

**NORTH LANARKSHIRE COUNCIL  
REPORT**

<p>To: ENVIRONMENTAL SERVICES COMMITTEE</p> <hr/> <p>From: DIRECTOR OF ENVIRONMENTAL SERVICES</p> <hr/> <p>Date: 06 August 1998      Ref: PF/EM</p>	<p>Subject: Debt Counselling in North Lanarkshire</p>
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**PROPOSED DECISION :**

To note the report.

**BACKGROUND :**

The Protective Services Section operates, for a number of offices, a debt counselling service for the community of North Lanarkshire Council.

There is a compliment of six Debt Counsellors each covering a geographic area of North Lanarkshire from the Department's Consumer and Money Advice Centres.

The counsellors provide guidance and information to clients in order that multiple debts situations be addressed. It is widely recognised that such debt situations not only present financial strain on individuals but also threatens health and puts severe strain on relationships. The debt counselling service takes all this into consideration when dealing with its clients.

The counsellors will maximise income, deal with creditors, hopefully arranging a repayment schedule agreeable to both parties, help with the associated form filling and represent clients at related court appearances.

**CLIENT STATISTICS**

The service dealt with over 10,500 debt related enquires during the last financial year with 468 new multi-debt clients being taken on. The majority of enquires dealt with single debt whereby the counsellor gave advice to clients on how to deal with associated problems themselves. This advice normally resulted in acceptable agreements between debtor and creditor. ( A digest of the main debt related statistics is appended to this report.)

Whilst the number of new multi-debt clients fell by 19 over the year this was offset by the loss of one debt counsellor to the service.

The total debt owned by new multi-debt clients rose from £3.54 million to £ 5.03 million; this figure excluded mortgages outstanding. The average debt per client increased substantially from/...

from £7,253 to £10,728.

The age range of clients showed a worrying trend in the increase of young persons (17-24) requiring the service.

Whilst "utilities" debt accounted for only 7% of total debt it shows in subsequent breakdown, that council tax and poll tax arrears still play a significant role in clients seeking help.

The reasons for arrears are self explanatory but patently an educational awareness raising exercise is called for when "over commitment" is cited by 42% of clients as the main cause of their problem.

## **FUTURE**

As interdepartmental relationships progress, the systems whereby clients are referred to the service will grow. Indeed the Housing and Social Work Department's referrals account for 10% of new clients and the Citizens Advice Bureaux a further 7%. By far the main referrals come by word of mouth from satisfied clients.

The inter-agency referrals show that the Environmental Services Department is the expert agency for debt counselling and working together with other NLC officers allows clients access to the full range of services.

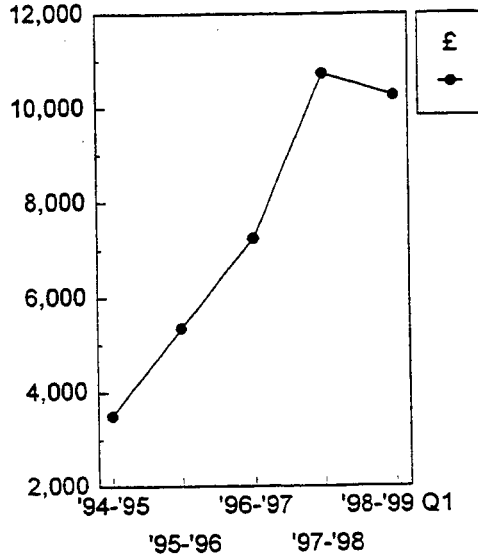
However, the current officer caseload, does not allow time for service development which would incorporate an educational role where, it is hoped, potential future clients may be made aware of how to stop credit becoming debt.

*M. Kenzie L. Hutton*

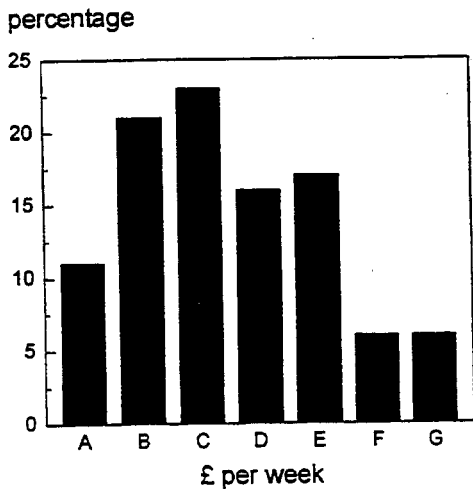
## DIGEST OF STATISTICS '97-'98:

### 1. AVERAGE INDEBTEDNESS PER CLIENT

- The debt statistics used for 1994 - '95 are for the previous Motherwell district APT's. Subsequent figures relate to the whole of the North Lanarkshire area.
- Year on year the percentage increases in client debt are 53%, 36% and 48%.
- Total debt for clients for 1997-'98 increased from £3,539,569, the previous year, to **£5,031,398**. This figure consists of 'utilities' debt of £402,512 and the remaining majority of £4,628,886 being to 'normal' creditors.
- Total number of new multi-debt clients remained almost the same at just under 500.
- The number of Debt Counsellors fell from seven to six. This together with losing one member of staff to Money Advice Scotland in December and seeing the replacement not take up post until 10 August has put an added burden on the staff of the unit.

