



CAS response to Resource Spending Review

March 2022

Scotland's Citizens Advice Network empowers people in every corner of Scotland through our local bureaux and national services by providing free, confidential, and independent advice. We use people's real-life experiences to influence national policy and drive positive change. We are on the side of people in Scotland who need help, when and where they need it and we change lives for the better.

We deliver free, impartial and confidential advice that people can trust in a way that best suits their needs— whether that is in person, over the phone or online. That advice can lead to life changing results for people. Every month CABs help around 20,000 people and around 200,000 people are checking our online advice. We unlocked £147million for people during the pandemic, and for those seeing a financial gain the average result was £4,400 – money that can be simply life changing.

We offer a wraparound service. If someone has multiple challenges CABs will help solve them all, not treat issues in a silo and signpost to other agencies. Our holistic, person-centred service means we see the links between problems in a way that other agencies don't.

We also look at the issues coming through the doors of our local CABs and the demand for online advice to identify the issues where public policy needs to change. Our campaigns reach around 3 million people on average and we are at the forefront of influencing decision makers for better policies for citizens. Those policy makers see that our positions are rooted in our data, so they know they can trust our evidence.

It is from this perspective, of an advice provider rooted in communities, and an advocacy organisation that understands in a very real way some of the issues experienced by society that CAS has approached its response to this consultation. We want to see a fairer, more equal society and believe that the mechanisms and approaches to public funding are a crucial enabler to achieving the Scottish Governments stated priorities. We want to see an approach to funding mechanisms put in place that allows the third sector to be able to take a more active, strategic role in defining solutions which deliver outcomes for people: from our perspective being able to contribute to national planning and access suitable funding for service provision would enable an increase in our ability employability and income maximisation.



Q1. In [Chapter 1](#) we have identified three priorities to guide the Resource Spending Review process:

- ***To support progress towards meeting our child poverty targets***
- ***To address climate change***
- ***To secure a stronger, fairer, greener economy***

Setting these as priorities helps us consider where spend should be targeted and re-directed. Do you agree that our resource spending should focus on these?

Citizens Advice Scotland warmly supports investment in the three priority areas as a considerable proportion of the issues brought to the Citizens Advice Network stem from poverty and inequality, issues concerning housing and affordability of energy, or workplace and employment issues.

Child Poverty

Almost 60% of our network's caseload is concerned with issues of maximising incomes and helping people manage problem debt and rising or unaffordable costs of living and so the focus of addressing the root causes of child poverty is very welcome. CAS understands the need to prioritise expenditure, however we would also caution that poverty is experienced by other groups of people, beyond children and families, and that the experiences and needs of these groups should not be forgotten.

As well as hosting the Money Talk Team service, funded by Scottish Government, CAB more broadly deliver a range of outcomes that help to mitigate Child Poverty.

Through our generalist and specialist advice work on maximising incomes for families and in arranging debt management, which is core to our current offer and our future direction, we make a material impact on Child Material Deprivation. This is achieved very practically through improving household finances and also highlighting some of the real and material factors that make the situation worse for families through our advocacy work.

Between April 2021 to January 2022:

- For families with children under 1: where we were able to realise a financial gain (maximise income and reduce costs) for the client that averaged £3,939. Where debt could be written off that averaged £13,553.
- For families with a mother under 25: where we were able to realise a financial gain (maximise income and reduce costs) for the client that averaged £2,920. Where debt could be written off that averaged £3,848.

- For single parent families: where we were able to realise a financial gain (maximise income and reduce costs) for the client that averaged £4,068. Where debt could be written off that averaged £10,989.

Clearly our interventions make a material difference for families experiencing poverty, however the challenge for our services is lack of funding to enable us to offer this kind of intervention to everyone who needs it.

There are structural issues with funding relied upon by our network to deliver these types of outcomes: CAB core funding comes from Local Authorities and sits within the 'discretionary' service category. As Local Authority budgets are constrained with the requirement to deliver a range of statutory services, CAB budgets have been at the mercy of sustained reductions over a number of years. In some areas service provision hangs in the balance, and the loss of a CAB would eliminate the ability to deliver the types of positive outcomes that we have demonstrated above, and which Scottish Government so emphatically wishes to see.

For this reason, and in order to enable the delivery of outcomes, the resource spending review should also consider the structures and mechanisms by which funding reaches organisations such as Citizens Advice, alongside the quantum of resource allocated.

A Just Transition

CAS is also keen to see a 'just transition' to a low carbon future that does not place the burden of this change on low-income consumers who can afford it least. The impact of this change cannot be underestimated, and adequate consideration and resource allocation should be made to supporting those who lack the means to transition to low carbon options, to participate in this change in a way that is affordable. There also needs to be adequate consideration of how to engage and support these consumers beyond the installation of measures as many consumers are currently disengaged or disenfranchised with the transition: particularly in the face of the current affordability crisis in the energy market. To be meaningful, this requires a further, significant increase in public effort and expenditure.

