Scottish Borders

Tackling Poverty and Financial Inclusion Strategy
# Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Introduction</td>
<td>5</td>
</tr>
<tr>
<td>2. Consultation</td>
<td>7</td>
</tr>
<tr>
<td>3. Context of the Strategy</td>
<td>8</td>
</tr>
<tr>
<td>What is Poverty and Financial Exclusion?</td>
<td>8</td>
</tr>
<tr>
<td>Who are most likely to be in Poverty or Financially Excluded?</td>
<td>9</td>
</tr>
<tr>
<td>The Causes and Effects of Poverty and Financial Exclusion</td>
<td>11</td>
</tr>
<tr>
<td>Links to Other Strategies</td>
<td>13</td>
</tr>
<tr>
<td>National and Local Context</td>
<td>19</td>
</tr>
<tr>
<td>4. Key information on households in the Scottish Borders</td>
<td>24</td>
</tr>
<tr>
<td>Population and Households</td>
<td>24</td>
</tr>
<tr>
<td>Housing</td>
<td>25</td>
</tr>
<tr>
<td>Fuel Poverty</td>
<td>27</td>
</tr>
<tr>
<td>Employment</td>
<td>29</td>
</tr>
<tr>
<td>Income</td>
<td>32</td>
</tr>
<tr>
<td>Debt</td>
<td>33</td>
</tr>
<tr>
<td>Benefits</td>
<td>34</td>
</tr>
<tr>
<td>Health</td>
<td>35</td>
</tr>
<tr>
<td>Homelessness</td>
<td>37</td>
</tr>
<tr>
<td>Rural Issues</td>
<td>38</td>
</tr>
<tr>
<td>Child Poverty</td>
<td>40</td>
</tr>
<tr>
<td>Vulnerable Groups</td>
<td>40</td>
</tr>
<tr>
<td>Minority Ethnic Communities</td>
<td>43</td>
</tr>
<tr>
<td>Transport</td>
<td>43</td>
</tr>
<tr>
<td>Key Issues</td>
<td>44</td>
</tr>
<tr>
<td>5. Addressing Poverty and Financial Exclusion in the Scottish Borders</td>
<td>46</td>
</tr>
<tr>
<td>Financial Services</td>
<td>46</td>
</tr>
<tr>
<td>Advice and Support</td>
<td>48</td>
</tr>
<tr>
<td>Financial Education</td>
<td>55</td>
</tr>
<tr>
<td>Partnership Working</td>
<td>60</td>
</tr>
<tr>
<td>6. Key Aims and Objectives</td>
<td>63</td>
</tr>
<tr>
<td>7. Resources</td>
<td>67</td>
</tr>
<tr>
<td>8. Action Plan</td>
<td>69</td>
</tr>
</tbody>
</table>
LIST OF TABLE & FIGURES

Table 1: Whether respondent or partner has a bank or building society account 10
Table 2: Population of Scottish Borders & Scotland by Age Band 25
Table 3: Projected Population Change 25
Table 4: Savings in the Social Rented and Private Rented Sector 26
Table 5: Employment Profile of Workforce by Gender (%) 30
Table 6: Unemployment in Travel To Work Areas in the Scottish Borders 31
Table 7: Gross Average Weekly Income in all Full Time Workers 32
Table 8: Percentage of the Total Population who are Income Deprived 33
Table 9: Sources of Financial Support 35
Table 10: Percentage of children living in low income households 40
Table 11: Number of cars available by banded net annual income 44

Figure 1: Diagram Showing links to other reports 13
Figure 2: Map of the Scottish Borders and Main Settlements 24
Figure 3: Fuel Poverty by pre 2007 Electoral Ward 29
Figure 4: Employment Structure by Industry in the Scottish Borders 30
Figure 5: Level of Unemployment in the Scottish Borders (%) 31
Figure 6: Homeless Applications 37
Figure 7: Age and Gender of Homeless Applications 2008/09 38
1. INTRODUCTION

Poverty is more than just a lack of income. The factors that generate poverty are wide-ranging and include many day-to-day things in life such as health, housing, educational attainment, employability and access to services. It is not enough to talk about poverty in isolation of other factors. It needs joined-up action to grasp these problems effectively.

Financial Inclusion is about ensuring that everyone has access to appropriate financial services and advice, enabling them to manage their money on a day to day basis, plan for the future and cope with financial pressure and deal effectively with financial distress. People who are able to achieve these goals are more likely to enjoy improved life outcomes.

This Tackling Poverty and Financial Inclusion Strategy outlines what is currently going on in the Scottish Borders to tackle poverty and financial exclusion and sets out future intentions. The key areas that are being developed are; dealing with material problems, improving the economic position or poorer people and promoting social inclusion.

The current economical climate is having a particularly negative affect on those who are already living on low incomes. It is also affecting people who were previously in secure employment or stable self employment who are now in debt or at an increased risk of being in debt. With the number of employment opportunities decreasing, the pressure on wages and with continuing price increases in key goods and services means that those already experiencing poverty or those on a low income can be faced with further problems.

This may also deepen with the new UK Coalition Government plans to cut public spending. The Chancellor announced on Monday 24th May 2010 that there would be an initial £6.2 billion worth of public spending cuts, £332 million in Scotland. This could affect the work carried out by the council and its partners in tackling poverty and financial exclusion, for example the Child Trust Fund is to be scrapped in January 2011. The Saving Gateway that was to start in July 2010 has also been scrapped.

This strategy is being developed at a key time and will be crucial in helping those in need
The three aims of the Tackling Poverty and Financial Inclusion Strategy are:

- **Aim One**: Reduce the number of households in the Scottish Borders currently in debt, or at risk of being in debt

- **Aim Two**: Improve access to affordable and manageable financial services in order that household’s manage their money efficiently

- **Aim Three**: Improve access to information and advice to help maximise incomes
2. CONSULTATION

The Consultative Draft of the Tackling Poverty and Financial Inclusion Strategy was approved by Scottish Borders Council Executive on 16th February 2010 to be issued for consultation to a wide range of stakeholders and partners:

- Citizen Advice Bureau
- NHS Borders
- Members of the Tackling Poverty Officers Group
- Members of the Tackling Poverty Rural Network
- SBC – Community Planning, Planning and Economic Development, Education and Lifelong Learning and Corporate Resources
- Financial Inclusion Team, Scottish Government
- Chartered Institute of Housing
- Registered Social Landlords
- Voluntary Sector
- Neighbouring Local Authorities
- MP/ MSPs
- Libraries
- SBC Contact Centres
- Equalities Groups
- Community Councils

The Consultative Draft was also sent out to the People’s Panel, which is composed of members of the public living in the Scottish Borders who are happy to be consulted on issues relating to living in the Scottish Borders.

The Consultation was held from 16th February 2010 – 31st May 2010.

This final draft of the Tackling Poverty and Financial Inclusion Strategy includes all the comments from the consultation.
3. CONTEXT OF THE STRATEGY

What is Poverty and Financial Exclusion?

Poverty

Poverty is not just a question of bringing all people up to a minimum standard of living, but also of addressing social and economic inequalities. There is no one single definition for poverty.

The Scottish and UK Governments use two main poverty measures both of which reveal slightly different information about changes in poverty over time. These measures are relative and absolute poverty. The term social exclusion has been used extensively by Labour since 1997.

- **Relative poverty**: Individuals living in households whose equivalised income is below 60% of UK median income in the same year. This is a measure of whether those in the lowest income households are seeing their incomes rise in real terms.

- **Absolute poverty**: Individuals living in households whose equivalised income is below 60% of the (inflation adjusted) Great Britain median income in 1998/99. This is a measure of whether those in the lowest income households are keeping pace with the growth of incomes in the economy as a whole.

- **Social Exclusion**: Where individuals or groups are not able to participate fully in society because of unemployment, low skill levels, poverty, bad health, poor housing or other factors. Social Inclusion is about removing the barriers and factors which lead to exclusion so people can participate.

The poverty measure favoured by the UK Government, and used by many other bodies worldwide, classifies those with a household income under 60% of median earnings as living in poverty.

Financial Exclusion

The term financial exclusion was first used in 1993 regarding concerns to the limited physical access to banking services as a result of bank branch closures. In more recent years it has been used in different ways but is most commonly used to describe a lack of access to, and use of a range of financial services.

Financial Exclusion describes how some individual's are unable to access appropriate financial services. These individuals are unable to take advantage of a wide range of financial services.
like debit cards, internet banking and direct debit facilities due to their income, skills and personal circumstances.

‘Financial exclusion refers to a process whereby people encounter difficulties accessing and/or using financial services and products in the mainstream market that are appropriate to their needs and enable them to lead a normal social life in the society in which they belong.’

The Scottish Government defines financial inclusion as;

“…access for individuals to appropriate financial products and services. This includes people having the skills, knowledge and understanding to make best use of those products and services. Financial exclusion is often a symptom of poverty as well as a cause.”

Who are most likely to be in Poverty or Financially Excluded?

According to the Scottish Government (2008), 17% of the Scottish population were living in poverty (840,000 people) and 21% of children were living in poverty. Although there is no definite measure of people experiencing poverty in the Scottish Borders, estimates would suggest that between 18,000 and 19,000 are living in poverty in the Scottish Borders at the current time.

Some of the key priority groups, who are at greatest risk of falling into poverty, include:

- Single households
- Children
- Single Parents
- Unemployed
- Elderly
- Long term sick/ disabled
- People with mental health issues
- Homelessness
- Looked after children

Financial exclusion is concentrated among certain types of households and neighbourhoods and is more likely to affect some groups more than others. There are clear indications of the types of

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2 Scottish Government (2005) Financial Inclusion Plan (pg 4)
households that are most susceptible to being without financial products. Households that are more likely not to use financial services include:

- Elderly people who have always had a low income
- Young people who have not yet accessed financial services
- Single women who became mothers at a young age and still care for their children full time
- People who have always been on the margin of work
- Some minority ethnic households

Research carried out for the Financial Services Authority (FSA) in 2000 found:

‘Those most likely to be on the margins of financial services include people who are unemployed, unable to work through sickness or disability, single pensioners and lone parents. It is also much more common in African-Caribbean, Pakistani and Bangladeshi households.’

According to the Scottish Household Survey in 2007/08, 2% of those who responded for the Scottish Borders have no access to a bank account. This percentage is much higher for those with an income from £0 - £6,000 (15%).

Table 1: Whether respondent or partner has a bank or building society account

<table>
<thead>
<tr>
<th>Net Annual Household Income</th>
<th>Scottish Borders</th>
<th>Scotland</th>
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<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>£0 - £6,000</td>
<td>85</td>
<td>15</td>
</tr>
<tr>
<td>£6,001 - £10,000</td>
<td>91</td>
<td>5</td>
</tr>
<tr>
<td>£10,001 - £15,000</td>
<td>98</td>
<td>2</td>
</tr>
<tr>
<td>£15,001 - £20,000</td>
<td>96</td>
<td>2</td>
</tr>
<tr>
<td>£20,001 - £25,000</td>
<td>99</td>
<td>1</td>
</tr>
<tr>
<td>£25,001 - £30,000</td>
<td>96</td>
<td>-</td>
</tr>
<tr>
<td>£30,001 - £40,000</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>Over £40,000</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>All</td>
<td>96</td>
<td>2</td>
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Scottish Household Survey 2007/08

Tenure also plays a role in financial exclusion; those most likely to suffer from financial exclusion live in social rented housing:

- 83% of social housing tenants are not planning their financial future.
- 8 out of 10 social rented tenants are financially excluded
- 81% of those living in social rented accommodation have no savings
Although those living in the social rented sector are more likely to be financially excluded, there have been growing numbers of owner occupiers being financial excluded as a result of the current economic crisis. The Citizens Advice Bureau in the Scottish Borders has experienced a higher number of owner occupiers seeking advice regarding debt and also people who are self-employed whose business is suffering from a shortage of work.

It also has to be noted that it is not just economic and personal characteristics that affect the tendency to be financially excluded. There is evidence to suggest that financial exclusion is concentrated within certain communities. The number of households who do not use any financial products are three times more likely to live in Scotland than in England. People living in a deprived area are at greater risk of being financially excluded and so too are households living in rural areas.

**The Causes and Effects of Poverty and Financial Exclusion**

Poverty means diminished life chances. This can mean, going without the essentials, such as sufficient food, adequate housing, heating and enough clothing. For many it will also mean living without access to the services and social activities the rest of us take for granted.

Those who are poor have relatively lower lifespans, poorer health and are less likely to access services which are taken for granted, for example a bank account. They are at a much greater risk of serious depression are less likely to have access to training at work; and more likely to have a baby as a teenager.

The effects of poverty are not confined to economic factors such as the inability to buy luxury items or to take a summer holiday. Poverty also affects an individual’s ability to participate fully in society. Once factors such as travel costs and clothing are taken into account, even the cheapest of activities, such as visiting the local swimming baths, may be out of reach for many living below the poverty line.

Evidence has shown that poverty is caused by low pay and low levels of benefits. Events such as family breakdown, low educational achievement or unemployment, are often cited as causes of poverty, but these factors are also to be found amongst those who are relatively well off. At root, poverty is caused by a lack of money.

