring those professions are regulated titles would, with targeted promotion and training, result in greater applications to MHCBS while preserving the integrity of the scheme.

Expand the narrow definition of carer to include informal carers permitting them to submit MHCBS applications

The definition of carer under regulation 29 (7)(b) stipulates that a carer can submit an application for MHCBS but limits this to carers who are in receipt of carer's allowance (ii). This is a narrow definition of a carer and limits the application for MHCBS to family or friends who are formally recognised as carers. This fails to reflect the reality of many people who receive support from informal carers.

An army of informal carers support many people with mental health problems, all of whom are well placed to be aware of a person's financial difficulties and their experience of mental health crises. There are estimated to be 4.2 million people in the UK providing informal care.[17] This vital network of support should not be excluded from submitting MHCBS applications on behalf of the people they care for.

The application for MHCBS requires robust professional evidence to support an application that a person is receiving mental health crisis treatment. Therefore, curtailing applications to only those formal carers who meet the narrow definition set out in the regulations is unnecessary and limits the scheme's reach.

[17] DWP. Family Resources Survey: financial year 2020 to 2021. March 2022. (Accessed: 25/07/22)

HMT and DHSC should work together to systematically build in an automatic offer of MHCBS to all people detained under the MHA

Another step to boost the take-up of the MHCBS does not require amendments to the 202 regulations. As MHCBS is currently configured, HMT and DHSC are missing valuable opportunities to support people in problem debt and mental health crises. All people detained under the Mental Health Act meet the definition outlined in the regulations for receiving mental health crisis treatment. Yet, this touchpoint is not being utilised by the DHSC or HMT to reach those people most in need. The two departments should work together to build a systematic way of automatically offering MHCBS to all people formally detained under longer-term sections, including section 3 and forensic sections of the Mental Health Act.[18]

Systematically offering this intervention to people formally detained under potentially longer-term sections targets the core group of people the MHCBS mechanism was intended for. To present an example of the possible reach of such a targeted intervention, in 2020-21, there were a total of 11,239 detentions under sections 3, 37, 41 and 47 of the Mental Health Act, representing 21% of all detentions.[19] Formalising the automatic offer of MHCBS to this targeted group would go a long way to ensuring MHCBS supports the number of people the Treasury forecast it to serve. This, coupled with our recommendation above on expanding the range of professionals who can certify a person is receiving mental health crisis treatment, would ensure that systematically offering MHCBS to all people detained under longer-term sections would not overwhelm the limited resources of the groups of professionals required to attest to a person being in crisis.

[18] Mental Health Act 1983. Including Sections 3, 37, 41 and 47.
[19] NHS Digital. Mental Health Act Statistics, Annual Figures - 2020-21. (Accessed: 14/03/22) https://digital.nhs.uk/data-and-information/publications/statistical/mental-health-act-statistics-annual-figures/2020-21-annual-figures