Money advice services across Scotland’s local authorities

Research Report
August 2013
About this report

The report has been published as part of a two-year action research project funded by the Money Advice Service and the Improvement Service.

The principal aim of the research was to provide an overview of money advice services delivered and commissioned by Scottish Local Authorities. A secondary research aim was to identify potential areas for improvement in money advice services, which could lead to enhanced positive outcomes for citizens and communities.

The content and findings of the report are derived from:

- desk research;
- a series of in-depth interviews with all 32 Scottish local authorities; and
- significant engagement with a wide range of other key stakeholders operating in the area of money advice, financial inclusion and financial education.

Further information on the ‘Improving Outcomes in Money Advice’ project can be accessed via the following links:

[www.improvementservice.org.uk/moneyadvice](http://www.improvementservice.org.uk/moneyadvice)

[https://knowledgehub.local.gov.uk/group/improvingoutcomesinmoneyadvice](https://knowledgehub.local.gov.uk/group/improvingoutcomesinmoneyadvice)

**Principal author:**

Solveig Burfeind, [solveig.burfeind@improvementservice.org.uk](mailto:solveig.burfeind@improvementservice.org.uk)

**Other contributors:**

Dr Andrew McGuire, [andrew.mcguire@improvementservice.org.uk](mailto:andrew.mcguire@improvementservice.org.uk)

Sandra Sankey, [sandra sankey@improvementservice.org.uk](mailto:sandra sankey@improvementservice.org.uk)
Executive Summary

Introduction

This report sets out the first comprehensive overview of the provision of money advice services across Scotland’s councils in over a decade. The report highlights the prime role that local authorities play within the money advice sector – both in terms of direct provision and through services commissioned and paid for by councils for delivery by other partners, principally Citizens Advice Bureaux.

The research identified that the estimated value of local authorities’ investment in money advice services is in the region of £20m per annum. This makes local authorities the single most significant provider/commissioner of money advice services in Scotland.

The research highlights a series of challenges confronting the money advice sector, including rising demand. The major drivers of increased demand for money advice services include:

- the ongoing impact of the recession /‘credit crunch’;
- the consequences of the rise of payday lending and other less affordable forms of credit provision;
- the significant levels of poverty and inequalities that continue to exist across Scotland; and
- welfare reform.

The landscape of money advice in Scotland is extremely diverse, with numerous service providers providing a wide range of services through various delivery channels. The report indicates that money advice services play an important role in supporting vulnerable individuals and families across Scotland. Effective and efficient money advice services can influence a range of important outcome areas, including those relating to financial capability, health and wellbeing, community safety, income maximisation, prevention of homelessness, mitigation of poverty, hardship and over indebtedness.

However, the report also highlights a lack of consistency regarding definitions and recording of activities, outputs and outcomes. This makes it difficult to estimate what exactly local authorities’

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1 Previous research on the provision of money advice across Scotland was carried out by Money Advice Scotland in 2000 and 2002: Burrows, Bob (2000) Money Advice Services in Scotland – a time to reflect, Money Advice Scotland; Collard, Sharon and Burrow, Bob (2002) Good, bad or indifferent?: The quality of money advice in Scotland, Money Advice Scotland.

2 The figures highlighted in the report are the best available estimates. Due to the nature of provision and/or cost allocation, some councils were unable to disaggregate money advice funding from other linked services, such as welfare rights, income maximisation, dedicated financial education workers, etc. Nevertheless, 14 out of 21 councils were able to provide estimated spend figures on the cost of in-house council provision. Likewise, 28 out of 30 councils were able to provide figures for the amount spent on funding external money advice services. The average of the figures provided by those councils was then applied in order to factor in approximations for those councils that were unable to provide estimates. This enabled an overall aggregated estimate to be made of the total resource spent by Scottish local authorities on money advice services.
c. £20m investment in money advice services actually achieves. Individual councils do collate statistics and there is no shortage of anecdotal and case study evidence of the positive impact that money advice services can have. However, due to the absence of a consistent, Scotland-wide approach to performance management, it is not possible to provide aggregated estimates of the total impact of local authority money advice services. It is recognised that the issue of measuring/aggregating the impact of money advice is always likely to be extremely challenging, for a range of reasons. Nevertheless, in an era of shrinking resources and competing demands, this is an area that requires to be strengthened in order to ensure that the benefits of money advice service provision are maximised and can be properly articulated.

The report concludes by highlighting a range of potential improvement areas. These are intended to further strengthen and increase the impact of money advice services, ultimately resulting in improved outcomes for service users and communities. Some of these recommendations concern systemic issues, aimed at Local Government in general and the wider range of stakeholders; other recommendations concern improving impact at a service level.

Summary of key research findings

The findings of the report are derived from feedback obtained from a combination of the interviews with councils, engagement with wider stakeholders and from the desk research phase.

Provision and funding of money advice services

- There currently exists a diverse landscape of money advice provision, comprising national umbrella organisations, national providers, local networks, local authority providers and third sector providers.

- Benefits of having multiple providers can include greater innovation, improved choice and more effective targeting of niche groups and services. Equally, however, it can also result in elements of overlap, gaps, customer confusion and patchy provision.

- Progress has been made in some areas in seeking to introduce a more strategic approach to designing and rationalising money advice provision. This has been driven by a desire to ensure complementarity between different providers and services, and to achieve good overall value for money. This is an area where there is scope for further improvement. Major funders and/or commissioners of money advice provision - including Scottish Legal Aid Board (SLAB), Big Lottery, Scottish Government, Money Advice Service and local authorities - have both an opportunity and responsibility to ensure that further development or expansion of the sector takes place within a strategic framework that encourages joined-up, evidence-based and outcome-focused approaches.

- Local authorities are the major funders of money advice across Scotland (both in terms of in-house and external provision), spending an estimated total of £20m per annum.

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3 The figures highlighted in the report are the best available estimates. Due to the nature of provision and/or cost allocation, some councils were unable to disaggregate money advice funding from other linked services, such as welfare rights, income maximisation, dedicated financial education workers, etc. Nevertheless, 15 out of 21 councils were able to provide estimated spend figures on the cost of in-house council provision. Likewise, 28 out of 30 councils were able to provide figures for the amount spent on funding external money advice services.
Money advice services across Scotland’s local authorities

- The table below summarises the approximate annual value of local authority funding committed to money advice services. It shows the total investment broken down by provision that is directly delivered in-house by councils, and provision funded by councils and delivered by third parties. Wherever available, figures for individual councils are included in the Appendix.

<table>
<thead>
<tr>
<th>Local authority delivered</th>
<th>Local authority commissioned</th>
<th>Total</th>
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<tbody>
<tr>
<td>£8.2m</td>
<td>£11.8m</td>
<td>£20m</td>
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</table>

- Complete like-for-like comparison of local authority investment in money advice services relative to other key funders has not been possible as part of this research. Nevertheless, it is clear that councils’ collective annual investment in money advice is likely to be in excess of the total annual sum of investment provided by other funders/providers, including Scottish Government, Scottish Legal Aid Board and Citizen’s Advice Scotland.\(^4\)

- In addition to councils, Scottish Government/SLAB and CAS, other funders/providers of money advice services in Scotland include NHS, Housing Associations and a range of other third sector charitable organisations, such as Macmillan Cancer Support.

- In terms of staffing input, a total of 180 FTE local authority staff are currently involved in the provision of money advice\(^5\). (Direct comparison of the scale of council staffing relative to third sector personnel is difficult, largely due to the extensive use of volunteers by the third sector. However, a 2009 study estimated around 130 FTE paid staff and 80 FTE volunteer staff undertake debt work within Citizen’s Advice Bureaux in Scotland. That study also referred to Scottish Government information from 2006 indicating around 125 FTE staff within local authorities were providing debt work in Scotland at the time.\(^6\))

- Nineteen local authorities provide a mix of both council delivered money advice provision and third sector funding. Eleven local authorities solely commission money advice provision from third sector providers (mostly Citizens Advice Bureaux); two local authorities with council money advice services do not provide any funding to third sector organisations for money advice and rely wholly on their own in-house provision. The table overleaf summarises:

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The average of the figures provided by those councils was then applied in order to factor in approximations for those councils that were unable to provide estimates. This enabled an overall aggregated estimate to be made of the total resource spent by Scottish local authorities on money advice services.

\(^4\) For more background information and research on money advice funding across the UK please refer to the Literature Review in the Appendix to this report.

\(^5\) Based on figures provided by all 21 Local Authorities that deliver Council money advice services; this includes money advisers, but also, for some Councils, also includes assistants and admin support. It is also noted that some Councils include wider functions, such as income maximisation and welfare rights as part of generic job descriptions for money advisory staff.

Money advice services across Scotland’s local authorities

<table>
<thead>
<tr>
<th>Solely council provision</th>
<th>Solely external provision</th>
<th>Mix of council and external provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 local authorities</td>
<td>11 local authorities</td>
<td>19 local authorities</td>
</tr>
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</table>

- There is generally a need to develop a more consistent approach within the sector to strengthening partnership working and outcomes-focused contractual agreements between funders and providers. Some funding of third party money advice providers is provided on ad-hoc, gifted arrangements or as grant funding; whereas other approaches include more formalised service level agreements and other types of more defined, qualitative contractual agreements, some of which include robust quality assurance and performance monitoring arrangements.

### Access

- There is a recognised need to improve access and reach of money advice provision for specific target groups, especially the most vulnerable clients.

- There is some scope for ‘channel shifting’ in order to better target resources to reach the clients in most need. This could include improving access to and encouraging use of telephone or website-based advice and (assisted) self-help. This type of approach could improve efficiency and free-up front line advisers’ time to be able to deal face-to-face with more vulnerable clients who require more intensive support.

### Visibility

- The majority of council service providers feel that the visibility of money advice services needs to be improved, and some feel this could be achieved by a national campaign, such as one co-ordinated via the Money Advice Service.

- Citizens Advice Bureaux generally feel that they represent a well-known brand and are also recognised for their joint working with the Money Advice Service in providing budgeting sessions as an addition to CABx debt advice.

### Demand

- Most money advice services operate in a demand-led way, making them particularly susceptible to shifts in demand and needs.

- Existing demand is seen to be ‘high’ or ‘very high’ by most service providers and funders.

- The majority of providers reported significant increases in recent years due to the impact of the recession and restricted access to affordable credit.

- The majority of service providers and funders expect another significant increase in demand as a result of the current UK Government’s welfare reform changes, as they are rolled out.
• Many service providers are unsure how they will manage an additional increase in demand, particularly if seeking to combine that with a shift to more preventive approaches.

• A distinction also has to be made between tackling existing demand, which might be very different from the potential current need of a local area and future anticipated need. While managing further increases in demand will be challenging for many council and third sector providers, identifying and targeting unmet need also poses an additional challenge.

• A number of councils are actively responding to increased demand by recruiting additional money advisers or creating new roles targeted around financial inclusion and financial capability. However, there is also evidence from the interviews that a number of councils are considering eligibility criteria or reducing money advice capacity as part of their budget cuts, despite significant evidence of growing demand.

Referrals

• There is a significant need to improve the referral process between money advice providers and other partners at both local and national level. However, issues of data protection, confidentiality, robust processes and systems for tracking customer contact and referrals, outcomes and reporting all require to be considered at a strategic level in order to take this issue forward effectively.

• ‘Single tracking referral systems’ have the potential to improve areas such as partnership working, visibility and access to services, tracking of clients and measuring of outcomes, offering a more robust holistic approach both in terms of meeting clients’ needs and assessing the performance of money advice services.

• More generally, there is seen to be an opportunity to simplify the ‘customer journey’ and ensure, via an effective triage system, that need is properly identified and acted upon efficiently.

Targeting

• Some services target specific client groups, which is mostly done via smaller projects, but, overall, there are relatively few consistent and sustainable approaches to targeting.

• Many money advice services - both council and third sector - are largely reactive in nature rather than proactively targeting different client groups and identifying and addressing unmet needs.

Affordable credit

• Access to affordable credit has become increasingly difficult for many people on low income/benefits. The situation was exacerbated following the ‘credit crunch’, when many lenders tightened their lending criteria. Whilst there does exist a growing range of more sustainable/affordable solutions (e.g. Credit Unions, Community Development Finance Institutions, etc), high cost alternatives such as payday lenders have expanded significantly in recent years in order to meet demand for credit.
• Likewise, access to mainstream bank accounts continues to be problematic for many individuals. Low income individuals are typically not an attractive target group for commercial banks. Individuals – especially those with chaotic lives due to issues such as addiction, homelessness, etc. may also have difficulties in fulfilling certain criteria for opening a bank account.

• The issue of financial exclusion could be tackled more effectively by a range of measures, including improved partnership working between money advice services and Credit Unions, the expansion of Community Development Finance Institutions and banking alternatives linked to money advice and financial capability provision.

• More generally, however, it is recognised that the basic problem of individuals/families simply not having enough income is often the root cause that leads to the need for money advice. As such, money advice services require to be considered in the broader context of the significant level of poverty and inequalities that continue to exist throughout Scotland.

National Standards

• Currently five local authority money advice services are accredited under the Scottish National Standards for Information and Advice Providers (SNSIAP) for Money and Related Advice. Other councils are accredited for the Housing or Benefits part of the SNSIAP. Many council money advice services are working towards the SNSIAP but would require additional support/resources to help them achieve accreditation. This issue is potentially of concern to many interviewees, as the quality of advice provided will clearly have a major bearing on the efficacy of the service and outcomes for clients.7

Performance management

• Differences in casework and reporting systems, issues with IT support and double entry into different systems require to be addressed as they result in a range of inefficiencies and frustrate aggregation of data. An ideal aspiration would be for a common system that could be used by all money advice services in Scotland. This would be regarded as a welcome improvement by most interviewees. However, it is also recognised that there may not be an easy solution for this issue due to the likely cost of new investment, linkages required to other systems, legacy issues, migration costs, etc.

• Most providers (both council and third sector) are in favour of consistent statistics on money advice being gathered at a national level to facilitate benchmarking and to provide a better overview of aggregated money advice activity. It was noted that some councils continue to collate data for their own use, based on the system that was previously co-ordinated by the Scottish Government. Further discussion is required to consider how best to take forward the aspiration of a common performance management system which would enable better comparison, benchmarking and aggregation of data.

7 The SNSIAP recognise that many services may comply with other quality frameworks. Where the service complies with other appropriate standards, it can use evidence of this to minimise any duplication of work. At the moment, the accreditation process that is recognised by the SNSIAP is that of the Citizens Advice Scotland’s membership scheme for Citizens Advice Bureaux. This ‘passports’ Bureaux through the organisational process audit.
Outcomes

• The Christie Commission report on the future delivery of public services gathered evidence which demonstrated the need for public services to become more outcomes-focused, integrated and more efficient and effective in working collaboratively to achieve outcomes. To achieve an outcomes-focused approach, public services require considering a wide range of matters, including the actual needs of people, energising and empowering communities and public service workers to find innovative solutions, providing a holistic approach and building personal and community capacity, resilience and autonomy.

• It is recognised that defining and measuring outcomes in money advice is not straightforward. The absence of a common performance management/reporting and client follow-up system means that data on outcomes achieved by money advice services is generally limited. Most interviewees indicated that they would welcome a common system and would benefit from support in defining and measuring outcomes for clients and building this approach into existing processes and systems.

• The Money Advice Service is developing a debt advice quality framework with a focus on measuring the outcomes of money advice. This framework will be used to evaluate the impact of their own services and the Money Advice Service will also encourage its wider use by other funders across the sector. The outcomes used in the framework will build on those published in the Money Advice Service user need research in 2012.

Financial education

• Financial education is considered to be a key component of early intervention and prevention of debt by the majority of money advice services. It is also seen to be a key means of managing down repeat demand in the future.

• Despite this, provision of financial education is currently sporadic throughout the country, with no consistent approach in the education, advice and community learning and development sector. There is seen by many interviewees to be a major opportunity to rectify this position via better and more consistent roll-out of financial education in schools through the Curriculum for Excellence.

Partnership working

• Clients of money advice services often encounter multi-faceted challenges and this requires an holistic, joined-up response by partner agencies. For example, money problems may arise from - or result in - impacts on health, relationship difficulties, etc. This, in turn, may require effective support to be delivered by a range of partners in order to achieve sustainable positive outcomes for clients.

• Generally, partnership working in money advice could be strengthened further in order to achieve genuine complementarity, to ensure successful referrals and to avoid duplication and/or ‘revolving door’ issues. There are a number of examples of more effectively joined up services being facilitated via a more structured approach to commissioning/planning of services.

8 http://www.scotland.gov.uk/About/Review/publicservicescommission
Likewise, ensuring a strong strategic link of money advice services into Community Planning Partnership structures and relevant strategies concerning tackling poverty etc. is more likely to ensure effective use of public funding.

Conclusion and recommendations

This report provides a detailed overview of the provision of money advice across Scotland. It highlights the key role of local authorities in this area, both as direct providers and funders of money advice and related services.

Based upon feedback from councils, other stakeholders and from wider desk research, the report also identifies a range of potential areas for further improving the operation and impact of money advice services.