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3 Kept out or opted out? Understanding and combating financial exclusion (1999) Elaine Kempson and Claire Whyley
4 Monitoring Poverty and Social Exclusion 1999
The effects of poverty are particularly apparent in children and can affect children in a variety of ways, including:

- **Health/ Well being** – Children born into poverty are more likely to have a lower birth weight, high infant mortality and poorer health than better off children.
- **Housing and Homelessness** – Conditions such as homelessness and chronic overcrowding significantly impact upon a child’s physical, mental and social development and well-being.
- **Debt** – People on low incomes often experience debt. Costs of debt repayments often result in families going without essential items.
- **Education Attainment** – The correlations between poverty, social class and poor educational experience and attainment have been clearly established. Poverty affects the likelihood of progressing through school to attain formal educational qualifications.
- **Crime** – The areas most affected by crime and poor investment in infrastructure are the very areas where the poorest children live and are brought up.
- **Social inclusion** – Children and young people living in poor households and their families often experience difficulties in accessing and benefiting from services.
- **Stigma** – Children from poor families are often excluded from participating in school activities through financial disadvantage and feel the pressure of social stigma through ‘inappropriate’ dressing and through receiving free school meals.

Financial exclusion can be due to a number of factors including financial products that do not meet the needs of low income households, high interest rates, lack of information, self exclusion, disability, geographical factors and cultural barriers. Financial Exclusion can mean that an individual does not have access to or has limited access to:

- bank accounts
- financial education
- advice
- savings
- affordable credit
- insurance
- identification requirements

According to the Scottish Government’s Scottish Household Survey Report 2007/08:

- 5% of adult Scots do not have a bank account.
- 56% of adults who earn less than £10,000 pa do not have any savings or investments.

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5 Scotland's People Annual Report: Results from 2007/2008 Scottish Household Survey
- 53% of households in the Scottish Borders describe themselves as coping well or very well financially

Financial exclusion can have a negative impact on people’s lifestyle, especially for those who are already disadvantaged and vulnerable. For example, many of those that are financially excluded do not have home contents insurance which makes them much more vulnerable in the event of theft. They do not have access to cheaper forms of payment like direct debit and are unable to access affordable credit, this can lead to use of high credit products and encourages money lending with very high loan charges.

People who are financially excluded also find it difficult to get out of poverty; if they do not have access to a bank account then it can be difficult to arrange for wages to be paid. Also for those who do have access to a bank account, bank charges can cause them a lot of grief, as they are unable to afford the charges.

**Links to Other Strategies**

It is important that Scottish Borders Tackling Poverty and Financial Inclusion Strategy links in effectively with other local strategies and policies in order to make best use of the resources available and maximise opportunities for joint working, so issues and actions relating to each area can be fully developed. The Tackling Poverty and Financial Inclusion Strategy will help foster links between appropriate strategies and policies within the Scottish Borders to ensure the problems of poverty and financial inclusion are addressed.

**Figure 1: Diagram showing links to other reports**
Single Outcome Agreement (SOA)
The purpose of the Single Outcome Agreement is to identify areas for improvement and to deliver better outcomes for the people of the Scottish Borders and Scotland, through specific commitments made by Scottish Borders Council, community planning partnership and the Scottish Government.

This agreement reflects a new relationship between the Scottish Government and Local Government and one that Scottish Borders Council is committed to developing. The basis on which this agreement is being made is set out in the Concordat between the Scottish Government and COSLA.

The Single Outcome Agreement for Scottish Borders Council sets out the local and national priorities for the council and its partners and how this will be achieved. The SOA will help to identify areas for improvement and to deliver better outcomes of the people in the Scottish Borders through joint working. The National Outcome that relates to poverty is:

7) We have tackled the significant inequalities in Scottish society
The SOA local outcome from this national outcome that specifically relates to poverty is:

- 7.3 Fewer people’s lives in the Borders will be affected by poverty

Other SOA local outcomes that are relevant to this strategy are:

- 1.2 The Borders has an inclusive public transport infrastructure that integrates locally, nationally and internationally
- 3.2 Life circumstances are improved by maximising participation in education, training and employment, especially amongst people who are economically inactive
- 4.2 All young people will go into education, employment or training, having more choices and more chances
- 7.6 Health inequalities will be reduced in the Scottish Borders

From the National Outcome 7 that relates to poverty, Scottish Borders Council and its partners will:

1. Establish joint equalities posts between SBC and NHS Borders, ensuring strategic, consistent direction and overview of all 6 equalities strands
2. Implement the Poverty Commission findings
3. Develop a Single Equality Strategy for the Borders and action plans for the 6 strands
4. Work with RSLs, developers and infrastructure providers to create a pipeline of available land for affordable housing

Strategic Partnership Against Poverty

Key public and voluntary sector agencies in the Scottish Borders have worked together as an anti-poverty group to address poverty related issues in the Scottish Borders. This early work led to the establishment by Scottish Borders Council of a Strategic Partnership Against Poverty (SPAP) to take the lead role in eradicating poverty through more effective partnership working, awareness raising and presenting a business case based on robust evidence.

The Strategic Partnership Against Poverty established the Scottish Borders Commission on Poverty and Social Exclusion in September 2007, with the objective of investigating the impact of poverty and social exclusion on people in the Scottish Borders.

The Poverty Commission

The Scottish Borders Commission on Poverty and Social Exclusion considered research on the impact of poverty and social exclusion in the Borders. The Commission was set up to:

- Assess and define the causes and effects of poverty and social exclusion in Scottish Borders and how it impacts on the quality of life and life circumstances of the population
- Highlight the plight of those living in poverty and social exclusion
- Consider and recommend how an effective response can be developed and implemented across the Scottish Borders, and call upon a real contribution from all major institutions and companies operating within the area

Two pieces of research were carried out to gather evidence on the condition of poverty in the Scottish Borders. One, a statistical overview of the situation in the Scottish Borders and comparable areas in Scotland and the UK and the second was qualitative research that was conducted between March and July 2008 where a number of groups and individuals took part, in order to consider the experiences of people who experience poverty and social exclusion in the Scottish Borders.

There are ten themes which are perceived to be particular problems by those experiencing poverty in the Scottish Borders:

- Inadequate income
- Cost of living
- Service provision/ delivery
• Housing costs
• Costs of providing for children
• Lack of decently paid work
• Health problems
• Transport
• Debt
• Organisations (dealing with/ initiatives)

Children and Young People's Service Plan
The Vision of the Children and Young People's Service is to encourage young people to be ambition for themselves. To develop the services to support and empower children and young people becoming:-

• Confident individuals
• Effective contributors
• Successful learners
• Responsible citizens

The vision is based on the principles of Getting It Right For Every Child (GIRFEC). In addition the service plan will work within the values of other key pieces of legislation including the Children (Scotland) Act, the United Nations Convention on the Rights of the Child and A Curriculum for Excellence.

Local Housing Strategy
Scottish Borders Council is required to produce a Local Housing Strategy (LHS) under the Housing (Scotland) 2001 Act. The LHS has to assess the types and condition of the housing stock, the needs of the person in the area for housing, the demand for and availability of housing and the needs of persons in the area with special needs. Scottish Borders Council submitted its first LHS in 2004 for the period 2004-2009, which was refreshed in 2007. The Scottish Government has recently provided guidance to all Local Authorities which outlines the requirements of the second round of Local Housing Strategies. The new LHS will cover the period 2011 – 2016.

The vision of the Refreshed Strategy is:

‘To make sure that every person in the Scottish Borders has a home in which they want to live, can live independently (with support if required) and that they have a home which is affordable, sustainable, in good condition and part of a vibrant community’.
To help achieve this, the LHS has three aims. Aim three relates to financial inclusion:

*Promote social inclusion by supporting a reduction in economic and social disadvantage.*

**Strategic Housing Investment Plan (SHIP)**

This Strategic Housing Investment Plan (SHIP) is the key document for targeting affordable housing investment in Scottish Borders. This plan shows how the affordable housing investment priorities as set out in the Council’s Local Housing Strategy (LHS) have been and will be delivered in practice, at a local level over five years.

The housing need of local residents has adjusted in response to shifts in both housing market and demographics. Political, legislative and economic forces also affect the Council’s duties and responsibilities. The advantage of building on the Local Housing Strategy reinforces the local authority as the strategic housing body and gives priority to our housing needs.

Above all, the plan aims to:

- Prioritise the delivery of affordable housing over the next five years
- Form the basis for more detailed programme planning and identify funding
- Deliver on actions identified in the Local Housing Strategy

**Homelessness Strategy**

The Homelessness Strategy will address the needs of homeless households, ensuring that statutory obligations are met, and responding to the challenges facing the Council and its partners. This strategy seeks to make best use of existing housing and is focused on homelessness prevention.

Originally Scottish Borders Council was to introduce a separate if linked housing advice strategy but have instead incorporated the housing advice objective within the homelessness strategy to increase its profile. A separate Council wide advice plan is likely to be taken forward as part of the customer first initiative and this will include housing advice alongside other services which while important in the housing and homelessness context are broader in scope. The provision of advice on benefits, debt, relationships and employment and training are examples of where a broader strategy will focus. Part of this will be by focusing development on a number of services where need and demand has been established or where circumstances suggest these will be necessary in future. Examples are financial inclusion services, advice for young people, and measures to help people in mortgage arrears.
Fuel Poverty Implementation Plan
The main aims of the Fuel Poverty Implementation Plan are to outline how Scottish Borders Council and its partners will achieve the Scottish Governments target of eliminating fuel poverty by 2016. One of the key objectives of the Fuel Poverty Vision Statement is to provide ongoing and new information and advice to the public regarding fuel poverty, energy and fuel efficiency and income maximisation.

A key issue to be considered is how to avoid growing numbers of households moving into fuel poverty whilst energy costs continue to rise.

Young Persons Housing Vision Statement and Action Plan
The Young Person’s Housing Vision Statement and Action Plan was developed in February 2008. The paper discusses legislative context, the keys issues surrounding young people in housing, consultation arrangements and the strategic objectives. The Vision statement is closely linked to the Local Housing Strategy and Homelessness Strategy and is a useful way of ensuring that young people’s housing needs are understood and provided for. The key aims of the Vision Statement are:

- To prevent homelessness among young people wherever possible
- To improve the quality, type and availability of accommodation for young people
- To ensure the provision of appropriate support for homeless and badly housed young people

Joint Health Improvement Plan
The Key aim of the Joint Health Improvement Plan is to improve the health and well-being of Borders people, reduce inequalities in health between different sections of the community, and when illnesses develop provide services to investigate, treat and care for those affected.

NHS Borders works with local partners, particularly Scottish Borders Council to encourage and support everyone to achieve levels of physical activity that will maintain and improve their health. A key part of NHS Borders work is also to rehabilitate patients, supporting them to recover from illness and maximize their independence and physical abilities.

A re-formed Health Improvement Partnership Board has been established recently as part of the Community Health and Care Partnership structure. One of its first tasks will be to produce an action plan reflecting jointly shared health improvement outcomes to replace the Joint Health Improvement Plan 2005-10.
National and Local Context

European Year for Combating Poverty 2010

The European Union has joined forces with its Member States to make 2010 the European Year for Combating Poverty and Social Exclusion.

The key objectives are to raise public awareness about these issues and renew the political commitment of the EU and its Member States to combat poverty and social exclusion. The EU Commission is encouraging Member States to raise awareness and promote debate on how to eradicate poverty. Activities are required to reflect four key policy priorities:

- Recognition of the fundamental rights of people in a situation of poverty and social exclusion to live in dignity and to play a full part in society
- Shared responsibility and participation through increased public ownership of social inclusion policies and actions
- Promotion of a more cohesive society through sustainable development, solidarity and policy coherence
- Reiteration of the strong commitment of the European Union and member states against poverty and promoting this commitment at all levels of governance

The Scottish launch event for the European Year for Combating Poverty and Social Exclusion took place in Glasgow on 22 March 2010 at the Royal Concert Hall in Glasgow.

Government Economic Strategy

In 2007, the Scottish Government published the Government Economic Strategy (GES). The main purpose of the strategy is to create a more successful country through increasing sustainable economic growth. The strategy identifies five strategic priorities

- Learning, Skills and Well-being
- Supportive Business Environment
- Infrastructure Development and Place
- Effective Government
- Equity

The GES specifically sets out:

‘Increase overall income and the proportion of income earned by the three lowest income deciles as a group by 2017.’

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Achieving our Potential: A Framework for Tackling Poverty and Income Inequality in Scotland

The Scottish Government Framework aimed at tackling poverty and income inequality in Scotland was launched in November 2008. Supported by funding of £7.5 million, Achieving Our Potential sets out the joint approach of the Scottish Government and CoSLA in the fight against poverty.

The Framework outlines the key actions required by The Scottish Government and its partners such as the strengthening of income maximisation work, launching a campaign to raise awareness of statutory worker's rights and supporting people who find it hardest to get into jobs or use public services.

It also calls for the UK government to transfer responsibility for personal taxation and benefits to Scotland, simplify the tax credits scheme and promote the greater availability of childcare vouchers.

Early Years Framework

In December 2008, The Early Years Framework was launched, signifying the Scottish Government and CoSLA's commitment to the earliest years of life being crucial to a child's development. It is increasingly evident that inequalities in health, education and employment opportunities are passed from one generation to another. The framework signals local and national government's joint commitment to break this cycle through prevention and early intervention and give every child in Scotland the best start in life.

The Early Years Framework sets out a list of priorities for action that need to be taken forward in partnership over the next 10 years - some short term, some medium term and some long term. One of the first actions that is being taken is to promote the uptake of childcare vouchers across Scotland with employers and employees in the public sector, private sector and the voluntary sector.

Equally Well

The report of the Ministerial Task Force on Health Inequalities was launched in June 2008. This was followed by the Equally Well Implementation Plan which was launched in December 2008.