A Fair Economy

In terms of a fairer economy, we believe that social contracting of outcomes, if done well, could be fairer to citizens and the voluntary sector. Alongside the Scottish Government and COSLA's previously stated desire to strengthen local democracy, there is also a requirement for community empowerment to deliver the challenging national outcomes contained within the new National Performance Framework (NPF). The new NPF places a clear requirement on all sectors of Scottish society to



deliver the new national outcomes of inclusive economic, social, and environmental growth.

In the economic context, the majority of research and analysis of inclusive growth has focussed on the pace and distribution of growth across all communities and segments of society. However, in recent years various models of integration e.g., the Cleveland and Preston model, have sought to give a greater pluralism of ownership in terms of the delivery and use of public services.

Recent work on the Preston City Council model has focused on the distribution of "generative" benefits to the community to offset current structural economic inequalities which remove economic value from local economies. However, there has been little work around how greater advice provision alongside more involved citizens can help prevent loss or detriment and therefore play a generative role in local economies. In this context, taking an early intervention and wellbeing approach, which involves citizens in developing their own solutions and places due value of the delivery of outcomes, would help address some of the underlying structural inequalities in our economy and society.

There are many challenges facing public governed services and many innovative solutions being produced by public servants. The latest is a series of social contracting service redesign approaches, the most notable being the "Wigan deal" approach. This is a social contract between citizens and councils, where citizens are asked/tasked to use more of their own capacity to deliver positive outcomes for society in return for less cuts to services, a cap on council tax, or other incentives. We believe this type of "funding" direct or implied is a concerning route for public finances to take as it places unfair impacts on certain communities and sections within those communities of interest and geography to subsidise declining public funding.

Further afield, there are examples of Community Wealth building emerging in the USA around how financial empowerment of individuals can educate, empower, and protect low-income households in New York. Volunteers work on multi-channels to provide money advice and counselling, outreach work and undertake advocacy research. Also, within the USA there have been clear examples of building financial capability through the planning and delivery of integrated advice services within existing programs focussing on other aspects primarily e.g., housing or employability with a variety of different models used such as: referrals, partnership, or in-house training and subsequent provision. This leads to the development of a logic/service design model that serves as a roadmap for implementing the integration plan of the relevant policy. Likewise, it also delivers greater income maximisation and upstream intervention to improve both the primary outcome and better advised and informed citizens. This approach of mainstreaming prevention can save funds but requires preventative investment in social networks delivered by non-statutory partners.

Q2. In [Chapter 2](#) we have identified the primary drivers of public spending over the Resource Spending Review period including:

- ***Changing demographics***
- ***Demand on the health service***
- ***Public sector workforce***
- ***Inflation***

We welcome your views on these and any other public spending drivers you think we should consider.

These drivers are significant, and CAS recognises these are likely to increase over time, particularly with rising inflation and an aging population. In the light of this, and the ambition set out in the 3 priorities, it is particularly important to prioritise:

1. **Preventative expenditure:** that addresses and solves the root causes of issues before significant expenditure has to be allocated to expensive sticking plaster solutions. Currently, the potential for greater local empowerment and involvement sometimes only occurs after negative outcomes have been experienced by dependent communities and therefore this does little to address upstream demand inefficiencies or failure demand of new policies. This will simply lead to frustration that lived experience is only accounted for in complaints and remedial action, rather than adopting an early intervention and prevention approach to address issues at the earliest stage. This seems at odds with the proposals of the Christie Commission to invest in prevention and early intervention but also enabling structures that facilitate easily and simply this type of involvement in services, which will better deliver local priorities.
2. **Outcomes and relationship focussed solutions:** while a degree of 'input' measurement is required, it is only a relentless focus and measurement of the outcome that will drive genuine, long lasting, and positive change. From our experience, too many funding and procurement decisions are made on the basis of 'competitive pricing' without due regard being placed on whether the service delivers the outcome or solves the problem for the service user. High quality, relationship-based services are not cheap, but they deliver better outcomes and better long-term value, and lower failure demand by addressing the substantive issues immediately and by also retaining people within the system: in a constrained fiscal environment this approach is less wasteful.
3. **Long term thinking:** many of Scotland's societal issues are multigenerational and ingrained: long term views need to be taken to addressing these: which requires long term thinking, and longer-term funding agreements. Annual funding cycles benefit nobody: much resource is wasted in the bidding and measurement cycles, which could be usefully redirected

towards delivering outcomes for people.

4. **Placing due regard on the strategic expertise of the third sector:** the third sector is well placed to complement the public sector offering in both its strategic understanding of the issues experienced by people across Scotland, and in its sophistication as an innovative, collaborative and solutions focussed delivery partner. Many of the policies laid out today negate the role of the sector in contributing to strategic national planning and delivery: preferring to recognise the role of Local Government as primary or even exclusive in most, if not all, areas.

Q3. In [Chapter 2](#) we have identified the growth of the public sector workforce as a key driver of public spending. How can we use policy interventions to maximise the value achieved from the public sector workforce in the effective delivery of public services, while ensuring the sector is an attractive, rewarding place to work?