The report includes a number of recommendations; some concerning ‘system-wide’ issues and some focused on improvement areas that individual Councils may wish to focus on. It is proposed that the report be taken to a range of stakeholders for consideration, including CoSLA, SOLACE and the Scottish Government.

Finally, it is noted that a number of the proposed improvement actions set out within the report will now be further developed in the second phase of the Money Advice Outcomes project.

List of recommendations

(The recommendations are not necessarily listed in any order of priority.)

Provision and funding

- Major funders/commissioners of money advice provision have an opportunity and responsibility to ensure further development of the sector takes place within a strategic framework that encourages joined-up, evidence-based and outcome-focused approaches, which respond to need and complement existing provision.
- This should include developing more consistent approaches to strengthen partnership working and contractual agreements between funders and providers - at both national and local levels.

Access and visibility

- Scotland’s local authorities are the major funders and providers of money advice. The local authority sector should explore ways of increasing its collective visibility and exert greater influence and leadership in shaping the future direction of the money advice sector.
- There is potential to look at channel shifting clients to more telephone and online advice to free up space for the most vulnerable clients requiring face to face access and support.
- There might be potential for a national ‘triage’ service approach.
### Quality
- Local authority money advice services need additional support and resources to achieve accreditation under the Scottish National Standards of Information and Advice Providers.
- Funders of money advice need to recognise the importance of quality standards and build these into contract agreements.

### Affordable credit
- There is a need to significantly improve access to affordable credit and sustainable solutions for individuals excluded from mainstream banking options. Key agencies should explore how best to progress this.

### Performance management
- Gathering common statistics at national level would allow for benchmarking and provide a better overview of money advice activity across Scotland.
- Creating a common system for case recording and reporting would be an improvement however this is not an easy solution. However, there is an appetite for improvement in this area.
- Achievement of common reporting and statistical analysis will require leadership from key agencies within the money advice sector.

### Outcomes
- Linked to the above, funders and providers need support in defining and measuring outcomes and building this into existing processes and systems
Money advice services across Scotland’s local authorities

**Financial capability**

- There is a need for more consistency and joined-up approaches to financial capability, financial inclusion and financial education across the sector. Key agencies should explore how best to progress this, including consideration of developing a national financial capability strategy.

**Partnership working**

- There is a need to strengthen partnerships between money advice services and other agencies providing support on a range of issues that can be related to debt problems (e.g. health, education, social work); Taking a holistic approach and facilitating the development of wider referral systems will be important in this.
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Project background

This research report is published as part of a two-year action research project funded by the Money Advice Service and the Improvement Service. The project focuses on improving outcomes in money advice across local authorities in Scotland. This report sums up findings from in-depth interviews and engagement with all 32 councils and other key stakeholders in the area of money advice, financial inclusion and financial education. The report also includes recommendations on potential improvement areas for the second phase of the project. The overall project aim is to benefit a wide range of stakeholders, including local authorities and third sector organisations and, ultimately, clients of money advice services. All project outputs are published on the project webpage.

The context for the project is the ongoing real term reduction in public sector finances, coupled with a forecast rising demand for a wide range of public services. In particular, the impact of the recession has resulted in a sharp increase in demand for independent, high quality money advice services. The introduction of welfare reform will significantly increase this demand further. As a consequence, like all other services, money advice services are expected to develop improved ways of working, which will enhance efficiency and effectiveness and deliver better and more sustainable outcomes. A major challenge exists for money advice services in terms of how they can begin to shift the balance of activity from largely reactive, ‘crisis-based’ intervention, to an approach that focuses much more on early intervention and prevention and in developing financial capability in a broader sense. Linked to this is the wider issue of how organisations, partnerships and services can translate the ideas and theories of ‘outcome-focused working’ into practical implementation.

The aims of the wider project are to assess the scale of current money advice provision across local authorities in Scotland and to articulate the wider range of issues, challenges and opportunities confronting the public and voluntary sectors, which will impact on money advice services as well as financial capability and financial inclusion work now and in the foreseeable future. This includes an analysis of the role of money advice services in relation to issues such as: linkages to wider matters concerning achieving a shift to ‘outcomes-focused’ approach; the public sector resources challenge relative to forecast continued rising demand for services as a result of the recession, welfare reform, etc; the key points from the Christie Commission report, including the need for better targeting of support, the recognised need for a greater focus on early intervention and prevention and how these can best be achieved; and consideration of a range of factors relating to the detailed work of money advice services.

The research phase focused on money advice provision within local authorities across Scotland as well as engagement with a wide range of key stakeholders. After an initial literature review and analysis, the project team undertook in-depth interviews with key contacts in each of the 32 local authorities to gain a better understanding of the range of issues concerning the provision of money advice services. In addition to these interviews, the project team also engaged with a range of other key stakeholders at local and national levels in the area of money advice, financial

9 Project formally commenced August 2012.
10 http://www.improvementservice.org.uk/improving-outcomes-in-money-advice/
inclusion and financial education. A detailed description of the research methodology can be found in the Appendix under 5.1. This research report presents the results of the research phase as well as recommendations to be taken forward to the project’s improvement phase.

**The improvement phase** of the project seeks to provide practical, flexible, in-depth and hands-on support to improve outcomes in money advice, financial capability and financial inclusion. The extent and nature of the improvement phase is likely to focus on a few key issues in the area of money advice, financial capability and financial inclusion. In the improvement phase the project team will run a series of workshops on key issues as well as publish a series of detailed ‘issues papers’.

**A Project Board** comprised of a range of representatives from different local authorities and key national stakeholders advises on the strategic direction of the project. The Project Board meets three times per year. Consultation on the project deliverables takes place with the Project Board. The Project Board also receives regular reports relating to the agreed deliverables and the overall progress of the project. Responsibility for the day-to-day management and delivery of the project lies with the Improvement Service.

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11 A list of project board members can be found via the project webpage: [http://www.improvementservice.org.uk/improving-outcomes-in-money-advice/](http://www.improvementservice.org.uk/improving-outcomes-in-money-advice/)
Introduction

Defining money advice

One of the issues across the money advice sector is agreeing on definitions and terminology. What does ‘money advice’ mean? For example, many services refer to money advice as ‘debt advice’, while others take a wider view of the term and include budgeting advice and more general financial advice for individuals (e.g. advice on savings and pensions). The Money Advice Service offers a range of tools and advice on its website that are not exclusively linked to debt advice.

Money advice in the context of this project refers to free-to-client advice. Most local authority and third sector money advice providers interviewed as part of this research describe the service they provide as primarily debt advice with some elements of budgeting support, income maximisation, financial inclusion and financial education.

Many definitions of money advice in the public and third sector are based on the assumption that money advice should be confidential, problem-solving, comprehensive, effective, independent, impartial, client-centred, accessible and free-to-client.12

In general, money advice is a complex field of work that cannot be completely isolated from other advice services. Money advice services within local authorities are often linked to areas such as welfare rights, social work, employability, health, housing and education. By addressing not only the issue of over-indebtedness but also a range of other related problems such as low income, housing and health issues and making appropriate and successful referrals, an effective, well connected money adviser can provide a more ‘holistic’ service tailored to the client’s individual needs. From a narrow point of view, money advice refers to advice given by a trained adviser. This could also be described as ‘direct money advice’, which is mainly delivered via three channels: face-to-face, telephone or online. Most national providers are delivering advice via the phone or via online tools, while the majority of local authority money advice services provide support face to face. Offering a range of channels to access advice gives the client choice and different client groups may prefer different methods of accessing services. ‘Money advice’ can also refer to the use of self-help material, e.g. tools on the internet, peer support groups and informal advice from friends and family. The delivery of money advice is influenced by factors such as the type of advice provision, accessibility and availability, financial resources, technological capability, data sharing, partnerships, referral networks, financial inclusion and demand. In general, money advice aims at directing individuals from over-indebtedness and financial exclusion towards financial inclusion, financial education and financial capability.

Client perspective

This report summarises the findings from in-depth interviews with money advice service

12 See: European Quality Framework for Social Services, Scottish National Standards for Information and Providers, Money Advice Scotland, Citizens Advice Scotland, Money Advice Service
providers and funders across all 32 local authorities in Scotland. In addition to these interviews, the research also includes information from engagement with a range of key stakeholders at local and national level. The focus of the research was to interview service providers and funders. This research did not seek to include interviews with clients of money advice services. The positive impact of money advice on clients has been highlighted in various other studies and the Advice Services Alliance suggests that advice has positive impacts in at least four different areas: health and well-being, creating opportunity, promoting fairness and overcoming disadvantage, improving public services and cutting waste. Other positive impacts of advice include financial gains for creditors, although the exact gains are not always easy to quantify with existing data. A report prepared for the BOLD project led by Advice UK in 2010 on “Outcomes of Advice” finds that the majority of people interviewed for the report knew the outcomes they wanted to achieve- mainly stable and better family relationships and better well-being for their children. In addition, advice can also improve wider community outcomes. The report also highlights that these outcomes tended not to be reflected in current performance measurement and funding structures in the advice sector.

A 2012 Money Advice Service report found that debt advice had a positive impact on individuals and that persons who had sought advice were more likely to remain in manageable debt solutions. A current six-year study on the long-term impact of debt advice on low income households conducted by Michael Orton at the Institute for Employment Research at the University of Warwick suggests that overall debt advice has a lasting positive impact on clients, while acknowledging that individual clients can have very different needs and capabilities. That study reports on a significant shift for clients from financial crisis situations to more manageable situations, with the majority keeping up with payments. The majority of clients still regard the advice they received as having been helpful three years later and the positive impact of advice includes improved financial capability skills and self empowerment. Clients generally felt negative about financial education as a separate activity but reported on financial lessons learnt through the debt advice they received. Negative aspects reported in the study include client problems accessing advice (e.g. lack of provision, opening hours, and waiting times) as well as very negative client experiences with creditors. The report also highlights the overall negative impact of low income on people’s ability to become debt-free.

For more detailed background on existing literature and research on money advice, financial inclusion and financial capability please refer to the Literature Review in the Appendix.

14 http://www.infohub.moneyadvicetrust.org/content_files/files/jackie_wells__debt_advice__summary1.pdf
15 http://www.infohub.moneyadvicetrust.org/content_files/files/bold_outcomes_advice_final.pdf
17 http://www2.warwick.ac.uk/fac/soc/ier/research/debt/
Analysis

Overview

The landscape of money advice in Scotland is extremely diverse, with numerous service providers providing a wide range of services through various delivery channels. Key national organisations include the Money Advice Service, Money Advice Scotland and Citizens Advice Scotland. The main national providers of telephone advice across Scotland are National Debtline, StepChange Debt Charity, Citizen’s Advice Direct and Payplan (the latter being a commercial but free to client service). At a local level, councils are the major providers and funders of money advice. Most local authorities provide money advice as well as funding third sector organisations (the majority of which are Citizen’s Advice Bureaux). Other providers of money advice on a local and regional level include Housing Associations, law centres and other third sector organisations such as Shelter, Christians Against Poverty and Macmillan Cancer Support. In addition, many small projects funded by a mix of public and private resources across Scotland include elements of money advice, financial capability or financial inclusion (e.g. via Big Lottery funding). On the one hand, a variety of providers and services can be beneficial in providing a range of choice for service users. This in itself can sometimes help to drive innovation and the development of tailored solutions that best fit the varying needs of individual clients. However, incremental development of service provision can also result in inconsistencies, overlap and duplication and cause confusion for the customer as well as gaps in delivery. The challenge is to achieve delivery which can ensure the benefits, whilst minimising negative aspects.

In Scotland, two-thirds of councils are engaged in direct service delivery for money advice; however, a number of local authorities are reviewing their current service provision and a few council money advice services have recently been merged with other teams or relocated. Two local authorities provide direct delivery of money advice and do not fund other third sector money advice services (Inverclyde and South Ayrshire), while the remaining 30 councils fund external money advice provision (most of which are CABx).

<table>
<thead>
<tr>
<th>Solely council provision</th>
<th>Solely external provision</th>
<th>Mix of council and external provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 local authorities</td>
<td>11 local authorities</td>
<td>19 local authorities</td>
</tr>
</tbody>
</table>

The majority of council money advice services are based within Social Work departments (see Figure 1). In addition to all local authority money advice services, this report also includes information from 18 third sector providers (16 CABx and two other).

A number of local authorities are currently undergoing changes that will impact on the provision and funding of money advice. The projected impact of welfare reform changes on demand for advice may well put further pressure on councils to review their current model of provision. Some local authorities have reviewed their money advice provision recently and a number of
services have moved to co-locate with other council services such as welfare rights. In general, council money advice teams felt that, although there was added value to their service location within a specific department, sharing of information and collaborative working across various teams and good relationships with individuals are much more crucial to enhance outcomes for clients.

**Staffing arrangements**

In terms of staffing input, a total of 180 FTE local authority staff are currently involved in the provision of money advice\(^{18}\). (Direct comparison of the scale of council staffing relative to third sector personnel is difficult, largely due to the extensive use of volunteers by the third sector. However, a 2009 study estimated around 130 FTE paid staff and 80 FTE volunteer staff undertake debt work within Citizen’s Advice Bureaux in Scotland. That study also referred to Scottish Government information from 2006 indicating around 125 FTE staff within local authorities were providing debt work in Scotland at the time.)\(^{19}\)

The structure of a local authority money advice team within a specific service area and co-location of other services is quite varied. Some teams have administrative and support workers, money advice assistants, generalist and specialist money advisers. A number of advisers are

\(^{18}\) Based on figures provided by all 21 Local Authorities that deliver Council money advice services; this includes money advisers, but also, for some Councils, also includes assistants and admin support. It is also noted that some Councils include wider functions, such as income maximisation and welfare rights as part of generic job descriptions for money advisory staff.

\(^{19}\) [http://www.infohub.moneyadvicetrust.org/content_files/files/spiu_funding_money_advice__full_report11.pdf](http://www.infohub.moneyadvicetrust.org/content_files/files/spiu_funding_money_advice__full_report11.pdf)
generic workers providing welfare benefit and money advice to a specialist level, compared
to others who may refer between departments for a range of specialist services (budgeting
support, income maximisation, welfare benefits, etc.). A few local authorities have moved or
are considering a move towards a more generic money advice and welfare rights specific job
description and putting arrangements in place to address various training needs. This raises the
issue of how much future demand is likely to be of a generic, as opposed to a specialised nature –
and to what extent that can actually be predicted and built into workforce planning.

Local authority resources and funding of third sector services

Most local authorities fund third sector organisations to provide money advice in their area. The
large majority of these third sector providers are local Citizens Advice Bureaux (CABx). Many
CABx receive what is considered ‘core funding’ from the council as well as additional funding
for money advice. Most funding arrangements are based on grant funding and include Service
Level Agreements with the CABx. However, many local authorities have reviewed or are in the
process of reviewing their funding arrangements with third sector partners. There appears to
be a shift from traditional grant funding arrangements to commissioning agreements, with
distinct performance monitoring arrangements and conditions attached. A number of these
include a requirement for providers to meet or, at least, be working towards a quality standard
accreditation. At least eight councils now have contract agreements in place. Feedback suggests
that moving to such formalised arrangements can help create a more joined-up, strategic
approach, which can help to eradicate duplication and service gaps, as well as improving
transparency and accountability in what is being provided. Partly, this is due simply to the
contractual arrangement requiring councils to articulate what exactly they require of service
provision, as well as being more specific about the wider outcomes that funders are looking
to achieve. Other key factors driving such changes include a desire to improve money advice
services, enhance the impact they have within local communities and to ensure good value for
money and better measurement of outputs and outcomes.

Around one-third of local authorities provide funding to more than one CAB for the provision
of money advice. In some areas, there are consortia of CABx, with separate service level
agreements; in other areas CABx have merged in order to meet the council’s funding criteria,
with a single service level agreement and funding stream. Most CABx however are separately
funded and, while in some areas partnership working across bureaux is very robust, interview
feedback indicates that there are also areas where partnership working between councils and
CABx could be strengthened. A small number of councils fund other third sector organisations
for the provision of money advice (e.g. Edinburgh Housing Advice Partnership and Gordon Rural
Action).

Local authorities are the major funders of money advice across Scotland (both in terms in-house
and external provision), spending an estimated total of £20m per annum.20 The table below

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20 The figures highlighted in the report are the best available estimates. Due to the nature of provision and/or cost
allocation, some councils were unable to disaggregate money advice funding from other linked services, such
as welfare rights, income maximisation, dedicated financial education workers, etc. Nevertheless, 15 out of 21
councils were able to provide estimated spend figures on the cost of in-house council provision. Likewise, 28
out of 30 councils were able to provide figures for the amount spent on funding external money advice services.
The average of the figures provided by those councils was then applied in order to factor in approximations for
summarises the approximate annual value of local authority funding committed to money advice services. It shows the total investment broken down by provision that is directly delivered in-house by councils, and provision funded by councils and delivered by third parties. Figures for individual councils are included in the Appendix, however not all local authorities were able to publish their figures for annual money advice expenditure.