The aim is to tackle the inequalities in health which prevent Scotland reaching its potential. It is part of achieving the Government's overall purpose: "a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth". Increased healthy life expectancy is an important part of this. It must also be achieved in a way
that reduces disparities between richer and poorer and narrows the gap between Scotland's best and worst performing regions.

The Task Force's key contribution to achieving these ambitions is to ensure that improvements in the health of the whole population are shared more equally between rich and poor, between other groups in the community at particular risk of poor health and across both urban and rural areas. Reducing such inequalities in health will play a significant part in creating a skilled, resilient population with the sense of wellbeing and control over their own lives, keen to look after their own health and able to participate in the economy and employment opportunities of the future.

The Childcare Strategy for Scotland

In May 1998 the Government published Meeting the Childcare Challenge: A Childcare Strategy for Scotland, one of a number of measures aimed at supporting families and in particular raising children out of poverty. The Strategy recognised that good quality childcare has benefits for children by promoting their development and learning, and benefits for parents, by enabling them to work. Although there was already a diverse range of childcare provision in Scotland, action was needed to fill gaps in the formal childcare sector which enables parents to take up employment or training. The overall aim of the Childcare Strategy was therefore to make high quality, accessible and affordable childcare available in every neighbourhood. The Strategy highlighted four key problems

- The quality of care could be variable
- The cost of childcare was high
- There were insufficient places in many areas and
- Access was hampered by a lack of information for parents on what was available within their local authority area.

By launching the National Childcare Strategy in 1998, the Scottish Government was supporting the view that childcare was not just a matter for government alone, but something for the whole community to take seriously.

The Scottish Borders Childcare Partnership was set up in 1999 and brought together everybody having a key interest in developing affordable childcare that is both high quality and easily accessible.
Membership includes representatives from playgroups, childminders, nurseries both local authority and private, out of school care clubs as well as elected Council members and members from different local authority departments and the voluntary sector.

The Action Plan was published in 2007 and sets out how the UK Government will spend the £130million Financial Inclusion Fund to achieve its financial inclusion objectives over the next three year spending period.

The key goals for financial inclusion are about ensuring everyone has appropriate financial services, enabling them to:

- Manage their money on a day-to-day basis
- Plan for the future and cope with financial pressure
- Deal effectively with financial distress

The UK Government's Financial Inclusion Fund supports activity covering Scotland. The first such Fund, from 2006 to 2008, included the Growth Fund, for third sector lenders, and the 'now let's talk money' campaign, which aimed to raise awareness of financial inclusion issues with intermediary organisations such as housing associations, and through them, to reach financially excluded individuals. The Growth Fund continues until 2011.

Financial Inclusion Taskforce
The Financial Inclusion Taskforce was launched in 2005, following the publication of the Government’s first financial inclusion strategy, Promoting Financial Inclusion. Its main aim is to oversee progress, to monitor progress on the objectives the UK Government has set out and will make recommendations on what needs to be done.

It has been tasked to consider solutions to the problems of financial exclusion in three key areas:

- Access to banking
- Access to affordable credit
- Access to free face-to-money advice

The Financial Inclusion Champions Initiative
The new Financial Inclusion Champions Initiative was set up as part of the ‘now let’s talk money’ campaign with a widened remit to include home contents insurance and to increase the focus on saving, particularly in credit unions.
A number of Financial Inclusion Champions have set up Champions teams, including one for Scotland. The Financial Inclusion Champions will work across their area to build and coordinate partnerships to promote financial inclusion. In particular they will aim to stimulate the demand for, and in some cases increase the supply of, basic financial services for financially excluded people. All Champions will work together in order to support the government's financial inclusion policy.

The Fairer Scotland Fund
From 2007, the Fairer Scotland Fund replaced several funding streams, including the Financial Inclusion Fund. The main aim of the Fairer Scotland Fund is:

‘To enable Local Authorities and Community Planning Partnerships to tackle area based disadvantage; individual poverty, and help more people to access and sustain employment opportunities.’

The Fairer Scotland Fund is allocated to Community Planning Partnerships (CPPs) to help them achieve sustainable economic growth by:

- Regenerating disadvantaged communities
- Tackling poverty by helping vulnerable people and groups
- Overcoming barriers to employment

CPPs can use the fund to tackle local issues related to poverty and disadvantage.

The Fairer Scotland Fund will be ring fenced for the first two years to allow all CPPs to play a part in driving strategic investment of this resource. In 2010/11 the ring fencing will be removed and resources will be awarded to local authorities as part of their block allocations.

Wider Role Funding
The Wider Role Fund supports Registered Social Landlords (RSLs) to undertake projects in their local communities, outside their role as a landlord. Scottish Ministers have allocated £36million for wider role activity over the financial years 2008-09, 2009-10 and 2010-11.

In 2009-10 and 2010-11 the priorities for wider role projects will be:

- Investment to address the causes of poverty, community decline and worklessness;
- Making early interventions for vulnerable individuals, families and disadvantaged communities; and
- Improving employability as a key means of tackling poverty
4. KEY INFORMATION ON HOUSEHOLDS IN THE SCOTTISH BORDERS

The Scottish Borders is a unique region of Scotland. It has a combination of social, economic and geographical characteristics that raise issues and present challenges to which this strategy seeks to respond. This section of the strategy presents research which provides some context on the Scottish Borders, and the challenges that need to be addressed.

Figure 2: Map of the Scottish Borders and Main Settlements

Population and Households
Scottish Borders Council area is co-terminus with NHS Borders and is a rural area with a resident population of 112,430 identified by the General Register Office in 2008. Table 2, below, shows the age composition and total resident population of the Scottish Borders and neighbouring authorities. It shows that the Scottish Borders has a similar composition to other
areas, but that there are a lower proportion of younger age groups (0-14 and 15–29). Also, there are slightly higher proportions of older age groups in the Scottish Borders than in the neighbouring local authorities and for Scotland as a whole. The General Register Office estimates that the trend for an ageing population will increase in the Scottish Borders from 20% of the population being over 65 in 2008 to 29% in 2031. At the same time, the population of the Scottish Borders is forecast to increase by 15.6% by 2024, as shown in Table 3.

This will impact how the Tackling Poverty and Financial Inclusion Strategy is developed, as an aging population may be more at risk of financial exclusion. This is because the elderly are part of the group that are most likely to be financially excluded.

Table 2: Population of Scottish Borders and Scotland, by Age Band

<table>
<thead>
<tr>
<th>Area</th>
<th>Population</th>
<th>0-14</th>
<th>15-29</th>
<th>30-44</th>
<th>45-59</th>
<th>60-74</th>
<th>75+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dumfries &amp; Galloway</td>
<td>148,580</td>
<td>15.7</td>
<td>15.0</td>
<td>18.1</td>
<td>22.2</td>
<td>19.3</td>
<td>9.7</td>
</tr>
<tr>
<td>East Lothian</td>
<td>96,100</td>
<td>18.2</td>
<td>16.0</td>
<td>20.6</td>
<td>21.3</td>
<td>15.7</td>
<td>8.2</td>
</tr>
<tr>
<td>Edinburgh, City of</td>
<td>471,650</td>
<td>13.9</td>
<td>25.8</td>
<td>22.7</td>
<td>18.2</td>
<td>12.0</td>
<td>7.4</td>
</tr>
<tr>
<td>Midlothian</td>
<td>80,560</td>
<td>17.8</td>
<td>17.8</td>
<td>20.1</td>
<td>21.6</td>
<td>15.6</td>
<td>7.1</td>
</tr>
<tr>
<td>Scottish Borders</td>
<td>112,430</td>
<td>16.6</td>
<td>14.8</td>
<td>19.6</td>
<td>22.2</td>
<td>18.0</td>
<td>8.9</td>
</tr>
<tr>
<td>West Lothian</td>
<td>169,510</td>
<td>19.2</td>
<td>18.5</td>
<td>23.0</td>
<td>20.6</td>
<td>13.6</td>
<td>5.2</td>
</tr>
<tr>
<td>Scotland</td>
<td>5,168,500</td>
<td>16.4</td>
<td>19.7</td>
<td>20.6</td>
<td>20.7</td>
<td>15.0</td>
<td>7.6</td>
</tr>
</tbody>
</table>


Table 3: Projected Population Change

<table>
<thead>
<tr>
<th>Area</th>
<th>Projected Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scottish Borders</td>
<td>+15.6</td>
</tr>
<tr>
<td>Edinburgh</td>
<td>+17.2</td>
</tr>
<tr>
<td>Midlothian</td>
<td>-4.4</td>
</tr>
<tr>
<td>West Lothian</td>
<td>+22.0</td>
</tr>
<tr>
<td>East Lothian</td>
<td>+21.2</td>
</tr>
<tr>
<td>Scotland</td>
<td>+5.0</td>
</tr>
</tbody>
</table>

Source: General Register Office, 2008

Housing

In total there are 55,579\(^7\) households in the Scottish Borders, of these approximately 21% are social rented houses and 13% are private rented houses.

Many people on low incomes find it difficult to pay basic housing costs, such as rent, mortgage and council tax. This can affect their housing choice and limit the options available to them.

The level of social rented housing has been in decline, due to the number of Right to Buys sales which exceeds the level of new social rented developments being built. With an increase in the

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\(^7\) Revenues and Benefits SBC, July 2009
number of applicants on housing lists and the loss of stock through Right to Buy the demand for social rented housing is increasing. This means that households can be on a housing list for a considerable time and may also mean applicants having to widen their area of choice where they would consider an RSL house.

Table 4 shows that the vast majority of households in the Social Rented Sector have insufficient savings to purchase a home on the open market. For the Scottish Borders as a whole, 95.9% of social rented households had less than £3,750 in savings. Table 4 also shows the same information for households in the private rented sector. For the Scottish Borders as a whole, 79.3% of private rented households had less than £3,750 in savings and while this figure is a lot less than the social rented figure it still means that over 75% don’t have savings. Also, with rising house prices in recent years, it is very difficult for people on a low income to be able to afford to buy a property.

Table 4: Savings in the Social Rented and Private Rented Sector

<table>
<thead>
<tr>
<th>Areas</th>
<th>% Social Renters with &lt;£3,750 available for a deposit</th>
<th>% Private renters with &lt;£3,750 available for a deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duns</td>
<td>96.2</td>
<td>64.3</td>
</tr>
<tr>
<td>Earlston</td>
<td>96.1</td>
<td>83.3</td>
</tr>
<tr>
<td>Eyemouth</td>
<td>94.5</td>
<td>75.0</td>
</tr>
<tr>
<td>Galashiels</td>
<td>94.3</td>
<td>91.7</td>
</tr>
<tr>
<td>Hawick</td>
<td>98.3</td>
<td>92.8</td>
</tr>
<tr>
<td>Innerleithen/ Cardrona</td>
<td>96.6</td>
<td>73.9</td>
</tr>
<tr>
<td>Jedburgh</td>
<td>98.2</td>
<td>81.3</td>
</tr>
<tr>
<td>Kelso</td>
<td>94.3</td>
<td>76.5</td>
</tr>
<tr>
<td>Lauder</td>
<td>100.0</td>
<td>70.3</td>
</tr>
<tr>
<td>Melrose/Darnick/Newstead</td>
<td>85.5</td>
<td>52.4</td>
</tr>
<tr>
<td>Newtown St Boswells</td>
<td>97.8</td>
<td>66.7</td>
</tr>
<tr>
<td>Peebles</td>
<td>92.5</td>
<td>93.0</td>
</tr>
<tr>
<td>Selkirk</td>
<td>98.4</td>
<td>66.7</td>
</tr>
<tr>
<td>St Boswells</td>
<td>97.5</td>
<td>100.0</td>
</tr>
<tr>
<td>West Linton</td>
<td>94.9</td>
<td>50.0</td>
</tr>
<tr>
<td>Other Rural</td>
<td>95.1</td>
<td>75.4</td>
</tr>
<tr>
<td>Scottish Borders</td>
<td>95.9</td>
<td>79.3</td>
</tr>
</tbody>
</table>

Source: Housing Assessment survey, 2006

With such a high demand on the social rented sector and the rising costs of property in the owner occupied sector means that people turn to the private rented sector for their housing needs. The importance of locality in seeking housing also contributes to people turning to the private rented sector. The private rented sector plays a different role in rural areas where it often provides housing options to those unable to afford and/ or access owner occupied housing and in areas of low social rented housing. As a consequence the private rented sector in rural areas often provides long-term accommodation and may also be linked to employment.
In recent years the cost of renting property has increased in most areas of the Scottish Borders, and some parts of the Borders can be more expensive than other areas. For example, a private sector one bedroom flat in Peebles will cost £395 per month whereas a one bedroom flat in Galashiels will cost £320 per month. This is because northern parts of the Scottish Borders have close links with Edinburgh and results in private sector housing being more expensive in this area.

The majority of households in the Private Rented Sector cannot afford the minimum deposit to purchase an entry-level home (costing £75,000) and waiting lists to the social rented sector means there is a lack of choice of housing for people in this sector. In addition, many households may be vulnerable if they lose their tenancy as they may struggle to afford a deposit on a new tenancy initially.

The Scottish Household Survey suggests that the private rented sector is the least affordable rented tenure with almost 40% of tenants paying more that 25% of their income in rent. Around a third of tenants in the Scottish Household Survey 2008 noted that they found it difficult to afford the rent. The types of tenants experiencing difficulty included younger tenants, lone parents and those on partial benefits all of whom are more likely to be financially excluded.