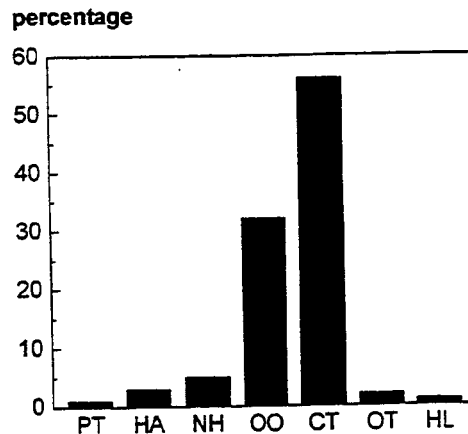


### 2. CLIENT INCOME RANGE



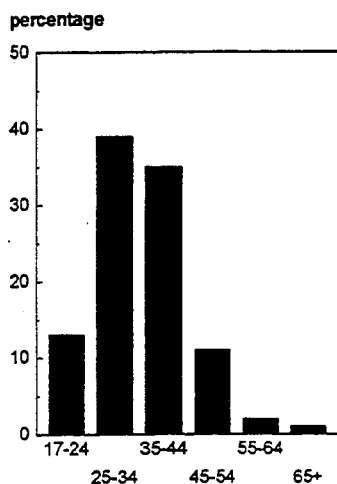
A	£0 - 50	E	201 - 300
B	51 - 100	F	301 - 400
C	101 - 150	G	400 +
D	151 - 200		

### 3. TENURE OF CLIENTS

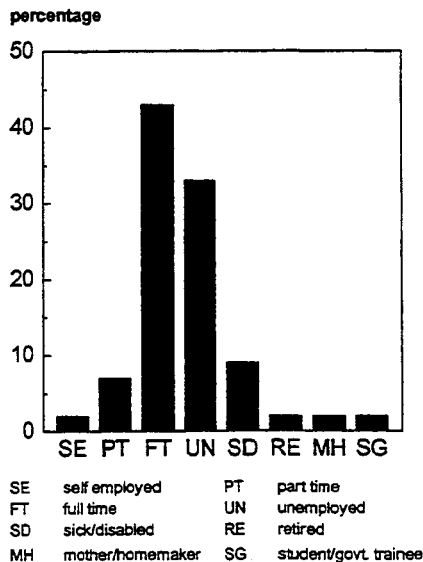


PT	private tenant	HA	housing assoc.
NH	non-householder e.g. 'lodger'	CT	council tenant
OO	owner occupier	OT	other
OT	other	HL	homeless

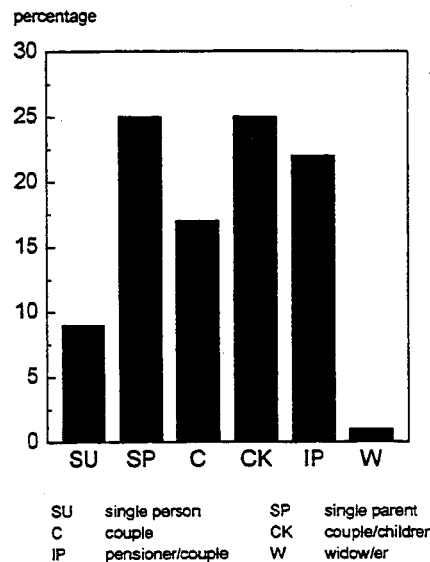
### 4. AGE GROUP



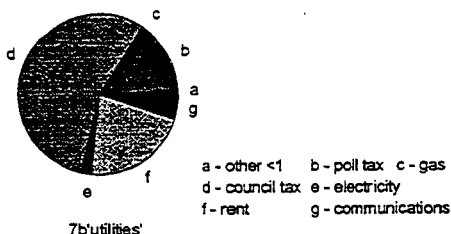
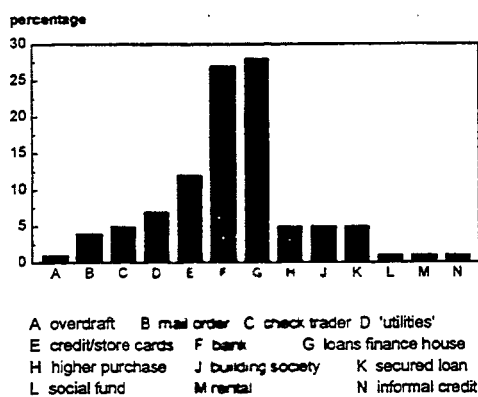
### 5. EMPLOYMENT STATUS



### 6. HOUSEHOLD TYPE



### 7. BREAKDOWN OF DEBT



### 8. REASON FOR ARREARS

