



...on proposed changes to Borough of Poole's Managing Other People's Money Service

This leaflet gives information on proposed changes to Borough of Poole's Managing Other People's Money Service. Please read it carefully before completing the enclosed form to give your views.

Why are we asking for your views?

We are writing to people who may be affected by the proposed changes to the Managing Other People's Money Service so they can have their say about the proposals and tell us how any changes may affect them.

What is the Managing Other People's Money Service?

The Managing Other People's Money Service provides assistance to those unable to look after their own financial affairs. The Service receives an individual's welfare benefits and then spends it in their best interests, which typically means paying their bills and providing them with a personal allowance.

It is a non-statutory service, which means that we do not have a legal duty to provide it, but do so because we know it helps support and safeguard vulnerable members of the community.

The service is only offered when other options, such as having a family member, friend, solicitor, accountant or specialist company to manage an individual's money, have been explored but found not to be suitable.

As of 29 June 2017, 114 people received the service and had their finances managed by Borough of Poole. Three more are expected to begin using the service in the immediate future, with several more on a waiting list as the service is stretched and there is no capacity to take on additional users. Two full-time members of staff within the Adult Social Care finance team currently manage this service for Borough of Poole. The service costs approximately £74,500 per year to operate.

Why are charges being considered?

The Managing Other People's Money Service costs money and time to operate. By 2020, Poole will no longer receive government funding for local services. This means the council will rely on money it raises locally through Council Tax, business rates, fees and charges and any other income it can generate.

Less government funding and increased pressure on spending means we must find savings and efficiencies of more than £23 million between 2017 and 2020. This



means we are reviewing non-statutory services and exploring ways that we can help to maintain them.

Meanwhile, the demand and cost for many services, including the Managing Other People's Money Service, has been rising. This trend is continuing and presents the council with a huge financial challenge, and means that many services are having to increase their fees, or introduce charges to help sustain them.

By introducing a charge, it is hoped that a significant enough contribution to the cost of the service will be raised. Any charges introduced will go directly to supporting the continued running of the Managing Other People's Money Service. In proposing the levels of charges we have ensured that no profit is made.

Introducing a charge for the service would bring us into line with a number of private companies who provide the same service, but whose charges are higher than those proposed by Borough of Poole.

If no charge is introduced for this service, then savings would need to be made by making cuts to, or charging for, other council services to help to keep this service running. It is also possible that people who are judged to be able to pay for the service to be provided by a private company could be asked to do so, in order that the most vulnerable could continue to be assisted.

What changes are being considered?

The Council is considering introducing a charge for users of the Managing Other People's Money Service who have over £2,000 in their bank account. We are asking for your views on the proposals in the consultation form.

There are two charging options that we'd like your views on which are explained below:

- **Charge A** – a standard fee of £624 per year (£12 per week) for those with over £2,000 in their bank account
- **Charge B** – a fee ranging from £520-£624 per year (£10-£12 per week) depending on the level of savings for those with over £2,000 in their bank account

Under these proposals, it is proposed that **only those users who have over £2,000 in their bank account would pay a charge**. Placing a limit on the amount of money people need to have in order to be required to pay the charge allows us to continue to protect the most vulnerable. The team would review bank accounts on an annual basis to determine if any service users have slipped under the £2,000 threshold, and adjust charges accordingly once a year.

Any changes would be introduced in early 2018.



Charge A - a standard fee of £624 each year

Charge A is a proposal to charge users of the service a standard fee of £624 per year (£12 per week), providing they have over £2,000 in their bank account.

Users could be billed every three or six months in arrears, allowing the charge to be spread throughout the year, or any payment could be annually. We are asking for views on the payment frequency, if the proposals are implemented, in the consultation form.

Proposed charge per three months	Proposed charge per six months	Proposed charge per year
£156	£312	£624

It is estimated that the £624 standard charge would generate approximately £65,520 per year towards the cost of the service.

Charge B - a fee ranging from £520 to £624 per year, depending on the level of savings

Charge B is a proposal to implement a fee ranging from £520-£624 per year, depending on the level of savings for users of the service with over £2,000 in their bank account

The amount to be charged would depend on how much money each service user has in their bank account.

Users could be billed every three or six months, allowing the charge to be spread throughout the year; or any payment could be annually. We are asking for views on the payment frequency, if the proposals are implemented, in the consultation form.

The proposed charges for Charge B would be as follows:

Amount in savings	Proposed charge	Number of current users	Potential income contributed towards running of the service
£0 - £2,000	No charge	9	£0
£2,001 - £4,999	£520 per year, or £260 every 6 months, or £130 every 3 months	23	£11,960
£5,000 - £9,999	£572 per year, or £286 every 6 months, or £143 every 3 months	33	£18,876
Over £10,000	£624 per year, or £321 every 6 months, or £156 every 3 months	49	£30,576



Under this proposal, accounts would be assessed each year to determine if any service users have moved between levels, and charges adjusted accordingly.

It is estimated that using this varied rate of charges would generate approximately £61,410 per year.

Due to the increased complexity of managing the various levels of charges it is anticipated that this option may result in increased staff costs, or in longer waiting lists as staff would need to give more time to existing users of the service.

When does the consultation period end?

The closing date for the consultation is **Monday 4 September 2017**.

What happens next?

Once the consultation feedback has been analysed, the results will be presented to the People Overview and Scrutiny Committee on 16 October 2017, followed by Cabinet on 31 October, with a view to introducing any changes in early 2018.

The results of the consultation will be added to the website at www.poole.gov.uk/moneyservice

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