**Fuel Poverty**

The term fuel poverty is used to describe the inability of households to afford to heat its home to a satisfactory standard at a reasonable cost. There is more than one cause to fuel poverty and it usually results from a combination of the following:

- Household Income
- Fuel Costs
- Energy Efficiency

Fuel Poverty is a serious issue in Scotland, particularly in the Scottish Borders, where the rural nature of the area coupled with the type of housing, the higher proportion of pre 1919 dwellings (making them harder to insulate) and the high proportion of elderly households, contributes to higher levels of fuel poverty than the Scottish average.

Fuel poverty has a negative impact on individuals, households and communities and can cause misery, discomfort, ill health and debt. The main negative impact of fuel poverty is its damaging effects on quality of life and health. Illnesses such as influenza, heart disease and strokes are

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8 Source: CKD Galbraith website, 3rd September 2009
all exacerbated by the cold and cold homes can lead to the growth of fungi and dust mites, both being linked to asthma.

Those who are most vulnerable to fuel poverty and its effects are the very old, the very young and people with a disability or long-term illness. They tend to spend more time in the home and need to heat their homes for longer.

Heating is a major issue for those who are on a low income and can often lead to going without something in order to turn the heating on, for example cooking a hot meal. Those who are financially excluded may also end up paying more for their gas and electricity, especially those who do not have access to a bank account. Paying for fuel by monthly direct debit is the cheapest way to pay for gas and electricity but if you don’t have access to a bank account then you may have to use more expensive methods like quarterly bills or pre-payment meters.

Figure 3 below shows the areas in the Scottish Borders that are more at risk of being in fuel poverty. Burnfoot and Mansfield, Hermitage, Kelso Central, Mossilee and Central and West Linton and District are considered to being at great risk of being in fuel poverty.

The Energy Assistance Package, which has replaced the Central Heating and Warm Deal Programmes, offers advice and support on how to help maximise incomes, reduce fuel bills and improve the energy efficiency of homes. It improves on the previous programme by reaching more people, and by providing a wider range of support in one integrated package. There are four stages to the new package, each providing different levels of support depending on your circumstances:

- Stage One: Offers free expert energy advice
- Stage Two: Provides benefits and tax credit checks and advice on low cost energy tariffs to those at risk of fuel poverty
- Stage Three: Provides a package of standard insulation measures (cavity wall and loft insulation) to older households and those on one of a range of benefits
- Stage Four: Offers a package of enhanced energy efficient measures to those who are most vulnerable to fuel poverty
Employment

Figure 4 shows the types of industry in which people are employed in the Scottish Borders. The largest proportion of the workforce worked in the public services (31%), which was similar to the Scottish average (30%), the second largest employer were businesses related to distribution, hotels and restaurants (21%). Manufacturing industries also employ a significant workforce in the Scottish Borders - 17% of the total workforce, which is significantly larger the national
average of 10%. However, Financial and Business Services represent a small part of the workforce (9%), half that of the national average (18%).

Economic activity rates show us how well engaged the population is with the labour market. People are counted as being economically active if they are working or if they are actively seeking work. The rate of economic activity in the Scottish Borders is 81.2%, above the overall figure for Scotland (79.1%), although it is lower than the neighbouring local authorities of East Lothian (81.8%) and Midlothian (84.7%).

**Figure 4: Employment structure by industry in Scottish Borders**

![Graph showing employment structure by industry in Scottish Borders]

Source: Housing Needs Assessment 2006

Table 5 below, shows the profile of the workforce in the Scottish Borders by gender. There are a higher proportion of self-employed workers in the Scottish Borders, 23.7% of the workforce, compared with 14.8% for Scotland. In both men and women, the economically rate is higher in the Scottish Borders compared with Scotland.

**Table 5: Employment Profile of Workforce by Gender (%)**

<table>
<thead>
<tr>
<th>Profile of workforce 2008-09</th>
<th>Males</th>
<th></th>
<th>Females</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Scottish Borders</td>
<td>Scotland</td>
<td>Scottish Borders</td>
<td>Scotland</td>
</tr>
<tr>
<td>Economically Active</td>
<td>Employed</td>
<td>63.6</td>
<td>65.9</td>
<td>68.6</td>
</tr>
<tr>
<td></td>
<td>Self-Employed</td>
<td>15.9</td>
<td>10.3</td>
<td>7.8</td>
</tr>
<tr>
<td></td>
<td>Unemployed</td>
<td>7.3</td>
<td>7.6</td>
<td>7.1</td>
</tr>
<tr>
<td>Economically Inactive</td>
<td>Want a job</td>
<td>5.1</td>
<td>4.9</td>
<td>4.6</td>
</tr>
<tr>
<td></td>
<td>Do not want a job</td>
<td>8.8</td>
<td>12.0</td>
<td>12.5</td>
</tr>
</tbody>
</table>

Source: Annual Population Survey, National Statistics

Figure 5 and Table 6 below show information on unemployment in the Scottish Borders. There has been a significant increase in unemployment in the Scottish Borders in the last 12-18
months; the unemployment rate in March 2009 was 3.1%, which is more than double the previous year. This has a major impact on the amount of money in the economy and increases the numbers of people struggling with debt and low incomes. 14.5% of 16-24 year olds are unemployed; this is slightly below the UK average of 17%. This means that young people have been particularly hard hit and find it particularly challenging to find employment.

From Table 6, in each area males have a higher rate of unemployment than females. It also shows that each travel to work area has seen a significant increase in unemployment in the past year.

**Figure 5: Level of Unemployment in the Scottish Borders (%)**

![Chart showing the level of unemployment from January 2004 to January 2009](chart.png)

*Measured by the claimant count of Job Seekers Allowance


<table>
<thead>
<tr>
<th>Travel-To-Work-Areas (TTWAs 1998 based)</th>
<th>Males</th>
<th></th>
<th></th>
<th></th>
<th>Previous Month</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
<td>No.</td>
<td>%</td>
<td>Change</td>
</tr>
<tr>
<td>Berwickshire</td>
<td>209</td>
<td>3.5</td>
<td>100</td>
<td>1.8</td>
<td>309</td>
<td>2.7</td>
<td>-13</td>
</tr>
<tr>
<td>Galashiels &amp; Peebles</td>
<td>712</td>
<td>4.6</td>
<td>243</td>
<td>1.7</td>
<td>955</td>
<td>3.2</td>
<td>+49</td>
</tr>
<tr>
<td>Hawick</td>
<td>346</td>
<td>5.8</td>
<td>95</td>
<td>1.7</td>
<td>441</td>
<td>3.8</td>
<td>+12</td>
</tr>
<tr>
<td>Kelso</td>
<td>217</td>
<td>4.7</td>
<td>81</td>
<td>1.9</td>
<td>298</td>
<td>3.4</td>
<td>+37</td>
</tr>
</tbody>
</table>


Although employment rates are high, there is a lack of well paid work; work is not always a route out of poverty in the Scottish Borders. There are barriers for people entering employment and those who are most likely to be affected by these barriers include those with a disability, carers, and those with criminal convictions.
Income

Although there is a low level of unemployment in the Scottish Borders, being in paid work does not necessarily prevent poverty. The Scottish Borders ranks 28 for lowest pay out of the 32 Local Authorities. It should be noted that there are many households on low incomes. A high percentage of workers in the Scottish Borders are concentrated in low wage sectors.

Many households on low income find it difficult to pay basic housing costs such as rent, mortgage and council tax. Fuel costs can take up a much higher proportion of low income households, these households are more than likely to be in fuel poverty. People on low incomes have restricted access to affordable credit through the mainstream banking sector and as a result can turn to other forms of lending that can be very expensive, consequently putting them into debt.

The Scottish Borders has a low wage economy; Table 7 shows the mean and median weekly income of the Scottish Borders and other Local Authorities in Scotland. Table 7 shows that the Scottish Borders has the lowest wages of the local authorities being compared; this is the case when comparing all 32 local authorities in Scotland as well. Table 8 shows the number of people who are income deprived, according to the Scottish Index of Multiple Deprivation (SIMD) this indicates that 9.3% of the population in the Scottish Borders was income deprived, below the Scottish level at 13.9%. The scoring of 9.3%, places the Scottish Borders 8th – lowest out of the 32 Local Authority areas. This is lower than many comparable rural Local Authority areas, such as Dumfries and Galloway, Lothians, Angus and Argyll and Bute but not as low as Moray, Perth and Kinross and Aberdeenshire.

Table 7: Gross average weekly income in all full time workers

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edinburgh, City of</td>
<td>£444</td>
<td>£479</td>
<td>£509</td>
<td>£510</td>
</tr>
<tr>
<td>East Lothian</td>
<td>£359</td>
<td>£390</td>
<td>£405</td>
<td>£429</td>
</tr>
<tr>
<td>Midlothian</td>
<td>£387</td>
<td>£422</td>
<td>£427</td>
<td>£426</td>
</tr>
<tr>
<td>West Lothian</td>
<td>£386</td>
<td>£387</td>
<td>£417</td>
<td>£421</td>
</tr>
<tr>
<td>Highland</td>
<td>£354</td>
<td>£373</td>
<td>£383</td>
<td>£397</td>
</tr>
<tr>
<td>Fife</td>
<td>£364</td>
<td>£368</td>
<td>£401</td>
<td>£404</td>
</tr>
<tr>
<td>Dumfries &amp; Galloway</td>
<td>£343</td>
<td>£365</td>
<td>£387</td>
<td>£403</td>
</tr>
<tr>
<td><strong>Scottish Borders</strong></td>
<td><strong>£317</strong></td>
<td><strong>£328</strong></td>
<td><strong>£365</strong></td>
<td><strong>£345</strong></td>
</tr>
<tr>
<td>Scotland</td>
<td>£393</td>
<td>£410</td>
<td>£426</td>
<td>£440</td>
</tr>
</tbody>
</table>

Source: Survey of Hours and Earnings, workplace based statistics, NOMIS
Table 8: Percentage of the total population who are income deprived

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>Income Deprived People SIMD 2006</th>
<th>% Total Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edinburgh, City of</td>
<td>51,685</td>
<td>11.4</td>
</tr>
<tr>
<td>East Lothian</td>
<td>9,210</td>
<td>10.1</td>
</tr>
<tr>
<td>Midlothian</td>
<td>8,870</td>
<td>11.1</td>
</tr>
<tr>
<td>Fife</td>
<td>44,645</td>
<td>12.6</td>
</tr>
<tr>
<td>West Lothian</td>
<td>20,670</td>
<td>12.8</td>
</tr>
<tr>
<td>Dumfries &amp; Galloway</td>
<td>17,110</td>
<td>11.6</td>
</tr>
<tr>
<td>Highland</td>
<td>23,875</td>
<td>11.3</td>
</tr>
<tr>
<td><strong>Scottish Borders</strong></td>
<td><strong>10,170</strong></td>
<td><strong>9.3</strong></td>
</tr>
<tr>
<td><strong>Scotland</strong></td>
<td><strong>707,728</strong></td>
<td><strong>13.9</strong></td>
</tr>
</tbody>
</table>

Source: Total population from General Register Office for Scotland, SAPE 2004

At an intermediate data zone level, the proportion of households who are income deprived range from 3.4% in Ettrick, Yarrow and Yair to 23.5% in Langlee. The next most income-deprived area is Burnfoot and Area with a very high proportion of 22.8%, followed by Eyemouth with 14.4%, other parts of Galashiels and Hawick, Coldstream and Jedburgh.

There needs to be some caution when looking at the SIMD 2006, as only 3 of the 130 datazones in the Scottish Borders fall into the 15% most deprived in Scotland. This is typical of rural local authorities and reflects the inherent anti-rural bias in deprivation area data; the SIMD is more suited to measuring poverty in an urban environment and less accurate when applied to a rural context such as the Scottish Borders. As a result this may underestimate the extent of rural deprivation.

**Debt**

Debt is a significant problem for people living on a low income. This has only increased by the crisis in the financial services industry and the recession in the UK economy. One effect of being on a low income may be falling into debt, not because of an inability of people in poverty to manage their financial situation but because their income is not enough to meet their needs. Many people on low incomes will borrow money just to get by and to help pay for necessary items. Debt is a significant problem in the Scottish Borders; the Citizens Advice Bureau statistics reveal that in Central Borders, 84.3% of CAB clients with debt problems have an income of less than £15,000 per year. The figure in Roxburgh and Peebles is 64.2%. In the period 2001/02 to 2006/07 the number of clients contacting the CAB about debt issues has trebled.

In 2007/08, the CAB took on 296 new multiple debt cases owing a total of £5,111,605, in 2008/09 this increase to 410 new multiple debt cases owing a total of £8,811,979. The number of ‘one off’ debts were also monitored by the Scottish Borders CAB (one off debts include
maintenance arrears, income tax arrears, bank charges etc), so far for 2009/10 there have been 157 enquiries totalling £609,280.

According to findings from The Poverty Commission, most debts are not necessarily consumer debt but are more likely to be rent arrears, fuel debt, repayment for benefits/ tax credit and informal debt to family.

The Council of Mortgage Lenders (CML) have estimated that the number of repossessions in the UK for 2009 will increase by 67% (75,000) compared with last years figure of 45,000. The CML have also estimated that half a million people will fall into mortgage arrears in 2009. In addition, in the first three months of 2009 there has been a 158% surge in the number of awards of bankruptcy in Scotland compared to the same period last year.⁹

Many people are excluded from mainstream credit services because of their income or because they are perceived as being a credit risk. This can lead to doorstep lending, which have higher interest rates and can be difficult to repay.

Creditors can put great pressure on people through persistent and aggressive telephone techniques; they may also use threatening techniques. Vulnerable households are more likely to be at risk from these techniques. A term of many accounts is that money can be transferred between the customer’s financial products with the company they are in debt to in case of default, causing great concern for those on a low income.

