



Scottish Local Authorities Money Advice Performance Management Framework 2015-16 Data Analysis Report





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Money Advice Services



The statistics of the service

15%

Spending by Local authorities on money advice services has reduced by c15% since 2014-15.

HOUSEHOLD INCOME

of service users

30% Less than £6,000

60% Less than £10,000

The median annual household income in Scotland in 2014-15 before housing costs was £24,700.



67,690 made contact
48,206 received support

42% of clients have a disability



c.£13,347,000

Total funding for money advice services – in-house and externally provided for 2015-16.



c.308 FTE

This is 50 fewer than in 2014-15.

only
17%

of over-indebted individuals are currently accessing debt advice - 575,000 adults in Scotland who are over-indebted.



50.6% accessed service



42.6% accessed service

The verified client financial gain accruing to users of Local authority delivered / funded money advice services across Scotland.

£55m



c.£232m

The total combined debt of all clients who sought advice.



The average financial gain or benefit for income deprived individuals was c.£165.

18%

Sought advice about council tax arrears.



For every £1 that was invested by Local authorities in money advice services in 2015-16, individuals achieved a financial gain of c.£4-6.



Key Findings

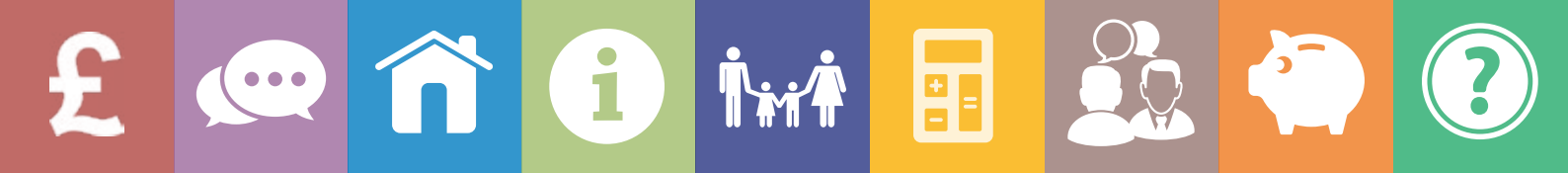
This is the second year in which local authorities have reported, to varying degrees, in relation to the indicators set out in the Money Advice Performance Management Framework. This year all local authorities who provide an in-house service or support the external delivery of money advice services returned data. Reporting has improved markedly in terms of both the numbers of local authorities reporting on individual indicators, as well as the quality and consistency of the data returned. Whilst taking account of a degree of over-reporting in previous returns, the picture appears to be one of continuing demand for the service and increasing complexity of individual cases. This takes place at a time when financial cutbacks are having an increasingly adverse effect on public service provision. There is good evidence of money advice services providing a targeted approach to service delivery and constructively engaging with people who are experiencing exclusion through ethnicity, disability or poverty.

- Spending by local authorities on money advice services has reduced by c.15% since 2014-15
- 30% of service users have an annual household income of less than £6,000 and 60% have a household income of less than £10,000 – the median annual household income in Scotland in 2014-15 before housing costs was £24,700¹
- 67,690 individuals made contact with money advice services and, as a result, 48,206 new clients received support. Research by the Money Advice Service found that only 17% of over-indebted individuals are currently accessing debt advice² and that there are 575,000 adults in Scotland who are over-indebted³
- The data returns suggest the total funding for both in-house and externally-provided money advice services for 2015-16 was c.£13,347,000
- In those local authorities able to return the relevant data, 42% of clients reported having a disability
- Members of minority ethnic groups continue to access the service disproportionately well
- More females (50.6%) than males (42.6%) sought help from money advice services
- c.18% of individuals initially sought advice because of council tax arrears
- c.308 full-time equivalent staff members are employed in providing money advice services. This is 50 fewer than that reported in 2014-15
- The total combined debt of all clients who sought advice in 2015-16 is c.£241m
- The verified client financial gain accruing to users as a result of intervention by money advice services funded by local authorities across Scotland in 2015-16 was c.£55m

1 www.gov.scot/Resource/0050/00502180.pdf

2 www.moneyadvice.service.org.uk/en/corporate/indebted-lives-the-complexities-of-life-in-debt-press-office

3 The criteria used for being over-indebted is - reporting that your debts are a heavy burden AND/OR missing three or more household bills or credit commitments in the last 6 months (not necessarily consecutive months).



- The average financial gain, or benefit, for income-deprived individuals was c.£165
- For every £1 that was invested by local authorities in money advice services in 2015-16, individuals achieved a financial gain of c.£4 -£6⁴

4 This year local authorities were asked to report on verified financial gain. Using the figures provided for verified financial gain, there is a return on each £1 invested of £4. If the figures submitted for unverified gain are included this increases to a return of £6.



For every £1 that was invested by local authorities in money advice services in 2015-16, individuals achieved a financial gain of c.£4 -£6



Purpose

The purpose of the Improving Outcomes in Money Advice (MAO) project is to improve the impact of Scotland's money advice services and to assist local authorities, the largest single provider of money advice services,⁵ and their partners in this process. It is supported by the Money Advice Service and the Improvement Service

The Money Advice Performance Management Framework (MAPMF) has been adopted by all Scottish local authorities as a means of providing consistent measures of inputs, outputs and outcomes in relation to the money advice services they provide or support. This is the second annual data analysis report and it reflects a number of changes to indicators and supporting data that it was agreed were required. It is hoped that any further amendments that may be necessary or useful will be minor in nature as it is essential that a balance between stability and ongoing enhancement is maintained. The Framework needs to be sufficiently adaptable to meet changing needs and priorities, and to ensure consistency in recording and reporting. However, at the same time, it must offer the level of stability and certainty that is necessary to ensure that data collection can be properly planned and resourced.

In the context of the Framework, money advice is defined as 'free to client' services. This usually includes money or debt advice with some elements of budgeting support, income maximisation, financial inclusion and financial education. As local authorities deliver money advice services in different ways, it should be noted that this definition may be subject to minor variations in interpretation. It is recognised that money advice services delivered and funded by local authorities are interlinked with other advice services such as welfare benefits, employability and housing. The MAO project team will continue to work with Citizen's Advice Scotland, Scottish Legal Aid Board, the Scottish Government and others in order to co-ordinate the development of the performance indicators and avoid any overlap or duplication of work. Currently, the Framework is only concerned with local authority in-house and externally-funded money advice services. One of the areas for future consideration is to explore ways to extend its use, as both a tool and reference point, to other groups.

This report sets out an analysis of the data returns submitted by local authorities covering the financial year 2015-16 and, where possible, makes comparison with the data provided in 2014-15.

5 www.improvementservice.org.uk/documents/money_advice/money-advice-services-across-scotlands-local-authorities.pdf

60% of service users have a household income of less than £10,000





Background and Current Context

In 2015-16 Scotland's local authorities provided investment in both in-house and external money advice services in excess of £13million.⁶ This funding delivered tangible benefits to the health and wellbeing of individuals, and played a vital role in supporting some of Scotland's most vulnerable families who were most at risk of experiencing exclusion and inequality as a result of poverty. Beyond the immediate economic benefit for individual clients, money advice services contribute to a wide range of positive outcomes by helping break the cycle of indebtedness and maximising client income.

Although there is no specific statutory requirement on local authorities to provide money advice services, a general duty to make 'advice' available is imposed in several pieces of legislation.⁷

As demonstrated in this report, the majority of clients seeking money advice live in households with an annual income of less than £15,000. By helping these individuals gain financially, money advice services offer a targeted vehicle through which to tackle income inequality and poverty⁸ and contribute to the country's economic growth.⁹ Benefits also accrue in relation to the provision of health care.¹⁰ The numerous links between low income and poor health and well-being are now widely acknowledged.¹¹ While the links are complex, increasing income – as money advice services do for those with the least – constitutes a broadly positive intervention when seeking to tackle health inequalities.

Money advice services benefit both individuals and the communities in which they live. There is compelling evidence¹² of the economic benefits that local communities gain as a result of the financial gain secured for individuals.

The core funding to money advice services that is provided by local authorities may contribute to providing organisations with sufficient capacity to seek funding from other sources. There are several potential sources of additional funding including charitable

6 Discussed in more detail at p7

7 Social Work (Scotland) Act 1968; The Bankruptcy and Debt Advice (Scotland) Act 2014; Carer's (Scotland) Act 2016

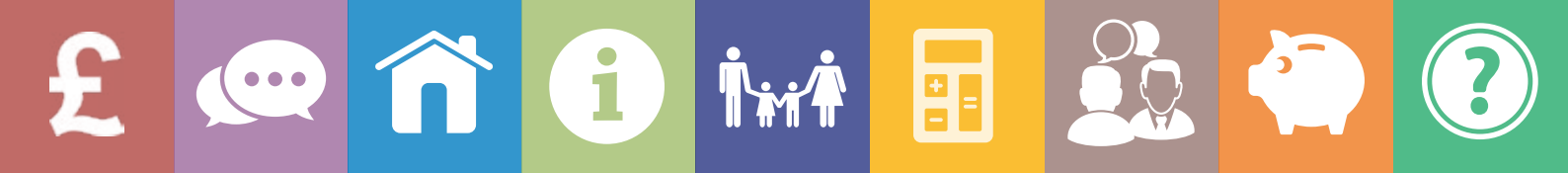
8 Achieving our Potential Framework (www.gov.scot/Resource/Doc/246055/0069426.pdf)

9 Scotland's Economic Strategy (www.gov.scot/Resource/0047/00472389.pdf)

10 www.cas.org.uk/about-us/citizens-advice-scotland/our-statistics/fraser-allander-economic-benefits-cab-advice

11 See the Joseph Rowntree Foundation report 'How Does Money Influence Health?' (<https://www.jrf.org.uk/report/how-does-money-influence-health>) and the Marmot Review report 'Fair Society Healthy Lives' (<http://www.instituteofhealthequity.org/projects/fair-society-healthy-lives-the-marmot-review>)

12 www.cas.org.uk/publications/financial-benefits-advice



trusts and Big Lottery Fund. By way of example, in 2015-16 the Scottish Legal Aid Board provided £7.8million in grant funding to support three programmes providing targeted help for people with debt, benefits and housing problems.

When considered within the context of substantial and continuing public service cuts,¹³ coupled with the Christie Commission's recommendation for a shift towards preventative measures,¹⁴ the work of money advice services is considered crucial to facilitating the achievement of Scotland's strategic objectives¹⁵ and the key priorities set out by councils and Community Planning Partnerships.

Money advice services have a vital role to play in delivering the shared strategies that promote early intervention and prevention, and which seek to tackle poverty by increasing financial capability. Set within the context of reducing public sector spending¹⁶ this role may not always be recognised and supported.¹⁷ Faced with competing demands from other services, such as health and social care and education, money advice budgets are particularly vulnerable. With the relative protection of priority areas of spending, such as schools, health and police, areas such as money advice are prone to disproportionately higher levels of cuts. It is also the case that even relatively small cuts to small, marginal services such as money advice, may have significant adverse impacts in terms of service provision.

More than ever, money advice services need to offer robust evidence of the difference they make and be prepared to adopt and adapt more effective ways of delivering services. The MAPMF will play a key role in the realisation of both of these objectives.

Caveats

In the 2014-15 data returns, in relation to some indicators, a small number of local authorities did not distinguish between money advice and other types of advice. As a result, some of the data that was provided related to all types of advice and was not in line with the reporting requirements. For the 2015-16 reporting period, a more rigorous approach has been taken. If local authorities were unable to provide data within the terms of reference requested, either by direct measurement or through some form of apportionment, then their data has been excluded from the analysis. This means that the summary figures reported above are likely to be an under-estimate.

