

Breathing Space logic model

APPENDIX 1

IMPACT

Population levels of over-indebtedness reduce

Debt advice provision is more effective

Creditors' arrears reduce

INTER-MEDIATE OUTCOMES

Breathing Space participants maintain sustainable debt solutions

Fewer individuals enter into a cycle of debt

Reduced impact of debt on Breathing Space participants' mental health

Breathing Space participants' productivity increases

Improved return for creditors: Creditors receive higher repayments and spend less on recovery costs

ASSUMPTIONS, DEPENDENCIES & CONTEXT CONSIDERATIONS

IMMEDIATE OUTCOMES

More over-indebted individuals are seeking debt advice

Breathing Space participants are engaging fully with debt advice (minimal drop out)

Breathing Space participants are able to make better informed decisions on debt solutions

Breathing Space participants are protected from recovery and enforcement action

BREATHING SPACE DELIVERY

Over-indebted people become aware of Breathing Space

Over-indebted people seek debt advice earlier OR people who would not otherwise have sought advice do seek advice

Assessed as eligible for Breathing Space

Enter Breathing Space scheme

Legal protections in place for 60 days

INPUTS & ACTIVITIES

Engagement activity to let people know about Breathing Space

Systems development to build required infrastructure / software

Training of advice staff to use Breathing Space

Systems development among creditors to incorporate Breathing Space into processes

- + Wider economic circumstances stay roughly equal (e.g. over-indebtedness trajectory stays the same and general increases in over-indebtedness do not impact Breathing Space gains)
- + Breathing Space is being accessed by people who are in a position to benefit (i.e. a sustainable debt solution is available given their circumstances)
- + Breathing Space increases mental bandwidth and ability/willingness to engage
- + Breathing Space participants enter into a debt solution within the 60 day timeframe
- + Breathing Space is accompanied by good quality advice promoting appropriate solutions
- + Breathing Space is an incentive to seek debt advice
- + Alleviation of pressure will lead to increased sustained engagement with debt advice
- + Creditors abide by terms of Breathing Space and stop action
- + Engagement activity successfully reaches the right audience
- + Systems are implemented fully and with minimal glitches
- + Debt advisers promote and encourage use of Breathing Space

Statutory debt repayment plan logic model

IMPACT

Population levels of over-indebtedness reduce

Debt advice provision is more effective

Creditors' arrears reduce

INTER-MEDIATE OUTCOMES

Improved return for creditors: Creditors receive higher repayments and spend less on recovery costs

Changed repayment profile of debts

Creditors develop new approaches to recovery action

Predictable funding stream flowing from creditors to advice providers

Fewer individuals enter into a cycle of debt

IMMEDIATE OUTCOMES

Reduction in inappropriate use of other debt solutions

SDRP participants maintain sustainable payment plans

SDRP participants are protected from recovery and enforcement action

SDRP participants reduce & repay debts

Minimised administrative burden on advice providers

ASSUMPTIONS, DEPENDENCIES & CONTEXT CONSIDERATIONS

- + A sufficient volume of plans succeed for creditors to make a net increased return
- + Clients' credit rating is not so adversely affected that it impairs future ability to borrow
- + Advisers accurately assess clients as suitable/unsuitable for a SDRP
- + Clients enter SDRP with full understanding of their role and responsibilities
- + Plans are designed with affordable, sustainable repayments
- + Plans are altered responsively in line with changing client circumstances
- + Clients successfully maintain plan avoiding termination due to non-payment
- + No perverse incentives created by funding mechanism
- + Creditors abide by terms of SDRP and halt action
- + Creditors do not take alternative retaliatory action (e.g. instigating no fault eviction)
- + Offer of SDRP is an incentive to seek debt advice
- + Advisers promote and encourage appropriate use of SDRP
- + SDRPs are easy for advisers to administer
- + Minimal % of plans are objected to / rejected

SDRP DELIVERY

Debt advisers and clients engage in annual reviews

Debt advisers with appropriate FCA permissions distribute clients' payments to creditors

Client make regular payments

Legal protections from enforcement and recovery in place for duration of plan

Creditors agree to plan OR Administrator rules plan is fair and reasonable

Over-indebted people become aware of SDRPs

Over-indebted people seek debt advice earlier OR people who would not otherwise have sought advice do seek advice

Clients enter Breathing Space (optional)

Clients choose SDRP as an alternative to less suitable options

Detailed plan co-created by debt adviser and client

INPUTS & ACTIVITIES

Engagement activity to let people know about SDRP

Systems development to build required infrastructure / software

Funding from creditors to advice agencies (to value 10% of plan repayments)

Training of advice staff on role and administration of SDRP

Systems development among creditors to incorporate SDRPs into processes

Key

Colour codes

Assumptions,
dependencies &
context

Policy objective /
stated aim



Interactions
between
schemes

Key actors / impact beneficiaries



Over-indebted people



Debt advice sector



Creditors



Scheme administrator
(provisionally Insolvency Service)



UK government