**Benefits**

The Housing Needs Assessment in 2006 showed a total of 13,565 households in the Scottish Borders were estimated to be in receipt of some form of benefit (worked out from a 10% sample of the population). Table 9 shows the most commonly received was council tax benefit (15.2% of households, 8,090 households), followed by Housing Benefit (13.5%, 7,189 households). However, there may be some double counting in this figure, with some households receiving multiple benefits.

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⁹ Source: [http://www.bankrupt.co.uk/Bankruptcies-Scotland-1Q-2009.htm](http://www.bankrupt.co.uk/Bankruptcies-Scotland-1Q-2009.htm) (sourced on the 21st October 2009)
Table 9: Sources of financial support

<table>
<thead>
<tr>
<th>Form of financial support</th>
<th>% of all households</th>
<th>Number of households in receipt</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Benefit</td>
<td>13.5</td>
<td>7189</td>
</tr>
<tr>
<td>Council Tax Benefit</td>
<td>15.2</td>
<td>8090</td>
</tr>
<tr>
<td>Income support</td>
<td>5.2</td>
<td>2764</td>
</tr>
<tr>
<td>Job seekers Allowance</td>
<td>1.1</td>
<td>570</td>
</tr>
<tr>
<td>Working Tax Credit</td>
<td>6.7</td>
<td>3559</td>
</tr>
<tr>
<td>Total households in receipt of one or more kinds of financial support</td>
<td>25.5</td>
<td>13565</td>
</tr>
</tbody>
</table>

Source: Housing Needs Assessment, 2006

As of July 2009, there were 10,446 live claims for housing benefit and council tax benefit. 7,159 of those were joint housing and council tax benefit claims, 2,592 were council tax benefits only and 695 were housing benefit only claims 10. Overall this accounts for 19% of households in the Scottish Borders.

The income for households on benefits has been shown to be significantly below the Government’s own 60% median poverty line and well below what is required for an adequate standard of living. Recent research looking at the standard for socially acceptable quality of life in Britain in 2008 found that most people on benefits do not reach this standard. A single person on income support gets an income of less that half the amount required to reach this acceptable standard of life. 11

According to the Poverty Commission findings, there were lots of comments in regards to mistakes made when applying for benefits, including; lost documents, payment mistakes, stopped or delayed payments. This has a major impact on people who are on a limited budget and trying to make ends meet and can result in someone getting into debt. Delays in any payments can cause immediate hardship for people who budget their money and have no savings.

Over two million pensioners (UK figure) are living below the poverty line yet older people are still more likely than any other group to miss out on benefits cash. Some don’t realise they are eligible, others find the system too complicated, and many feel there is a stigma attached to claiming and would rather ‘make do’.

Health

Ill health can be a cause of poverty, with terminal illness, chronic illness and accidents can bringing sudden poverty to households.

10 SBC Revenue and Benefits, July 2009
11 A minimum income standard for Britain: what people think, 2008
There are big differences in health depending if you are wealthy or poor. Some of the health inequalities that have been identified through the Scottish Governments Equally Well Report of The Ministerial Task Force on Health Inequalities include:

- In Scotland in 2006, health life expectancy at birth was 67 years for mean and 69 years for women. In the most deprived 15% of areas in Scotland in 2005/06, healthy life expectancy at birth was much lower at 57 years for men and 59 years for women.
- A higher proportion of babies born to mothers living in the most deprived fifth of the population have a low birth weight than those born to mothers living in the most affluent areas (9% compared to 5% in 2004-05)
- In Scotland in 2006, people who had a low household income, or reported finding it difficult to manage on their household income, had poorer mental wellbeing than those with a high household income or who reported finding it easy to manage on their income.
- There are large and increasing relative inequalities in deaths amongst young adults due to drugs, alcohol, assault and suicide
- In Scotland in 2006, more than two thirds of the total alcohol-related deaths were in the most deprived two fifths of areas
- Those living in the most deprived 10% of areas of Scotland have a suicide risk double that of the Scottish average
- Just under a quarter (24%) of all individuals in households with at least one disabled adult or disabled child are living in relative low income, compared to 16% of those in households with no disabled adults or disabled children

Poor mental and physical health is both a cause and effect of social, economic and environmental inequalities. Risk factors include individual behaviours such as smoking, alcohol misuse, diet and inactivity and also aspects of the wider social, economic and physical environments that shape such behaviours, including educational achievement, income / relative poverty, the work environment and unemployment. Inequalities can also cross the generations, with children born and brought up in disadvantaged families being more likely to experience poorer health in later life.

Those who live in villages and small towns may not have access to local services and have to travel to seek medical attention; this can be costly for those who are on a low income and this may put people off visiting health professionals

It can be difficult for those on a low income to make improvements to their health, they may not be able to attend weight loss classes or go to the local swimming pool. Healthy eating is another
aspect of this, it can be expensive to eat healthy and many of those on low incomes will spend money on cheaper, low quality food.

In common with the rest of Scotland, a significant proportion of households in the Scottish Borders have a disability or health problems. In addition, the number of households containing an individual with a disability or illness is expected to rise as there will be an increasing number of older people living in the Scottish Borders, as discussed earlier.

In 2008 the Scottish Government published its frameworks for reducing poverty and for Early Years. These with Equally Well aim to tackle poverty, deprivation and health inequalities through interconnected national and local action. Addressing health inequalities is seen as a key priority for health improvement work locally.

Homelessness

In 2008/09 the number of homeless applicants decreased to 1,070. Figure 7 shows the number of homeless applicants by age and gender. It clearly shows that there are more homeless applications in young people, the biggest group being young females aged between 16 and 24. In total 60% of applicants are under 35 years old.

Figure 6: Homeless applications

Source: Draft Homelessness Strategy August 2008
Figure 7: Age and Gender of Homeless Applicants 2008/09

Source: HL1 system 2008/09

Homelessness can cause difficulties in all aspects of someone’s life but in addition it can lead to absence of choice which can have a lot of problems for some people. For example, for someone who is financially excluded, moving to a rural area could be problematic. They will have little access to services and may not have access to transport, they may also be away from any support they have from family and friends.

Rural Issues
There are no cities in the Scottish Borders, only a few towns and scattered villages, there are only two settlements with a population over 10,000: Galashiels and Hawick. The remainder of the population is in smaller towns and settlements, with as much as a third of the population living in settlements of less than 1,500 people. There is no rail link through the Scottish Borders at the moment but this will soon change with the re-opening of the rail line from Edinburgh to Tweedbank, known as the Waverley Line. It is argued that the re-opening of the Waverley Line with bring benefits to the Scottish Borders including economic growth.

The quote below is taking from the Scottish Governments Taking Forward the Government Economic Strategy:

‘In rural areas other factors may also contribute to poverty, such as lack of access to services and the fragility of remote communities. These can compound the effects of low income, educational achievement and poor health on life opportunities and capacity to seize them. There are also strong correlations between poverty and a lack of environmental sustainability.’
Although those experiencing poverty in rural and urban areas face the same problems, for example food and fuel price inflation, transport, employment, childcare and housing these problems are more acute in rural areas. This is because these problems have a more severe effect in rural areas, for example if the cost of fuel increases it can increase the price of food dramatically and can have major implications for people travelling about the area. As the Scottish Borders is a rural area, this can have an impact on people’s lives, especially those who are experiencing poverty or financially excluded. Whilst services, shops, educational and leisure facilities may be present they may be economically out of reach to disadvantaged or vulnerable members of the community, causing rural isolation. Some of the issues that can affect those in rural areas are:

- **High costs of local shops:** For those living in rural parts of the Scottish Borders local shops can be more expensive than the supermarkets. If you don’t have access to a car or if public transport is not available then you rely on these small shops and the price of food. This is means that people with little or no income don’t have access to affordable food.

- **Loss of local shops and services:** Whether it is a local shop, leisure facilities or health services the loss of local services adds hardship to people on low income through the extra cost of travel incurred in reaching these services. This loss of services has practical, financial and psychological implications and leads to feelings of rural isolation. The loss of health services can be a particular problem to those in rural areas whether it is the loss of the local dental service or GP service. It can lead to longer waiting times and longer distances to travel in order to access these services. This can make visiting health services much more stressful than they need to be.

- **Lack of access to transport** (see the transport section)

- **Fuel Poverty:** Households in rural areas are more likely to be at risk of being classed as being fuel poverty or extreme fuel poverty than in more urban areas. Fuel poverty is a particular issue in the Scottish Borders. This may be exacerbated by the fact that a higher proportion of older housing is located in rural areas, and that many rural areas are not on the gas network and therefore have to use more expensive heating fuels, such as electricity, gas or oil.
Child Poverty

Child poverty afflicts the daily lives of many children, families and communities. Many people believe that there is very little child poverty in the UK but this is not the case, one fifth of children are in relative poverty (2.9 Million in 2007/08)\(^\text{12}\).

It is reported that one in four of children in Scotland live in poverty\(^\text{13}\) and while child poverty has decreased in Scotland it has stalled since 2004/05. As can be seen in table 10 the percentage of children living in low income households has increased in the Scottish Borders from 43% to 45%, with the exception of Dumfries and Galloway this is the highest from the table below.

Table 10: Percentage of children living in low income households

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>2005/06</th>
<th>2006/07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dumfries &amp; Galloway</td>
<td>48%</td>
<td>51%</td>
</tr>
<tr>
<td>East Lothian</td>
<td>39%</td>
<td>40%</td>
</tr>
<tr>
<td>Edinburgh, City of</td>
<td>36%</td>
<td>37%</td>
</tr>
<tr>
<td>Midlothian</td>
<td>45%</td>
<td>47%</td>
</tr>
<tr>
<td><strong>Scottish Borders</strong></td>
<td><strong>43%</strong></td>
<td><strong>45%</strong></td>
</tr>
<tr>
<td>South Lanarkshire</td>
<td>43%</td>
<td>44%</td>
</tr>
<tr>
<td>West Lothian</td>
<td>44%</td>
<td>44%</td>
</tr>
</tbody>
</table>

Source: Scottish Government Stats, 2008

Low incomes in childhood can have an important impact on children’s entire lives, it doesn’t just affect the family’s standard of living but also children’s prospects; their chances at school, their health and their overall wellbeing. Children who grow up in poverty lack many experiences and opportunities that others take for granted, and can be exposed to severe hardship and social exclusion.

Research has also looked at the mental health of young people who are still dependent upon their parents for their economic position. Most surveys suggest an increased rate of mental health problems in children in families with low incomes compared to those in better-off households. This difference is most exaggerated in boys, with double the risk.

Vulnerable Groups

As noted earlier, there are types of people who are more at risk of experiencing poverty and being financially excluded, this is due to their vulnerability to low income and social isolation. The groups that are most vulnerable are:

- Carers


\(^{13}\) Households Below Average Income survey for 2005/06 – SCOTLAND Scottish Government 2007
- People with disabilities (including learning disabilities)
- People with mental health problems
- Young people
- Older people

**Carers**

There are currently 11,500\(^{14}\) carers in the Scottish Borders who are caring for others, these can include:

- A seven year-old child helping to look after a disabled parent
- A thirty year-old man caring for a partner with Multiple Sclerosis
- A sixty year-old woman caring for an elderly parent with Alzheimer's
- Someone supporting a neighbour with mental health problems.

Carers may be vulnerable to income poverty because many have to give up paid work to care for an elderly or disabled relative.

**People with Disability (including learning disabilities)**

In common with the rest of Scotland, a significant proportion of households in the Scottish Borders have a disability or health problems. In addition, the number of households containing an individual with a disability or illness is expected to rise as there will be an increasing number of older people living in the Scottish Borders, as discussed earlier.

A disabled adult’s risk of being on a low income is much greater that that of a non-disabled adult. According to figures from the Department for Work and Pensions (2008), working age adults who were disabled or had a disabled partner accounted for around three in ten of those households with income below 60% of median income in the latest poverty statistics.

Even in regards to education attainment, disabled people are twice as likely to unemployed that those who are not disabled.

**People with mental health problems**

The link between poverty and mental health is well known. Those with low incomes are more likely to suffer from poor mental health and poverty effectively causing or contributing to poor mental health.

\(^{14}\)Source (as of 23\(^{rd}\) November 2009)
When people using mental health services are asked about the major issues that concern them in their daily lives, personal finances are consistently identified as a major source of difficulty and distress. 1 in 3 people with a serious mental health condition are thought to be in debt. Concerns and anxieties regarding finance constitute significantly to stress.

Young People
Young people who live at home are generally financially dependent on their parents. For those who do not live at home it can be a very difficult experience for them. When young people are catapulted into the adult world of paying bills, keeping a house and getting a job many are completely unprepared, especially those who have not grown up in a stable environment. Young people often find it quite difficult to obtain accommodation because of their low income and lack of knowledge of housing options. Some young people need support in maintaining tenancies and living independently.

Income Support is not available to young people under 18 and those aged 18-24 receive £50.95 compared with those over 25 who receive £64.30. Young people are also excluded from Working Tax Credits until they are 25 years old. Young people under 25 and single, applying for housing benefits, will only receive housing benefit based on the standard rate for one bedroom in shared accommodation under the Local Housing Allowance Guidelines. In the private rented In the Scottish Borders the number of young people under 25 claiming single benefits is 655; the number of young people claiming housing benefits is 100\textsuperscript{15}. Often young people’s income is so low that together with rising house costs and the repayment of loans means managing a budget is very difficult.