<table>
<thead>
<tr>
<th>Local authority delivered</th>
<th>Local authority commissioned</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>£8.2m</td>
<td>£11.8m</td>
<td>£20m</td>
</tr>
</tbody>
</table>

Like-for-like comparison of local authority investment in money advice services relative to other key funders has not been possible. Nevertheless, it is clear that councils’ collective annual investment in money advice is likely to be in excess of the total annual sum of investment provided by the other major funders/providers, including Scottish Government and the Scottish Legal Aid Board (SLAB). In addition to Councils, Scottish Government/SLAB, other funders/providers of money advice services in Scotland include Citizens Advice Scotland, NHS, Housing Associations and a range of charities, such as Macmillan Cancer Support.21

Availability and accessibility

The majority of local authority money advice services are initially accessed via telephone. Some councils have free help lines that are either staffed by money advisers or other council frontline staff. Other local authorities have moved or are currently moving to a Customer First22 approach, through which clients can access via a contact centre or frontline desk for any general enquiries. A few local authorities have direct help lines to target specific groups such as lone parents. While most council services mainly offer face-to-face appointments after an initial phone call from the client, some areas also offer appointments with specialist advisers on the phone. One area replaced face-to-face with telephone advice in order to increase capacity and efficiency and will only offer face-to-face advice in exceptional circumstances. In contrast to this, many CABs offer mainly a drop-in service.

Channel-shifting certain client groups towards more telephone and online advice or even towards (assisted) self-help could potentially help services to free-up more time for face-to-face appointments with the most needy or vulnerable client groups. It is also recognised that there may be a range of challenges in persuading certain clients of the benefits of alternative channels for accessing support. Other research has shown that different people prefer to access advice in different ways and the specific needs of certain groups (e.g. related to literacy and numeracy issues, transport issues, digital skills, disabilities, etc) need to be taken into account when looking at channel-shifting demand.23

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21 For more background information and research on money advice funding across the UK please refer to the Literature Review in the Appendix.
22 www.improvementservice.org.uk/customerfirst
23 https://www.moneyadviceservice.org.uk/en/static/publications#research
In terms of waiting times for an appointment with an adviser, almost half of all local authority providers and CABx reported waiting times between two to eight weeks. A period of one week between the initial client contact and a face-to-face appointment was seen as useful by some since it might give the client time to prepare their documentation for the interview. However, other providers felt that home visits were more effective for this gathering of information. It is also noted that it is important that an effective triage system is in place for money advice, whereby emergencies are dealt with immediately and more serious issues impacting, for example, on a client’s mental health are identified at the initial diagnosis, allowing the client to be referred on to appropriate agencies. Generally, longer waiting times for an appointment is an indicator of high demand relative to capacity and other pressures on the service. This, in turn, also links to the number of cases and the volume of work an adviser and the agency have to manage.

**Referrals**

Most providers (council and third sector) state that their clients access the service through self referral. A few councils have robust referral systems in place such as ‘single online referral tracking systems’. These systems can track referrals across different providers and record successful outcomes. They can also function as service directories for the area as well as integrate with money advice case management systems and client relationship management systems (CRM). Those councils using a multi agency referral system felt that it is very beneficial for both the client and the providers, as it can reduce time spent referring a client and avoid duplication. In addition, using the system across local authority and third sector organisations within a specific area can increase opportunities for partnership working and sharing of information. However, it takes a dedicated lead and co-ordinated approach to keep the system up to date with inputting data, technological developments, monitoring usage, facilitating and offering ongoing support and training to providers using the system. Other major barriers which can complicate tracking referrals and outcomes are data protection and client confidentiality issues. Other local authorities have more informal referral arrangements with partner organisations in place. Overall there is no consistent approach to tracking referrals within organisations across the sector and this is an area that could be improved.

**Access barriers**

The main barriers reported by council and third sector providers to accessing money advice are lack of visibility of the service, followed by lack of confidence on the client side to approach the service. Other physical access factors can include the issue of transportation costs and poor transportation links within rural areas. Most services (both council and third sector) are somewhat flexible around appointments outwith standard office hours, offering home visits as well as operating in outreach locations. Some services try to limit the home visits they offer to reduce costs and the amount of time an adviser spends travelling, whilst other services prefer home visits and more outreach facilities in community settings instead of appointments in the main office. These advisers might be set up for mobile working and prefer to meet the client in their home for easier access to all the paperwork necessary for fully understanding a case. Improved links could be made between the national providers of telephone and online money advice with the money advice services at local level in order to improve access to specialist support for clients. This would allow for a more holistic approach to meeting client needs.
Demand

A distinction also has to be made between tackling existing demand, which might be very different from the potential current need of a local area and future anticipated need. For example, it is expected that some of the welfare reform changes will result in new types of client, different issues being experienced, etc. While managing further increases in demand will be challenging for many council and third sector providers, identifying and targeting unmet need also poses an additional challenge.

Most council money advice services and third sector organisations indicated that demand for money advice is ‘high’ or ‘very high’ and the large majority are expecting further significant increases as a result of welfare reform changes. Some providers are more prepared than others to deal with the likely impacts of the changes, such as a shift in resources and redesign of services.

A number of councils are actively responding to increased demand by recruiting additional money advisers. However, there is also evidence from the interviews that a number of councils are considering eligibility criteria or reducing money advice capacity or other resources dedicated to welfare benefits, financial inclusion and financial capability as part of their budget cuts, despite significant evidence of growing demand.

Welfare reform: potential impact on money advice services

Welfare reform is expected to have a significant impact on the demand for money and budgeting advice services. The introduction of the spare room subsidy - also referred to as ‘under-occupancy’ charge or ‘Bedroom tax’ - leaves many benefit recipients with a gap in their budget. Sheffield Hallam University estimate that 80,000 households in Scotland will be affected by this policy. The Sheffield Hallam estimate coincides with the DWP’s own impact assessments. Demand for Discretionary Housing Payments has also increased as a result.

The potential impact of welfare reform on rent arrears, particularly due to the spare room subsidy/‘under-occupancy’ charges may also have wider consequences for the sector as homelessness issues could be expected to increase further. Early results from a CoSLA survey demonstrated a high demand for Discretionary Housing Payments and low collection rates for additional rent from those affected by the charge. The survey shows that almost two-thirds of councils reported receiving 40% or less of the ‘under-occupancy’ penalty due by tenants. As at the end of May 2013, 80% reported receiving less than half the amount due.

The introduction of changes relating to Universal Credit poses multiple problems to those who are not used to budgeting on a monthly scale and paying their rent directly to their landlord. Under Universal Credit, working-age tenants will receive a single monthly payment directly from the Department for Work and Pensions (DWP). This will include their support for housing costs. This represents a significant departure from the current arrangements, under which many social tenants have their Housing Benefit paid directly to their landlord and receive other benefits.

For more background information on literature and research around demand for debt advice please refer to the Literature Review in the Appendix.

Sheffield Hallam University were commissioned by the Scottish Parliament to produce a report on ‘The Impact of Welfare Reform on Scotland’.
Money advice services across Scotland’s local authorities

weekly or fortnightly. There are concerns that this could pose very real risks to the financial wellbeing of social tenants, further increasing demand for money advice services.

In addition, the issue of people without a bank account is likely to cause further difficulties. The DWP’s ‘digital by default’ approach is considered another potential barrier for people who either do not have the digital skills and capability needed and/or ready access to a computer with an internet connection.

Another source of demand for advice is stemming from the changes made to disability benefits. Incapacity Benefit is being replaced by Employment Support Allowance (ESA). From October 2010 to August 2012 in Scotland, of the 80,850 claims for ESA where a functional assessment had been carried out, 19,030 people (24%) were declared ‘fit for work’, removing their eligibility for ESA benefits.

July 2013 saw the introduction of the Personal Independence Payment (PIP), which is replacing Disability Living Allowance (DLA). All current DLA claimants will be reassessed for PIP. The UK Government has declared a 20% cut in the DLA/PIP budget, which is likely to result in many existing DLA claimants not being eligible for the new benefit.

Overall, the welfare reform changes will have major implications for public services including increasing demand for money and budgeting advice, representation in the appeals process, digital inclusion, as well as access to affordable credit and banking. The Department for Work and Pensions is currently leading discussions on the development of the Local Support Services (LSS) Framework, linked to the introduction of Universal Credit. Amongst other things, the LSS is likely to have implications for the provision of advice and budgeting support at local level.

Many of the issues raised by welfare reform require to be considered beyond the context of money advice and will likely require improved partnership working, co-operation and co-ordination between various sectors.

Debt issues

Money advice providers (both council and third sector) report on the different types of debt their clients have, such as priority debts (e.g. mortgage or rent arrears) and non-priority debts (e.g. credit card debt and payday loans). Whilst analysis of interviewee responses indicates that no one single debt issue dominates across Scotland, there was significant general concern with the rise in payday loan debt. A number of money advice providers reported an increase in the complexity of cases (e.g. due to multiple debts) which, in turn, is resulting in additional casework for advisers.

Payday lending

The payday lending sector, both retail and online, has grown significantly in recent years and the Office of Fair Trading (OFT) is reporting an increase in problems of some payday lenders non-compliance with the Consumer Credit Act. Payday loans can often be accessed quickly and easily by customers, many of whose choices of obtaining more affordable credit

26  https://www.gov.uk/government/publications/universal-credit-local-support-services-framework
is limited. However, the OFT report highlights concerns that too many customers are given loans they cannot afford to pay back and findings indicate that 28% of loans are rolled over at least once, making up 50% of the revenue for payday lenders. Other criticism of the Payday loan sector has focused on the excessive interest rates charged, typically in excess of 4,000% APR. Many interviewees identified payday lending as a major driver of demand for money advice services.

The majority of local authority money advice providers and over one-third of the third sector organisations that were interviewed as part of this research said they had noticed an increase in debt issues relating to payday lending. Some providers also reported problems in contacting payday lenders and noted the sector’s overall lack of cooperation with money advisers. Some local authorities have blocked access to payday lenders’ websites from all council computers, while one local authority tried to prevent a payday lender from opening a shop on the high street where several already existed. The council’s objection to the planning application was overturned, resulting in four short-term lending facilities being opened within a small proximity of each other in an area of high deprivation and unemployment. One local authority money advice team introduced a system for targeting advice around those people affected by payday lenders and measuring the outcomes of advice as a way of stopping ‘revolving door’ issues. The results however showed that the targeting was not successful in reducing the number of payday loans. On the whole, providers struggle to find the right approach to dealing with the issue of increasing levels of payday loan debt, however there has been a recent increase in policy development at local and national level to tackle the complex issues arising from payday lending. Local authorities and other stakeholders are increasingly becoming more active and raising awareness of the risks around payday lending.

Mortgage and rent arrears

The introduction of the Home Owner and Debtor Protection (Scotland) Act 2010 and the introduction of the notification to the local authority under Section 11 of the Homelessness (Scotland) Act 2003 have resulted in providers seeing an increase in demand for money advice from homeowners and those affected by housing rent arrears. Along with this introduction, there was a concerted effort to focus provision on people that were affected and the demand from home owners is generally welcomed by the sector; it is regarded as a more preventative approach for reaching people at risk of homelessness. This change has helped to bridge a previous gap in access to advice for people at risk of homelessness. As a result, more robust relationships have formed between the majority of local authority money advice providers and local housing providers and the Sheriff courts. New and developing practices are emerging by way of automatic referrals to money advice services and early interventions for advice between the housing and money advice services. However, there is clearly still room for improvement in partnership working between local providers in some areas across Scotland.

Money advice services across Scotland’s local authorities

Advertising and visibility

While most CABs are perceived as fairly visible due to their established national branding via Citizens Advice Scotland, many council money advice services identified a clear lack of visibility within their area. This view is partly based on feedback from clients at first point of contact and a perceived lack of visibility due to no specific ‘branding’ of the service and less prominent geographical location. (Those local authority services with a high street presence generally felt they were more visible to clients). However, these services still tend to be full to capacity due to referrals from other departments and partnership agencies, as well as through word-of-mouth self referrals. Some providers (both council and third sector) advertise via various channels such as partnership events with other local organisations, local newspapers and radio stations, leaflets, posters and campaigns throughout themed weeks (e.g. Money Week, energy efficiency, health and wellbeing events). The majority of money advice services that identified a lack of visibility are very reluctant to advertise as they fear it will increase demand to the extent where it cannot be met. This is potentially a major concern if there are significant levels of unmet need particularly given increasing demand for money advice services that is arising as a result of factors such as the economic downturn and the impact of the welfare reform.

Online resources

Many local money advice providers have increased access to their service by moving to online referral forms, which clients can use for self-referral through a website or via email. Some local authority money advice services include links to self-help packs and national resources on their websites. CABs are usually linked with the Citizens Advice Scotland website, which includes a range of advice and self-help packs. As yet, there is no widespread or systematic use of social media and other new communication technologies within the sector. Overall, more CABs are beginning to utilise social media to engage with people than local authority money advice providers. Many council services do not have access to websites such as Facebook and Twitter. Most providers who currently do not have access feel that social media is not necessarily the best way to engage with debt clients. It was generally felt that local providers could refer to existing online tools and information provided by the Money Advice Service and other national organisations rather than duplicating work. There are, however, a number of examples where services have used national online resources and adapted them to their local area.

Targeting

A targeted approach can be more efficient in reaching specific client groups, especially more vulnerable groups that may not proactively access a money advice service open to everyone. Targeting unmet need, as opposed to managing demand that is coming to a service, is more challenging and requires identifying areas of high unmet need, either within a specific group of people with similar needs or within a geographical area. Many different approaches to targeting exist but more evidence highlighting the most effective models is needed. Some approaches to targeting are linked to tackling poverty, child poverty, housing, homelessness and financial inclusion strategies looking at early intervention and prevention. It is generally felt that targeting
support to specific groups, along with dedicated resources, is an area for improvement across the sector. Existing targeting arrangements mainly take the form of smaller projects, partnership working and dedicated events. Often these projects are funded through specifically targeted funding streams at national level. These targeted approaches could be improved in terms of the strategic planning, funding and provision, as well as performance measurement and measuring of outcomes. There is also scope for the process of targeting unmet need to become a more integral part of the service provision.

Most current approaches to targeting unmet need can be categorised as targeting around life stages (mainly focused on young people), targeting around ‘vulnerable groups’ (not always with a clear definition of these groups; mostly focused on people at risk of homelessness with some targeting around Social Work clients, ex-offenders and migrant communities), targeting around geographical areas (mostly via an adviser visiting outreach locations) and targeting around health (e.g. via specific advisers in a Macmillan project, or advisers based in hospitals and GP practices).

<table>
<thead>
<tr>
<th>Life stages</th>
<th>Vulnerable groups</th>
<th>Geographical areas</th>
<th>Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>• young people</td>
<td>• social work clients</td>
<td>• areas of deprivation</td>
<td>• Macmillan partnerships</td>
</tr>
<tr>
<td>• young parents</td>
<td>• ex offenders</td>
<td>• outreach locations to target different areas</td>
<td>targeted at clients with cancer and other long term conditions</td>
</tr>
<tr>
<td>• older people</td>
<td>• migrants</td>
<td></td>
<td>• outreach in hospitals and GP practices</td>
</tr>
<tr>
<td>• targeting around a number of life stage events</td>
<td>• other groups defined as ‘vulnerable’ by a service</td>
<td></td>
<td>• Mental health projects</td>
</tr>
</tbody>
</table>

The majority of local authority delivered money advice services (15 out of 21) and a smaller number of third sector providers are providing some targeted support to certain client groups. However, most services do not have robust targeting approaches (e.g. no performance objectives and measurement) in place to identify the extent of local unmet need and to establish which models achieve the best outcomes. Most resources are taken up by dealing with crisis-based interventions for clients who are referred via other agencies or self-referred.

Casework, self help, aftercare

Casework management approaches vary across the money advice sector. Many providers (both council and third sector) have administrative and support workers dealing with the information gathering process and entering of client information into a database system before the client gets an appointment with a specialist adviser. In other services the money adviser covers these
tasks. Some money advice services route clients for support from various advisers depending on the level of advice and support required, as defined by the Scottish National Standards for Information and Advice Providers (SNSIAP) (i.e. Types I, II and III). (Further information on the SNSIAP can be found in the separate section on quality of advice in this report). Most CABs operate a system whereby the client will first see a generalist adviser who assesses the client’s situation and then makes an appointment for the client to see a specialist adviser. In general, a very mixed approach is taken across the sector when gathering information throughout the client’s journey. There is potential for improvement for service providers to consider when and how they measure client outcomes, (e.g. by asking questions at the beginning of the client journey and comparing the client’s responses after the client has received advice and chosen a debt solution). However, it also needs to be taken into account that monitoring and measuring - especially of longer-term outcomes – is likely to require additional resources, as well as client’s willingness for longer-term engagement with the service. Current practice suggests that such monitoring of the impact of advice services is less of a priority for most money advice services. As demand levels increase, without additional direction and support, there is a very real danger that monitoring and evaluating the impact of service provision may fall further down in terms of priorities.

**Debt packs**

Some money advice providers (both council and third sector) issue a debt pack to be completed by the client before offering a face to face appointment with an adviser. The majority of these services felt that after issuing the debt pack they then had a responsibility to follow-up with clients that failed to return a completed pack/attend an appointment. However, a robust system for reviewing client contacts and establishing their support needs has to be in place as well as sufficient resources and capacity to follow-up.