In the report for 2014-15 due to the inclusion of additional extraneous data, the results of the analysis in relation to some indicators were inflated. As a consequence of this inconsistency in reporting, when the correct figures were provided for 2015-16,

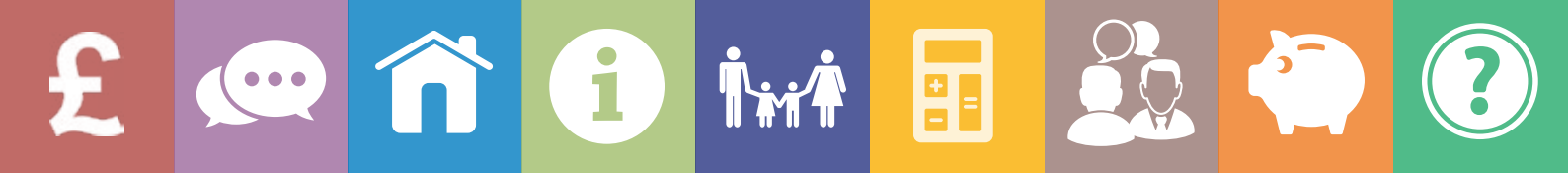
13 Joseph Rowntree Foundation's report 'The Cost of the Cuts: The Impact on Local Government and Poorer Communities' (<https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/Summary-Final.pdf>) and www.audit-scotland.gov.uk/news/more-savings-required-by-councils

14 Commission on the Future Delivery of Public Services (www.gov.scot/resource/doc/352649/0118638.pdf)

15 Scottish Government's Strategic Objectives (www.gov.scot/About/Performance/scotPerforms/objectives)

16 Reports on local government spending by the Fraser of Allander Institute and Audit Scotland

17 The Social Impact of the 2016-17 local government budget, SPICE

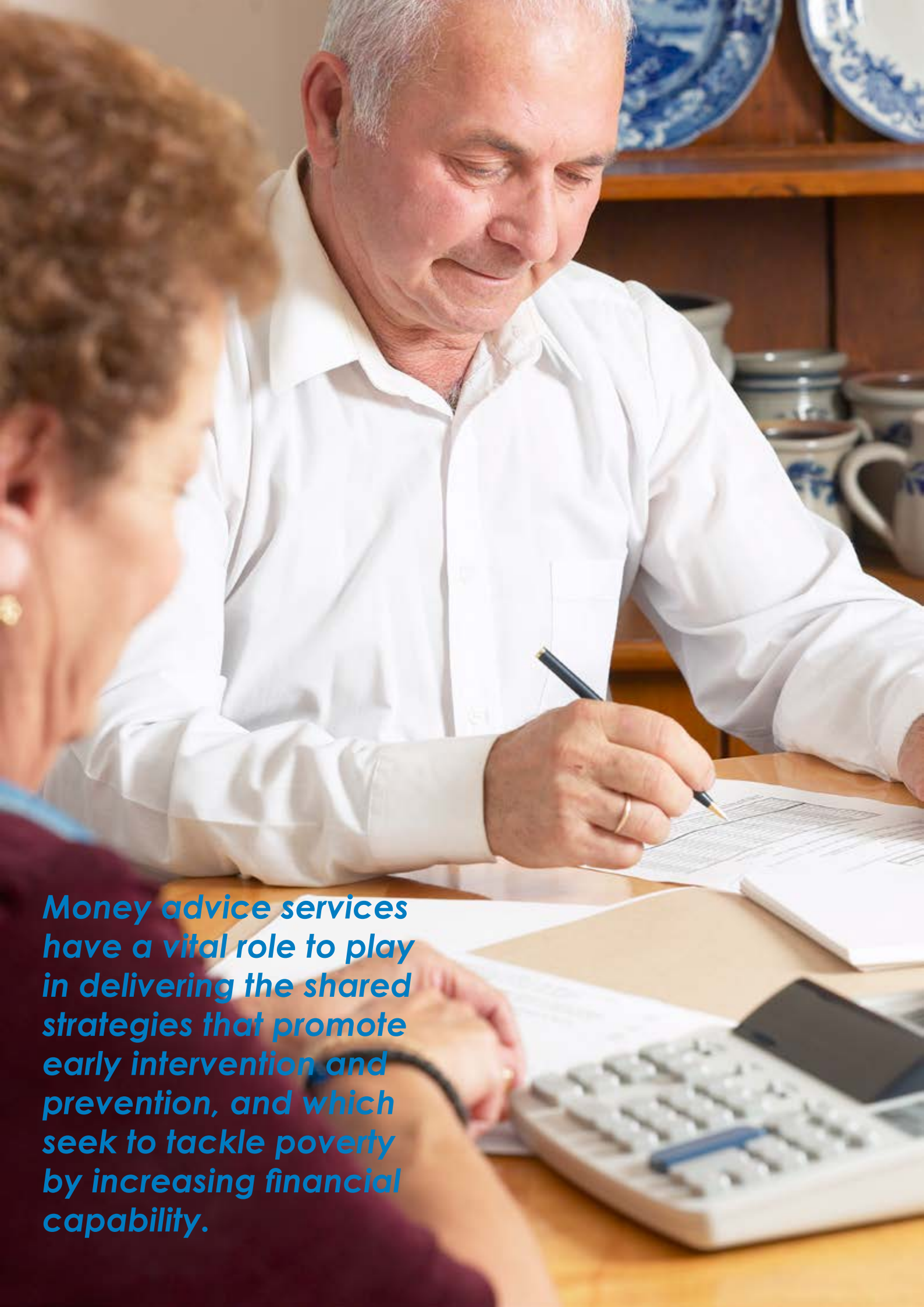


the difference between the two years appeared to show a decrease. This does not necessarily reflect a reduction in real terms, but is more likely to have occurred as a result of more accurate reporting. As this issue has now been identified and addressed, comparison between the data for this year and the next will be more robust.

Several local authorities were able to provide only partial returns for some indicators, particularly in relation to data that originated from an external body. Consequentially, in some categories, the results recorded represent an underestimate of the true picture. Local authorities and Citizens Advice Scotland are seeking to address this by introducing new systems and amending existing data collection approaches. However, this will take time to achieve.

Issues still remain in relation to inconsistent interpretation and reporting of data, particularly for the indicators that are used to record volume. These will be the subject of further discussion and refinement.

The factors which have contributed to inconsistent reporting have been identified and continue to be addressed on both a collective and individual basis. There can be a reasonable level of confidence that the majority of the identified areas of concern will be fully addressed by the time the MAPMF 2016-17 data analysis report is published.



Money advice services have a vital role to play in delivering the shared strategies that promote early intervention and prevention, and which seek to tackle poverty by increasing financial capability.



Approach

The information which has been provided in the returns by all 31 local authorities¹⁸ has contributed significantly to building an understanding of the performance of money advice services and demonstrating the difference they make. The MAPMF must continue to measure performance in terms that are relevant, proportionate and useful. This will only be achieved through the active engagement of all local authorities and key stakeholders. Following the publication of the MAPMF 2014-15 data analysis report, meetings were held with local authorities and key partners to review the content of the Framework and to identify how best it might be used. This resulted in a revised version of the Framework being produced and a new format being adopted for this analysis.

The key recommendations from the workshops were:

- The Framework should take account of, and wherever possible be aligned to, other Frameworks and relevant ongoing work
- The scope could be extended to measure income maximisation, financial inclusion and financial capability
- Ways to identify and measure the delivery of some of the wider key outcomes or benefits for clients should be developed. The key benefits to service users were considered to be improved confidence through better control of their finances, reduction in stress due to financial stability and increased financial resilience, greater security in relation to employment and housing, and feeling positive about the future

Exploratory work has taken place to identify possible options for taking forward these recommendations. In-depth discussion will take place with interested local authorities in early 2017, with a view to producing a report and implementation plan by March 2017.

Consultation events are being held in December 2016 and January 2017. During these sessions, the ongoing process of review and revision of the Framework will continue. In addition, examples of how the MAPMF can be used at a local level to improve performance and identify good practice will be shared.

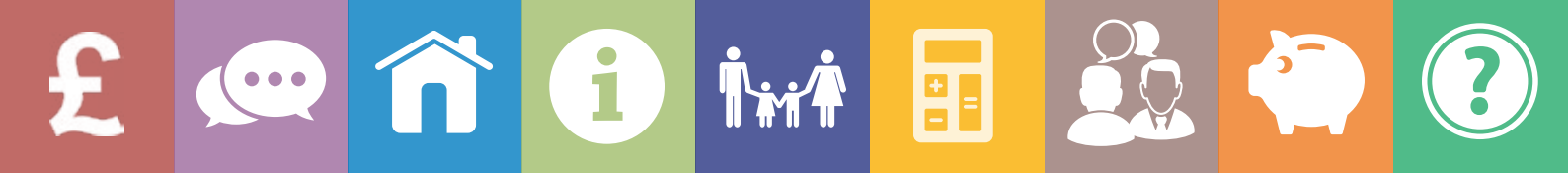
Methodology

Amended versions of the MAPMF Indicator Guide¹⁹ and 2015-16 data return template²⁰ were circulated to all local authorities in March 2016. The Indicator Guide provided a detailed description of the rationale that lay behind the development of the MAPMF, as well as an explanation of the reporting procedure to be applied. It also provided

¹⁸ [One council does not provide/support money advice services](#)

¹⁹ www.improvementservice.org.uk/documents/money_advice/MAPMF/MAPMF-Indicator-Guide-April16.pdf

²⁰ www.improvementservice.org.uk/documents/money_advice/MAPMF/MAPMF-Return-Template-2015-16-FINAL.xlsx



definitions for each of the indicators contained within the Framework. The indicators continue to be categorised using a logic model approach of Input (I), Activity (A), Output (OP) and Outcome (OC). Additionally, to help develop an understanding of both the composition of the services provided and the nature of the clients supported, three Context Indicators were also included.



Research indicates that there are 575,000 adults in Scotland who are over-indebted.



Next Steps

The Framework has been developed through consensus and consultation. It seeks to provide an approach that is both useful and proportionate, and this aim will underpin any future developments. The Improvement Service is currently funded by the Money Advice Service until March 2017, so the nature of the ongoing support required to maintain the MAPMF will be the subject of further discussion.

1. Consistency

The returns have identified that a degree of inconsistency remains in how data is being reported by different local authorities, particularly in relation to volume. The main reasons for this appear to result from different interpretations of the information requested, or in variations in the way the data is recorded and reported. This area will be discussed further with all local authorities and key stakeholders, with a view to reaching consensus on indicator definitions and data collection requirements.

2. Indicators

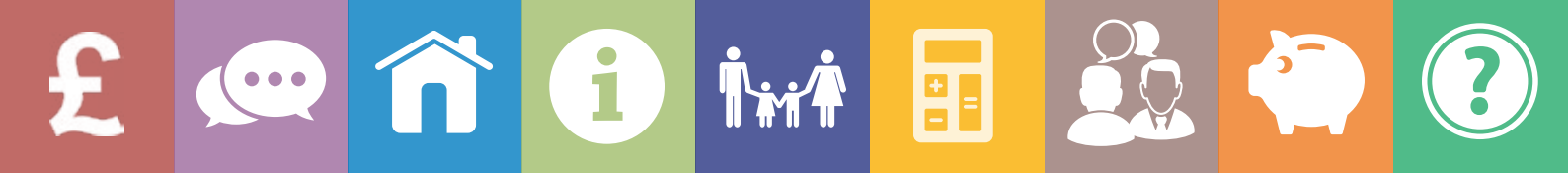
To ensure that the Framework is relevant and purposeful, minor adjustment will be required to a few of the indicators. It is suggested that it would be useful to include a further category to measure the initial method of contact or channel that clients use to access services.