Older People
Older people are particularly vulnerable to poverty and financial exclusion and have been mentioned on numerous occasions through out the strategy. The elderly are more likely to experience fuel poverty, have a poor up take of benefits and are more likely to suffer health and mobility problems.

Although older people are less likely to see themselves a being ‘poor’. Research in this area would suggest that older people are much less likely to report deprivation than younger people with the same income.

\textsuperscript{15} Information provided by SBC Revenues and Benefits, April 2009
Minority Ethnic Communities
According to the 2001 Census, only 0.6% of the Scottish Borders population belonged to a Minority Ethnic group, however, the recent expansion of migrants from other areas of the European Union have increased the number of Minority Ethnic communities in the area. For example, in 2006, the Council’s Housing Needs Assessment indicated that 1.7% of respondents were from a Minority Ethnic group.

According to the Minority Ethnic Housing Needs Study (2008) most tended to live in private rented housing mainly due to difficulties accessing social rented housing and problems affording the cost of buying a home. However, private renting was the least popular tenure as the cost was often thought to be expensive but for those needing to access a home at short notice it was the only housing option available to them.

Transport
Transport links undoubtedly have an impact on the local economy and the labour market. As Scottish Borders is a rural area transport is an issue, it is important to have good transport links to promote and sustain social inclusion.

There are around 3,500 commuters that travel outwith the Scottish Borders to work. Long term commuters are usually residents of the Scottish Borders and rely heavily on their own forms of transport as public transport is seen as inadequate. Those who commute outwith the Scottish Borders tend to be better educated and earn more money.

It can be difficult to find employment if you are unable to drive or do not have access to a car. It can restrict where you seek employment as consideration needs to be given to where it is, the hours (as this will need to coincide with public transport) and the cost of travel.

Table 11 below shows the number of cars available in the Scottish Borders by net annual income. It clearly shows that over half of those who earn below £10,000 do not have access to a car and that as a whole, 19% of the population of the Scottish Borders don’t have access to a car.
Table 11: Number of cars available by banded net annual income (%)

<table>
<thead>
<tr>
<th>Net Annual Housing Income</th>
<th>None</th>
<th>One</th>
<th>Two or more</th>
<th>All</th>
</tr>
</thead>
<tbody>
<tr>
<td>£0 - £6,000</td>
<td>64</td>
<td>33</td>
<td>3</td>
<td>100</td>
</tr>
<tr>
<td>£6,001 - £10,000</td>
<td>55</td>
<td>40</td>
<td>5</td>
<td>100</td>
</tr>
<tr>
<td>£10,001 - £15,000</td>
<td>32</td>
<td>61</td>
<td>7</td>
<td>100</td>
</tr>
<tr>
<td>£15,001 - £20,000</td>
<td>16</td>
<td>64</td>
<td>20</td>
<td>100</td>
</tr>
<tr>
<td>£20,001 - £25,000</td>
<td>7</td>
<td>56</td>
<td>37</td>
<td>100</td>
</tr>
<tr>
<td>£25,001 - £30,000</td>
<td>-</td>
<td>50</td>
<td>50</td>
<td>100</td>
</tr>
<tr>
<td>£30,001 - £40,000</td>
<td>-</td>
<td>29</td>
<td>71</td>
<td>100</td>
</tr>
<tr>
<td>Over £40,000</td>
<td>-</td>
<td>27</td>
<td>73</td>
<td>100</td>
</tr>
<tr>
<td>Scottish Borders Total</td>
<td>19</td>
<td>47</td>
<td>34</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Scottish Borders Total Survey 2007/08

Not having access to appropriate transport can also affect those on benefits. They may need to travel from one area to another to access benefits that they are entitled but the cost of travelling may hamper them from applying (for example, the bus from Peebles to Galashiels is approximately £5 return, the bus from Galashiels to Edinburgh return is over £10).

Key Issues

- The population in the Scottish Borders is 112,430 and this is forecast to increase by 15.6% by 2024. The trend for an ageing population will increase in the Scottish Borders from 20% of the population being over 65 in 2008 to 29% in 2031
- Lack of affordable housing limits the housing options of those in poverty and those financially excluded
- Burnfoot and Mansfield, Hermitage, Kelso Central, Mossilee and Central, West Linton and District are considered to be the areas with the greatest risk of being in fuel poverty. Those most at risk of being in fuel poverty are the very old, the very young and people with a disability or long term illness
- There has been a significant increase in unemployment in the Scottish Borders in the last 12-18 months; the unemployment rate in March 2009 was 3.1%, which is more than double the previous year.
- The Scottish Borders ranks 28 for lowest pay out of the 32 Local Authorities. The average gross weekly income in full time workers in 2008 was £345 compared with Scotland at £440
- In 2007/08, the CAB took on 296 new multiple debt cases owing £5,111,605, in 2008/09 this increase to 410 new multiple debt cases owing £8,811,979
- 25.5% households in the Scottish Borders are in receipt of some kind of financial support
- Lack of access to local health services can be costly for those on a low income and can be very stressful and may put people off visiting health professionals.
• Since 2004 the number of homelessness application had almost doubled to 1,094 in 2007/08, 60% of those who apply are under 35 years old
• Issues that affect those in rural areas include; high costs of local shops, loss of local shops and services, access to transport and fuel poverty
• Child Poverty has increased in the Scottish Borders from 43% in 2005/06 to 45% in 2006/07
• Groups that are most vulnerable to poverty and financial exclusion are; carers, people with disabilities (including learning disabilities), people with mental health problems, young people and older people
• The Council’s Housing Needs Assessment indicated that 1.7% of respondents were from a Minority Ethnic group.
• Lack of good transport links mean that not having a car can restrict employment opportunities for people living in the Scottish Borders
5. ADDRESSING FINANCIAL EXCLUSION IN THE SCOTTISH BORDERS

Financial Services
There are a wide range of organisations in the Scottish Borders who provide financial services, for example; Banks, Building Societies and the Post Office. However, it can be difficult for those who are financially excluded to access these services, as opening a bank account can be very difficult in these circumstances. That is why it is important for Scottish Borders Council and its partners to promote financial services that are available to people who are financially excluded. Some of the financial services that are available are considered in this section.

Basic bank accounts
As already mentioned 2% of people in the Scottish Borders do not have a bank account. Basic bank accounts are available to almost everyone and are available from most banks. A basic bank account will allow you to receive money and to pay bills. However it will not provide you with a cheque book or an overdraft, it will only allow you to pay money in and set up direct debits/standing orders.

Child Trust Fund (CTF)
The Child Trust Fund (CTF) is a savings and investment account for children. Children born on or after 1 September 2002 will receive a £250 voucher to start their account.

The new UK coalition government has announced that child trust funds will be scaled back in August and scrapped completely in January 2011 as part of the government's spending cuts. From August CTF payments will be reduced from £250 to £50, with children from lower income households receiving £100, down from £500. Children will no longer receive an additional payment when they are seven and from January next year the payments will be scrapped altogether.

Low cost contents insurance
Contents insurance unlike buildings insurance is optional; it covers the cost of replacing all your possessions in the event of a fire or flood, or your valuables or electrical items in the event of a burglary. According to research carried out by the Scottish Government in 2007, Exploring the Take-Up of Home Contents Insurance, there are three main reasons why the take of contents insurance is low in social rented tenants:

• Poverty - tenants on low incomes and facing financial difficulties or strain are less likely to have insurance. They are unlikely to see insurance as a priority
- Product design - low income households may have difficulty paying by direct debit or committing to long term products
- Perceptions - some tenants, predominantly young people do not think that they need to be insured or are confused by, or distrustful of, insurance products.

As Scottish Borders Council does not own any housing stock since stock transfer in 2003, this service is not provided. Although many tenants arrange insurance themselves, many of the Registered Social Landlords in the Scottish Borders do provide this service, some tenants are automatically provided with insurance when they become a tenant or it is provided at a small cost and included in the rent.

Credit Unions
Credit unions are regulated ‘Not for Profit’, member-owned (mutual), financial service co-operatives. They can be described as groups of people who save together and lend to each other at reasonable rates of interest, thus allowing each other the opportunity to gain greater control over their financial affairs. The primary driving force behind the movement is to offer non-exploitative, competitive financial services to individuals from all walks of life, regardless of their social status and economic background. However, this is very much reinforced by the concept of ‘self help’ i.e. all credit unions require their members to commit to saving on a regular basis to aid themselves in securing their own long term future.

The Scottish Borders does have access to a credit union through the Capital Credit Union which extended its bond in 2003 to cover anyone living and working in the Scottish Borders. Therefore, there is an opportunity to increase membership within the Scottish Borders by increasing the awareness of Capital Credit Union in the region.

Rent Deposit Guarantee Scheme (RDGS)
Some households who are homeless and want to enter the private rented sector are unable to as they cannot afford the deposit that is required by landlords. Under the Rent Deposit Guarantee Scheme, Scottish Borders Council provides a guarantee that the deposit will be paid if any damage is caused while the tenant is in the property. The scheme opens up the private rented sector to those on a low income who would otherwise not be able access a private rented tenancy.

Since the start of the scheme in 2007, there have been 276 enquires about the scheme and 107 people have gained a tenancy through RDGS.\(^\text{16}\)

\(^{16}\) SBC Rent Deposit Guarantee database, October 2009
Advice and Support

Advice and support is an important part of the tackling poverty and financial inclusion. It is about providing advice and support on money matters, employment rights and training opportunities.

Broadly speaking, there are three types of financial advice:

- Regulated advice – advice relating to specific products or providers falls under the FSA’s regulator regime.
- Debt advice – also known as ‘money advice’, a number of organisations including CAB, Scottish Borders Council, National Debtline and the Consumer Credit Counselling Service provide specialist advice for people with debt problems.
- General advice – advice and guidance given in light of people’s individual circumstances which helps them to understand their financial needs, identify their options and take appropriate action.

Welfare Benefits

The Welfare Benefits Service (WBS) is part of the Council’s Social Work Department. Its main purpose is to maximise the take-up of Social Security Benefits and Tax Credits by the citizens of the Scottish Borders.

Working in partnership with a number of agencies, the WBS is able to improve service delivery, maximise opportunities and address disadvantage. The existing Memorandum of Understanding with the Local Pension Service is being updated to a new Service Level Agreement. As a result of this a member of the WBS team will have, following satisfactory completion of training and accreditation, direct computer access to DWP information for those over 60. This will further streamline and improve service delivery for this client group.

An operational agreement has been signed with Macmillan Cancer Support who will be funding a Welfare Benefits Officer and a Welfare Benefits Assistant post for a three year period. The partners within this agreement are the Welfare Benefits Service, Macmillan Cancer Support, NHS Borders Macmillan Centre and the Pension Service. The fundamental objective of this partnership is to ensure a sustainable difference in terms of improving access and attainability of welfare benefits for those affected by cancer living in the Scottish Borders.

Partnership working with the NHS Borders through the Sure Start initiative aims to give children under four the best start in life. The WBS works closely with the Sure Start midwives and Health Visitors to ensure maximum take up of maternity benefits and tax credits. Parents are offered advice and support to guide them through a complex system.
Working in conjunction with the Child Care Partnership and developing relationships with family centres, child minders and nurseries throughout the borders the WBS has been able to demonstrate significant take up of tax credit and the renegotiation of tax credit overpayments.

The Welfare Benefits Officers represent clients at Social Security Appeal Tribunals at First Tier and Upper Tribunal level. Preparation for Tribunals can be lengthy and complicated with considerable time spent researching and analysing case law as well as obtaining relevant medical evidence. As well as advocacy work, the officers also give advice to social care and health staff and deliver talks to community groups. The Service is represented at Partnership and Continuing Employment (PACE) events by a Welfare Benefits Officer who offers benefits and tax credits to those facing redundancy. The service was represented at ten of these events last year.

Assistance in the prevention of eviction is the main role of the Welfare Benefits Officer for Homelessness. The Officer prevented 41 evictions in the period 2008/2009 in addition to maximising income to customers through benefit take up of £725,906. As well as supporting the Homelessness team on benefit matters, the officer runs regular clinics at Berwickshire Housing Association and frequently liaises with SBC’s Customer Services, Housing Associations, Registered Landlords, local solicitors and Shelter.

The WBS also promotes the take up of the Independent Living Fund (ILF) through the ILF Development Officer. The worker supports Social Care and Health staff in arranging ILF packages as well as promoting the take up of the fund through the delivery of training sessions. At 31st March 2009, Scottish Borders Council was 8th highest in the league tables of Scottish Local Authorities with 7.5 per of 10,000 of population receiving ILF.

A Welfare Benefits Mental Health Specialist post has been established and will contribute significantly to tackling poverty by helping an extremely vulnerable group by providing direct provision of advice, information, support and advocacy to people with mental health issues, their families and carers. The types of problems frequently experienced by people with Mental Health issues include:

- Ability to access expert advise and assistance without delay;
- Frequent entry and exits from claiming benefits which can cause delays in payment;
- Homelessness as a result of failure to access Housing Benefit and inability to challenge eviction proceedings;
- Difficulties with forms completion – some of which are over 40 pages long;
- Underpayment due to lack of knowledge of criteria surrounding benefits;
- Overpayments and recovery procedures due to failure to report changes or for reported changes to be acted upon by Department of Work & Pensions and Council;
- Need for assistance to seek review or supersession of existing awards due to changes of circumstances, including deterioration of health;
- Need for assistance to gather evidence to support claims;
- Need for representation at appeal to effectively challenge decisions disallowing benefits;
- Need for on-going reassurance regarding entitlement to benefits;
- Support to ensure carers are claiming their full entitlement to benefits.