Some money advice providers follow up with a letter to the client, a phone call or even a home visit, with an average of two attempts to establish contact with clients that fail to show for an appointment. A few services also suggested that it was good practice to follow-up contact with the original referrer to the service in order to highlight that they had been unable to contact the client. While this kind of follow-up was considered time-consuming and resource-intense, it was also seen to represent good practice, particularly in reaching some of the more vulnerable client groups.

**Self-help**

Most money advice services (both council and third sector) tend to signpost clients to routes for accessing self-help materials. Some providers developed their own self-help materials and, in one case, a council and a CAB worked together to produce a self-help booklet for their area. Another example highlights parents working with a school to develop a resource. Encouraging more clients towards self-help as a way of dealing with increasing demand is being considered by number of providers (both council and third sector). Many services however, have concerns around self-help or have tried handing out packs in the past and not had positive experiences. Most services that tried self-help packs felt that many clients were unable to fill in the correct
information on their own. This could be connected to issues regarding literacy and numeracy and a client’s lack of confidence or capacity. Many money advice services also considered that a client in a crisis situation needs the support and reassurance of an adviser to deal with their debt. Another issue around self-help was that creditors can be less willing to accept offers if coming directly from a client, rather than from a money adviser. It was also considered that, by the time a client approaches a money advice service, the client might have previously attempted self-help and realised they needed the support of an adviser.

**Assisted self-help**

Cashflow is an assisted self-help scheme, which is facilitated by the Money Advice Trust. The software guides clients through the process of drawing up a financial statement using the style and format of the Common Financial Statement. A money adviser has to approve the financial statement before sending it off to creditors. Although several money advice services are registered to use Cashflow in Scotland, only two were identified as having actively used the tool with their clients. Both providers that used Cashflow felt that most clients preferred face-to-face support over assisted self-help. In addition, they indicated that they thought the tool would only be suitable for specific client groups with fewer debts and who were not in crisis situations. In general, however, a wider range of providers felt that this option could potentially be explored further for some clients.

**Aftercare**

The majority of service providers do not provide any aftercare support for a client once they have found a solution to manage a debt situation. This is an area that could be introduced and improved as a way of enhancing and sustaining better outcomes for clients. Again, however, there would undoubtedly be resource implications. A minority of providers would address further support needs for an individual client if highlighted as part of a customer satisfaction review. For those providers that provided a review of their case at either three, six or 12 months, it was mainly with the intention of reviewing whether there was any change in the client’s circumstances as opposed to assessing the client’s issues in a more holistic approach. In order to avoid ‘revolving door’ issues, it was generally felt that financial education and building on people’s financial capability at a young age and through various life stage events would be crucial. The scope to develop approaches within schools as part of the Curriculum for Excellence was seen to be an opportunity in this regard.

**Performance management**

**National statistics**

A common statistical framework for gathering data and information on money advice statistics for Scotland was introduced by the Scottish Government in 2006/07 for a period of two years. An evaluation was carried out with a final report of the outcomes from this framework in

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28 [http://www.cashflow.uk.net/](http://www.cashflow.uk.net/)
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2008/09. The report highlights issues around comparability and incomplete data. Following that report, the Scottish Government removed the requirement for providers to report on these common statistics. Some money advice services continue to produce reports in accordance with the framework for their own reference; whereas others have stopped reporting on the indicators, as there is no longer a mandatory requirement. Some services have also since implemented their own framework for gathering data. Overall, however, the approach and degree of robustness is very mixed across the sector. CABx are required to produce statistics on the range of issues they deal with and these are passed to Citizens Advice Scotland for national reporting. Generally, it was felt by most interviewees that a national system for gathering statistics would be beneficial in order to help benchmark performance and assess the overall reach and impact of money advice services.

**Monitoring and reporting**

The approaches to performance monitoring and evaluation vary greatly across money advice services. Not many services have robust performance monitoring and reporting measures in place. However, a number of providers (primarily, CABx), require to report information in order to meet funder requirements. Generally, a lot depends on what is required from the funder of the service or the corporate lead for the service area. This is often a reflection of which strategies exist at the relevant local level (e.g. financial inclusion, anti poverty, child poverty, corporate debt strategies, etc.) aligned to the Single Outcome Agreements. Some providers (both council and third sector) felt that, while they produce regular performance reports, the data is not fully utilised to highlight issues and help drive improvement. (i.e. There is a missed opportunity to use the data to actively manage the service and achieve better delivery). CABx report regularly to Citizens Advice Scotland, as well as to their funders, which could potentially result in duplication and additional work if the funder requires different information. It is generally felt that a consistent approach across the sector would be useful for benchmarking purposes. However, the data gathered at national level would have to be meaningful (including, tracking the ultimate outcomes arising from money advice) and should be used to further improve service design and the achievement of positive outcomes in money advice.

**Quality of advice and Scottish National Standards of Information and Advice Providers**

In terms of assuring quality of money advice, most providers regard the Scottish National Standards for Information and Advice Providers (SNSIAP) as good practice. The majority of funders and providers agree this framework should be a mandatory requirement to be able to practice in money advice. Currently five local authority money advice services are accredited for money advice (M) under the SNSIAP (Dundee, East Renfrewshire, Highland, Moray, North Lanarkshire). However, most local authority money advice services generally try to work towards the standards. The main barriers to working towards accreditation appear to be a lack of resources and need for external support to implement the standards. Providers highlighted

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31 i.e. regular performance measurement and reporting utilising the information to achieve better outcomes.

32 Further information on the SNSIAP can be found in the Literature Review in the Appendix to this report

33 [http://www.scotland.gov.uk/Topics/Built-Environment/Housing/access/nationalstandards/accreditation/Groups1](http://www.scotland.gov.uk/Topics/Built-Environment/Housing/access/nationalstandards/accreditation/Groups1)
needs around management support, documenting standards and procedures, as well as training. Most reviews of advice services recommend that a money advice service should have accreditation or at least be working towards the standards. This is now also increasingly becoming a requirement for future funding agreements and a key component of quality assurance.

Overall, it is suggested that a commitment to the SNSIAP could be regarded as a useful indication of quality advice. However it does not necessarily always guarantee good service provision and outcomes. While quality standards can play a big role in improving outcomes in money advice, they need to be seen as part of a wider improvement agenda for the money advice sector.

**Outputs and outcomes**

Most providers (council and third sector) currently report on activities and outputs, rather than outcomes. This is a common issue across the sector and was highlighted by many providers, funders and other stakeholders. There are many reasons for this, including the fact that activity and output data is generally easier to come by than outcome data. Many services regularly review and report on customer satisfaction, number of clients, level and types of debt as well as financial gain as a result of using the service. A few providers have implemented measures to report on softer outcomes (e.g. reduced levels of stress, increased financial capability, etc). These approaches are all in early stages and require further development and aligning with Single Outcome Agreements. Applying an outcomes-focused approach and measuring the softer outcomes of advice is difficult to achieve and this is an area where a lot more work is necessary. Practical support is needed by many providers and funders on defining these outcomes, working with other partners and finding effective ways for measurement. A joined-up, national approach to this important issue would facilitate a better use of resources and help avoid multiple ‘wheels being re-invented’.

**Customer satisfaction**

Linked to the previous point, there is also no consistent approach within the sector for reviewing customer satisfaction. Most reviews are carried out by issuing a document to the client to complete and return. One agency has shifted to reviewing customer satisfaction via telephone contact and finds this very effective. Again, this is another area where there would be benefits in a joined-up, consistent approach to measurement.

**Data sharing and technological capacity**

**Access to council IT systems**

Half of all local authority money advice services currently have access to IT systems other than their own money advice case management system. The majority of these services can access Social Work, Housing, Revenues and Benefits and Corporate debt systems. This access may be for enquiry purposes and on a read-only access, whilst others can actively enter data onto the system. Two CABx in one local authority area also have access to council systems. Those providers that have access to other council IT systems find it very helpful for achieving faster
results, less duplication, verification of information and a more streamlined service. Other areas where services do not have system access arrangements cite data protection issues and protocols as being the main (perceived) barrier to greater data sharing. The variability of practice suggests inconsistent interpretation/application of data protection legislation and differing approaches to risk management across councils.

Data sharing arrangements need much improvement across the money advice sector and learning from those services that have achieved access to other council systems would be beneficial (also with regards to access for 3rd sector organisations). One local authority developed a multi agency single tracking referral system and allowed for it to be integrated with the money advice casework database and the council’s new early intervention systems as well as corporate debt management systems. These have recently been developed to help all council front line staff assist and support people through Welfare Reform changes.

**Systems**

The use of case management systems varies across the sector, with many services considering changing their current IT systems. At least half of all local authority money advice services currently use the MACS system\(^{34}\) for money advice casework. The MACS system is also used by a number of third sector organisations. A majority of these providers struggle with a lack of IT support for the system, as well as some problems with system speed and reporting. A number of local authority services have changed to AdvicePro or are considering changing to this system. Some local authority services have developed their own in house systems or use CRM software (see Figure 3).

**Figure 3 - Systems used in local authority money advice services\(^{35}\)**

\(^{34}\) Further information on MACS can be found here: [http://www.scotland.gov.uk/Publications/2010/10/08154126/22](http://www.scotland.gov.uk/Publications/2010/10/08154126/22)

\(^{35}\) Based on response provided to this question by 17 out of 21 Local Authority money advice services.
Most CABx currently use PG Debt\(^{36}\) for their money advice work, however it is understood that further development of this system will cease in the near future. The majority of CABx are also required to use the Castle system for reporting to Citizen’s Advice Scotland and it is generally felt that advisers have to spend double time inputting information into both PG Debt for case management and the Castle system for reporting. Citizen’s Advice has introduced a new system called Petra in England and Wales and a new money advice module is currently being tested.

Citizen’s Advice Scotland is consulting CABx across Scotland on potentially adapting the Petra system. Overall, the majority of services (both council and third sector) felt that if a standardised common national system could be used by all services, it would be beneficial and could also improve comparability of data and help produce meaningful national statistics for money advice for Scotland. However, it was also acknowledged that such a step would not be easy to take with regards to cost, changing IT systems and aligning a new system with existing other council systems.

### Financial capability and financial education

Financial education is regarded by the majority of money advice services (both council and third sector) as a key solution to debt prevention and avoiding ‘revolving door’ issues. However, only a few local authority money advice teams currently have dedicated financial capability/education workers. A number of CABx host Money Advice Service budgeting sessions and can refer clients on to these. Other providers have specific funded projects delivering budgeting, financial inclusion and financial education projects. There is a mixed approach in this area of work across the Credit Union sector with some activity in schools and the community.

There is no consistent approach taken for those services that deliver financial education activities. Some providers have developed their own resources for financial education; some financial capability workers received training courses and use nationally available resources, whereas others are self-taught. Approaches to financial education activities vary across the sector and the investment in resources and the level of partnership working with other services such as Education and Community Learning and Development can differ greatly. Those money advice services that currently do not provide any financial capability services generally felt that they would need additional resources to develop this area.

Financial capability interventions may not be a priority especially if a client is in a crisis situation (e.g. facing homelessness). In such situations, it is regarded as crucial to manage these emergencies first. In addition, people on low income may have excellent budgeting skills and knowledge around financial products but are simply unable to live on their income or access mainstream financial services. Money advice services are now increasingly co-operating with Credit Unions, food banks, white good schemes and other services which may provide a client with help in crisis situations.

Results from a focus group including discussions with a range of financial education providers (e.g. money advisers, financial education officers, financial capability projects, Credit Union sector, Education sector) highlight the inconsistencies across the sector and the fragmentation of provision of financial education. There is a strong need for a more joined-up approach, taking

\(^{36}\) [http://www.pgcomputing.co.uk/](http://www.pgcomputing.co.uk/)
into account future capability-building via nurseries and schools and the building financial capability levels for adults, as an integral element of the debt advice process and budgeting sessions. Overall, there was strong support for a national financial inclusion strategy to help address these issues and introduce a more consistent and joined-up approach to the delivery of financial education. Future work on financial capability quality standards was welcomed as a way of helping to raise the profile of financial education work and defining the different elements to it.

**Affordable credit**

A majority of money advice services (both council and third sector) will signpost clients to local Credit Unions. Some local authorities have Credit Union development workers or have set up Credit Union working groups for capacity-building and partnership working. Other local authorities have clear gaps in provision and access to affordable credit services. A number of local authorities are also interested in complementary services - mainly Scotcash, a Community Development Finance Institution and Grand Central Savings which offers a banking service to those who are ‘unbanked’ and socially excluded. Many local authorities are becoming more aware of the need for affordable credit and banking solutions as a result of welfare reform and the introduction of Universal Credit and are seeking to investigate how best to address these needs. Not all providers promote and offer information on affordable credit since they want to prevent clients from getting further into debt. The majority however would encourage opening an account and saving with Credit Unions as a way towards increased financial capability and inclusion.

**Partnership working**

The Christie Commission report underlined the benefits of effective partnership working for public services. For money advice especially, good partnership links with other services (e.g. health, education, welfare rights, employability and community learning and development) can facilitate offering the client a more holistic service, addressing multiple needs that a client might have once the debt problem is addressed. Partnership working varies greatly across the money advice sector, with some money advice services (both council and third sector) involved in many different activities and joined-up with a wide range of partners; compared to other providers with a clear lack of strong partnership networks. The majority of local authority providers and funders feel that they have good internal links with other relevant departments, especially Housing. Some local authority money advice services have also developed early intervention processes targeting tenants resulting in positive outcomes for both tenants and housing providers.

Linking CABx and other third sector organisations with Housing, Social Work and other council departments is another area that could be strengthened. Sharing of information – and making referrals - seems to be more difficult as an external organisation. A number of local authorities

37 [http://www.scotcash.net](http://www.scotcash.net)
38 [http://www.cdfa.org.uk/about-cdfis](http://www.cdfa.org.uk/about-cdfis)
39 [http://www.grandcentralsavings.org.uk](http://www.grandcentralsavings.org.uk)
40 [http://www.scotland.gov.uk/About/Review/publicservicescommission](http://www.scotland.gov.uk/About/Review/publicservicescommission)
have referral networks in place, which are usually perceived as strengthening partnership working and sharing of information across different providers to the benefit of the client. In addition, some areas provide advice directories which are regularly updated and sometimes linked to forums (especially for linking with the third sector and voluntary organisations).

Other common networks that exist across Scotland are financial inclusion partnerships and forums linked to employability and tackling homelessness and poverty. These networks do not exist in every area and some are more active and effective than others. Around two-thirds of all local authorities currently have financial inclusion or tackling poverty strategies in place and a few are currently developing new strategies. However, no financial inclusion strategy, per se, currently exists at national level.

Some partnerships have established common branding and advertising and are widely recognised within their local authority area. Some money advice services also have good links and working arrangements with the health sector, e.g. Macmillan partnerships, mental health providers, hospitals and GP surgeries.

Some local authorities also target a partnership approach to activities around themed weeks (e.g. Money Week, Energy Efficiency and Fuel Poverty), other consumer issues and other subjects which include a range of different partners. Those providers that deliver community events in a co-ordinated and partnership approach feel that this activity is beneficial for the community and meets the needs at a local level. Figure 4 below illustrates the most common partnership links for money advice providers in Scotland.

Overall, partnership working is not consistent across the sector but many good links and networks exist which could be built upon further. A lot seems to depend on whether the local authority area has a dedicated lead person to co-ordinate and drive forward partnership groups and help facilitate discussions and ways of working, communication and keeping abreast of developments within relevant providers. Successful models for partnership working in money
advice generally appear to be based on a more holistic approach to a person’s needs. In particular, links with the health sector need to be strengthened as well as links into preventative ‘life stages’ work streams. Finally, feedback from interviewees suggests that a gap exists – both nationally and in local areas - for practitioner forums around money advice and more sharing of information and learning for frontline staff.
Recommendations

The beginning of this report described the diverse landscape of money advice provision and funding across local authorities in Scotland. This theme is recurrent when examining different aspects of money advice such as targeting, casework, performance management, data sharing and partnership working. This set-up mirrors the complexity of the field of money advice, which is linked to financial inclusion and financial capability work as well as to a wider range of services such as social work, benefits, employability, health and education. This report captures a range of different aspects of money advice which are related to improving outcomes for clients. It also provides a comprehensive overview of the current provision of money advice across local authorities in Scotland at the outset of welfare reform changes. Based on the range of findings from this report, further research and/or implementation could be carried out on each of the different areas to explore the best ways of addressing and improving all areas of money advice work. A clear understanding of what constitutes money advice, how it is linked to an outcomes-focused approach for clients, how local and national providers and funders are connected and how more holistic referrals and partnership links can be set up are all crucial elements in building a more consistent and effective approach to money advice. The specific recommendations of the report are set out under the following sub-headings (the recommendations are not necessarily listed in any order of priority):

Provision and funding

The report described the different models of money advice provision within local authorities and it is apparent that a ‘one size fits all approach’ is not appropriate. Rather than standardising all aspects of money advice provision, the geographical and demographic specifics of an area need to be taken into account and existing good practices should be strengthened. Overall better coordination, cooperation and information sharing are crucial; this is especially the case for funding arrangements with third sector organisations and resourcing of short-term projects in the field of money advice, financial inclusion and financial capability. Scotland's local authorities, as major funders and providers of money advice, ought to play a key role in working towards a more consistent approach. The anticipated impact of welfare reform on demand and service delivery further underlines the necessity for coordinated approaches to funding on local and national levels and clear targeting of resources and capturing of outcomes.