3. Assessment of local performance

The Framework is being used at a local level to assess performance in key areas, with a view to improving the efficiency of services and the ability to target resources to areas with the greatest need. Examples of how this is being put into practice will be shared at the workshops scheduled for December 2016 and January 2017. These will then form the basis of case studies which will be published on the Improvement Service website in early 2017.

4. Scope

The Framework is currently being used solely by local authority in-house and externally-funded money advice services. However, its potential for use by other organisations and agencies will be investigated. Further consideration will also be given to assessing the feasibility of widening the current scope of the indicators to include other elements, such as income maximisation, financial inclusion and client outcomes.



5. Avoiding duplication

To minimise and harmonise the reporting requirements made by funders to money advice providers, work is ongoing with Citizen's Advice Scotland, Scottish Legal Aid Board, the Scottish Government and Citizen's Advice Bureaux²¹ to agree shared definitions and establish common indicators. It is hoped that several of the indicators used in the MAPMF can be included in the guide the group will produce, and also that new indicators may be identified which can be incorporated within the MAPMF to address existing gaps.

21 www.evaluationsupportscotland.org.uk/how-can-we-help/shared-learning-programmes/harmonising-indicators-project-hip/

Addressing the social determinants of poverty and reducing inequality are priorities at all levels of government, and money advice services can play a critical role in helping achieve these objectives.





Analysis of data returns

This section of the report considers the number and nature of the returns submitted by local authorities. Whilst it provides a useful overview, it should be noted that, in relation to some indicators, incomplete or partial information has been provided. These gaps in the data provided must be considered in any interpretation or analysis of the returns.

Local authorities were asked to provide information in relation to five areas - 'context', 'input', 'activity', 'output' and 'outcome'. All received a guide which explained, in detail, the indicators relating to each of the identified areas and the supporting data that should be collected.

The purpose of this report is to offer a Scotland-wide overview and, where possible, to make comparisons and identify trends between the data provided for 2014-15 and 2015-16. The data received from individual local authorities, upon which this analysis is based, is publicly available in the form of individual reports at the Improvement Service website.

The current form of presentation of the findings was agreed following discussion with local authorities after the publication of the MAPMF data returns for 2014-15.

Response rates

All local authorities in Scotland that have in-house money advice services or provide funding to external providers returned data. Shetland Council does not have an in-house money advice service nor does it fund any external provider. However, it is understood that this position is likely to change in the current financial year. The council has indicated that it will consider the most appropriate ways to embed the reporting requirements of the MAPMF in any money advice service that it may support in the future.

Local authorities were asked to report on eight indicators - one fewer than in the previous year. Several of the indicators for which local authorities were asked to submit data were broken down further into separate categories. For example the indicator, 'number of money advice services in the local authority area' was sub-divided into 'in-house' and 'externally funded'. In total, across the eight indicators, there were 23 categories for which a response was requested.

An overview of the extent to which each local authority submitted data for the indicators can be found in table 1 below. A colour coding system has been used to visualise this information. A green-shaded 'tick' means that the local authority has submitted some or all of the data requested. An amber shaded '?' is used to record instances in which a local authority provided data in a different format from that requested or if there were concerns about reliability. If data was not available, or was not relevant, then a red-shaded 'N/A' is used.

Table 1: Local authority response rates for each indicator

Local Authority Area	C1 – No. of Services	C2 - Demographics	C3 – Debt Owed	I1 - Staffing	I2 - Funding	A1 - Volume	OP1.1 – Strategy Breakdown	OC1 – Financial Gain
Aberdeen City	✓	✓	?	✓	✓	?	✓	✓
Aberdeenshire	✓	✓	✓	✓	✓	✓	?	✓
Angus	✓	?	N/A	✓	✓	N/A	N/A	N/A
Argyll & Bute	✓	✓	✓	✓	✓	✓	✓	?
Clackmannanshire	✓	✓	✓	✓	✓	✓	✓	✓
Dumfries & Galloway	✓	?	✓	✓	✓	?	✓	✓
Dundee City	✓	N/A	?	✓	✓	?	N/A	✓
East Ayrshire	✓	✓	✓	✓	✓	?	✓	✓
East Dunbartonshire	✓	✓	✓	✓	✓	✓	✓	✓
East Lothian	✓	✓	✓	✓	?	✓	?	✓
East Renfrewshire	✓	✓	✓	✓	✓	?	✓	✓
Edinburgh	✓	✓	?	?	✓	✓	✓	✓
Falkirk	✓	✓	✓	✓	✓	?	✓	N/A
Fife	✓	?	✓	✓	✓	✓	✓	✓
Glasgow	✓	?	?	✓	?	?	N/A	?
Highland	✓	✓	?	?	?	?	?	?
Inverclyde	✓	✓	?	✓	✓	✓	?	✓
Midlothian	✓	✓	✓	✓	✓	✓	✓	✓
Moray	✓	✓	✓	✓	✓	?	✓	?
Nah Eilean Siar	✓	✓	✓	✓	?	✓	✓	✓
North Ayrshire	✓	?	✓	✓	✓	✓	✓	✓
North Lanarkshire	✓	N/A	✓	✓	✓	?	N/A	?
Orkney	✓	✓	✓	✓	✓	✓	✓	✓
Perth & Kinross	✓	?	✓	✓	?	?	✓	N/A
Renfrewshire	✓	✓	✓	✓	✓	✓	✓	✓

Local Authority Area	C1 – No. of Services	C2 - Demographics	C3 – Debt Owed	I1 - Staffing	I2 - Funding	A1 - Volume	OP1.1 – Strategy Breakdown	OC1 – Financial Gain
Scottish Borders	✓	✓	✓	✓	✓	✓	✓	✓
Shetland	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
South Ayrshire	✓	✓	✓	✓	?	✓	✓	N/A
South Lanarkshire	✓	✓	?	✓	✓	?	✓	?
Stirling	✓	?	✓	✓	✓	?	✓	✓
West Dunbartonshire	✓	?	✓	?	✓	✓	✓	✓
West Lothian	✓	?	✓	✓	✓	✓	✓	?



Quality and Technical Capacity

As shown in table 1 above, there are still some areas where local authorities were unable to provide data. However, as will be discussed in relation to each indicator, there has been a marked improvement on the previous year's level of reporting. Although detailed guidance and simplified definitions were issued, along with a data return template within which the information was to be recorded, some measures may still have been subject to varying interpretations by local authorities, external service providers and individual frontline staff.

Particular challenges remain in achieving universal reporting of information relating to debt strategy breakdown, financial gain and demographics. Efforts will be made to address this in the next iteration of the MAPMF.

An area that is commonly reported on, but not always completely or consistently, is volume. This was also true for the 2014-15 data returns. Attempts to address this by reviewing and simplifying the definitions provided and data requested were only partially successful. Across the sector, there remains a lack of shared understanding and agreement on the terminology used to describe the nature of client contact and any consequential actions taken and/or support provided. This results in wide variations in the data that is collected. Further discussion on this indicator will be required. It is hoped that the work being carried out by the Harmonising Indicators Project,²² which involves all key agencies, may be influential in securing agreement on definitions and achieving a consistent approach towards recording and reporting.

The development of the MAPMF is an iterative process. As such, discussions and reviews will continue to take place relating to what is measured and the supporting data to be collected. This will be premised on a shared desire to evidence performance and to achieve a clear and reliable reporting methodology.

The Money Advice Outcomes team, and staff members of the wider Improvement Service, are committed to enabling this process. The robustness and consistency of data should strengthen in future versions of the Framework, as local authorities become increasingly familiar with compiling the data returns and the indicator definitions are further refined. This has been the experience when developing frameworks in other service areas, where continuous support and engagement over a period of time has resulted in robust reporting.²³

²² *ibid`20*

²³ For example, see SLAED Indicators Framework which has recently published its fourth annual report www.improvementservice.org.uk/documents/econdev/slaed-indicators-Framework-report-2015-16.pdf



Context indicators

C1 - Number of Services

The context indicators are used to provide information about the type and number of services in each local authority area and clients that use them. These indicators are used to improve understanding of the complexities surrounding the delivery of money advice services across local authorities in Scotland and are not used to assess performance.

The returns highlight that, in the 31 local authorities that provided data, there is a total of 23 internal and 72 external money advice services. There were eight local authorities which did not have an internal money advice service and only fund external providers. In contrast, three local authorities had no externally-funded money advice service and only offered in-house provision. The remaining 20 authorities supported both in-house provision and external providers.

In comparison to the analysis for 2014-15, in which 29 local authorities provided data, the number of internal money advice services has decreased by two and the number of external services has increased by three. This would suggest a small shift from in-house provision towards supporting delivery by external providers.

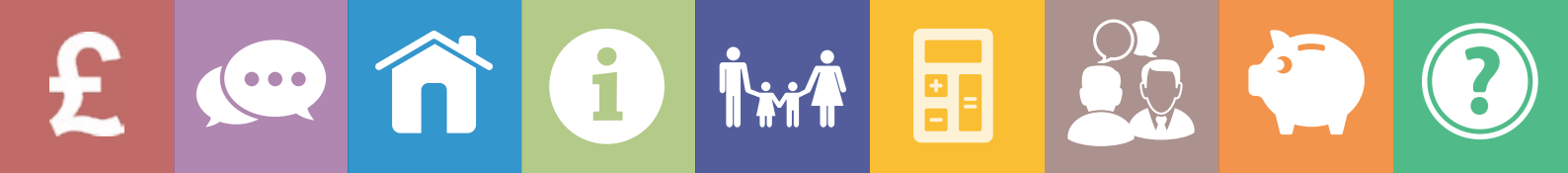
C2 – Demographics

This indicator provides information on the demographics of clients accessing the service. The categories that were used in 2014-15 were the same as those applied in the Scottish Household Survey. However, as these were used on a universal basis by reporting bodies, the categories were amended and simplified in the data requested in 2015-16. Alterations included the removal of the 'Marital Status' category, and reductions in the number of options in both the 'Ethnicity' and 'Household Composition' classifications. The information collected can be used both to identify which groups are accessing and using money advice services and to monitor trends.

Sex

The returns suggest that 20,750 males (42.6%) and 24,699 females (50.6%) accessed money advice services over the year. For 3,301 cases (6.8%), the gender of clients was not recorded. For the 29 local authorities that provided data in this category, the average equates to 720 male and 850 female clients per local authority. As would be expected, there are significant fluctuations within this, depending on the relative size of the population covered by individual local authorities.