The Customers Services Division of Scottish Borders Council not only provides advice and support in all matters relating to Council Tax, Housing Benefit and Council Tax Benefit, staff will also direct people to other organisations and Council departments which could offer further help and advice with any issues highlighted during discussions. Staff work closely with landlords, Government departments and welfare organisations to facilitate the timeous and accurate handling of customer accounts and claims through a network of 11 local offices and a single point of contact local rate telephone line.

**Homelessness**

Poverty and financial exclusion can have a major impact on people who are experiencing homelessness. It is important for the Council’s Homelessness Service to provide a number of interventions to tackling poverty and financial exclusion in homelessness people.

- Community Support Enabler
  
  Since it’s inception in 2003, the support role within the Scottish Borders Councils Housing Support Services has become an integral and indeed crucial part of delivering a holistic process from initial crisis homelessness, prevention to eventual resettlement.

  The service meets a broad range of support needs dealing with people who are leading an increasingly chaotic lifestyle who would find it extremely difficult to sustain both tenancies and an independent lifestyle. These would include; people with mental ill health, those with substance misuse and addiction issues, young people who have never lived independently, women fleeing domestic abuse and people with physical or learning disabilities. The role of the Support Officer would also focus on helping individuals create more sustained social networks, access further education and job training opportunities, home budget management training, parenting skills and a range of social skills.

  An additional Community Support Officer would enhance the service by:
• Provision for further service users to access the service
• Scope for development in service delivery i.e. setting up localised drop-ins/clinics as opposed to appointment based service
• Ability to react promptly to setbacks for resettled service users to negate breakdown of tenancies
• Capacity to support with a proactive approach
• Expansion of existing provision in supporting and identifying people with physical health issues, substance misuse issues, young people and other groups seen as the most vulnerable
• Increased potential for joined up working within an environment of partnership with external agencies
• Ability to expand on service user involvement and scope to increase outcomes for service users
• Assist with rent arrears, debt advice and advocacy where required

• Fab Pad

Fab Pad is an intensive support programme, which is run by Impact Arts, that aims to support young people, aged between 16 and 25, to sustain a tenancy and thereby reduce the incidence of homelessness (and repeat homelessness) and their risk of living in poverty.

The programme works with participants when they are affected by immense change, which can be particularly challenging for them. The target group are vulnerable and need support to stabilise their lifestyles. Many will have recently left home or care, and are becoming independent for the first time. Others might be recently homeless or are struggling to sustain a tenancy. Distinctive characteristics of Fab Pad clients include: poor health, long-term illness – especially mental health, poor social networks, low confidence, self-esteem and skill levels, poor educational attainment, experience of drugs and alcohol misuse, child dependency needs, emotional and behavioural problems, criminal record and money problems.

Fab Pad staff work with them to identify problems areas in their lives, and works in partnership with other local services that can help them. Much of the programme therefore focuses on tackling poverty by helping vulnerable people in crisis but the added value is achieved when young people gain self-confidence and improve their life skills to subsequently improve their employability and positive contribution to their community.

Registered Social Landlords

Registered Social Landlords (RSLs) play a crucial role in tackling poverty and financial inclusion. It is important that RSLs provide a wide range of services to their tenants, not only to help the
tenant but to reduce the number of tenants with rent arrears. Since the stock transfer in 2003 all social rented properties in the Scottish Borders are now managed by RSLs. Therefore it is important that Scottish Borders Council maintain links with the RSLs in the area in order that there is effective joint working to address financially exclusion.

The four main RSLs in the Scottish Borders are:

- Scottish Borders Housing Association (SBHA)
- Berwickshire Housing Association
- Eildon Housing Association
- Waverley Housing

RSLs in the Scottish Borders either provide their own Welfare Benefits Service to their tenants (SBHA and Eildon HA); provide a service in partnership with Scottish Borders Council Welfare Benefits Service (Berwickshire HA) or by CAB who provide an independent money advice service to tenants (Waverley Housing). Therefore, all tenants who need financial help, information or advice are able to access a suitable service.

Berwickshire Housing Association launched The Working Rite project in December 2008 which aims to give young people the chance to get some work experience. So far the project has helped eight trainees complete their placements. The project is jointly funded by Johnson & Johnson, the Scottish Government and Scottish Borders Council.

The Scottish Borders Migrant Support Service is operated by Eildon Housing on behalf of the inter-agency Scottish Borders Migrant Support Group. The Service provides advisory support services to Migrant Workers and acts as a referral service to put migrants in contact with other services. It works closely with partner bodies including Scottish Borders Council, NHS Borders, Lothian & Borders Police, the Borders Housing Network, Borders College, Skills Development Agency, Job Centre Plus, Scottish Enterprise, Scottish Borders Chamber of Commerce, Citizens Advice Bureaux, Borders Equality Forum and the voluntary sector.

**Citizens Advice Bureau**

The Citizens Advice service helps people to resolve their legal, money and other problems by providing free, independent and confidential advice, and by influencing policymakers.

The Scottish Citizens Advice Bureau (CAB) service is made up of:

- Citizens Advice Scotland (CAS) – a national umbrella body that provides essential services to Scottish Citizens Advice Bureau.
• Citizens’ Advice Bureau – independent, local charities that are members of Citizens Advice Scotland. The bureaux provide advice and information to people in need in over 200 locations in Scotland.

The Scottish CAB Service is united by two aims:
• To ensure that individuals do not suffer through lack of knowledge of their rights and responsibilities, or of the services available to them, or through an inability to express their need effectively
• To exercise a responsible influence on the development of social policies and services, both locally and nationally.

There are three CAB offices in the Scottish Borders; Roxburgh, Central Borders and Peebles. The Roxburgh Citizens Advice Bureau’s main office is in Hawick but provides outreach services in Kelso, Duns and Eyemouth. As already mentioned above, the CAB in the Scottish Borders deals with a lot of enquiries regarding debt, in 2008/09 48% of enquiries were related to debt. The four most common enquires at CAB in the Scottish Borders are:

1. Debt
2. Benefits
3. Employment
4. Housing

CAB work with a number of partners to provide information and advice to people in the Scottish Borders, below are few examples of schemes that are operated by CAB.

• Waverley Project Workers Pilot
Waverley Housing and Citizens Advice Bureau have teamed together to provide a Money Advice service to tenants. The money advice service is free, independent and available to all Waverley Housing tenants.

The service is provided by CAB in agreement with Waverley Housing and is funded by the Wider Role, the Scottish Government and the British Gas Energy Trust.

Advice can be given to tenants in person, in confidence, at the Galashiels and Hawick CAB offices, or by telephone.

• Pension Project Pilot
According to CAB there are an increasing number of older people having debt issues. As already mentioned in chapter 3 there is a low take up of benefits in older people for a number of reasons (Some don’t realise they are eligible, others find the system too complicated, and many feel there is a stigma attached to claiming and would rather ‘make do’). Of the estimated £4.5 billion of unclaimed income-related benefits to which pensioners were entitled in 2007/08, Pension Credit accounted for half while Council Tax Benefit accounted for a third.

Funding for this pilot was for a two year period which has now ended. The main aim of the pilot was to increase the take up of benefits by pensioners in the Scottish Borders; this scheme was proven to be a success. It is important that schemes like this are in place to help older people who are in poverty.

- Independent Advice and Support Service
  Citizens’ advice bureaux across Scotland are now funded by local NHS Boards to deliver the Independent Advice and Support Service (IASS). IASS aims to support patients, their carers and relatives in their dealings with the NHS and in other matters affecting their health.

  The service will help if:
  - You have comments or complaints about the treatment you’ve received in hospital, from your GP, dentist, nurse, or from any other part of the NHS, and you’re not sure what to do next
  - Ill-health or disability is having an impact on other areas of your life, and you’d like some advice or help.

  This service is managed by the Peebles CAB locally.

- Berwickshire Youth Citizen Project
  The Citizens Advice Bureaux serving Central Borders and Roxburghshire have extensive experience of advising their local communities on a wide range of issues including benefits, housing, employment and debt. The Borders Young Citizens Project, in conjunction with local young people and other agencies, aims to provide a service for people aged 14 to 25 in Berwickshire (the pilot in Hawick and Galashiels has now come to an end). This will be done by assessing the best times/venues/methods of service delivery; providing training in benefits/employment/debt-related issues to young people and; providing training opportunities for young people to develop skills to act as intermediaries in advice work, thereby becoming aware of the issues affecting their peers.

  This project is being funded through the Fairer Scotland Fund.
Healthy Living Centres Project
The aim is to build upon the work of the five Healthy Living Centres which are located in the most deprived areas within the Scottish Borders. The project uses their connections within the local community and with disadvantaged families and households, to help address their broader needs such as support to get into employment, for benefits advice and for home energy advice to reduce fuel poverty.

Improving Access to Physical Activity
Improving Access to Physical Activity links to the action plans within the Physical Activity Sports and Physical Education Strategy and is seen as part of implementing Fairer Borders Funds, it is particularly focused on excluded groups. Its aim is to improve access in a non-discriminatory way to mainstream, facilities by providing vouchers to children, the disabled and other vulnerable groups for free entry to swimming pools and other facilities by the Borders Leisure Trust.

Supporting Recovery of People from Substance Misuse through Employment
This project is operated by the voluntary body, the Big River Project and supports the recovery of people from substance misuse and their route into stable employment. Clients who pass through specialist addiction services often need intensive support following ‘detox’ and treatment to break the cycle of abuse. Support to re-enter stable employment can make a significant difference and is part of the recovery approach outlined in the national drugs strategy. This work links to the local developments being taken forward by the Borders Employability Partnership, with a single entry point to a comprehensive service to assess, train and support re-entry into employment.

Financial Education
Improving the skills, knowledge and understanding of financial products and services can help people manage their finances better.

Financial education has a crucial role to play in improving financial capability, it is important to provide financial education to increase financial capability; this can be identified by three key themes:

- Building skills – Literacy and numeracy are fundamental skills in managing money and understanding financial products that are available, research has found that people with poor literacy and numeracy skills are less likely to hold any financial products.
- Increasing knowledge – Raising awareness and increasing knowledge of financial products is key in helping people make informed decisions. In promoting financial
inclusion much of the work is simply providing easily understood information in a safe and engaging environment.

- Developing understanding – Is about giving an individual a plan for dealing with this information, which may include skills for budgeting, planning, understanding products available and shopping around for the best deal.

Safe T in the Park
The Safe T in the Park event is held annually for 5th year pupils within the Scottish Borders, every secondary school in the Scottish Borders receives 30 spaces for pupils to attend. It is well attended and is a popular event providing valuable information for pupils planning for their future.

There are interactive and fun workshops that the young people attend (usually 40 minutes duration) these include workshops by the Police, the Drugs and Alcohol Action Team (DAAT), NHS Borders, First Aid and Citizens Advice Bureau. This event was very successful, with approximately 300 pupils attending in 2009.

Learning for All
This is the Adult Literacies Learning project in the Scottish Borders. The project aims to provide Adult Literacies Learning, A Learner's Forum, Literacies Awareness Raising, Staff Training and Development. The partners are Scottish Borders Council Community Learning & Development, Borders College and new provision funded by the Scottish Government through the Scottish Borders Learning Partnership.

The project works with people to help them to develop their skills and use language and numbers in their everyday lives, prioritising working with people who have limited initial education and who are:

- unemployed
- facing redundancy
- speakers of other languages
- in low skilled jobs on low incomes
- living in disadvantaged areas
- dealing with disability

The project offers:
- Free local tuition and Guidance
- Reading - Writing - Spelling - Maths
- English as an Additional Language
- Return to Learning
• Family and Workplace Learning
• Community Based Learning
• Courses and Qualifications

This service is a valuable tool in helping adults become more financially capable, providing them with skills that will provide them a better understanding of financial products and budgeting.

Managing Your Money
The Community Based Adult Learning and Guidance group has gathered information about learning opportunities delivered by the major providers in the Scottish Borders in 2008/09. A review of the spread of activity highlighted that there is a lack of learning targeted at preventing/reducing financial difficulties. From this review a partnership between Healthy Living Network, Citizens Advice Bureau (Central Borders) and Community Learning and Development is proposing a small scale pilot project.

This pilot will work, using a community development approach, with families in the Langlee area of Galashiels. Families will identify for themselves their most important financial management issues and with expert support and advice will seek out solutions. They will then work together as a group to share what they have learned with other families and community members through developing posters, leaflet, newsletters, workshops etc.

The key aims of this pilot are:

• Regenerating disadvantaged communities
• Tackling poverty by helping vulnerable people and groups
• Overcoming barriers to employment

Financial Education in Schools
The Scottish Centre for Financial Education was established in 2002 and helps teachers, schools and education authorities provide a high standard of financial education to meet the needs of all their learners. The centre has information and resources for teachers, lecturers, learners, parents and anyone interested in financial education. The aim is to promote financial education for all children and young people by:

• Working in partnership with the financial services industry
• Advising schools and local authorities
• Providing and evaluating resources produced by other agencies
• Publishing our own resources
• Supporting continuing professional development through a programme of workshops, seminars and conferences.

Developing each individual’s financial capability, from early years through to 18, can enhance life chances and choices. It can help all children and young people develop the four capacities of Curriculum for Excellence, particularly in becoming responsible citizens and effective contributors to society and at work.

There are a number of political requirements that underpin developments in financial education.