There is a danger that further expansion of money advice services could result in sub-optimal use of public sector resources. This may happen, for example, as a consequence of the system of competitive funding bids or if Local Support Services frameworks are developed without full discussion with existing service providers.

Major funders and/or commissioners of money advice provision - including Scottish Legal Aid Board (SLAB), Big Lottery, Scottish Government, Money Advice Service and local authorities - have both an opportunity and responsibility to ensure that further development or expansion of the sector takes place within a strategic framework that encourages joined-up, evidence-based and outcome-focused approaches, which respond to need and complement existing provision.
Accessibility and availability

In the area of service accessibility and availability, efficiencies could be made in channel shifting clients towards more telephone advice and (assisted) self help. However these approaches need to be targeted and are not suitable for all client groups. Clients in crisis situations and with many other support needs will benefit most from face-to-face advice and ongoing engagement with a money adviser. Face-to-face delivery could be improved by more investment in mobile and flexible ways of working for advisers. This could also improve efficiencies and access for clients in rural areas.

Visibility of local authority money advice services is lacking in many areas and needs improvement (both at local and national level). However it is unlikely that this could be achieved without increasing capacity to deal with additional demand. Local authority money advice providers are not recognised under a well-known brand so therefore and can lack visibility and recognition at a local and national level. The local authorities with an Advice Shop presence and local branding on the high street makes services more visible to residents and visitors but what suits one authority may not suit another for a variety of reasons e.g.; geographical spread and population.

Another major area requiring improvement is in the use of referral systems. ‘Single tracking referral systems’ have the potential to improve areas such as partnership working, visibility and access to services, tracking of clients and measuring of outcomes and offer a more robust holistic approach to a client’s needs.

Demand and targeting

Dealing with increasing demand and the potential impacts of welfare reform is a major concern across the money advice sector in Scotland. Some areas are in greater need of further investment than others. In order to shift some of the work towards more early intervention and prevention, well targeted funding is necessary to ensure value for money. Many providers (both council and third sector) are currently trying to target some of their work around a certain client group and improvements could be made in further strengthening targeted approaches and measuring the outcomes they have. Targeting also depends very much on the specifics of a local authority area and needs to be approached differently in rural areas and in cities. It is recommended that detailed consideration be given to considering how best to deal with rising demand for money advice services generally. As part of this, and reflecting the challenges of the Christie Commission report, greater consideration should be given to more effective targeting of money advice services.

Quality of advice

Local authority money advice services that are working towards the national standards would benefit from additional support towards accreditation. This could include being able to tap into national resources that can assist with training, management support, development of resources, auditing, implementation at a local level, and development work with partners, building in quality assurance measures into contract agreements, monitoring arrangements etc.
Outcomes and performance management

In the area of performance monitoring and reporting, many advice services (both council and third sector) and their funders could benefit from support in defining and measuring outcomes for clients. These outcomes also need to be built into existing processes and systems. Some services have managed to move towards a more outcomes-focused approach and could share learning with the wider sector. A national, joined-up approach to this would reap many benefits and avoid numerous ‘wheels being reinvented’.

The differences in existing money advice casework and reporting systems and issues around IT support and duplication also need to be addressed. Many providers (both council and third sector) feel that it would be beneficial if all money advice services could use the same system. This could also improve the comparability of data and collection of national statistics in money advice. However, the differences in services based within a local authority and the ways of working in CABx need to be taken into account as well as the cost of standardised systems, and connecting them with other existing council systems.

Financial capability and affordable credit

Financial education is considered to be the key towards prevention of debt and overall financial capacity building. Overall, the provision of financial education across Scotland is inconsistent and needs to be more joined-up. There is great potential for many providers to learn from money advice services that currently have dedicated financial capability workers and from other projects (e.g. via Education sector, Credit Union sector, Banking sector). Sharing of good practice and materials as well as the introduction of financial capability standards and a national financial inclusion strategy could all strengthen the sector and work towards a more consistent approach to financial education.

As well as improving the provision of financial education on a longer term basis, the fundamental issue of financial exclusion requires to be addressed. Some local authorities work in partnership with Credit Unions or are looking at alternatives such as Community Development Financial Institutions. Against the background of the introduction of Universal Credit and the need for basic bank accounts and financial budgeting skills, services such as Scotcash or Grand Central Savings could provide much needed support to many vulnerable groups.

There is a need for more consistency and joined-up approaches to financial capability, financial inclusion and financial education across the sector. Key agencies should explore how best to progress this, including consideration of developing a national financial capability strategy.

There is a need to significantly improve access to affordable credit and sustainable solutions for individuals excluded from mainstream banking options. Key agencies should explore how best to progress this.

Partnership working

Another crucial aspect of improving outcomes in money advice for clients is the partnership working and sharing of information across different providers. The better money advice services
are linked with complementary providers (e.g. in the health sector) and with strategies around tackling poverty and early intervention, the easier it will be to make the right referrals for clients and have a coherent, strategic approach. Building-up networks and forums across the wider advice sector within a local authority area typically requires a dedicated lead and coordinated approach embedded within the council’s overall strategic approach (e.g. via a Financial Inclusion strategy).

Conclusion

This report provided a detailed overview of the provision of money advice across Scotland. It highlights the key role of local authorities in this area, both as direct providers and funders of money advice and related services. Many areas of improvement have been identified through the research which are interconnected and which all influence outcomes of money advice. Some areas for improvement are ‘system-wide’ issues such as performance management and common statistics while some are focused on improvement areas that individual councils may wish to focus on, especially around partnership working and quality standards.

The following table summarises the key improvement areas identified via the research. Detailed discussions will now be taken forward with key partners in the money advice sector. It is also noted that some of these issues may be taken forward in the Improvement Phase of the Money Advice Outcomes Project.

Figure 5 - Improvement areas
(The recommendations are not necessarily listed in any order of priority)

### Provision and funding

- Major funders/commissioners of money advice provision have an opportunity and responsibility to ensure further development of the sector takes place within a strategic framework that encourages joined-up, evidence-based and outcome-focused approaches, which respond to need and complement existing provision.
- This should include developing more consistent approaches to strengthen partnership working and contractual agreements between funders and providers - at both national and local levels.

### Access and visibility

- Scotland’s local authorities are the major funders and providers of money advice. The local authority sector should explore ways of increasing its collective visibility and exert greater influence and leadership in shaping the future direction of the money advice sector.
- There is potential to look at channel shifting clients to more telephone and online advice to free up space for the most vulnerable clients requiring face to face access and support.
- There might be potential for a national ‘triage’ service approach.
Money advice services across Scotland’s local authorities

Demand

- There is a need to explore opportunities for using existing resources more effectively to manage increasing demand and target need that is currently unmet. This should include a greater emphasis on prevention and early intervention.

Referrals

- There is a need to strengthen referral networks between money advice providers and other partners at both local and national level. ‘Single tracking referral systems’ have the potential to improve collaboration between agencies, strengthen partnership working and make better use of collective capacity. This should be explored by local and national funders and providers.
- There is also a need to strengthen referral networks and partnership working with the health sector.

Targeting

- Greater account of the Christie Report recommendations is required to improve the access and reach of money advice provision for specific disadvantaged target groups.

Affordable credit

- There is a need to significantly improve access to affordable credit and sustainable solutions for individuals excluded from mainstream banking options. Key agencies should explore how best to progress this.

Quality

- Local authority money advice services need additional support and resources to achieve accreditation under the Scottish National Standards of Information and Advice Providers.
- Funders of money advice need to recognise the importance of quality standards and build these into contract agreements.

Performance management

- Gathering common statistics at national level would allow for benchmarking and provide a better overview of money advice activity across Scotland.
- Creating a common system for case recording and reporting would be an improvement however this is not an easy solution. However, there is an appetite for improvement in this area.
- Achievement of common reporting and statistical analysis will require leadership from key agencies within the money advice sector.

Outcomes

- Linked to the above, funders and providers need support in defining and measuring outcomes and building this into existing processes and systems.
Financial capability

• There is a need for more consistency and joined-up approaches to financial capability, financial inclusion and financial education across the sector. Key agencies should explore how best to progress this, including consideration of developing a national financial capability strategy.

Partnership working

• There is a need to strengthen partnerships between money advice services and other agencies providing support on a range of issues that can be related to debt problems (e.g. health, education, social work); Taking a holistic approach and facilitating the development of wider referral systems will be important in this.
The research element of the project included:

**In-depth interviews (face to face/ telephone/ email)**

- The project included a substantial primary research element, which was undertaken to gain a better understanding of the range of issues concerning the provision of money advice services in Scotland’s local authorities and reviewing best practice within the UK and beyond.
- The research phase focused on existing money advice services delivered by/commissioned by councils seeking a range of information relating to the delivery models, scale and nature of support, etc.
- The primary research element included qualitative in-depth interviews with key money advice contacts in all 32 local authorities.
- The research phase also included in-depth interviews with other key stakeholders in the field of money advice, financial capability and financial inclusion.
**Focus groups**

- A few focus groups were also held to explore key issues around financial capability, referral systems and targeted support more in-depth with a range of stakeholders. The results from the focus groups reflect the findings from in-depth interviews and will be used to inform a range of separate issue papers.

**Development of primary research tools**

- The in-depth interviews are conducted in a semi-structured way using an interview guide which includes detailed questions on a range of different topics covering access and availability of money advice as well as partnership working, good practice areas and financial inclusion. A detailed overview of the topics covered during the interviews is provided in the Appendix of this document.

- The interview tool was developed by the IS in consultation with the Project Board and tested in five pilot interviews in different rural and urban local authorities.

**Analysis and reporting**

- Analysis of the primary research will be undertaken by IS staff to establish significant trends, correlations, good practice examples and key areas for improvement.

- A full detailed report, a summary report and a series of case studies and issue papers will be published, covering each aspect of the primary research. Draft reports and analyses will be issued to the Project Board for comment prior to finalisation.

**Secondary research element - literature review**

- The project also included an initial literature review and analysis of good practice in money advice, financial capability and financial inclusion from within Scotland, the UK and Europe. This analysis was used to inform the content of the in-depth interviews, as well as stimulating discussion on potential topics for the other aspects of the project (e.g. workshops, issues papers, etc). The literature review is included at the end of this Appendix can also be accessed as a separate document on the project webpage and Knowledge Hub group.

**Interview topics**

<table>
<thead>
<tr>
<th>Availability and accessibility</th>
<th>This section covers advice channels and channel shift/ referrals/ access to the service/ visibility and advertisement.</th>
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<tbody>
<tr>
<td>Demand for advice</td>
<td>This section covers the demand for advice within the council area in comparison to previous years and against the background of the recession and welfare reform.</td>
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<tr>
<td><strong>Debt issues</strong></td>
<td>This section covers the types of debt and changes in debt patterns within the council area.</td>
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<tr>
<td><strong>Target groups</strong></td>
<td>This section covers target groups/vulnerable groups within the council area.</td>
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<tr>
<td><strong>Casework/self-help/aftercare</strong></td>
<td>This section covers the allocation of support per case, the possibilities for self-help and how the service manages revolving-door issues.</td>
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<tr>
<td><strong>Resource/commissioning of services</strong></td>
<td>This section covers financial resources and any services that are commissioned by the council to deliver money advice.</td>
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<tr>
<td><strong>Performance management/use of a framework/communication</strong></td>
<td>This section covers performance management, statistical data collection, service reviews, Scottish National Standards for Information and Advice Providers.</td>
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<tr>
<td><strong>Data sharing and technological capacity</strong></td>
<td>This section covers the use of technology, internet and social media, data sharing.</td>
</tr>
<tr>
<td><strong>Partnership working/networks/contacts with other stakeholders</strong></td>
<td>This section covers partnership working between the council, money advice services and other organisations or stakeholders in the field.</td>
</tr>
<tr>
<td><strong>Other projects</strong></td>
<td>This section explores other projects that the council is involved in or other organisations which focus on money advice/financial inclusion/financial education.</td>
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<tr>
<td><strong>Examples of good practice/case study material</strong></td>
<td>This section covers examples of good practice from the council area.</td>
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List of stakeholder engagement

Project Board member organisations

Accountant in Bankruptcy
Citizens Advice Scotland
COSLA
Fife Council
Highland Council
Money Advice Scotland
Money Advice Service
North Lanarkshire Council
Improvement Service
Scotcash
Scottish Legal Aid Board
Scottish Poverty Information Unit, Glasgow Caledonian University

National and UK government

Department of Work and Pensions
Scottish Government
Her Majesty's Revenues and Customs
National money advice providers and funders:
Advice UK
Advice Pro (UK)
Beat the Recession (Ireland)
Big Lottery
Christians Against Poverty
Citizens Advice Direct
Community Money Advice
Debt Advice Foundation
Money Advice Trust
National Debtline
Payplan
StepChange Debt Charity
Health sector

Glasgow Centre for Population Health (Healthier Wealthier Children Project)
NHS (Health Scotland)
SAMH

Target groups

ASSIST (Glasgow)
Enable
GEMAP
Gingerbread
Macmillan Cancer Support
One Parent Families Scotland
Violence Against Women Network (Scotland)
Scottish Women’s Aid
Scottish Illegal Money Lending Unit
Young Scot
Youth Link

Education

Education Scotland
Scotland’s Colleges
Skills Development Scotland

Credit Unions

ABCUL
Capital Credit Union
Cumnock Credit Union
East Ayrshire Credit Union
Glasgow City Council Credit Union Development
Grampian Credit Union
North East Scotland Credit Union
Scottish League of Credit Unions
Housing Associations

Castlerock Edinvar Housing Association
Glasgow Housing Association
Grampian Housing Association
Link Housing Association
Melville Housing Association
Scottish Federation of Housing Associations

Private sector

AMI Financial Solutions Ltd.
Carrington Dean Group
Consumer Finance Association
CDFA
Barclays
Grant Thornton UK LLP
Lloyds TSB
Nationwide
Royal Bank of Scotland

Other

Energy Saving Trust
Fife Rights Forum
Financial Ombudsman Service
Grand Central Savings
IRRV
Money Advice Liaison Group Scotland
Rights Advice Scotland
SCVO
Shelter
TPAS Scotland
Transact
Welfare Rights Officer Forum Scotland
Money advice funding and provision within all 32 local authorities across Scotland

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Aberdeen City</th>
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<tr>
<td>Council</td>
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<tr>
<td>Location</td>
<td>Housing department, co-located with welfare rights</td>
</tr>
<tr>
<td>Annual budget</td>
<td>£155,000 (welfare rights + debt advice)</td>
</tr>
<tr>
<td>FTE staff</td>
<td>3 money advisors</td>
</tr>
<tr>
<td>SNSIAP</td>
<td>Not accredited, but working towards standards</td>
</tr>
<tr>
<td>External</td>
<td>Aberdeen City CAB</td>
</tr>
<tr>
<td>Annual Funding</td>
<td>£70,000 for money advice (£472,140 overall funding)</td>
</tr>
<tr>
<td>SNSIAP</td>
<td>Accredited</td>
</tr>
<tr>
<td>Total expenditure on financial inclusion related services (2011/12)</td>
<td>£1,282,347 (internal: £596,662 / external: £685,685)</td>
</tr>
<tr>
<td>Money advice/financial inclusion network</td>
<td>Cash in Your Pocket Partnership</td>
</tr>
<tr>
<td>Contact</td>
<td>Angela Kazmierczack, Senior Debt Counsellor, Aberdeen City Council</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Aberdeenshire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council</td>
<td>-/-</td>
</tr>
<tr>
<td>External</td>
<td>Banchory Advice Centre (no direct money advice provision) Banff &amp; Buchan CAB Fraserburgh and District Advice Centre</td>
</tr>
</tbody>
</table>
### Kincardine and Deeside CAB

- **Gordon Rural Action**
- **Turiff CAB**
- **Westhill CAB**

<table>
<thead>
<tr>
<th>Annual Funding</th>
<th>n/a</th>
</tr>
</thead>
<tbody>
<tr>
<td>SNSIAP</td>
<td>All external services are not accredited</td>
</tr>
</tbody>
</table>

**Money advice/financial inclusion network**

- **Cash in Your Pocket Partnership** (multi-agency referral system)

**Council strategies/reviews related to financial**

- **Tackling Poverty and Inequalities Agenda** 2012

**Contact**

Annette Johnston, Tackling Poverties and Inequalities Coordinator, Aberdeenshire Council

### Angus

**Council**

- **Welfare Rights Service** (includes money advice)

**Location**

Social Work and Health

**Annual budget**

£400,000 (welfare rights + money advice, however other services provided)