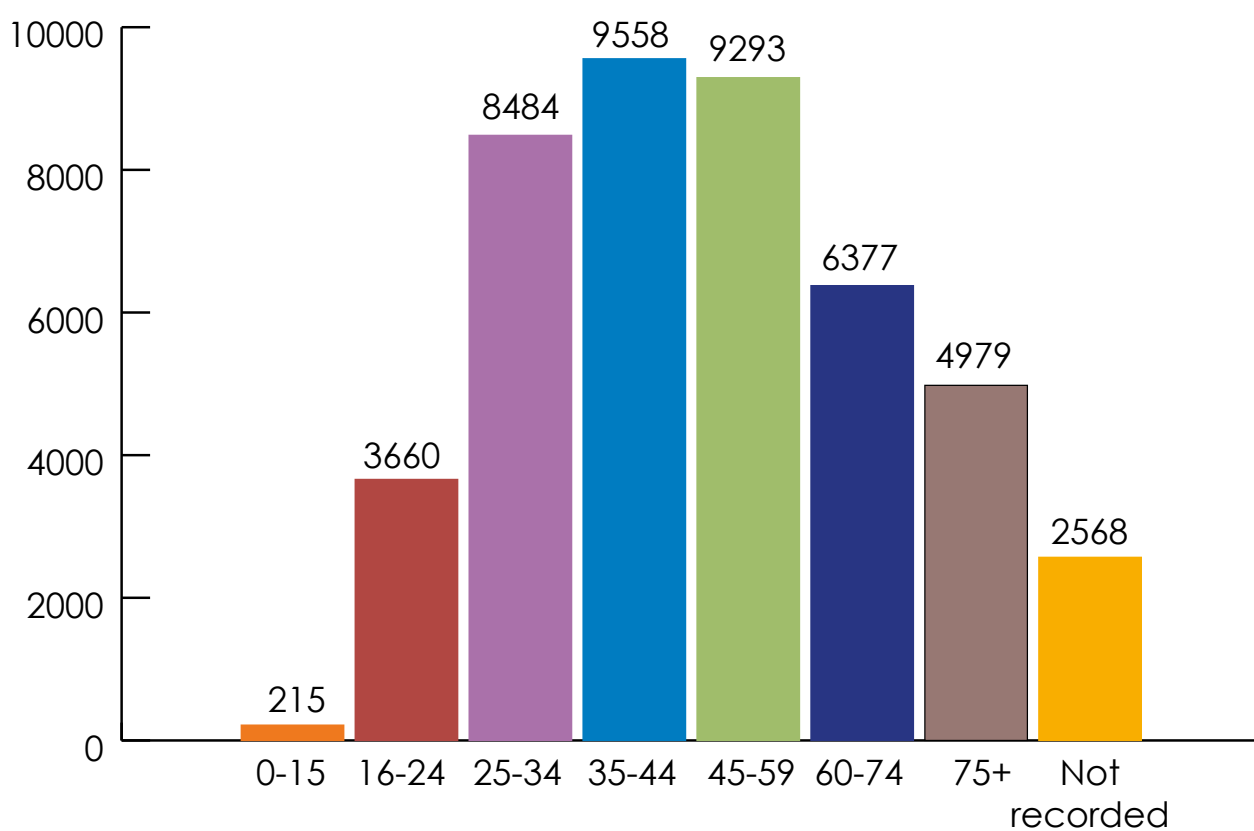
In comparison to the 2014-15 analysis - where local authorities recorded 29,785 male clients, 38,879 female clients, and 7,400 individuals were recorded as 'Other' - it would appear that there has been a decline in the number of users. However as has been highlighted in the 'Caveats' section, data reporting has improved and the information provided, be it actual or estimated, relates only to money advice clients. This was not the position in 2014-15, where reporting included clients using other advice services.



Age

The totals for Scotland suggest that the largest numbers of clients are aged between 35 and 44. This is based on data returns from 28 local authorities. Although few in number it is interesting to note that there were a clients who were aged 15 or under. Two local authorities suggested that, although they collected this information, they currently collected it using different categories. This data have been included using estimations based on the numbers provided. As with the 'Sex' category, and most likely for similar reasons, the figures for 2015/16 are significantly lower than in 2014-15.

Fig 1: Total number of clients per each age bracket



Ethnicity

Definition and categorisation of ethnicity is based on the Scottish Household Survey Ethnic Groups. For 2014-15, the exact categories were replicated for data recording purposes. However, for the 2015-16 returns, the categories were summarised into seven key groupings (see table below).

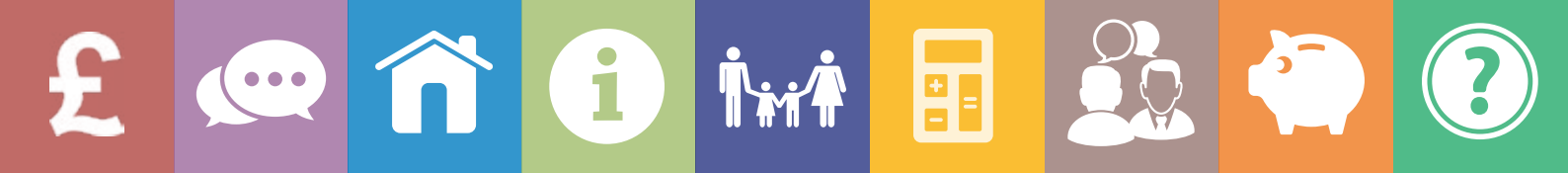


Fig. 2: Total clients per ethnic group

	White	Any Mixed or Multiple Ethnic Group	Asian, Asian Scottish or Asian British	African	Caribbean or Black	Other Ethnic Group	Not Recorded
Total	37,012	437	2,147	1,125	314	1,102	2,418
Average	1,371	16	80	42	12	41	90
Percentage	83.1%	1%	4.8%	2.5%	0.7%	2.5%	5.4%
Scotland*	96.3%	0.1%	2.4%	0.5%	0.1%	0.6%	0.0%

* Totals taken from 2015 Scottish Household Survey

The data returns from 27 local authorities suggest that the majority of clients (83.1%) are from the 'White' ethnic group. 'Caribbean or Black' ethnic groups are the least represented, accounting for 0.7% of clients. With the exception of the 'White group', the numbers of clients recorded from other ethnic groupings are relatively low. However, this should be considered in the context that 96.3% of the population in Scotland is White.

The Scottish Household Survey data included in the table above suggests that members of lack and minority ethnic groups are accessing money advice services well. Indeed, the results indicate that they do so disproportionately better than members of the 'White' group. This was also found to be true in 2014-15. The reasons for this are not fully known. However, a case study has been produced in relation to the City of Glasgow Council, where a large proportion of minority ethnic individuals live, as the authority performs well in targeting services. The case study contains data evidencing high levels of engagement with minority ethnic groups and outlines the key elements that have resulted in the authority's successful approach.

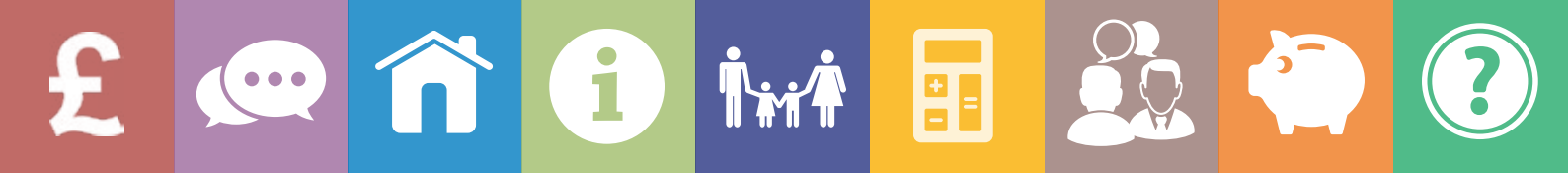
Disability or long-term condition

Based on the returns for this category, the total number of clients who reported having a disability was 19,247 (42.7%) compared with 22,122 (49.1%) who reported that they did not have a disability. In relation to the remaining 8% of clients this was not recorded. This represents a minor increase in the figures reported in 2014-15, where 39.4% reported having a disability. Only 3 local authorities were unable to provide any data for this category. At the local authority level, this equates to an average of 687 clients reporting a disability, and an average of 819 reporting having no disability. To set this in context, the total number of people in Scotland in the working age population who report having a disability is c.20%.²⁴

Income

The report suggests that, of those clients where household income was recorded, 30.4%

²⁴ www.gov.scot/Topics/People/Equality/disability



have an annual household income of less than £6,000 and 59.5% have a household income of less than £10,000. This would appear to be broadly in line with recorded figures in 2014-15, which were 33% and 61% respectively. Setting this in context, the provisional estimate of median household disposable income for 2015-16 was £25,700,²⁵ while the median annual household income in Scotland in 2014-15 before housing costs was £24,700.²⁶

Poverty is measured at the household level. If household income is below the poverty threshold, all people within the household are deemed to be living in poverty. This is based on the assumption that income is shared across all members of the household, and that they have the same standard of living.

Poverty is defined as a household income below 60% of the UK median. 79.1% of all clients seen by money advice services have a household income of less than £15,000, and therefore are considered to be living in poverty.

The graph below illustrates the number of clients that fall into each income bracket. The data shows that the number of clients reduces as income increases, leaving just 249 (0.5%) of clients with an annual household income of over £40,000. There are a further 5,424 (13%) of clients whose income was not recorded. In total, 27 local authorities submitted data for this category.

Economic status

The table below shows the results of the data submitted in relation to the economic status of clients. The largest proportion of service users are permanently sick or disabled (7,641), however this is closely followed by individuals who are employed full-time (7,332). People who are employed part-time (5,041) also represent a significant proportion of service users. This information, combined with data from Fig.3, may indicate that money advice services are supporting significant numbers of Scotland's 'working poor'- the single group estimated to be affected most by welfare reform changes.²⁷ In summary, almost 30% of individuals seeking money advice are in some form of paid employment. When considered in conjunction with levels of household income, this provides compelling evidence of the extent of in work poverty.

It should be pointed out that several local authorities were not able to provide data for all of the categories requested. The total number of clients appears to have decreased from 68,898 in 2014-15 to 45,182 in 2015-16. However, improved reporting may have contributed to this.

²⁵ www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/householddisposableincomeandinequality/financialyearending2015

²⁶ www.gov.scot/Resource/0050/00502180.pdf

²⁷ www4.shu.ac.uk/research/cresr/sites/shu.ac.uk/files/impact-scotland-new-welfare-reforms.pdf

