

## **Appendix A**

### **Aberdeen Citizens Advice Bureau Submission**

#### **1 Funding**

1.1 Since 2003 Aberdeen CAB has received a percentage of the funding made available from the Scottish Government for Money Advice, currently 46% the remainder was retained by Aberdeen City Council Trading Standards Department. At no time during that period was it ever suggested that the Bureau was using the grant inappropriately or that it was exclusively for the Debt Attachment Scheme (DAS).

1.2 Aberdeen CAB has used the grant only to pay specialist staff for the more complex/high level types of debt advice including Mortgage to Rent/Mortgage to Shared Equity/Homeowners Mortgage Support and Negotiation on behalf of clients with creditors. Bureau staff are fully qualified to undertake this level of work and the Bureau now also has DAS Approved staff.

1.3 Aberdeen City staff also have used their percentage for similar debt advice as well as a relatively small number of DAS cases over the years. Lower level debt advice is dealt with in the Bureau by one of its 95 volunteer advisers. Council staff have to deal with both higher and lower level cases.

1.4 The Bureau, by agreement with the Council has also used part of the grant to provided assistance to tenants threatened with eviction the majority of whom are referred by ACC Housing Department. This includes representing clients at Sheriff Court Hearings. Sheriff Tierney has stated that Aberdeen Council staff may not represent council tenants at these.

1.5 The figures detailed below indicate the Bureau is very cost effective in its provision of complex/high level debt advice. In addition because low level debt advice and the initial interviews with all clients wishing debt advice is provided by volunteers who undertake documentation and research it is very cost effective.

#### **2 Service Level Agreements (SLA)**

2.1 The Board of Aberdeen CAB has always been prepared to enter into a Service Level Agreement with the Council. Council officials have approached the Bureau on a number of occasions over the years proposing an SLA but no documentation has followed. In 2009 a draft SLA was sent and the Bureau responded within a month. Since then there has been no further communication from the Council

### 3 Statistics

3.1 The last full year of operation where full statistics are available and meaningful is 2008/9.

#### Financial Year 2008—2009 Statistics

CAB

Funding	£66,500
Staffing	1 x 35 hrs Money advice 1 x 28 hrs Money Advice 1 x 21 hrs Heritable Court 22 hrs Clerical Support
New Complex Cases	303
Number of Cases Closed	481
Debt Client Financial Gains	£2.4m
Welfare Benefits Gained for Clients	£1.3m
Eviction Cases	382 (363 ACC)
No of Court Appearances	848 (809 ACC)

3.2 The Bureau has currently approximately 1000 Debt cases valued at £15m. If there is no further involvement with a client for two years, the case is closed.

3.3 Members will be interested to see the range of enquires received and the finance gained for clients in 2008/9

#### Statistics

Client Contacts 2008/9

Client Contacts in 2008/9 were 22,195 and Queries dealt with were 55,503 as detailed below.

Benefit	8,732
Consumer	10,303
Employment	3,624
Housing	16,522
Legal	10,218
Relationship	920
Tax	1.408

Other	1,776
Total	55,503

#### Financial Gains for Clients 2008/9

Benefits	£1,376,398
Employment	£ 56,217
Protected Trust Deeds	£ 174,007
Other Debts	£ 32,127
Consumer	£ 1,689
Bankruptcy	£ 2,237,437
Grants	£ 32,458
Total	£3,929,285.

#### **4 Independent Advice**

4.1 The Bureau is able to offer free, independent and confidential advice. In most of our debt cases the Council is one of their creditors in relation to rent and/or Council Tax. Evidence indicates that this discourages a proportion of these clients from approaching the Council's Money Advice Service.

#### **5 Fairer Scotland Fund**

5.1 Fairer Scotland Funding of £120k is granted for a specific time limited project whose statistics are reported separately to the Board of that organisation. The funds can only be used for outreach work in specified areas of Aberdeen. It does not impinge on the mainstream money advice work of the Bureau It did not apply in 2008/9 and the Bureau has no guarantee that it will be funded in 2010/11 or at what level. It is unlikely to continue beyond 2010/11.

#### **6 Citizens Advice Scotland (CAS) Funds**

6.1 12 hours per week of funding was made available to Aberdeen CAB for money advice by CAS in 2009/10. This came from funds provided by the Scottish Government to assist with additional advice in the current financial situation. There is no guarantee this will continue in 2010/11 or beyond.

#### **7 Implications of the Complete Withdrawal of Funding**

##### **7.1 Money Advice**

a) Aberdeen CAB would cease to offer the more complex forms of money advice as detailed in para 1.2. The Bureau would continue to offer general advice and assistance in low level cases but could only act as a referral agent for more complex cases.

b) In the light of the decision made in January by the Council the Bureau is not accepting any new debt cases and has written to 300 clients informing them of the current position. Depending on the final position the Bureau will advise clients that it will be able either to continue supporting them or direct them to alternative sources of help. With their agreement it will transfer cases to other providers, ACC being the most likely.

c) The Bureau has applied to Citizens Advice Scotland for some short term funding to allow an orderly winding down of its debt work but will not know the outcome until late April

## **7.2 Representation in Eviction Cases**

a) The Bureau would cease to offer this service. Steps are being taken to determine at what point the Bureau ceases to accept new clients.

b) This could result in a high number of households losing their tenancies and becoming homeless. Preventing homelessness is a corporate responsibility for local authorities and not just the responsibility of housing services

c) The Bureau is seeking alternative sources of funding but in the current financial climate it is not clear if any of these will be successful. An application has been made to the Fairer Scotland Fund but it is not clear whether this will meet that bodies criteria.

## **8 Implications of Partial Withdrawal of Funding**

### **8.1 Money Advice**

Without sufficient funding for the Bureau to retain suitably staff qualified to undertake the more complex debt cases and support other staff it is difficult to see how the Bureau could continue to undertake other than a caretaking service in money advice.

### **8.2 Heritable Court Representation**

In relation to eviction cases the present service already operates under pressure and any cut would mean it could not cope with the current level of cases. It is also dependent in part on the specialist money advice staff for support.

## **9 Costs**

The staffing costs for both of these areas of work is already greater than the £70k provided for money advice consequently it is difficult to see where further savings could be made without a reduction in the service.

## **10 Joint Working**

The Bureau would be very happy to examine ways in which joint working could be developed. This already happens with the Housing Department.