**FTE staff**

5.8 money advisers and admin support

**SNSIAP (Scottish National Standards for Information and Advice Providers)**

- Not accredited, working towards the standards

**External**

- **Angus CAB**

**Annual Funding**

£26,971 for money advice (+ £105,560 core funding)

**SNSIAP**

- Accredited

**Money advice/financial inclusion network**

-/-

**Council strategies/reviews related to financial**

- **Proposal for Welfare Reform related review** 2013

**Contact**

George Meechan, Welfare Rights Manager, Angus Council
### Argyll and Bute

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Argyll and Bute</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Council</strong></td>
<td>Money Advice Team</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Trading Standards department</td>
</tr>
<tr>
<td><strong>Annual budget</strong></td>
<td>£71,861</td>
</tr>
<tr>
<td><strong>FTE staff</strong></td>
<td>2 FTE officers</td>
</tr>
<tr>
<td><strong>SNSIAP</strong> (Scottish National Standards for Information and Advice Providers)</td>
<td>Not accredited</td>
</tr>
</tbody>
</table>

**External**

<table>
<thead>
<tr>
<th>Argyll and Bute CAB</th>
</tr>
</thead>
</table>

**Annual Funding**

| £55,000 for money advice |

**SNSIAP**

| Accredited |

**Money advice/financial inclusion network**

| Argyll and Bute Advice Network (multi-agency referral system) |

**Council strategies/reviews related to financial**

-/-

**Contact**

Desmond Middleton, Lead Officer Money Advice, Argyll and Bute Council

### Clackmannanshire

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Clackmannanshire</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Council</strong></td>
<td>Money and welfare benefits advice team</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Housing department</td>
</tr>
<tr>
<td><strong>Annual budget</strong></td>
<td>£67,836</td>
</tr>
<tr>
<td><strong>FTE staff</strong></td>
<td>1.5 money advisors</td>
</tr>
<tr>
<td><strong>SNSIAP</strong> (Scottish National Standards for Information and Advice Providers)</td>
<td>Not accredited, working towards the standards</td>
</tr>
</tbody>
</table>

**External**

Clackmannanshire CAB

**Annual Funding**

| £128,700 |

**SNSIAP**

| Accredited |
### Local authority: Dumfries and Galloway

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Dumfries and Galloway</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council</td>
<td>Financial inclusion and assessment team (FIAT)</td>
</tr>
<tr>
<td>Location</td>
<td>Revenues department</td>
</tr>
<tr>
<td>Annual budget</td>
<td>n/a</td>
</tr>
<tr>
<td>FTE staff</td>
<td>1 money adviser, 2 financial education officers</td>
</tr>
<tr>
<td>SNSIAP</td>
<td>Not accredited, working towards standards</td>
</tr>
</tbody>
</table>

**External**
- **Dumfries and Galloway Citizens Advice** (DAGCAS)

**Annual Funding**
- £500,000 core funding (includes money advice)

**SNSIAP**
- Accredited

**Money advice/financial inclusion network**
- Financial Education Programme to all schools in Dumfries & Galloway delivering sessions from nursery level through to S6. Pre-release programme at local prison – budgeting/borrowing sessions. Community programmes on all topics relating to financial capability. Money advice case management service and budgeting advice.

**Council strategies/reviews related to financial**
- Currently developing financial inclusion strategy.

**Contact**
- Helen Drinkwater and Lesley Urquhart, Dumfries and Galloway Council
## Money advice services across Scotland’s local authorities

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Dundee City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council</td>
<td>Welfare rights team (includes money advice)</td>
</tr>
<tr>
<td>Location</td>
<td>Social Work department</td>
</tr>
<tr>
<td>Annual budget</td>
<td>£ 614,330</td>
</tr>
<tr>
<td>FTE staff</td>
<td>25 (the team covers both welfare rights and money advice)</td>
</tr>
<tr>
<td>SNSIAP (Scottish National Standards for Information and Advice Providers)</td>
<td>Accredited to Type II Money Advice/Type III Welfare Rights</td>
</tr>
<tr>
<td>External</td>
<td>Dundee CAB and Brookesbank Money Advice Section (both contracted by Dundee Partnership)</td>
</tr>
<tr>
<td>Annual Funding</td>
<td>£500,000 core funding (includes money advice)</td>
</tr>
<tr>
<td>SNSIAP</td>
<td>Accredited</td>
</tr>
<tr>
<td>Money advice/financial inclusion network</td>
<td>Financial Inclusion Strategy Group, CATS (multi-agency referral system)</td>
</tr>
<tr>
<td>Contact</td>
<td>Craig Mason, Section Leader Welfare Rights, Dundee City Council</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local authority</th>
<th>East Ayrshire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council</td>
<td>Financial inclusion team</td>
</tr>
<tr>
<td>Location</td>
<td>Social Work department</td>
</tr>
<tr>
<td>Annual budget</td>
<td>n/a</td>
</tr>
<tr>
<td>FTE staff</td>
<td>11 Financial Inclusion Officers, 1 Financial Inclusion Delivery Manager</td>
</tr>
<tr>
<td>SNSIAP (Scottish National Standards for Information and Advice Providers)</td>
<td>Not accredited</td>
</tr>
<tr>
<td>External</td>
<td>East Ayrshire CAB</td>
</tr>
<tr>
<td>Annual Funding</td>
<td>£350,796 core funding (includes money advice)</td>
</tr>
<tr>
<td>FTE staff</td>
<td>3.4 money advisors</td>
</tr>
</tbody>
</table>
## Money advice services across Scotland's local authorities

<table>
<thead>
<tr>
<th>Local authority</th>
<th>East Dunbartonshire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council</td>
<td>-/-</td>
</tr>
<tr>
<td>External</td>
<td>East Dunbartonshire Citizens Advice Bureau</td>
</tr>
<tr>
<td>Annual Funding</td>
<td>£83,291 for money advice</td>
</tr>
<tr>
<td>SNSIAP</td>
<td>Accredited</td>
</tr>
<tr>
<td>Money advice/financial inclusion network</td>
<td>The CAB participates in various Financial Inclusion Networks, including the Joint Health Improvement Plan for Greater Glasgow &amp; Clyde and the East Dunbartonshire Community Health Partnership strategy groups for this Plan.</td>
</tr>
<tr>
<td>Council strategies/reviews related to financial</td>
<td>Active participation in the Single Outcome Agreement financial inclusion strands, both from an input and service delivery aspect. Currently a lead participant in the Welfare Reform Strategy group and work in partnership with the local authority designing and planning service delivery to minimise the impact of changes on residents. Strategic Partner of the local authority and as such participates in any relevant audits and inspections.</td>
</tr>
<tr>
<td>Contact</td>
<td>Lindsay Burt, East Dunbartonshire Council and Catherine Bradley, East Dunbartonshire CAB</td>
</tr>
</tbody>
</table>

## East Lothian

<table>
<thead>
<tr>
<th>Local authority</th>
<th>East Lothian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council</td>
<td>-/-</td>
</tr>
<tr>
<td>Money advice/financial inclusion network</td>
<td></td>
</tr>
<tr>
<td>Council strategies/reviews related to financial</td>
<td></td>
</tr>
<tr>
<td>Contact</td>
<td></td>
</tr>
<tr>
<td>Local authority</td>
<td>East Renfrewshire</td>
</tr>
<tr>
<td>-----------------</td>
<td>------------------</td>
</tr>
<tr>
<td>Council</td>
<td>Money advice team</td>
</tr>
<tr>
<td>Location</td>
<td>CHCP (co-located with income maximisation and welfare rights)</td>
</tr>
<tr>
<td>Annual budget</td>
<td>£123,100 for money advice</td>
</tr>
<tr>
<td>FTE staff</td>
<td>3 money advisers</td>
</tr>
<tr>
<td><strong>SNSIAP</strong> (Scottish National Standards for Information and Advice Providers)</td>
<td>Accredited to Type II</td>
</tr>
</tbody>
</table>

| External        | East Renfrewshire CAB |
| Annual Funding  | n/a                 |
| FTE staff       | 0.5 money adviser, 1 financial education officer |
| **SNSIAP**      | Accredited          |

| Money advice/financial inclusion network | Local Authority Money Adviser Forum (LAMAF) |
| Council strategies/reviews related to financial | -/- |

| Contact         | Margaret Shields, Senior Money Adviser, East Renfrewshire Council |
## Money Advice Services Across Scotland’s Local Authorities

### Edinburgh City

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Edinburgh City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council</td>
<td>Debt advice team</td>
</tr>
<tr>
<td>Location</td>
<td>Services for Communities department (co-located in the Advice Shop with welfare rights)</td>
</tr>
<tr>
<td>Annual budget</td>
<td>n/a</td>
</tr>
<tr>
<td>FTE staff</td>
<td>9.5 money advisers, 1 temporary debt advisor, 1 senior officer, 1 support officer, 0.5 customer advisor</td>
</tr>
<tr>
<td>SNSIAP</td>
<td>Not accredited</td>
</tr>
<tr>
<td>External</td>
<td>Citizens Advice Edinburgh (CAE), Community Help and Advice Initiative (CHAI), Granton Information Centre (GIC), Craigmillar Ability Network (CAN)</td>
</tr>
<tr>
<td>Annual Funding</td>
<td>£350,000 additional investment in advice services to mitigate Welfare Reform impact</td>
</tr>
<tr>
<td>SNSIAP</td>
<td>Accredited: CHAI, GIC</td>
</tr>
<tr>
<td>Money advice/financial inclusion network</td>
<td>Edinburgh Housing Advice Partnership (EHAP), Housing and Regeneration Welfare Reform Group, Welfare Reform Planning Strategy Group, quarterly rent arrears group (bringing together housing and advice sector)</td>
</tr>
<tr>
<td>Council strategies/reviews related to financial</td>
<td>Advice Services Review near completion</td>
</tr>
<tr>
<td>Contact</td>
<td>Alison Jack, Senior Officer, Debt Advice, Edinburgh City Council</td>
</tr>
</tbody>
</table>

### Eilean Siar

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Eilean Siar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council</td>
<td>-/-</td>
</tr>
<tr>
<td>External</td>
<td>Western Isles CAB (Barra, Harris, Lewis and Uist CABx)</td>
</tr>
<tr>
<td>Annual Funding</td>
<td>£79,000 total for money advice</td>
</tr>
<tr>
<td>SNSIAP</td>
<td>Accredited</td>
</tr>
</tbody>
</table>
### Money advice/financial inclusion network
-/-

### Council strategies/reviews related to financial
-/-

### Contact
Tom Joyce, Trading Standards Manager, Eilean Siar Council

---

### Local authority | Falkirk
---|---
**Council** | Debt advice service
**Location** | Social Work department (co-located with welfare rights service)
**Annual budget** | £195,000
**FTE staff** | 5.5 money advisers, 1 Credit Union development worker
**SNSIAP (Scottish National Standards for Information and Advice Providers)** | Not accredited, working towards accreditation

### External
3 CABx across Falkirk

### Annual Funding
£207,383

### SNSIAP
Accredited

### Money advice/financial inclusion network
-/-

### Council strategies/reviews related to financial
Towards a Fairer Falkirk (tackling poverty strategy) 2011-2021
Financial education within CLD

### Contact
Linda Gilliland and Linda Scott, Corporate Policy and Planning, Falkirk Council

---

### Local authority | Fife
---|---
**Council** | -/-
**External** | Citizens and Rights Advice Fife (CARF)
### Fife

<table>
<thead>
<tr>
<th><strong>Annual Funding</strong></th>
<th>£1,180,432 overall funding (includes additional transition funding for 6 months)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SNSIAP</strong></td>
<td>Accredited</td>
</tr>
<tr>
<td><strong>Money advice/financial inclusion network</strong></td>
<td><a href="#">Fife Rights Forum</a>, FORT (multi-agency referral system)</td>
</tr>
<tr>
<td></td>
<td><a href="#">Fife Financial Inclusion Group</a> (under review)</td>
</tr>
<tr>
<td><strong>Council strategies/reviews related to financial</strong></td>
<td>Review of Information and Advice Services</td>
</tr>
<tr>
<td></td>
<td>Advice Rights and Financial Inclusion Strategy 2009</td>
</tr>
<tr>
<td><strong>Comments</strong></td>
<td>Following an advice review the Council money advice team recently merged with CARF.</td>
</tr>
<tr>
<td><strong>Contact</strong></td>
<td>Laura MacKean, Policy Officer, Funding and Monitoring Team, Corporate Services, Fife Council</td>
</tr>
</tbody>
</table>

### Glasgow City

<table>
<thead>
<tr>
<th><strong>Local authority</strong></th>
<th><strong>Glasgow City</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Council</strong></td>
<td>Welfare rights and money advice service</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Social Work department</td>
</tr>
<tr>
<td><strong>Annual budget</strong></td>
<td>n/a</td>
</tr>
<tr>
<td><strong>FTE staff</strong></td>
<td>1 DAS adviser</td>
</tr>
<tr>
<td><strong>SNSIAP (Scottish National Standards for Information and Advice Providers)</strong></td>
<td>Not accredited</td>
</tr>
<tr>
<td><strong>External</strong></td>
<td><a href="#">Glasgow Advice and Information Network</a> (GAIN)</td>
</tr>
<tr>
<td><strong>Annual Funding</strong></td>
<td>£3,538,500 overall funding (includes other advice services)</td>
</tr>
<tr>
<td><strong>SNSIAP</strong></td>
<td>Part of contract agreements</td>
</tr>
<tr>
<td><strong>Money advice/financial inclusion network</strong></td>
<td>Glasgow Advice and Information Network (GAIN)</td>
</tr>
<tr>
<td><strong>Council strategies/reviews related to financial</strong></td>
<td><a href="#">Financial Inclusion Strategy</a></td>
</tr>
<tr>
<td></td>
<td><a href="#">Review of Advice and Information Services</a> 2002</td>
</tr>
<tr>
<td></td>
<td><a href="#">Fraser of Allander report on Glasgow welfare rights service</a> 2003</td>
</tr>
</tbody>
</table>
### Local authority: Highland

<table>
<thead>
<tr>
<th><strong>Contact</strong></th>
<th>Carolyn Armstrong, Service Development Lead Officer and Richard Gass, Welfare Rights Manager, Glasgow City Council</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Council</strong></td>
<td>Money advice team</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Policy and Development department</td>
</tr>
<tr>
<td><strong>Annual budget</strong></td>
<td>£531,718 for money advice</td>
</tr>
<tr>
<td><strong>FTE staff</strong></td>
<td>6 Money Advisers, 1 Money Advice Senior (plus 3 Income Maximisation Officers in a separate team)</td>
</tr>
<tr>
<td><strong>SNSIAP (Scottish National Standards for Information and Advice Providers)</strong></td>
<td>Accredited</td>
</tr>
<tr>
<td><strong>External</strong></td>
<td>8 CABx in the Highland area</td>
</tr>
<tr>
<td><strong>Annual Funding</strong></td>
<td>£1,201,365 overall funding</td>
</tr>
<tr>
<td><strong>SNSIAP</strong></td>
<td>Accredited or working towards accreditation</td>
</tr>
<tr>
<td><strong>Money advice/financial inclusion network</strong></td>
<td>Money Advice Forum</td>
</tr>
<tr>
<td><strong>Council strategies/reviews related to financial</strong></td>
<td>-/-</td>
</tr>
<tr>
<td><strong>Contact</strong></td>
<td>Patricia Sproul, Money Advice Senior, Highland Council</td>
</tr>
</tbody>
</table>

### Local authority: Inverclyde

<table>
<thead>
<tr>
<th><strong>Local authority</strong></th>
<th><strong>Inverclyde</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Council</strong></td>
<td>Advice team</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>CHP, Social Work services</td>
</tr>
<tr>
<td><strong>Annual budget</strong></td>
<td>n/a</td>
</tr>
<tr>
<td><strong>FTE staff</strong></td>
<td>2 money advisers, 1.5 advice workers providing money advice within welfare rights team</td>
</tr>
<tr>
<td><strong>SNSIAP (Scottish National Standards for Information and Advice Providers)</strong></td>
<td>Not accredited</td>
</tr>
</tbody>
</table>
### Money advice services across Scotland’s local authorities

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Midlothian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council</td>
<td>-/-</td>
</tr>
</tbody>
</table>

**External**

- Penicuik CAB and [Dalkeith CAB](#)

**Annual Funding**

- £233,216 overall funding

**SNSIAP**

- Not accredited

**Money advice/financial inclusion network**

- Midlothian Financial Inclusion Network (MFIN)

**Council strategies/reviews related to financial**

- Financial Inclusion Strategy 2005

**Contact**

- Nicole Bethune, Senior Welfare Rights Officer and Louise McShane, Regeneration Officer, Midlothian Council

### Local authority | Moray
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Council</strong></td>
<td>Money advice service</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Trading Standards department</td>
</tr>
<tr>
<td><strong>Annual budget</strong></td>
<td>£192,000</td>
</tr>
<tr>
<td><strong>FTE staff</strong></td>
<td>3.6 money advisers</td>
</tr>
</tbody>
</table>

**SNSIAP (Scottish National Standards for Information and Advice Providers)**

- Accredited
## Moray CAB

### Annual Funding
£14,300 for money advice

### SNSIAP
Not accredited

### Money advice/financial inclusion network
Financial Inclusion Network

### Council strategies/reviews related to financial
- Financial Inclusion Strategy 2009
- Financial Inclusion Directory 2010