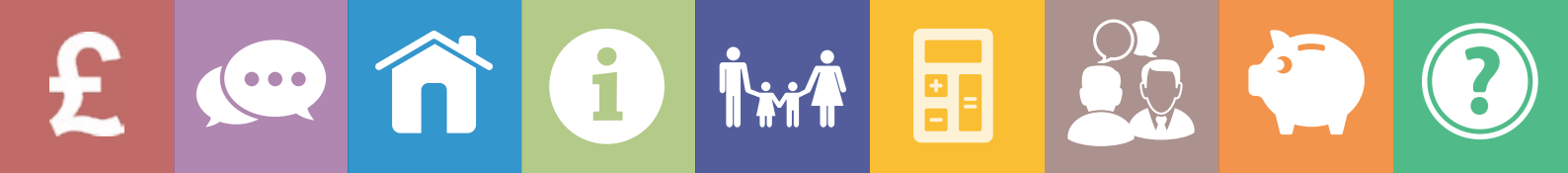
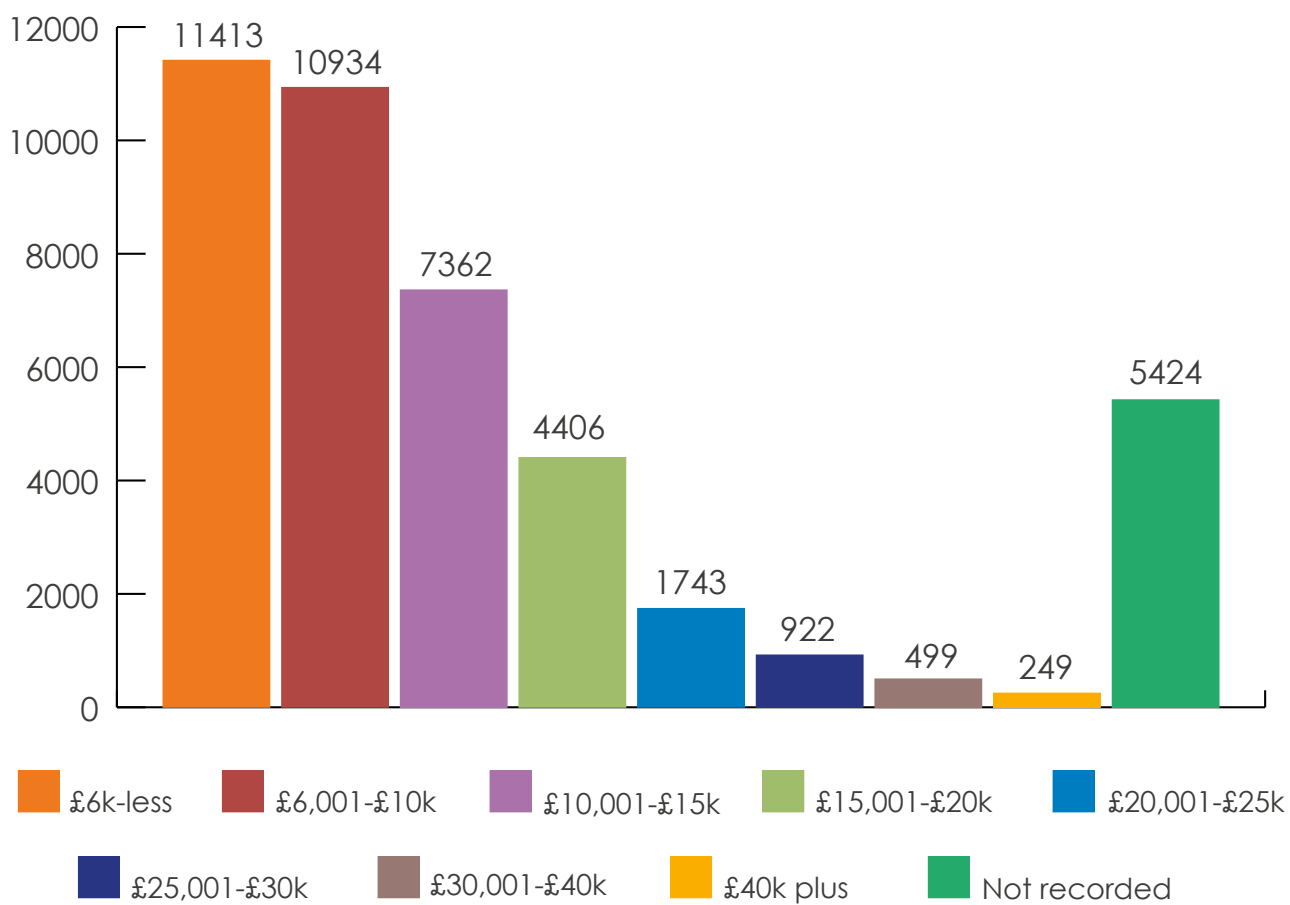


Fig. 3: Total number of clients per income bracket



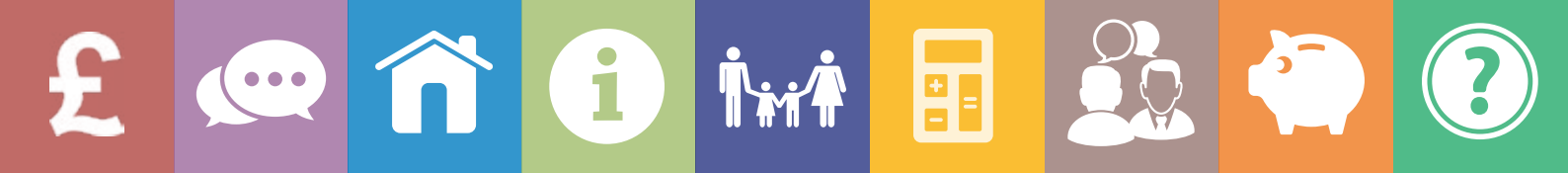


Fig 4: Total clients per economic status

Status	Total	Number of local authorities submitting data for category	Average number in each category per local authority
Self Employed	1,038	28	37
Employed Full-Time	7,332	28	262
Employed Part-Time	5,041	28	180
Looking after the home or family	2,993	28	107
Permanently retired from work	4,519	28	161
Unemployed and seeking work	5,805	28	207
At School	291	22	13
In Further/Higher Education	526	27	19
Government work or training scheme	136	23	6
Permanently sick or disabled	7,641	28	273
Unable to work because of short-term illness or injury	5,536	22	251
Other	1,290	25	51
Don't Know	3,034	24	126

Housing tenure

The returns from 28 local authorities suggest that the majority of clients - 21,807 - are living in rented social housing. On average, in each local authority area, the tenure of clients was as follows: 302 home owners; 779 in social rented housing; 216 in private rented housing; 228 in other tenures; and 112 clients whose tenure was unknown. Therefore, the data indicates a wide mix of housing tenure across those accessing money advice services. As in 2014-15, the average number of clients in each local authority area in which tenure was unrecorded was significant. As a consequence, it is not possible to make any meaningful comparisons between the data for both years.

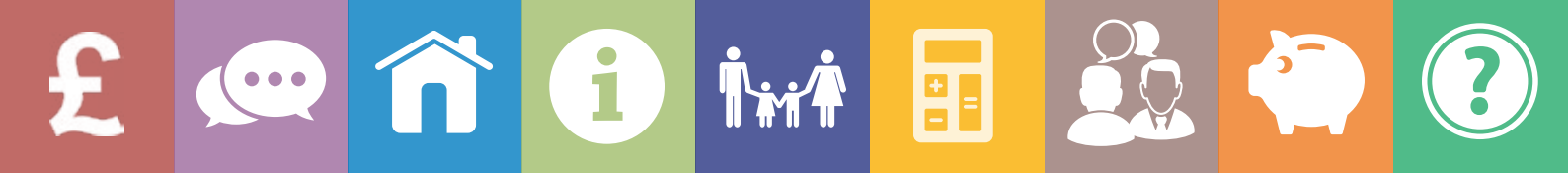
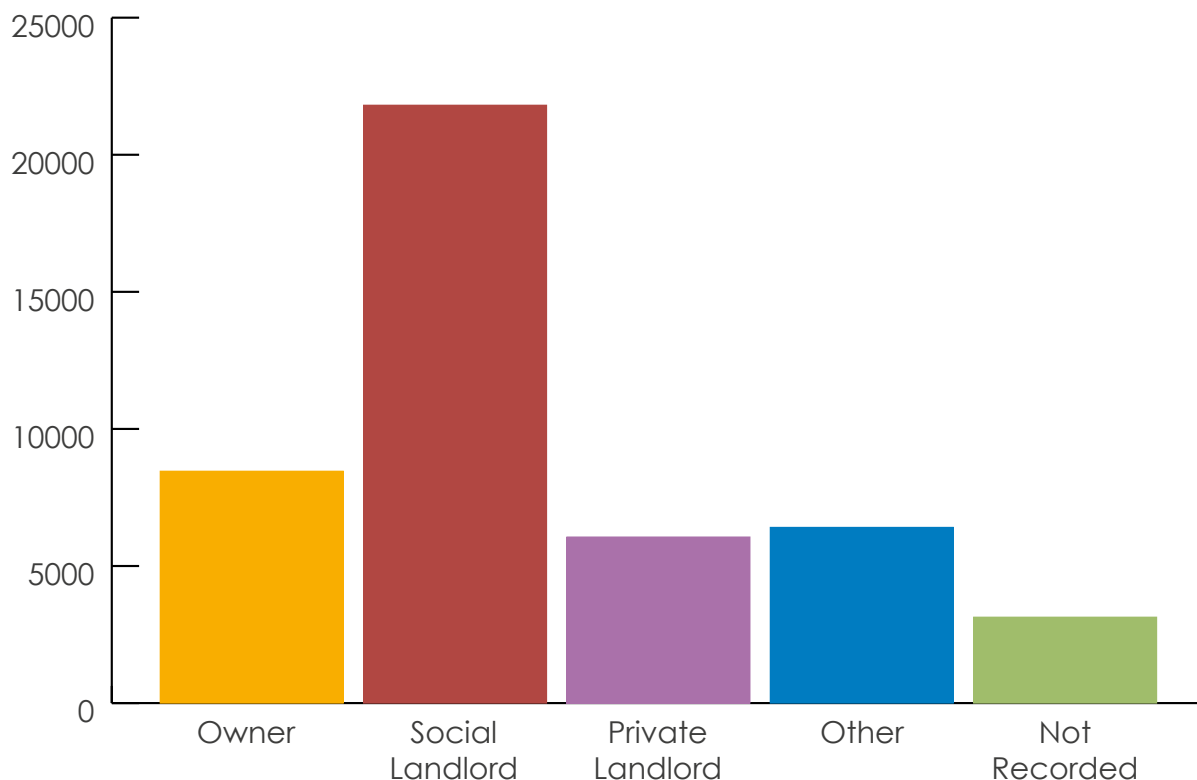


Fig. 5: Total number of clients per Housing Tenure



Household composition

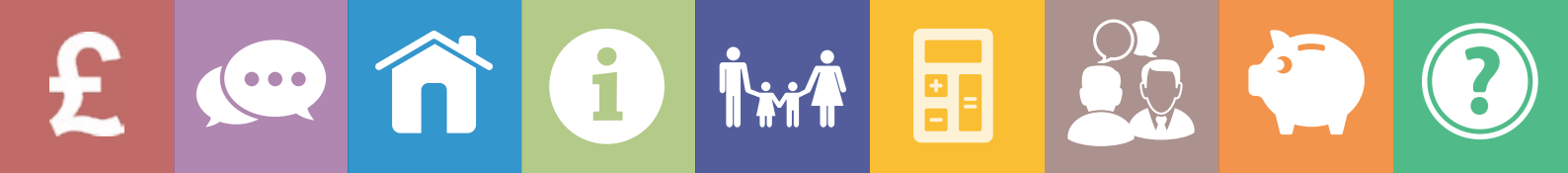
In an attempt to simplify reporting, the housing composition categories were reduced from the nine included in the Scottish Household survey to five. This has resulted in increased numbers of local authorities submitting data for this measure: from 23 for 2014-15 to 28 for 2015-16. The largest group of clients, in terms of household composition, remain 'single adults' (18,995). 'Adult' households accounted for a further 6,739 clients, followed by 6,463 clients from 'single parent' households and 6,015 from 'family' households.

C3 - Debt Owed

For the 2015-16 data returns, local authorities were asked to submit a breakdown of the number of cases and debt owed in relation to 11 defined categories. By comparison, in 2014-15, only the total amount of debt was requested.

Based on data submitted by 29 local authorities, the total amount of debt owed by clients of money advice services was £241m, which equates to an average debt owed in each local authority area of c£8m.

It remains the case that some local authorities suggest that debt owed could be higher than that initially stated by the client as further debts may be uncovered in the course of the advice process. Similarly, a number of respondents opined that the amount of debt owed might not always be accurately reported by the client, and is often an under-representation of the true figure.



Research²⁸ indicates that there are 575,000 adults in Scotland who are over-indebted.

