

Background Paper

Savings Proposal : Reduction in funding for Enhanced Money Advice (DAS) to Aberdeen CAB –alternative to ENV18 savings proposal

Aberdeen CAB funding

The CAB receives two different streams of funding from the council:

- (i) approximately **£70,000** from the Trading Standards Service for enhanced money advice; and
- (ii) approximately **£263,000** from the Common Good Fund, around 30% or **£78,000** of which is for provision of money advice.

In addition, the CAB receives a further £120,000 from the Fairer Scotland Fund to deliver a community outreach advice service. This funding provides for 2 Money Advice Workers and 2 Income Maximisation officers. It is estimated that the Money Advice element of this stream of funding would account for approximately 60% or **£72,000** for 2009/10. However, it should be noted that there is no commitment currently to continue funding in 2010/11 as this will be dependent on the future of the Fairer Scotland Fund.

This gives an estimated total of **£148,000** of funding for money advice to the CAB, with and additional **£72,000** of funding for 2010/11 (**Total £220,000**)

6.2.2 Aberdeen CAB staffing

In terms of staffing, the CAB have one full-time (35 hours) senior money adviser , two part-time (2 x 14hrs) money advisers , and one part-time (21 hours) money adviser/heritable court worker.

The Fairer Scotland fund (until 31st March 2010) enables the CAB to employ two part-time (2 x 6 hrs) money advisers - (In real terms, the two permanent part-time money advisers are currently working 20 hours each per week until 31st March 2010).

The CAB also has 22 hours per week clerical assistant input.

Using the City Council model of a 37 hour week, this means that the CAB has **2.3** permanent FTE staff providing debt advice, and **0.3** fixed term FTE staff plus **0.6** FTE clerical support.

None of the CAB staff employed are Approved Money Advisers and so have to refer clients needing debt arrangement schemes on to the City Council's Debt team

6.2.3 Aberdeen City Council Debt Counselling Funding

Aberdeen City Council provides basic and enhanced money advice through a debt team based within the Trading Standards Service at a total cost of **£135,362**

6.2.4 Aberdeen City Council Debt Counselling Staffing

The Debt advice team has 1 full time senior debt counsellor, **3.2** FTE debt counsellors and 0.6 support assistant.

6.3 Aberdeen CAB outputs and Aberdeen City Council outputs:

| | 2007-2008 | 2008-2009 |
|--|-----------|-----------|
|--|-----------|-----------|

| | ACC | CAB | ACC | CAB |
|-----------|-----|---------|-----|------|
| Enquiries | 403 | unknown | 416 | 2182 |
| new cases | 160 | 429 | 170 | 303 |

The CAB output is considerably higher than for ACC, but the overhead costs of CAB also appear to be greater. **It is also the case that an enquirer with several queries is treated as one visit in Aberdeen City Council, but a visit for each query is logged if the enquirer goes to the CAB.** This can also be explained at least in part by the fact that CAB have a pool of volunteers to carry out a lot of the administration and information gathering. **It is also very important to bear in mind that ACC advisers do everything on each case themselves from start to finish, and, as 3 are DAS approved, they can also handle these more complex cases which CAB cannot.**

ACC's debt team currently has 35 Debt Arrangement Schemes (DAS) in place with 10 pending applications. There are 300 DAS in place throughout Scotland, so ACC currently has 11.6% of the total, despite Aberdeen constituting only 4.2% of Scotland's population, around half of which is in the Central Belt..

If the debt advice team is merged with Welfare rights as detailed in the accompanying briefing paper, it is anticipated that the merged service will be a one stop shop for clients with financial difficulties. It also offers the opportunity to upskill staff so that more advisers can provide both welfare rights and money advice, meaning that clients may only need to see one adviser, and clients with more complex needs can be referred to a more highly skilled adviser. There may also be scope for the service to be more efficient, with staff providing either debt advice or welfare rights advice as required.

Budget saving ENV18 proposed the loss of a debt counsellor post from the council to make a saving of £30,000, but if the council ceased to fund enhanced debt advice services by Aberdeen CAB debt advice then the existing posts and debt advice resource could be retained in house in the merged team, while still making a saving of £70,000 in the housing and environment budget – over twice that originally proposed have in-house. There would also be a modest saving in the loss of a supervisory post from either the Debt Team or the Welfare Rights Team as only one supervisor/coordinator would be required for the merged team.

It is accepted that the capacity of a merged debt and welfare rights team, however efficient, is unlikely to plug the gap if the CAB ceases to provide money advice following withdrawal of funding as they have suggested may be the case. However, there are charitable organisations, for example the National Debtline Scotland (<http://www.nationaldebtline.co.uk/scotland/>) and the Debt advice foundation (<http://www.debtadvicefoundation.org/>) that offer free confidential advice over the telephone and also have useful and easy to understand information on their websites. Staff in the merged service could prioritise clients and those identified as being in a position to help themselves could be referred on to these helplines. allowing the merged debt/welfare rights team to assist the more vulnerable clients (for example, those with numeracy and literacy problems, with disabilities, with dependents or at risk of losing their home) .