### Contact
Peter Adamson, Trading Standards Manager, Moray Council

## North Ayrshire

### Council
Money matters team (welfare rights, debt advice, financial capability, Macmillan cancer benefits)

### Location
Social Work department

### Annual budget
£381,300 pro prate share for debt advice (£874,000 total for Money Matters service)

### FTE staff
9 (including 1 money adviser based in Housing)

### SNSIAP (Scottish National Standards for Information and Advice Providers)
Accredited to Type III

### External
North Ayrshire Citizens Advice (NACAS)

### Annual Funding
£180,000 (for general advice service)

### SNSIAP
Accredited

### Money advice/financial inclusion network
-/-

### Council strategies/reviews related to financial
-/-

### Contact
Isobel Kelly, Headquarters Manager Money Matters, North Ayrshire Council
## Money advice services across Scotland’s local authorities

### North Lanarkshire

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Council</th>
<th>Money advice service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>Trading Standards department</td>
<td></td>
</tr>
<tr>
<td>Annual budget</td>
<td>£455,000</td>
<td></td>
</tr>
<tr>
<td>FTE staff</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>SNSIAP</td>
<td>Accredited Type III</td>
<td></td>
</tr>
</tbody>
</table>

**External**

- 5 CABx (Airdrie, Bellshill, Coatbridge, Cumbernauld, Motherwell & Wishaw)

**Annual Funding**

- £157,000 for debt advice (in addition to £350,000 core funding)

**SNSIAP**

- Accredited (except Cumbernauld CAB)

**Money advice/financial inclusion network**

- North Lanarkshire Information and Advice Forum (NLIAF)

**Council strategies/reviews related to financial**

- Self help guide
- Corporate Debt Policy

**Contact**

- Eamonn McCarron, Trading Standards Manager, North Lanarkshire Council

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### Orkney Islands

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Orkney Islands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Council</td>
<td>-/-</td>
</tr>
</tbody>
</table>

**External**

- Orkney CAB

**Annual Funding**

- £84,400

**FTE staff**

- 1.5 money advisers

**SNSIAP**

- Accredited

**Money advice/financial inclusion network**

- -/-

**Council strategies/reviews related to financial**

- Orkney Fuel Poverty Strategy 2011
### Money advice services across Scotland’s local authorities

**Contact**
Leslie Rendall, Orkney Islands Council

<table>
<thead>
<tr>
<th>Local authority</th>
<th>Perth and Kinross</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Council</strong></td>
<td>-/-</td>
</tr>
<tr>
<td><strong>External</strong></td>
<td>Perth and Kinross CAB</td>
</tr>
<tr>
<td><strong>Annual Funding</strong></td>
<td>£204,989 for money advice</td>
</tr>
<tr>
<td><strong>SNSIAP</strong></td>
<td>Accredited</td>
</tr>
<tr>
<td><strong>Money advice/financial inclusion network</strong></td>
<td>-/-</td>
</tr>
<tr>
<td><strong>Council strategies/reviews related to financial</strong></td>
<td>-/-</td>
</tr>
<tr>
<td><strong>Contact</strong></td>
<td>David McPhee, Commissioning Officer, Perth and Kinross Council</td>
</tr>
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<table>
<thead>
<tr>
<th>Local authority</th>
<th>Renfrewshire</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Council</strong></td>
<td>Advice Works Service (welfare rights, money advice, income maximisation)</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Social Work Services</td>
</tr>
<tr>
<td><strong>Annual budget</strong></td>
<td>£884,207</td>
</tr>
<tr>
<td><strong>FTE staff</strong></td>
<td>28.5 FTE (additional 11 posts for 2013/14 in December 2012)</td>
</tr>
<tr>
<td><strong>SNSIAP (Scottish National Standards for Information and Advice Providers)</strong></td>
<td>Not accredited</td>
</tr>
<tr>
<td><strong>External</strong></td>
<td>Renfrewshire Citizens Advice Bureau (money, welfare and housing advisory services)</td>
</tr>
<tr>
<td><strong>Annual Funding</strong></td>
<td>£238,000</td>
</tr>
<tr>
<td><strong>SNSIAP</strong></td>
<td>Not accredited</td>
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</table>
### Money advice/financial inclusion network
Renfrewshire Anti Poverty Strategy Group

### Council strategies/reviews related to financial
- **Financial Inclusion Strategy** 2007
- **Anti Poverty Strategy**
- **Financial Inclusion Services Directory** 2011

### Comments
Review of Advice Services in Renfrewshire completed in April 2013 (Renfrewshire Council Leadership Board 5 June 2013)

### Contact
Pamela Rennie, Senior Policy Officer, Chief Executive’s Office, Renfrewshire Council

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### Local authority
Scottish Borders

<table>
<thead>
<tr>
<th>Council</th>
<th>+/-</th>
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</thead>
</table>

### External
**CAB consortium** (money, welfare and advisory services)

### Annual Funding
£225,000 overall funding

### SNSIAP
Not accredited

### Money advice/financial inclusion network

### Council strategies/reviews related to financial
**Tackling Poverty and Financial Inclusion Strategy** 2010

### Contact
Cathie Fancy, Group Manager Housing Strategy and Services, Social Work Department, Scottish Borders Council

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### Local authority
Shetland Islands

<table>
<thead>
<tr>
<th>Council</th>
<th>+/-</th>
</tr>
</thead>
</table>

### External
**Shetland Islands CAB**

### Annual Funding
£55,000

### SNSIAP
Accredited
| Money advice/financial inclusion network | -/- |
| Council strategies/reviews related to financial | Fairer Shetland Framework 2013/2014 |
| Contact | Emma Perring, Policy Manager, Shetland Islands Council |

| Local authority | South Ayrshire |
| Council | Money Advice |
| Location | Resources, Governance and Organisation |
| Annual budget | n/a |
| FTE staff | 3 money advisers |
| SNSIAP (Scottish National Standards for Information and Advice Providers) | Not accredited |
| External | -/- |
| Money advice/financial inclusion network | -/- |
| Council strategies/reviews related to financial | -/- |
| Contact | Carole Lawrie, Debt Counsellor, South Ayrshire Council |

| Local authority | South Lanarkshire |
| Council | Money matters team (welfare rights and money advice) |
| Location | Social Work department |
| Annual budget | £195,500 |
| FTE staff | 14.5 money advisers |
| SNSIAP (Scottish National Standards for Information and Advice Providers) | Not accredited |
### Money advice services across Scotland's local authorities

<table>
<thead>
<tr>
<th>Local authority</th>
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<th></th>
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<tbody>
<tr>
<td><strong>External</strong></td>
<td><strong>Stirling</strong></td>
<td><strong>West Dunbartonshire</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Council</strong></td>
<td>-/-</td>
<td><strong>Advice service</strong> (money advice, welfare rights, access to other services)</td>
<td></td>
</tr>
<tr>
<td><strong>External</strong></td>
<td>-/-</td>
<td><strong>Location</strong> Corporate Services n/a</td>
<td></td>
</tr>
<tr>
<td><strong>Annual Funding</strong></td>
<td>-/-</td>
<td><strong>Annual budget</strong> n/a</td>
<td></td>
</tr>
<tr>
<td><strong>SNSIAP</strong></td>
<td>-/-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Money advice/financial inclusion network</strong></td>
<td>-/-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Council strategies/reviews related to financial</strong></td>
<td>-/-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Contact</strong></td>
<td>Jackie Lawson, Money Matters Team Manager, South Lanarkshire Council</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### West Dunbartonshire

<table>
<thead>
<tr>
<th><strong>FTE staff</strong></th>
<th>4 money advisers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SNSIAP (Scottish National Standards for Information and Advice Providers)</strong></td>
<td>Not accredited</td>
</tr>
<tr>
<td><strong>External</strong></td>
<td>West Dunbartonshire CAB, Clydebank Independent Resource Centre</td>
</tr>
<tr>
<td><strong>Annual Funding</strong></td>
<td>n/a</td>
</tr>
<tr>
<td><strong>SNSIAP</strong></td>
<td>Not accredited</td>
</tr>
<tr>
<td><strong>Money advice/financial inclusion network</strong></td>
<td>West Dunbartonshire Advice Partnership</td>
</tr>
<tr>
<td><strong>Council strategies/reviews related to financial</strong></td>
<td>Review of Advice Services 2010, West Dunbartonshire Advice Partnership Strategy</td>
</tr>
<tr>
<td><strong>Contact</strong></td>
<td>Mary Holt and Christine Brodie, West Dunbartonshire Council</td>
</tr>
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### West Lothian

<table>
<thead>
<tr>
<th><strong>Local authority</strong></th>
<th><strong>West Lothian</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Council</strong></td>
<td>Advice shop (housing advice, income maximisation, energy advice, money advice)</td>
</tr>
<tr>
<td><strong>Location</strong></td>
<td>Area Services</td>
</tr>
<tr>
<td><strong>Annual budget</strong></td>
<td>£190,000 plus time-limited SLAB funding for court advice</td>
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<tr>
<td><strong>FTE staff</strong></td>
<td>6 money advisers</td>
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<tr>
<td><strong>SNSIAP (Scottish National Standards for Information and Advice Providers)</strong></td>
<td>Not accredited, covered by PSIF framework</td>
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<tr>
<td><strong>External</strong></td>
<td>West Lothian CAB</td>
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<tr>
<td><strong>Annual Funding</strong></td>
<td>£20,000 for money advice (funding to discontinue in April 2014)</td>
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<tr>
<td><strong>SNSIAP</strong></td>
<td>Accredited</td>
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<tr>
<td><strong>Money advice/financial inclusion network</strong></td>
<td>West Lothian Financial Inclusion Network (WLFIN)</td>
</tr>
<tr>
<td><strong>Council strategies/reviews related to financial</strong></td>
<td>West Lothian Anti-Poverty Strategy</td>
</tr>
<tr>
<td><strong>Contact</strong></td>
<td>Alan Cunningham, Welfare Advice and Adult Basic Education Manager, West Lothian Council</td>
</tr>
</tbody>
</table>
Literature review - Money advice across Scotland and the UK

This literature review was prepared as part of the ‘Improving Outcomes in Money Advice’ project. The review was carried out during the initial desk research prior to local authority interviews and other stakeholder engagement. The principal aim of the research was to provide an overview of money advice services delivered and commissioned by Scottish local authorities. A secondary research aim was to identify potential areas for improvement in money advice services, which could lead to enhanced positive outcomes for citizens and communities. This literature review provides an overview of the key issues relating to money advice, drawing upon a wide range of research evidence from within Scotland, the UK and the EU.

Overview

The provision of money advice across Scotland appears to be very diverse. Compared to the Republic of Ireland, which has one national debt advice service (MABS), the situation in Scotland and the UK is different, with a broad range of networks and services in place. The UK government established an Over-indebtedness Action Plan in 2004, but it is being criticised by some that the framework for money advice still involves a very large number of actors, with some services having close links to the credit industry. On the other hand, a diversified landscape can be seen to offer more customer choice and it has been noted that the Scottish Government has invested in services that deliver alternative models while still supporting face-to-face advice, leading to the creation of a number of new services and meeting the needs of a wider range of groups.

To give an example of the diverse landscape, a Review of Advice and Information Services in 2002 in Glasgow showed 25 agencies operating in the voluntary and community sector offered specialist money and legal advice across the city. Another 75 organisations offered more limited money and legal advice services and, across the city, a total of 239 staff were employed to support these services. There is undoubtedly a challenge in balancing the requirements of having, on the one hand, a diverse range of services that encourage innovation and meet different user requirements and, on the other, having a joined-up, strategic approach that ensures good value for money and widespread provision. As a response to this challenge, Glasgow introduced its Financial Inclusion Strategy 2007-2010 to address the issue of consistency and duplication in the service delivery framework.

A 2012 London Economics review of debt advice in the UK conducted for the Money Advice Service underlines that the landscape of debt advice in the UK as a whole remains quite fragmented. Estimated demand for debt advice also varies and remains uncertain. As a result of the fragmented landscape, consumers do not always have a good overview of services and possibilities available to them. In addition, it is highlighted that it is often unclear which services and channels of advice provision achieve the best outcomes for people.

Funding

The main source of funding for money advice services are resources paid for by local authorities. Other funding streams include the Big Lottery and other charitable trusts. In contrast to this, funding in England and Wales is mainly provided through Community Legal Services. The patterns of provision differ as well: in Scotland, local authorities play a key role in the provision and funding of money advice whereas in England and Wales their involvement in delivery is much smaller. A study on funding debt advice in the UK (2009) suggests that around 4,500 full-time equivalent advisers (3200 paid and 1300 volunteers) provide money advice across the UK. For Scotland, an estimated 132 FTE paid staff and 80 FTE volunteer staff provide debt work within CABx and, according to Scottish Government information from 2006 around 125 FTE staff within local authorities providing debt work in Scotland each year.

About 1.1 million clients are advised by them per year. The total cost of free money advice services is estimated at around £160 million within the UK and around two-thirds of the funding is provided by Government sources with local authorities as the main funders. Annual funding from local authorities across the UK is estimated at £31.5 million. Citizens Advice Scotland resources related to debt advice are estimated at £4.7 million annually (more details can be found in the appendix of the study). The study also points out that the credit industry contributes less than 1% of total funding towards money advice services. The review also finds that “there is not a clear strategic direction for money advice funding” and criticised the lack of coordination and focus on short-term funding streams.

Alternative funding models to meet increasing demand could include the fair-share arrangement which is based on debt management plans with creditors sharing a percentage of the money clients pay back through these plans. This model, however, excludes clients on low income who are unable to pay anything back. Operating accounts on a client’s behalf, repaying their debt and saving the client money is a model used by Christians Against Poverty (CAP) across the UK and by the MABS in Ireland. In addition, charging clients who are able to pay for advice services could be another alternative source of funding according to the 2009 study on funding debt advice. This solution might be controversial though, especially since most free money advice services are open to the general public regardless of income. Instead of making some clients pay for advice creditors could also be charged. Another funding model suggested by the study would be creating a social enterprise, possibly with core funding and including some charges to clients.

Legislation and standards

Recent debt-related legislation in Scotland includes the Homeowner and Debtor Protection (Scotland) Act 2010 and Debt Arrangement Scheme (Scotland) Regulations 2011. The Scottish National Standards for Information and Advice Providers (SNSIAP) are part of the Scottish Government scheme to improve the standard of information and advice provision throughout Scotland's local authorities.

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45 http://www.infohub.moneyadvicetrust.org/content_files/files/spiu_funding_money_advice___full_report11.pdf
46 http://www.infohub.moneyadvicetrust.org/content_files/files/spiu_funding_money_advice___full_report11.pdf (page 6)
47 http://www.infohub.moneyadvicetrust.org/content_files/files/spiu_funding_money_advice___full_report11.pdf
Scotland. These standards are widely regarded as best practice in terms of quality assurance for money advice (M). The SNSIAP also include Housing (H) and Benefits (B) standards. The standards refer to both individual and organisational standards.

Accountant in Bankruptcy is currently working on the new Bankruptcy Law Reform which includes developing a Financial Health Service. The Bill and supporting Regulations will be taken forward in 2013. Scotland currently does not have a national Financial Inclusion strategy; however the majority of local authorities in Scotland either have a local Financial Inclusion strategy or elements of financial inclusion embedded in a Tackling Poverty strategy. The Money Advice Service is working on taking forward a framework for quality of money advice as well as a framework for financial capability, both at UK level.

**Indebtedness**

Prior to this Improvement Service/Money Advice Service research, detailed research on current money advice provision and funding in Scotland and the 32 local authority areas was limited. Money advice clients in Scotland have the highest levels of debt in the UK relative to their income according to a Scottish Government publication in 2009. However, a briefing paper prepared for Scottish Government in 2010 refers to a survey (covering 2006-08) showing that indicators such as home ownership, wealth, borrowing and indebtedness are all slightly lower than average in the UK. More recent figures from StepChange Debt Charity show a slightly lower average of unsecured debt (excluding mortgages) for Scotland (January to March 2013) at £13,521 compared to the average unsecured debt level of £14,415 UK wide. Credit Action statistics (May 2013) point to an average UK household debt (including mortgages) at £53,995 and excluding mortgages a level of £5,980, which is a much lower figure than the StepChange figures for unsecured debt. The Credit Action statistics do not include separate figures for Scotland though. Similarly, a report using data from the YouGov DebtTrack survey concludes that in 2012 households in Britain had an average total debt of £52,800 combining values for secured and unsecured credit.