Eighteen local authorities were able to provide a breakdown of the number of clients in relation to the eleven categories of debt identified. However it was not possible to identify a category for the majority of clients - 35,104 in total - who were defined as 'other'. The reasons for this are not known - it may be that information is not routinely recorded in the format requested in the data return. This will be subject to further discussion and refinement to inform the next iteration of the Framework. In relation to the data that was provided, the most common type of debt reported by 5,891 clients was 'credit, store and charge card debts'. This was closely followed by 'council tax arrears' (5,361), 'unsecured personal loans' (3,527), 'rent arrears' (3,234) and 'utility arrears' (3,101).

Twenty-four local authorities were able to provide data on the amount of debt owed in relation to the eleven debt categories. There were similar recording issues resulting from the extensive use of the 'other' category, under which £92m was reported.

The type of debt for which the largest amount was owed was 'credit, store and charge card debts' at £32m. This was followed by 'unsecured personal loan' at £27m, 'council tax arrears' at £18m, 'mortgage arrears' at £16m and 'overdrafts' at c.£10m.

These findings suggest that the most common type of debt, with the highest financial value and corresponding level of indebtedness, was that related to 'credit, store and charge cards.' It is interesting to note that, whilst greater numbers of individuals have 'council tax arrears', the actual amount of debt owed by the smaller number of individuals who have 'unsecured personal loans', is significantly higher.

28 <https://mascdn.azureedge.net/cms/indebted-lives-the-complexities-of-life-in-debt-november-2013-v3.pdf>

The criteria used for being over-indebted is reporting that your debts are a heavy burden AND/OR missing 3 or more household bills or credit commitments in the last 6 months (not necessarily consecutive months).

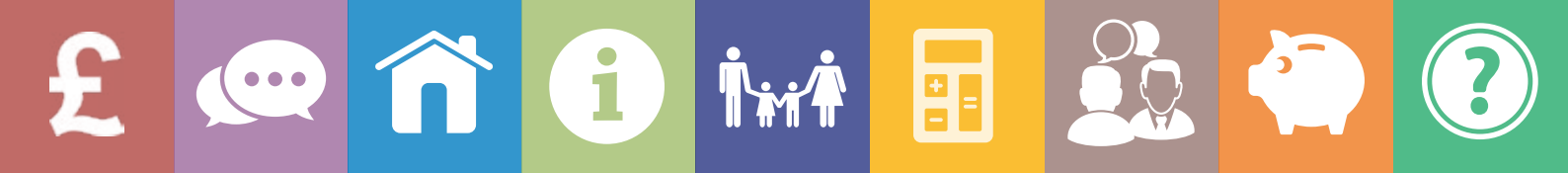


Fig. 6: Comparison of number of clients per debt type and amount owed for each

Rank	Type of Debt	No. of Clients	Amount of Debt Owed (£m)	Type of Debt
1.	Credit, Store and Charge card debts	5,891	£32	Credit, Store and Charge card debts
2.	Council Tax Arrears	5,361	£27	Unsecured personal loan
3.	Unsecured personal loan	3,527	£18	Council Tax Arrears
4.	Rent Arrears	3,234	£17	Mortgage Arrears
5.	Utility Arrears	3,101	£10	Overdrafts
6.	Overdrafts	2,454	£9	Catalogue
7.	Catalogue	2,370	£8	Benefit Overpayment
8.	Payday loan High cost credit	2,251	£6	Rent Arrears
9.	Benefit Overpayment	1,991	£5	Utility Arrears
10.	Rent to Own	836	£4	Payday loan High cost credit
11.	Mortgage Arrears	581	£4	Rent to Own
-	Others	35,104	£92	Other



Input Indicators

The input indicators are used to provide information on the levels of investment that local authorities make in money advice services. This is considered in terms of both financial resource and staffing levels.

I1 – Staff and Volunteers

Local authorities were asked to provide the total number of full-time equivalent (FTE) staff, including those providing administrative support, who were involved in the delivery of money advice for the financial year. Detailed information on how to apportion figures for time spent by staff providing money advice - where they worked in a generalist advice environment, worked part-time, or were employed on a temporary basis - was provided. Local authorities were asked to submit data, where applicable, for both in-house and externally-funded money advice service staff.

Data submitted by the 31 local authorities suggests that there were 100.1 FTE staff across in-house services in Scotland, with an average of c3.2 per local authority. This represents a reduction, when compared to the figures reported for 2014-15, of 139.5 for the 29 local authorities who submitted data. However, as has already been pointed out, the figures for 2014-15 included other advice staff. As such, caution must be exercised as to the true extent of the decrease in staff numbers.

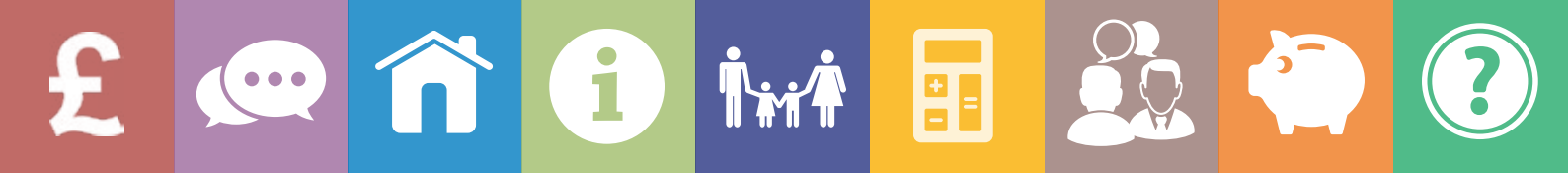
For externally-funded services, data reporting the number of employees was submitted by 26 local authorities. The returns suggest that there were 207.45 FTE paid staff in externally-funded money advice services, which equates to an average of 8 FTE staff members in each local authority area. In 2014-15, 22 local authorities were able to provide data, which indicated that there were 228.7 FTE paid staff members employed in externally-funded services.

The data returns indicate that there were 130.1 FTE staff across Scotland who supported the delivery of money advice on a voluntary basis, with an average of 5 FTE per local authority area. This represents a marked reduction in the 312.8 FTE volunteers reported for 2014-15. Whilst the reasons for this are not known, there is a correlation in the data from some local authorities between a reduction in the number of volunteers and the reporting of data relating solely to money advice. This would suggest that fewer volunteers are involved in providing money advice than in other forms of advice.

Almost all local authorities submitted data, to varying degrees, in relation to in-house services. However, the number that were able to submit data for externally funded services was noticeably lower. There are various reasons for this - some of which relate to contractual reporting arrangements and the use of IT. This will be the subject of further discussions with local authorities and other key stakeholders.

I2 – Funding

Local authorities were asked to submit, to the nearest thousand pounds, the total annual



resource/ funding that they provided for money advice service(s), including direct overheads. It was emphasised that this should not include funding streams from any other sources.

In total, 30 local authorities provided details of the funding for in-house money advice services. On a Scotland-wide basis, this represents a financial investment of £4,593,000 in in-house services, with an average of £153,100 per local authority. This is a decrease in the average in-house funding recorded in the 2014-15 data returns of £226,000. In relation to externally-funded providers of money advice, 28²⁹ local authorities submitted data. Based on the data provided, there is a Scotland-wide investment of £8,754,000 in external services, with an average of £313,000 per local authority.

This year's analysis benefited from improved reporting on financial investment, although data was not received from all local authorities. The reported total funding for money advice services – including both in-house and external services – for 2015-16 was £13,347,000. In 2014-15, it was £15,766,000. This would appear to represent a reduction of c.£15%. Although part of this reduction may be attributed to improvements in reporting, such as ensuring data related solely to money advice services, further research has confirmed that there has been a general reduction in the funding of money advice services.³⁰ As some local authorities were unable to submit this data, it is likely that the total funding for money advice services exceeds the reported £13,347,000 - particularly in relation to external funders. Under-reporting was also identified as an issue in the previous returns.³¹ Estimates based on data previously provided suggest that the actual total figure may be closer to c£15m. However, this represents a significant reduction since the initial Improvement Service research conducted in 2013.

29 One LA figure was removed as it could not be broken down to money advice funding only.

30 www.improvementservice.org.uk/documents/money_advice/mapmf-impact-of-la-budget-cuts.pdf

31 www.improvementservice.org.uk/documents/money_advice/MAPMF/mapmf-data-analysis-report-2014-15.pdf



Activity Indicators

The activity indicators provide an overview of the volume of clients and cases that money advice services have dealt with over the past financial year. Further refinement of these indicators is planned to ensure that, as far as possible, they reflect all the activities that are provided by money advice services. It is suggested that this may not be the case in their present format. Nevertheless, the current data provides a useful insight into the workload of the services.

A1 – Volume

Local authorities were asked to submit data on the numbers of contacts and clients or cases that their money advice services dealt with in the financial year. A 'contact' is defined as an enquiry from a person seeking information on a money advice matter. This becomes a new case and a 'new client' if the money advice service takes some form of action to support the individual and/or resolve the issue. In addition, further information was requested on the number of Scottish National Standards for Information and Advice Providers³² Type I, II and III cases that were open and closed. This allowed the action taken following the initial enquiry and the complexity of any resultant case to be identified. Finally, information was requested on clients' reasons for making initial contact with the service, as this will allow the issues driving individuals to seek money advice to be identified.

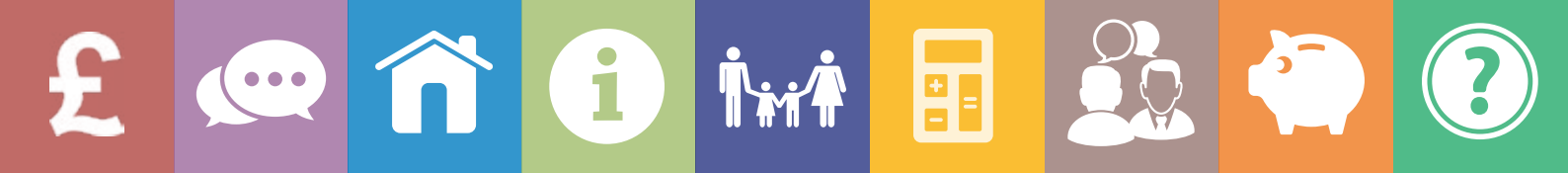
Contacts

The returns suggest that a total of 67,690 contacts were made across the 24 local authorities that submitted data, with an average of 2,820 per local authority area. This indicates an increase of around 40% in comparison to last year's figure of 41,182 contacts, with an average of 1,961 per local authority. In 2015-16, an additional three local authorities were able to submit data for this measure in comparison to 2014-15, which is likely to contribute towards the reported increase. However, of the 17 local authorities that reported on this measure for both financial years, 12 recorded an increase in the number of contacts in 2015-16. This would suggest that, in some areas, there has been an increase in the number of people seeking information on money advice matters.

New clients

The data shows that there were 48,206 new clients across 28 local authorities in 2015-16, with an average of 1,722 per local authority area. This represents a decrease of around 20% in comparison to the previous financial year's figure of 61,430, for which 25 local authorities submitted data. Of the 24 local authorities that submitted data for both years, 16 recorded a reduction in new clients, suggesting that numbers may be falling. However inconsistent reporting and the inclusion of all advice clients by some local authorities in 2014-15 may have contributed to this reduction. It is difficult to reach any definitive conclusion regarding the change in the number of new money advice service clients between 2014-15 and 2015-16. There would appear to be an inconsistency in that, whilst the number of contacts has increased, this has not resulted in an increase in

³² www.gov.scot/Publications/2009/10/05094022/1



the number of clients. This will require further investigation. As the Framework's reporting requirements are further refined and embedded within local authorities' data collection methodologies, future iterations should see more consistent – and therefore reliable – recording of this indicator.

