Consultation

Did you take part in either of the Scottish Government consultation exercises which preceded the Bill and, if so, did you comment on the financial assumptions made?
No we did not participate in the consultation

Do you believe your comments on the financial assumptions have been accurately reflected in the FM?
N/A

Did you have sufficient time to contribute to the consultation exercise?
N/A

Costs

If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the FM? If not, please provide details?
As a local authority it is stated that ‘whilst it is not possible to estimate the additional costs to money advisers that may be incurred as a result of this change’ it expects the impact on adviser’s capacity and caseload to be ‘manageable.’

At present our money advice team sees approximately 800 new multi-debt clients per year. We do not currently have resources to provide a financial education service as described in the bill. We anticipate that providing financial education based on the existing workload would lead to an approximate 5% increase in workload i.e. the equivalent of 40 additional clients.

It is suggested that 6-8% of current application are made without a debtor having access to money advice, again using existing level of clients means an additional 48–64 clients.

Adding these two figures together means potentially an additional 88 – 104 clients. This would require at least one additional team member to meet this increased demand.

The 3 local CABx also provide debt and money advice to people living in the Falkirk Council area. Between them they also have approximately 800 new multi-debt clients. It is expected that they would see a similar increase in the level of demand for their services, with no additional resources.

In the Falkirk Council area we would expect to see a total increase in demand of between 176 and 208 clients. This would have a significant impact, no matter how this need is met, on the ability of services to manage caseloads and capacity.
Additionally this takes no account of the increased workload and demands expected as a result of welfare reform.

Do you consider that the estimated costs and savings set out in the FM and projected over 15 years for each service are reasonable and accurate? Based on the comments above – no.

If relevant, are you content that your organisation can meet the financial costs associated with the Bill which your organisation will incur? If not, how do you think these costs should be met? Given that local government is looking at making efficiency and other savings and is facing budget shortfalls, we do not expect to be able to meet the financial costs associated with the Bill. Given that this work will lead to creditors receiving increased returns, perhaps a % of the return (e.g. 5-10%) could be used to meet the increased costs associated with the Bill.

Does the FM accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise? No as it is difficult to predict the combined impact of welfare reform, austerity measures (or public sector cuts), the impact of the global recession and other external factors.

Wider Issues

Do you believe that the FM reasonably captures costs associated with the Bill? If not, which other costs might be incurred and by whom? It does not reflect the total cost to local government in its role of funding and supporting voluntary sector. It does not anticipate the costs to local government and voluntary sector in ensuring that staff are appropriately trained. The costs to individual debtors are also not included.

Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation? If so, is it possible to quantify these costs? I would anticipate there would be, although until the details of the legislation are known, this is difficult to quantify.