

NORTH LANARKSHIRE COUNCIL

REPORT

AGENDA ITEM No. 4

To: PLANNING & ENVIRONMENT COMMITTEE	Subject: SCOTTISH EXECUTIVE FUNDING FOR MONEY ADVICE SERVICES
From: DIRECTOR OF PLANNING AND ENVIRONMENT	
Date: 30 TH MARCH 2005	Ref: DR/TS

1. Introduction

- 1.1 The purpose of this report is to seek the Committee's approval of proposals for the allocation of Scottish Executive funding for money advice services within North Lanarkshire for the next three years.

2. Background

- 2.1 The Scottish Executive is making an additional £2 million of funding available to local authorities to facilitate the provision of money advice to cope with the anticipated demand for the Debt Arrangement Scheme (DAS). The funding commences in the financial year 2005/06 and lasts for the current spending review period until March 2008. It is in addition to the £3 million per annum already allocated through GAE, taking the total Scottish Executive funding for money advice to £5m per annum.
- 2.2 The allocation of the £2m funding has been distributed to local authorities using income deprivation information taken from Department of Work & Pensions data and indices, with a minimum of £40,000 being allocated to each authority. North Lanarkshire's share of the £2 million is £122,000. It is expected that this money will be distributed to the voluntary sector, as well as enabling the Council to augment its own money advice services to deal with the additional workload arising from the DAS arrangements.
- 2.3 In 2002 the Scottish Executive made available £217,000 per annum to North Lanarkshire for frontline money advice. Over the three-year period a total of £193,000 was distributed to the Citizens Advice Bureaux (CABx) in Motherwell, Airdrie and Bellshill. The council's own money advice service provided through the Trading Standards Service was developed with the appointment of additional advisers and debt counsellors enabling an expansion of service through debt education initiatives and increased outreach provision for example.
- 2.4 The funding provided to the CABx was not sufficient to maintain the level of service being provided for the whole of the three year period and in 2004 the three bureau received one off additional funding from Citizens Advice Scotland. This will not be available for 2005/06. During the same period Cumbernauld & Kilsyth CAB received lottery funding for money advice services and this is due to cease in 2005. Coatbridge CAB has not been able to provide a money advice service, with potential clients being referred to Airdrie CAB or the Council's service.

3. Considerations

- 3.1 Since the announcement of the funding the Trading Standards Manager has had a number of meetings with representatives of the CABx and Citizens Advice Scotland to consider proposals to enable the current level of service provided by the voluntary sector to continue for the next three-year period. The Scottish Executive have also been consulted and have agreed that it would be appropriate for the new funding to be used to maintain existing services that would otherwise no longer be provided due to the termination of other sources of financial support.

- 3.2 It has not been possible to meet the full aspirations and competing demands of the CABx. It is proposed to allocate £82,000 per annum of the new funding for the next three years to the four bureaux that currently provide money advice services, namely, Airdrie, Bellshill, Cumbernauld and Motherwell. This is in addition to the current funding provided since 2002 and will result in a total of £132,000 being allocated to the voluntary sector. This amount will be distributed equally between the four organisations resulting in each bureau receiving £33,000 per annum of the Scottish Executive funding. This will be sufficient to provide an approved money adviser to implement the Debt Arrangement Scheme, together with appropriate support and other administrative costs. An appropriate service level agreement will be drawn up with each of the bureau, and this will be supervised and monitored by officers from the Trading Standards service.
- 3.2 The remainder of the Scottish Executive allocation for the next three years, £40,000 per annum, will be used to make further improvements to the Council's money advice services to ensure that a sufficient number of debt counsellors have been accredited and approved to implement the requirements of the Debt Arrangement Scheme. A report containing further details of the proposals will be submitted to the Planning & Environment Committee early in the new financial year.
- 3.3 A further outcome of this additional Scottish Executive funding is the development of money advice quality standards. The Scottish Executive is now implementing a programme of activity towards agreement with the advice sector on national standards covering organisational and advisor competence in money advice. They are also seeking to develop and roll out a national case management system for money advice across Scotland to enable the collation of valuable information about the levels of personal debt and the effectiveness of advice intervention. A condition of funding is that authorities and the voluntary agencies agree to fully cooperate with the implementation of this.

4. Corporate Considerations

- 4.1 The programme listed above can be funded from within the planning and environment department existing revenue budget for 2005/06.
- 4.2 This report deals with the distribution of funds allocated to North Lanarkshire by the Scottish Executive. Further financial and any personnel implications relating to the Council's money advice services will be subject to a further report.

5. Recommendations

- 5.1 That the Committee approve the distribution of £132,000 of Scottish Executive allocation for money advice in North Lanarkshire to the four Citizen's Advice Bureaux as identified in the report, and to otherwise note the contents.



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