SNSIAP type

The Scottish National Standards for Information and Advice Providers (SNSIAP) provides the following definitions for categories or types of assistance:

- Type I – Active Information, Sign-posting and Explanation
- Type II – Casework
- Type III – Advocacy, Representation and Mediation at Tribunal or Court Action Level

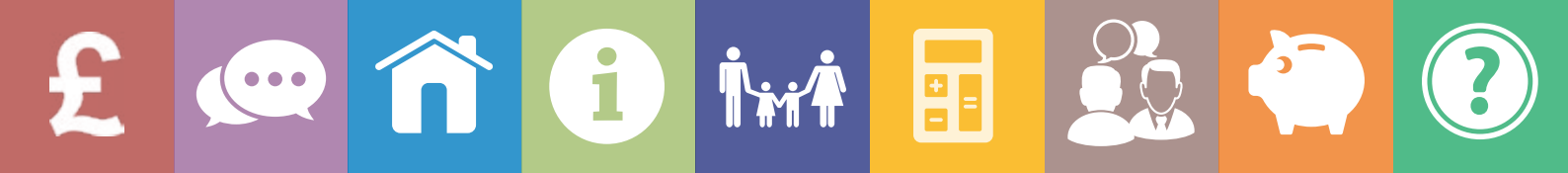
Though showing slight improvement in comparison to 2014-15, this remains an under-reported area. Only 12 local authorities recorded open Type I and Type III cases, and 13 recorded open Type II cases. Similarly, only 10 local authorities recorded closed Type I cases, 12 recorded closed Type II cases and 11 recorded closed Type III cases. Not all local authorities became accredited when the Standards were introduced and therefore this information has not been routinely recorded. However, as a result of the development and implementation of the new Scottish National Standards for Information and Advice Providers' (SNSIAP) model³³, which will provide sustainable accreditation for advice providers, reporting on this area is likely to improve in the future. The total number of cases, as reported by SNSIAP type, is summarised alongside the figures for 2014-15 in the table below.

Fig. 7: Breakdown of SNSIAP Type I, II and III activity

		Type I		Type II		Type III	
		14-15	15-16	14-15	15-16	14-15	15-16
Open	Scotland total	10,719	2,581	8,908	6,385	2,029	3,028
	Average	1,531	215	81	491	169	252
	Number who submitted	7	12	11	13	12	12
Closed	Scotland total	7,848	2,232	5,978	3,431	2,207	5,251
	Average	1,308	223	664	286	221	477
	Number who submitted	6	10	9	12	10	11
Total		18,567	4,813	14,886	9,816	4,236	8,279

For the financial year 2015-16, data returns indicate a decrease in the number of SNSIAP Type I and II cases in comparison to that reported in 2014-15. The decrease in numbers of Type I cases by around 75% is particularly notable and the reasons for this will require further investigation. On the other hand, the recorded number of Type III cases has

³³ www.slub.org.uk/providers/advice/Accreditation_Model.html



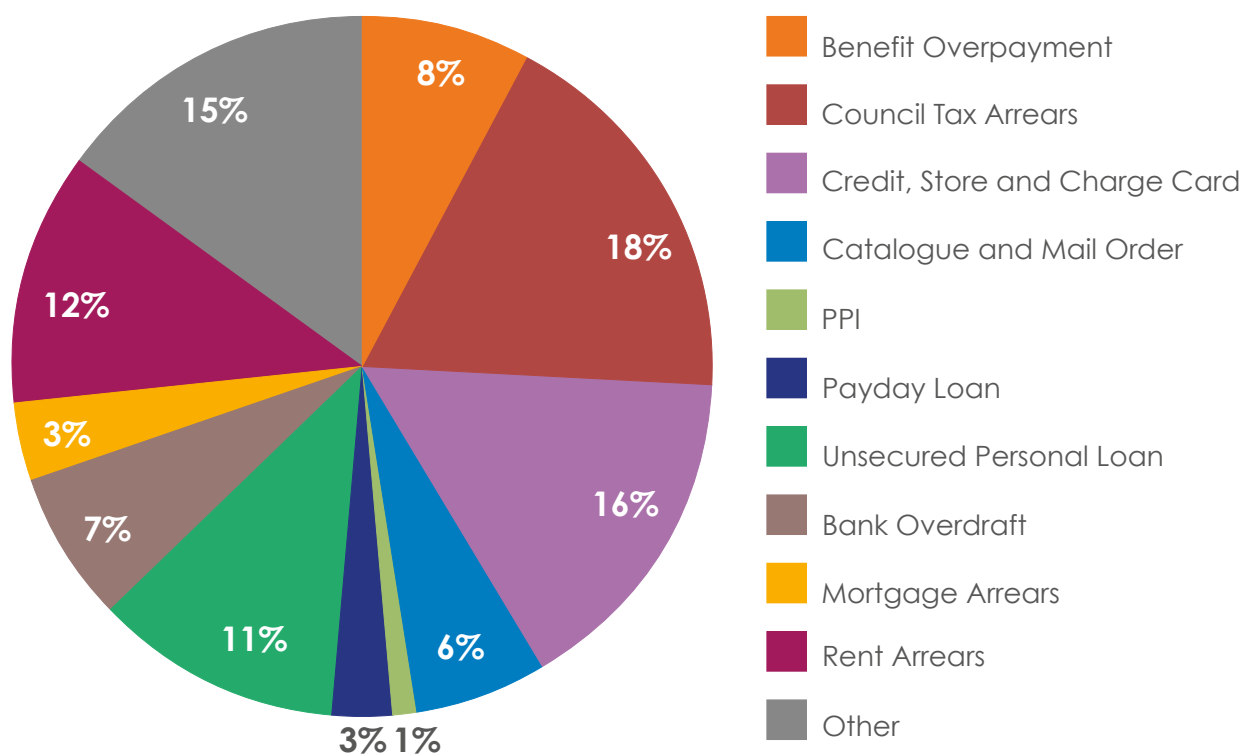
almost doubled. In 2015-16, Type II and III cases made up around 80% of recorded cases, compared to 50% in 2014-15. These findings suggest there is a trend towards money advice services undertaking more complex and caseload-intensive work.

First reason for contact

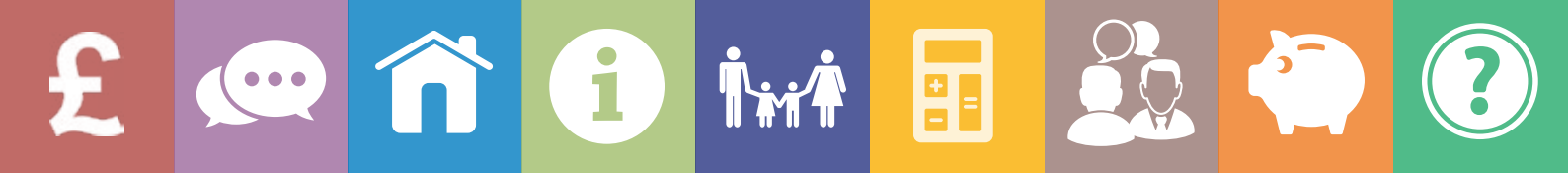
The 'first reason for contact' category was introduced for the 2015-16 iteration of the Framework, and will prove useful in identifying the issues driving individuals towards seeking help from money advice services. Research by the Money Advice Service found that only 17% of over-indebted individuals are currently accessing debt advice.³⁴ The results for this indicator will be useful when tailoring national initiatives to encourage greater public use of the services. This area was notably under-reported, with only 14 local authorities providing data, and a total of 13,463 reasons logged. As is the case with other indicators, future iterations of the Framework are likely to result in an improvement in the numbers and consistency of reporting. As the graph below suggests, the main drivers for contacting money advice services in 2015-16 were council tax arrears (18%), credit and store charge cards (16%), rent arrears (12%), and unsecured personal loans (11%). Reasons categorised as 'other' (15%) included being over-committed, having a low-income, suffering from a long-term illness and eviction.

It is worth highlighting that two of the top three reasons for seeking money advice services arise as a result of debts owed to a local authority.

Fig. 8: First reason for contacting money advice services



³⁴ www.moneyadvice.org.uk/en/corporate/indebted-lives-the-complexities-of-life-in-debt-press-office



It should be noted that the indicators related to volume do not provide a complete picture of all the work carried out by each money advice service. For example, while recording cases by SNSIAP Type serves as a rough indicator of workload, there can still be a high degree of variance within and between categories on a case-by-case basis. Local authorities have also stated that they may have to open and close a case many times throughout the financial year, as and when a client reappears at a money advice service. This information is not captured within the current indicators, and it has been suggested that re-opening a case is likely to entail significant additional workload, perhaps in excess of that initially provided. This aspect will also be considered in the general review of the volume indicators.



Output indicators

The output indicators show whether a result has been achieved with each client in the form of reporting the debt strategy that is agreed.

OP1 – Debt Strategy

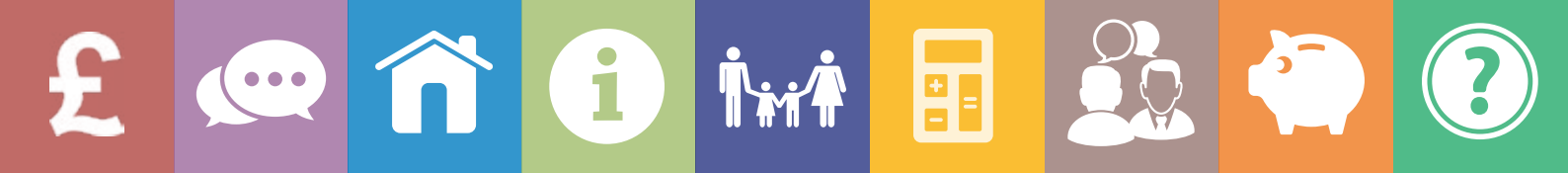
For the Debt Strategy indicator, local authorities were asked to provide the number of times a debt strategy was agreed with a client. This included the number of instances where no strategy was agreed with a client or where the outcome was not yet known. A debt strategy is a way of dealing with single or multiple debts, and may include a variety of options depending on the size and scale of the debt problem.

Based on the data submitted by 28 local authorities, the total number of clients who had 'agreed a debt strategy' in the financial year of 2015-16 was 8,810, with an average per local authority area of 315. This represents a decrease of around 10% in comparison to the previous financial year, where 10,106 clients were recorded by 24 local authorities as having agreed a debt strategy. For 2014-15, the average number of clients per local authority that agreed a debt strategy was 421. Of the 23 local authorities that submitted data for both years, 18 experienced a decrease in the number of clients agreeing a debt strategy, suggesting a common trend.

A total of 22 local authorities recorded 2,906 clients in 2015-16 who 'did not agree a debt strategy', with an average of 132 per local authority. For the same measure in 2014-15, 18 local authorities recorded 1,980 clients, with an average of 110 per local authority. This suggests an increase of around 30% in clients who did not agree a debt strategy across the two financial years. However, on further analysis, this does not appear to be a general trend. Of the 15 local authorities that submitted data for both years, only six experienced an increase in clients who did not agree a debt strategy. In fact, eight of the 15 local authorities reported a decrease, and one reported insignificant change. For this measure, then, no general pattern of change can be discerned, as the reported experiences of local authorities are inconsistent. This will be subject to further investigation and discussion in an attempt to identify those factors that are most likely to result in agreement of a debt strategy.