We welcome your views on this.

CAS is not a public sector employer as such, but we are a charity in receipt of public funds. We believe that as an organisation we can offer competitive, high-quality services while remaining an attractive employer for people passionate about making a positive impact to society. As such, we would encourage greater consideration of our sector in delivering solutions for government, particularly in the fiscally challenging context, set out in the framework.

Q4. In [Chapter 3](#) we have identified a number of ways in which we will be exploring how to get best value out of Scotland's public spending, including:

- ***Improving cross-government collaboration***
- ***Public service reform***
- ***Prevention and invest to save initiatives***
- ***The public sector workforce***
- ***Better targeting***
- ***Targeted revenue raising***

We welcome your views on these, and other ways to maximise the positive impact of public spending.

Again, as indicated in previous responses, we believe that the third sector to be an under-utilised and under-valued strategic partner to the Scottish Government.



Our sector takes pride in delivering outcomes for the people we serve, and it is the relentless focus on delivering for people that makes us successful at what we do. Our operating models represent excellent value for public money owing to reduced bureaucratic overheads associated with statutory services and we are often well placed to reach those groups who can benefit most from intervention.

We believe that the voluntary sector and specifically the volunteers of the Citizens Advice network across Scotland have a new and potentially increasingly vital role to play in making public services and local economies fairer and more just. In doing so this would strengthen community participation and co-creation of local democratic structures and processes.

Therefore within this framework we can see significant potential across a number of areas for greater integration between Scottish and Local Government structures and the voluntary sector which currently delivers services for or to communities and in particular the CAB network and its services nationally.

Currently, Inverclyde, North Ayrshire and South Ayrshire are the only local authority areas without a current physical bureau. There is clear potential to situate and concentrate local public sector services currently delivered by councils and deliver these differently. Service models developed could be integrated and additional to the existing local authority financial inclusion services and the end result could be a locally governed multi-channel aggregation of services which deliver significant improvements in well-being across the areas. This would offer a clear mechanism for integrated service delivery with councils and NHS Scotland, as well as potentially bringing a whole systems approach to public health, debt, or other financial stress matters through the work of Public Health Scotland or Health/Social Care partnerships. This would allow for fiscal and functional empowerment of communities to be tested in terms of how mainstream public services can improve local access to advocacy and advice services. This would therefore drive improvement in public services through co-creation and design with volunteers.

We believe these proposals would offer the opportunity to improve the current diversity of access to free, impartial advice across a number of channels which is fundamental to the economic and social wellbeing of communities and would deliver against the stated NPF outcomes.

Q5. In [Chapter 3](#) we have shared that we will be conducting an equality assessment of the Resource Spending Review's findings.

We welcome your views on any particular equality and human rights impacts which we should consider in the context of the priorities (question 1) and primary drivers of public spending (question 2) we have set out.

Equality and human rights implications should be at the forefront of the Resource Spending Review process. Human Rights based approaches to budgeting recognise that government's decisions about how to spend resources have different impacts on diverse groups within our communities and we believe this would be particularly



useful in this work. Whilst we recognise the importance of focusing on Child Poverty and welcome this approach, we would also like to see a broader approach to tackling poverty and structural inequality so that those without children are not overcome by the cost-of-living crisis. A considerable proportion of people who come to CAB for support with social security, income maximisation or debt management live in households without children. We are particularly concerned about the impact of the cost-of-living crisis on people with disability or long-term illness, but we believe that everyone in Scotland should have a sufficient income to live with dignity and respect.

We are also concerned about the impact of climate change and the transition to net zero on low-income households, and we have committed to focusing on this over the next three years. We would welcome investment from Scottish Government to ensure that low-income households are not left behind in the transition. Without this we are concerned that it will be impossible to deliver on the ambition of both a fairer and greener Scotland.

There is clear potential to improve people's lives via their engagement in decisions which impact their everyday activities. This would help reinforce faith in local democracy and we believe would not only create efficiencies but also opportunities for community wealth building. Overall, this would contribute to the national desire for inclusive growth alongside improvements in local democracy and public health. We believe the voluntary sector and our network can promote well-being at a much greater rate than is currently achievable within the existing over centralised and non-participative arrangements. Ensuring that governance structures seek greater societal input into their priorities and outcomes beyond the measurement of service outcomes will allow for a greater focus on enhancement of well-being for communities and a preventative analysis of strategy, decisions, and budgets.

Q6. In [Chapter 3](#) we shared that this Resource Spending Review is taking a consultative approach to ensure that we engage with people and organisations across Scotland as we develop multi-year financial plans. Our intention is to use the Resource Spending Review to continue the Scottish conversation on public spending going forwards.

We welcome your views on how best to continue our engagement with people and organisations after the Resource Spending Review.

We would be happy to meet with the Resource Spending review team to elaborate on any of the points we have made, or to provide supplementary information.

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