A 2010 Evidence review on financial capability for the Scottish Government highlights the groups with low levels of financial capability as young people, those on low income or unemployment benefits, families with young children and those with literacy and numeracy issues. The review also refers to Scottish Household Survey data (2005 -09) giving an overview of financial management across Scottish households. The results show that around 8% of people in

48 http://www.cas.org.uk/publications/debt-advice-scotland
52 http://www.scotland.gov.uk/Publications/2009/12/21134623/1
54 http://www.stepchange.org/Debtview/Debtview/atlas.html
Scotland are doing poorly in financial terms with the figure as high as 19% in the most deprived areas. The figures are highest among the group of 26-35 year olds: those struggling with their finances in this age group are 24% in the most deprived areas of Scotland (10% the rest of Scotland). The survey also shows relatively few differences in financial management between males and females. In terms of savings, one third of all Scottish people did not have any savings, with the figure as high as 65% in the most deprived areas. The report highlights that particularly those with low incomes (under £10,000), in routine or semi-routine occupations, part-timers, the unemployed and the disabled/long-term ill are struggling to manage their finances.  

**Demand for money advice**

The recession has put more pressure on money advice services both in terms of increase in demand and decrease in resources. This double-burden is regarded as the main challenge money advice services will have to meet in the future. Apart from the recession as driver of demand, ‘failure demand’ (the fallout arising from various negative outcomes) and ‘revolving-door demand’ (where problems are not solved on a long-term basis) also need to be taken into account. Low income remains the main risk factor of indebtedness and there is also a great need to increase financial capability across the UK according to a 2010 Briefing Paper prepared for Scottish Government. Other challenges in the money advice sector include technological developments, such as new media and a greater interest in self-help approaches and channel shift. The traditional model of face-to-face money advice is still the most common model of delivery. Coping with increased demand depends very much on the available resources and the number of skilled money advice staff within a service, according to the Financial Inclusion Task Force. Increased demand might also result in shorter appointments and longer waiting times. Most services are expecting local and national government to find solutions for dealing with increased demand either via additional resources or stricter credit regulations to prevent further indebtedness.

The StepChange Debt Charity quarterly report on household debt levels in the UK, covering the 4th quarter of 2011, showed that demand in debt advice was expected to remain high and even rise in the coming years across the UK. Demand is expected to hit another peak in 2014 as a result of the lasting consequences of the financial crisis and a remaining uncertainty in the Eurozone. StepChange Debt Charity also expects that an increased number of middle-aged and older people will be affected and in need of debt advice. Overall, high inflation, low wage growth, and the increased cost of key essentials such as petrol, utilities and housing are negatively influencing disposable household income. The Money Advice Trust (which operates National Debtline) finds a considerable variation across the UK in advice seeking behaviour. In Scotland, the total volume of advice seekers is only 17% of those who are in arrears compared to Northern Ireland with around 65%. Around 78,000 clients were seeking advice from the free money advice sector in Scotland in 2011 making up 6.8% of all UK clients. The Money Advice Trust forecasted demand for 2011-2013 is estimated to increase by 21% which is equal to 16,000...
clients in Scotland. The report points out that it remains unclear as to why regional variations in household income (a key determinant of the ability to manage debt) do not reflect a greater variation in consumer indebtedness across regions.62

**Delivery of money advice**

Free to client advice is offered by money advice services within local authorities and charities like local Citizen’s Advice Bureaux (CABx) as well as national telephone providers such as National Debtline. Other national providers include Payplan, StepChange Debt Charity and Christians Against Poverty (CAP). Many charities, especially individual CABx receive local authority and other government funding. Another free to client model is the ‘fair share advice’ model which is operated by StepChange Debt Charity. StepChange receives funding from creditors according to the amount of debt a client is able to repay. Payplan also operates via a payment model with the credit industry, based on the amount of debt a client is repaying.

Commercial money and debt advice could have a negative influence on an individual’s financial situation according to a 2012 report to the House of Commons. The Office of Fair Trading categorises commercial debt management companies as a ‘high risk’ industry needing regulation. Consumers who are over-indebted and desperate for help often do not shop around for advice services, meaning that they might commit themselves to a debt solution which can have an even more negative affect to their financial situation.63

Advice is delivered through a variety of channels such as face-to-face, telephone and the internet. Channel preference often depends on what the client is most comfortable with. Remote channels, such as online support, can offer the advantage of anonymity and greater availability. Key factors to achieve a channel shift are not specific to the channel but are also linked to the skills of the advisor and advice service. A study published by the Money Advice Trust (2012) indicates that the use of online channels could be increased, however instead of a stand-alone online channel a link to telephone and email support would also be required. The study found that, despite a high degree of cross-over between phone and online channels, clients who are currently using telephone advice could not be easily shifted to online channels. In terms of delivering positive outcomes for clients, there seems to be little variation across channels. The study concludes that many clients are open to using a variety of channels creating potential to achieve a shift to remote channels. This could potentially result in major efficiency gains. The study concludes that channel and service strategy should move from being shaped by the existing sector structure and funding models to being consumer and evidence driven.64

A study by the Legal Services Research Centre (2012) on the delivery of advice via telephone and face-to-face found significant differences among clients with particular demographic characteristics on the preferred channel, with young clients and those with an illness or disability being more likely to use face-to-face advice. The study also found that the types of problems addressed differed in the two channels and that telephone based legal advice takes an average

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64 [http://www.infohub.moneyadvicetrust.org/content_files/files/mat_policis_channel_strategy_research_vol_2_channel_shift_200212.pdf](http://www.infohub.moneyadvicetrust.org/content_files/files/mat_policis_channel_strategy_research_vol_2_channel_shift_200212.pdf)
of fourteen minutes longer than face-to-face advice.\textsuperscript{65}

Research undertaken by the Financial Services Authority (FSA) in 2005 on the best ways to deliver advice also shows that ‘one size does not fit all’. While face-to-face advice seems to appeal more to young, vulnerable and low income clients offering easy and informal access, embarrassment can prevent potential clients from seeking face-to-face advice. Telephone based advice could offer wider accessibility (single phone number as point of entry, available outside normal working hours) and gains in efficiency and quality as enquiries could be dealt with on a regional as well as a national level. Advice via the internet is more likely to appeal to clients with confidence in their digital skills; however, linking online advice to telephone assistance could also attract less skilled and less confident clients. Other sources of advice mentioned by the FSA report are touch-screen information points in public places and digital television services.\textsuperscript{66}

\textbf{Quality of money advice}

The Scottish National Standards for Information and Advice Providers (SNSIAP) serve as a Scotland-wide framework to assure a quality standard for advice services. Advice can be comprised of various components such as listening to clients, diagnosing the problem, giving information, advising on the options available, taking action on behalf of clients, negotiating on their behalf, representing clients’ cases at tribunals and courts, referral where appropriate and enabling or empowering the individual to take informed action on their own behalf. People who visit an advice service do not seek advice as a product but the outcome of the advice and these expectations need to be considered. The SNSIAP divides advice providers into three types: Type I – Active Information, Sign-posting and Explanation, Type II – Case Work, Type III – Advocacy, Representation and Mediation at Tribunal or Court Level. The standards also refer to ‘social policy work’ of advice providers, suggesting that services should collect information and use their data to analyse trends and issues which could then be shared. The standards are divided into the following groups: general management, planning, accessibility and customer care, providing the service, competence and resourcing.\textsuperscript{67} The Money Advice Service is currently developing a quality framework for money advice across the UK and is considering the SNSIAP as a best practice model.\textsuperscript{68}

\textbf{Impact and outcomes of money advice}

Research published by the Money Advice Trust in 2012 shows that, in regions across the UK, where individuals with arrears on consumer credit are more likely to seek money advice, the proportion of individuals entering personal insolvency is lower. This evidence suggests that money advice has an impact on reducing personal insolvency.\textsuperscript{69}

The Financial Inclusion Task Force (responsible for coordination of financial inclusion across

\begin{thebibliography}{9}
\bibitem{65} http://www.infohub.moneyadvicetrust.org/content_files/files/just_a_phone_call_away_balmer_smith_denvir_patel_in_press.pdf
\bibitem{66} http://www.fsa.gov.uk/pubs/consumer-research/crpr43.pdf
\bibitem{67} http://www.scotland.gov.uk/Publications/2010/10/08154126/5
\bibitem{68} https://www.moneyadviceservice.org.uk/en/static/achieving-consistent-and-high-quality-debt-advice-a-consultation-document
\bibitem{69} http://www.moneyadvicetrust.org/images/dcn_2012_artwork.pdf
\end{thebibliography}
Scotland until 2011) refers to a lack of quality data on the long-term impact of money advice. Especially in the areas of financial capability, decision-making about credit use and abilities to cope with financial problems and negotiating with creditors, long-term evidence could be very valuable. In addition, there appears to be a need for research to identify and isolate outcomes directly related to debt advice from wider outcomes.\(^{70}\)

A literature review on money advice giving methods prepared for the Scottish Government (2009) also highlights the lack of empirical evidence on the impact of advice itself. The reviewed literature mostly reported positive impacts of debt advice such as emotional and health improvements, improvement in levels of debt and income, knowledge and understanding as well as relationships with creditors and family. Moreover, outcomes included an increasing benefit uptake from which local economies profit, reducing debt as a factor in criminality, avoiding court action, and decreasing student drop-out.\(^{71}\)

The Advice Services Alliance suggests that advice has positive impacts in at least four different areas: health and well-being, creating opportunity, promoting fairness and overcoming disadvantage, improving public services and cutting waste.\(^{72}\) Other positive impacts of advice include financial gains for creditors, although the exact gains are not always easy to quantify with existing data.\(^{73}\) A report prepared for the BOLD project led by Advice UK in 2010 on “Outcomes of Advice” finds that the majority of people interviewed for the report knew the outcomes they wanted to achieve - mainly stable and better family relationships and better well-being for their children. In addition, advice can also improve wider community outcomes. The report also highlights that these outcomes were not reflected in current performance measurement and funding structures in the advice sector.\(^{74}\) A 2012 Money Advice Service report finds that debt advice has a positive impact on individuals and that persons who had sought advice were more likely to remain in manageable debt solutions.\(^{75}\)

A current six-year study on the “long-term impact of debt advice on low income households” conducted by Michael Orton at the Institute for Employment Research at the University of Warwick suggests that overall debt advice has a lasting positive impact on clients while acknowledging that individual clients can have very different needs and capabilities. That study reports on a significant shift for clients from financial crisis situations to more manageable situations with the majority keeping up with payments. The majority of clients still regard the advice they received as having been helpful three years later and the positive impact of advice includes aspects of improved financial capability skills and self empowerment.\(^{76}\)

Apart from benefits for the consumers and the society, debt advice also impacts on creditors. Research on the impact of advice on creditors is not straightforward since available data seems insufficient in providing a definitive measurement of impact. A research project published by the

\(^{70}\) Financial Inclusion Task Force Research Programme (2005-2011)
\(^{73}\) http://www.infohub.moneyadvicetrust.org/content_files/files/jackie_wells__debt_advice__summary1.pdf
\(^{74}\) http://www.infohub.moneyadvicetrust.org/content_files/files/bold_outcomes_advice_final.pdf
\(^{75}\) http://www.infohub.moneyadvicetrust.org/content_files/files/effectiveness_of_debt_advice_2012_from_yougov.pdf
\(^{76}\) http://www2.warwick.ac.uk/fac/soc/ier/research/debt/
Friends Provident Foundation (2010) found that creditors seem to benefit financially from debt advice even when measured against the most costly form of advice. Further creditor funding of debt advice could be explored since the research implies that there is a self-interested business case for it.  

### Key elements of good practice

A good network of organisations, partnerships and successful referrals within this network seem to be key elements of achieving positive client outcomes. The specifics of different local areas should also be taken into account and local organisations and communities included in decision-making with regards to money advice provision. A ‘holistic’ approach to individual clients’ needs should be offered. However, the term ‘holistic’ needs to be defined more clearly with regards to money advice.

Data collection and data sharing is another key element of good practice. Collecting and evaluating data as well as sharing it with other organisations can help give the adviser a clear overview of the client’s situation and in general help inform other services. Overall, consistent approaches to data collection and sharing would provide reliable information on money advice outcomes across Scotland. Another key factor is the possibility to measure quality and outcomes by complying with a quality framework and good performance management principles.

Introducing new technologies into the service delivery could also be of advantage in dealing with clients. Using emails and websites to reach out to certain client groups can help channel-shift some demand as well as increase client choice. The use of social media and digital and mobile communications in reaching out and providing money advice would have to be evaluated. Providing self-help information (brochures, leaflets, online tools) and assistance towards self-help could also increase efficiencies and achieve further channel-shifting. Projects and services that have a targeted approach can often reach vulnerable groups better as different groups require different approaches. In addition, marketing of the advice services to increase visibility as well as taking proactive and informal approaches could be considered good practice. Financial inclusion and education measures embedded in money advice services and projects should be considered a key element of debt prevention.

### Financial capability

According to the Evidence Review on financial capability prepared for Scottish Government (2010), strategies to improve financial capability should change individual attitudes and behaviour by seeking to motivate and empower individuals rather than ‘just’ providing information. Strategies should be targeted to a specific group (e.g. students, adults, minority groups etc.) and staff delivering the training should be financially competent and skilled. The benefits of engaging with the local community should be recognised and information provided should be accessible and delivered via a range of channels on a continuous basis. Gender difference in financial literacy often put women at a disadvantage. A review of literature on the topic highlights that women are generally less financially literate than men. As a result, it is...
important for financial capability policies to address this and to reflect different learning styles.\textsuperscript{80}

Financial education in Scotland has become a cross curriculum activity that has to be addressed by all schools from September 2008. A range of resources and materials is available, especially through Education Scotland (previously Learning and Teaching Scotland). Because financial education approaches still vary greatly across Scotland, there is a need for better co-ordination of activities and projects. Examples of best practice should be highlighted and the scope, nature and effectiveness of financial education in schools need regular assessment. Local authorities could run events, seminars and workshops involving providers and teachers. The infrastructure supporting financial education in schools is currently defined by the Curriculum for Excellence, the UK wide National Strategy on Financial Capability led by the FSA and outcomes set by the Scottish Government.\textsuperscript{81}

The OECD launched the International Gateway for Financial Education, collecting information on financial literacy from its member countries. It recently published its “High-level Principles for the Evaluation of Financial Education Programmes 2012”. The OECD identified a rapid growth in the number and range of financial education programmes; however this varies from country to country. Financial education in schools could be integrated in more established subjects such as mathematics and teachers should be helped through training and the provision of tried and tested learning materials. Many students, teachers and parents attach priority to receiving effective financial education. A partnership approach is needed to achieve this as well as effective leadership at individual school level.

Financial inclusion should offer sustainable lower-cost alternatives to commercial sub-prime lenders; savings accounts that are secure, accessible and protect savings from inflation; a promotion of regular saving and its material and psychological benefit; universal access to basic, appropriate and affordable home contents insurance; and free-to-client budgeting and debt advice services according to a 2012 report “Developing a vision for financial inclusion”. In addition, everyone should have the confidence and knowledge to make appropriate use of financial services. To encourage saving, targeted social marketing through popular media is crucial. A way of encouraging children towards saving could be the introduction of national school-based schemes in partnership with credit unions and other providers.\textsuperscript{82}

The Money Advice Service is currently gathering evidence to develop a framework for financial capability across the UK taking into account examples of best practice across Scotland.\textsuperscript{81}

**European perspective**

Indebtedness of private households has risen to record levels in many OECD countries over the past decade according to a Consumer Focus publication. The UK appears to have relatively high levels of debt compared to other major European economies like Germany and France. The UK debt to income ratio was at around 171 % of disposable household income in 2009. In comparison, the ratio was 107% in France and 99% in Germany. The credit market in the UK


\textsuperscript{82} http://www.bris.ac.uk/geography/research/pfrc/themes/finexc/pfrc1205.pdf

\textsuperscript{83} https://www.moneyadviceservice.org.uk/en/static/financial-capability-call-for-evidence
also differs greatly from many other European countries. The lending regime in Germany is connected to a national credit reference database with a wide coverage and acceptance giving a comprehensive overview of a person’s credit rating. The consumer credit regulations in France and Germany also include interest rate caps, which do not currently exist in the UK.84

A survey of financial literacy schemes within the EU27 shows that building financial capability is a growing priority both for EU institutions and key stakeholders. However, the levels of financial capability schemes vary greatly between Member States, with the UK being one of the most advanced countries. Main target groups for financial literacy schemes are children and young adults. Moreover, according to the survey, two out of three schemes provide their service through intermediaries and every second uses multiple instruments and channels (especially the internet). About every sixth scheme is operated by private financial service providers.85

The Social Protection Committee of the European Commission is concerned with the challenges in the health and social services sector, including money advice services. Apart from structural challenges relating to an aging workforce, a predominantly female workforce in the social services sector with large income gaps and the prevalence of part-time work and temporary contracts, the Social Protection Committee also identified challenges in addressing growing demand: Social protection is mostly publicly financed and services are affected by austerity measures. The lack of resources is considered to be the key challenge for the social services sector. The Committee has developed guidelines on how to set, monitor and evaluate quality standards in social services across the EU. In 2010 the voluntary European Quality Framework for Social Services was adopted. The Europe 2020 Strategy focuses on tackling poverty across Europe including the efficient management and reduction of over-indebtedness. The Consumer Credit Directive (2008/48/EC) includes references to preventative measures on lending, stating that information and advice must be given to consumers before making a credit choice.86

84 http://www.consumerfocus.org.uk/publications/affordable-credit-lessons-from-overseas
Money advice services across Scotland’s local authorities

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