

## **ROTHERHAM BOROUGH COUNCIL-REPORT TO MEMBERS**

**1. Meeting:** – Cabinet Member for Community Planning and Social Inclusion

**2. Date:- April 16 2004**

**3. Title: -**

Debt Awareness Campaign

**4. Originating Officer:-**

Mike McAughtrie, Project Officer Debt Awareness Campaign

Janet Scott, Money Advice and Welfare Rights Manager (01709 822449)

**5. Issue:-**

To inform members of the new Debt Awareness Campaign and what is hoped will be achieved.

**6. Summary**

To address debt problems across the borough by promoting debt awareness and delivering debt/money advice training.

The campaign will focus on skills, knowledge and understanding from the National Adult Financial Capability Framework and will use a number of financial education resources and self-help materials already available.

**7. Clearance/Consultation.**

There has been very useful consultation with a range of community partners.

Two target groups within the project have been identified. Firstly, Herringthorpe community plan identified Debt Advice as a priority and Herringthorpe Healthy Living Forum identified Teenage Parents within the area as the key target group. Year 6 children in Maltby are the second target group.

There has also been important liason with the Magistrates Court as we will be setting up a weekly advice session there.

**8. Timing**

Funding was secured for this post in December 2003. It was advertised in January 2004 and the project officer appointed in February 2004. The project officer started work on 29<sup>th</sup> March 2004.

## **9. Background**

The need for Debt Prevention was highlighted as an area of need in the Rotherham Community Legal Service Partnership Needs Analysis. The Money Advice Service took forward a bid to the Legal Services Commission Partnership Initiative Budget to initiate this work on behalf of the partnership. The Adult Financial Capability Framework will provide the basis of the enabling part of the project.

## **10. Argument**

There is an overwhelming need for debt advice in Rotherham and this shows that residents are struggling with financial commitments. While this is partially due to changes of circumstance and irresponsible lending by creditors, there is a clear need to educate and inform people of their rights and responsibilities regarding money. The project will achieve this through developing debt awareness and money management skills in statutory, voluntary and community organisations. More detailed information is set out below;

- The magistrates court session is aimed at helping fine defaulters agree a realistic solution with the magistrates and to identify and action other debt problems they have. There has been extensive research showing that this is an important and effective service. We will be actively recruiting volunteers from local advice agencies who will be able to develop their debt and court skills.
- We're working on a video on debt to be shown in GP's surgeries, pharmacies and Patientline (non pay per view hospital TV. 300,00 people will have access to this and the video maker (QTV) estimates 1 million hits per year.
- Year 6 pupils in Maltby are the target group for the second year of the project and we intend to develop young debt advocates amongst these children. This will allow us to utilise the advantages of peer education as well as guidance from ourselves and will give the children a head start in money management before they develop the subject further in their Citizenship module at Secondary school.
- We are preparing a significant interactive contribution to Rotherham Show. Visitors will be able to test their knowledge of money matters and learn more about their rights in a fun and informative way.
- Tailored training and talks will be developed and delivered to local problem- noticers in order that they are able to identify money and debt problems amongst their client groups. People feel a range of negative emotions due to debt and these are often compounded by the negative attitude of creditors. This means that people are often unwilling to initially reveal a debt problem to social workers, community psychiatric nurses,

tenancy support workers and others. We will be able to help problem noticers to identify a potential debt problem, have a basic understanding of priorities and have a current knowledge of where to signpost and refer.

## **11. Risks and Uncertainties**

Continued funding depends on meeting the milestones and objectives of the Community Legal Services.

## **12. Finance**

The majority of the money for this project has come from the Community Legal Service. This figure is £76,879 over 3 years and Rotherham Council is providing partial match funding in management time. Yorkshire Water Trust Fund has provided £500 for updating a leaflet for clients faced with housing repossession.

We will be looking for additional funding through the life of the project.

## **13. Sustainability**

Debt Advice and Money Management has been shown to improve the health and well being of people on low incomes by enabling them to spend more on essentials such as heating and a better diet. Advice on rent and mortgage arrears helps prevent homelessness and maintain tenancies. Advice is given to many households in fuel poverty on energy efficiency grants and energy efficient light bulbs

## **14. Wards Affected**

All wards, with special projects in Herringthorpe and Maltby.

## **15. References**

“Clearing the Debts: The Enforcement of Financial Penalties in Magistrates Court” – The Home Office Online Report

The Social Exclusion Report on Teenage Pregnancy 1999

The Adult Financial Capability Framework

## **16. Presentation**

It is universally recognised that the level of debt in the nation is a major concern and is having a detrimental effect on health. This unique project is targeted at helping those at risk of debt, as well as reaching out to those who haven't previously accessed advice. In addition important debt awareness training will be provided to key organizations.

## **17. Recommendations**

That Members receive this report and note its contents.