For 2015-16, 21 local authorities recorded that 1,637 clients were 'awaiting outcome' regarding their debt strategy agreement, with an average of 78 clients per local authority. A similar figure of 1,616 clients was recorded for 2014-15, as reported by 19 local authorities, with a comparable average of 85 clients per local authority. These figures equate to the changes experienced by the 14 local authorities that submitted this data for both years: seven reported an increase; six reported a decrease, and the remaining local authority reported no significant change.

It should be noted that several local authorities that reported on the debt strategy measure could only submit partial data and were unable to obtain figures from all of the services they fund. Therefore, the data is likely to underestimate the number of clients agreeing a debt strategy. Whilst it is recognised that debt strategy indicators do not



necessarily provide an indication as to whether the longer-term outcome is positive for the client, research has shown that, where clients actively agree to a strategy, they are more likely to follow it through.³⁵

OP1.1 – Breakdown of Debt Strategy

Local authorities were asked to submit a breakdown of the particular debt strategies that clients used. A debt strategy is a method by which clients manage their debt - some of which are known as 'formal debt solutions' and are controlled by the Scottish Government or Accountant in Bankruptcy (e.g. Debt Arrangement Schemes and Sequestration). The debt strategies on which information was collected reflected the most commonly-used options in Scotland. An extra category of 'other' was included for any other strategies that were not on this list. For the financial year of 2015-16, reporting was expanded to include clients agreeing to nil payments/offers, consolidation loans and mortgage-to-rent debt strategies. In 2014-15 these were recorded under 'other'.

The chart below shows the total number of clients who chose each debt strategy based on the returns from 28 local authorities in 2015-16, and 24 in 2014-15. Comparison of the figures across the two years suggest a significant increase in the use of repayment plans and slight decreases in the use of sequestration, Debt Arrangement Schemes (DAS), token payments and pro rata offers. In the data returns for 2015-16, there were also several strategies which local authorities previously reported as 'other', including direct deductions, full and final settlements, and charitable awards. As expected, given the increased number of reporting options, those strategies recorded under the 'other' category have reduced significantly compared to that reported for 2014-15.

³⁵ www.infohub.moneyadvicetrust.org/resource.asp?cat_id=168&rPath=cat&r_id=336

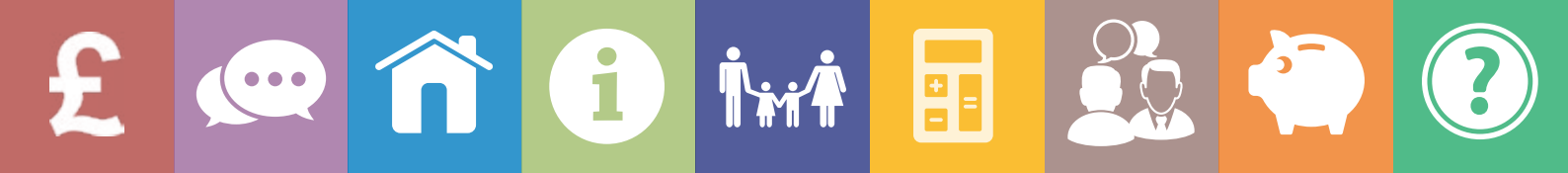
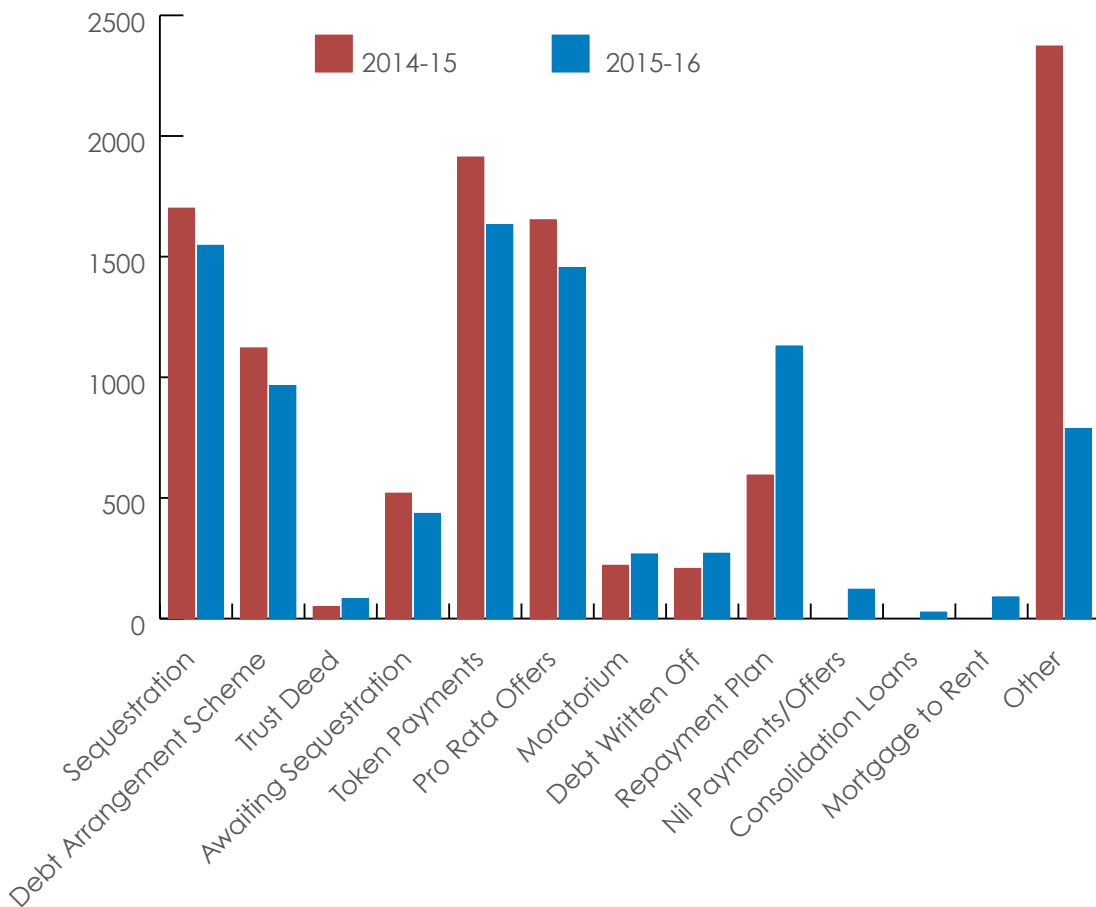


Fig. 9 : Total number of clients per debt strategy chosen





Outcome indicators

The outcome indicator describes the immediate benefit for the client in the form of financial gain, as well as, in the interim, serving as a longer-term proxy measure of financial inclusion and well-being.

OC1 – Verified Client Financial Gain

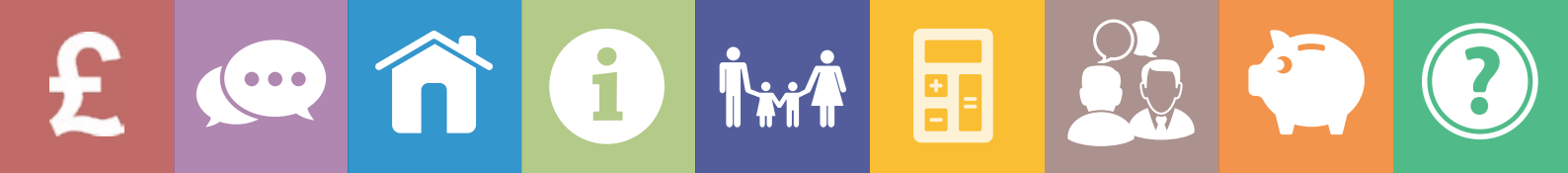
Local authorities were asked to provide the total verified financial gain generated for all clients per financial year which resulted from accessing support from money advice services. This included any income to which clients were entitled but would not have received without the intervention of the money advice service (including benefits/tax credits, refunds, debts written off and grants accessed). In the case of benefits and tax credits, it was assumed that the award was made for a 12-month period. Though both verified and unverified financial gain was recorded and included in last year's report, for 2015-16 only verified gain was requested. This decision was made in order to ensure, as far as possible, the reliability of the report's findings relating to client financial gain.

A number of local authorities could not submit figures verified by money advisors, and thus have not been included in the financial gain analysis. Similarly, several local authorities could not provide verified figures for all of their money advice services or could only provide information on gains acquired through certain means, and so submitted a partial report. For example, one local authority could only report on client financial gains resulting from debts written off due to mental health issues. It is also recognised that the definition and interpretation of the measure, and thus what constitutes financial gain, varies across money advice services. This will be form part of ongoing discussions to attempt to achieve consistency in future reporting. As a result of the inclusion of only financial gain that is verified – as well as partial reporting - the actual client financial gain resulting from money advice services is likely to significantly exceed the level reported in this analysis.

Returns from 25 local authorities that submitted data for verified client financial gain suggest a Scotland-wide total of £55m, indicating an average of £2.2m per local authority area. In 2014-15, 20 local authorities submitted data amounting to a Scotland-wide total of £64m, with an average of £3.2m per local authority. While this would suggest that clients are gaining less in 2015-16, closer analysis of the data reveals that 12 of the 19 local authorities that submitted data in both years saw clients gain more in 2015-16. This would, therefore, indicate a pattern of increasing client financial gain across many local authorities.

Based on the figures supplied by local authorities for 2015-16, every £1 invested in money advice service provision in Scotland translates to financial gains of £4-6 for clients.³⁶ This finding remains consistent with that of 2014-15, where every £1 invested saw client gains of £5.

³⁶ This year local authorities were asked to report on verified financial gain. Using the figures provided for verified financial gain, there is a return on each £1 invested of £4. If the figures submitted for unverified gain are included this increases to a return of £6.



The reported verified client financial gain relates solely to that secured through money advice services that are delivered directly or funded by local authorities. The benefits provided by money and debt advice services that are supported through other funding streams - of which there are several - have not been taken into account. Therefore, the total benefits resulting from the work of all money advice services in Scotland are likely to be significantly greater than those outlined in this report.



Whilst the service remains well-used and continues to deliver significant financial gain for clients, there is compelling evidence at a national level of un-met need.



Conclusion

This is the second Scottish Local Authority MAPMF data returns report, which outlines the key findings in relation to the information provided in 2015-16. The results suggest a reduction in local authority funding of money advice services - particularly in relation to in-house provision. At a time of budget cuts and a general reduction in the funding available for local authority services, this comes as no great surprise. However the scale of the apparent reduction is concerning. As a small service, what may appear to be relatively minor budgetary reductions can have a disproportionately adverse effect on the level of service that can be provided.

Whilst there are still some concerns in relation to the data returned, as a result of significant improvements in the quality and consistency of reporting by local authorities, there can be a reasonable level of confidence in the findings and emerging trends that are outlined in this analysis.

Money advice services continue to offer targeted services that reach and meet the needs of the most vulnerable members of communities who are experiencing poverty, disability and potential discrimination. Addressing the social determinants of poverty and reducing inequality are priorities at all levels of government, and money advice services can play a critical role in helping achieve these objectives.

Whilst the service remains well-used and continues to deliver significant financial gain for clients, there is compelling evidence at a national level of un-met need.

Future developments for the MAPMF include: continuing to improve the quality and consistency of reporting; supporting local authorities to use the data to identify and share examples of good practice; and working with partners and key stakeholders to increase the scope and use of the MAPMF.