• Financial Services Authority - Personal Finance Education in Schools: A Benchmark Study
• Achieving Our Potential – the Scottish Governments to tackling poverty and income inequality in Scotland
• Financial Capability: The Government's long-term approach
• A Strategy for the Financial Services Industry in Scotland: First Year Implementation Plan

• Existing provision in SBC schools

This paper clearly outlines the place of financial education in the 5 to 18 curriculum in schools. Its central theme is the principle that, as part of their general education, all young people should have opportunities to acquire a broadly-based financial capability, defined in terms of understanding, competence, responsibility and enterprise. The Council believes that a coherent, coordinated and progressive approach to the development of financial capability will do much to assist the process of social inclusion, helping young people to become active and critically thoughtful citizens, able to operate confidently and successfully in the changing world of work. In considering how financial education occurs in schools, the paper emphasises that it is not a new subject and indicates, instead, ways in which financial learning can be related to current curriculum structures and school practice.

• Financial education within Curriculum for Excellence
Financial education helps young people develop the four capacities of Curriculum for Excellence, particularly in becoming responsible citizens and effective contributors to society.
Curriculum for Excellence will be fully implemented in all SBC schools from August 2010. Opportunities for developing financial education will be enhanced through schools being required to deliver against experiences and outcomes in 8 curricular areas, with numeracy being a requirement for all staff. This work will build on existing good practice as outlined above but will be enhanced as schools are expected to construct their curricula around the general principles outlined in ‘Building the Curriculum 3’. In particular the curriculum framework requires planners to meet young people’s needs in relation to informed and responsible citizenship, with appropriate personal support, through relevance, in engaging and active ways, with opportunities for developing skills for learning, life and work, and with opportunities for moves into positive and sustained destinations beyond school. All of these requirements will ensure that appropriate opportunities for financial education are embedded across the curriculum at all stages from 3-18.

- **RBS MoneySense**

MoneySense offers general advice about money management, right from school age through to every stage of life. It includes information that will help you understand and manage your finances.

MoneySense for Schools – The MoneySense programme teaches students aged 11–18 important life-skills needed to manage money so they can thrive in today’s society and be prepared for independent living and future financial decisions. The programme has been developed in conjunction with teachers, who understand more than anyone what it takes to engage the attention of today’s children and young people in the classroom. Since 2004, the programme has been delivered in almost 60% of secondary schools in the UK, often by visiting RBS group employees. Delivered in 4 modules, the MoneySense programme covers such basics as how to open a bank account, how to manage money on a day to day basis, budgeting and how to run a business. Using the web and the classroom, the programme provides teachers with stimulating, easy to use lesson plans, activities and resources which all fit in with the National Curriculum.

MoneySense for Adults – The web-based programme includes over 100 pages of independent practical advice and information about money management for anyone who would like help with the day-to-day management of their finances. This can include a financial health check, using the budget calculator or downloading the free MoneySense booklet. The programme has been reviewed by The Citizens Advice Bureau to ensure that it can help anyone of whatever age to understand all the things they can do to manage money better and avoid getting into debt.

- **YES Primary Programme**
Young Enterprise Scotland (YES) is one of Scotland’s providers for aspiring young people in Enterprise in Education. YES provides a wide range of programmes for young people aged 5 – 25, give them the opportunity to develop their full potential and raise their confidence and self esteem and also test out their business ideas.

The Primary Programme involves volunteers from business and the local community delivering lessons to utilising comprehensive, easily assimilated high quality teaching materials with the emphasis on hands-on experiential learning. The programmes aims and objectives are to:

- Provide seven modules, one for each year of primary education.
- Provide five fun and interactive lessons in each module
- Directly supports the citizenship curriculum
- Increase the understanding of how the world works
- Foster attitudes for success
- Promote lifelong learning and skills development

**Partnership Working**

Individuals who are most deprived and most in need tend to gravitate away from financial services and many access them only when their needs are severe, rather than being engaged at an early stage. Promoting financial inclusion requires a broad range of actions by key stakeholders who are committed to tackling poverty and financial inclusion. These include:

- Registered Social Landlords (RSLs) – Eildon Housing Association, Waverley Housing, Scottish Borders Housing Association and Berwickshire Housing Association
- Citizens Advice Bureau
- NHS Borders
- Post Offices
- Utility Companies
- Banks
- Community Organisations/ Groups

In order for all the services in the Scottish Borders to work to reduce financial exclusion, to promote financial services and to provide information and advice there needs to be partnership approach.
Poverty is identified in a range of different strategies across Scottish Borders Council with actions identified to tackle it in specific areas. However, there is not a current Council wide strategic approach that brings together all the different actions on poverty and social exclusion, this is why it is important to develop the Tackling Poverty and Financial Inclusion Strategy and this is why partnership is key to the success of this strategy. Partnership working will help identify gaps in the service and make the best use of resources to meet these needs.

**Key Issues:**

- Although basic bank accounts are available to everyone, 2% of people in the Scottish Borders do not have one. One of the reasons why people struggle to open a basic bank account is because of a lack of appropriate identification
- The Child Trust Fund (CTF) will be scrapped by January 2011
- Low Cost Contents Insurance is available to most social rented tenants through their Housing Associations/ Registered Social Landlord. At the moment there is no scheme available to private rented households
- The Capital Credit Union is available to anyone who works or lives in the Scottish Borders. The main aim is to increase the number of people in the Scottish Borders accessing a credit union, this might be hampered by the fact the Capital Credit Union doesn’t have an office in the Scottish Borders
  The Council’s Rent Deposit Guarantee Scheme has successfully helped 107 people gain a tenancy in the private rented sector since 2007.
- The Council’s Welfare Benefits Service works in partnership with a number of agencies to maximise the take up of Social Security Benefits and Tax Credits. The monetary gains by people accessing the Welfare Benefits System is £4.7 million
  RSLs provide a wide range of financial inclusion services to tenants from; providing their on welfare benefits service, money advice services and low cost contents insurance
  The CAB provides advice on a wide range of topics, in 2008/09 there were 35,495 recorded issues discussed with 18,534 being debt related. CAB provides a number of schemes relating to financial inclusion to help those most in need. The Pension Project Pilot helped increase the take up of benefits in elderly people and since it finished there has been nothing to replace it. This is the main problem with pilots, once they come to an end nothing replaces them
  Providing financial education provides a crucial role in improving financial capability. Safe T in the Park has been very successful in engaging with young people, with approximately 300 pupils attending in 2009. This is good way with engaging with young people still at schools as it can be difficult for external organisations to go into schools and provide information and advice.
• ‘Learning for All’ provides numerous and literacy skills to adults in need, numerous and literacy skills provide the basic building blocks in being able to understand financial products.

• Within the Curriculum for Excellence, financial education will be provided in schools and will be fully implemented by 2010. Some of the financial education schemes that operate in Schools include RBS MoneySense and YES Primary Programme

• Partnership work is very important in the delivery of the Tackling Poverty and Financial Inclusion Strategy. Some of the key organisations that work together are Scottish Borders Council, CAB, NHS Borders and RSLs
6. Key Aims and Objectives

This section of the Tackling Poverty and Financial Inclusion Strategy discusses the three key aims of the Strategy, and the related intended actions through which the strategy will be judged in terms of how well it has delivered. For each aim, it outlines the key issues which the strategy seeks to address. More detailed descriptions of all the actions for each objective can be viewed in section 6.

**Aim 1: Reduce the number of households in the Scottish Borders currently in debt, or at risk of being in debt**

To be able to reduce the numbers falling into and currently in debt, firstly we need to identify how many people in the Scottish Borders are in debt. There are approximately 19,000 people living in poverty but this does not give an indication as to how many are in debt. According to CAB in 2008/09, there were 410 new multiple debt cases owing £8,811,979.

It is important to make sure those in debt are getting the appropriate information and advice and are signposted to the appropriate organisation. It is important those who are in debt or at risk of being in debt are aware of the organisations out there that are able to help. That is why partnership working is important, rather than organisations working individually, joint up working is much more appropriate and means there is a more structured approach in dealing with this.

**Related Intended Actions:**
- Increase access to debt counselling services for those in debt or at risk of debt
- Increase partnership working to gain a better understanding of people in debt
- Develop a poverty proofing policy to ensure that work does not inadvertently exacerbate the problems experienced by those living with poverty
- Improve the provision and accessibility of debt education and support services for people experiencing poverty within the Scottish Borders
- Increase the awareness of debt services on SBC’s corporate website
- Increase face to face debt counselling by 10%
- SBC to provide financial assistance to 10 fuel poor households per annum
- Increase incomes for a wide range of vulnerable and isolated tenants, applicants and sharing ownership owners in social rented housing
- Increase the number of new debt clients assisted by CAB and SBC
- Establish the Managing Money pilot in Langlee, Galashiels
Aim 2: Improve access to affordable and manageable financial services in order that household’s manage their money efficiently

By helping to improve access to financial services in the Scottish Borders, Scottish Borders Council will have to address the services it currently provides. There are currently a range of financial products available to households, who are income poor or financial excluded. These include:

- Basic Bank accounts
- Low cost contents insurance
- Government saving schemes
- Access to Capital Credit Union

It is important that households in the Scottish Borders are aware of available services. Scottish Borders Council needs to consider its approach and its effectiveness and make any improvements that are required to develop this service. Improving the access to financial services will help increase financial inclusion as it will help those who may not be claiming benefits who should be or help those claim the correct benefits. It will also help those access more appropriate financial services.

Related Intended Actions:

- Work in partnership with financial institutions to ensure that all adults have access to a bank account and affordable credit
- Increase the number of people on low incomes who have a bank account
- Support and promote the Scottish Governments Energy Assistance package to ensure that fuel poor households in the Scottish Borders receive grant funding
- Promote low cost home insurance scheme for social rented tenants
- Promote access to the Child Trust Fund until January 2011
- Promote saving opportunity schemes
- Promote the Rent Deposit Guarantee Scheme (RDGS)
- Promote the use of Credit Unions as a means of accessing financial services
- Promote the availability of social tariffs to eligible households
**Aim 3: Improve access to information and advice to help maximise incomes**

Scottish Borders Council understands how important it is to provide information and advice to help those who are in debt, and as a preventative measure. Better understanding of the availability of financial products and financial education gives people more informed choices of what is best suited for them. People are then able to make better choices which will help them out of debt.

Helping someone to become more financial capable means:

- being able to manage money
- keeping track of finances
- planning ahead
- making informed decisions about financial products
- staying up to date about financial matters.

**Related Intended Actions:**

- Provide fuel poverty energy advice to disadvantaged households concentrating on issues of poor housing, inadequate heating/insulation and dampness/condensation
- Provide services to assist residents to maximise income and signpost them to cost effective and energy saving measures
- Continue to provide support services to Migrant Workers through the Migrant Support Service
- Continue to develop the Welfare Benefits Officer for Mental Health to provide advice, information and support to people with mental health issues, their families and carers
- Provide Welfare Benefits advice to cancer patients
- Establish an extra Community Support Worker to provide additional support to vulnerable people
- Provide information advice and advocacy service on a full range of issues to all the people in the Borders with emphasis on benefit take up, terms, conditions of employment and minimum wage rights
- Through the Berwickshire Young Citizen Project deliver Welfare Benefits information, advice and support on a range of subjects including benefits, debt, housing and employment to 16-24 years olds
- Help young people learn new skills through Fab Pad
- Provide financial education to all age groups, to help them be more financial capable and able to understand financial products
• Support young people in developing their life skills and signpost young people to other agencies
• Maintain the breadth and quality of childcare information available for parents, carers and professionals
• Promote methods of reducing energy bills through supplier switching, changing payment methods and behaviour changing advice in respect of energy efficient use of heating and appliances
• Build upon the work of the five Healthy Living Centres in the most deprived areas of the Scottish Borders. To help address the needs of disadvantaged families including employment, benefit advice and home energy advice to reduce fuel poverty
• Support Recovery of People from Substance Misuse through employment
• Provide integrated support to help increase the take up of benefits
• Increase awareness of employment rights and responsibilities to promote better employment practices
• Increase employment and training opportunities for care leavers, offenders, people with learning difficulties, people with support needs and young people
• Provide information and advice to those in hard to reach areas of the Scottish Borders
• Provide poverty awareness training for frontline staff
• Promote the use of the Customer Services CRM system to increase the diversity and availability of information for customers
• Devise a poverty toolkit to assist service departments, voluntary groups and community groups
7. **Resources**

In order that the aims of the Tackling Poverty and Financial Inclusion Strategy are realised, resources are required in order that the strategy is implemented. Poverty is identified in a range of strategies across the Council with actions identified to tackle it in specific service areas, although this strategy brings together the variety of different actions currently in place.

There will need to be effective multi-agency working with internal department and external organisations to be able to deliver the aims of the Strategy.

The strategy will be resourced from existing resources both within Scottish Borders Council and partner agencies.
### 8. Action Plan

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Relevant Indicators</th>
<th>Data Frequency/ Type/ Source</th>
<th>Baseline (data)</th>
<th>Targets</th>
<th>Timescale</th>
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<td>Reduce the number of households in the Scottish Borders currently in debt, or at risk of being in debt</td>
<td>Increase incomes for a wide range of vulnerable and isolated tenants, applicants and sharing ownership owners in social rented housing</td>
<td>RSL monitoring data</td>
<td>178 received help in 2007/09 (target was 122)</td>
<td>30% extra cumulative benefits (10% each year)</td>
<td>2013</td>
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<td></td>
<td>Increase face to face debt counselling by 10%</td>
<td>CAB Stats</td>
<td>410 new multiple debt cases 2008/09</td>
<td>10% per annum</td>
<td>2013</td>
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<td></td>
<td>SBC to provide financial assistance to 10 fuel poor households per annum</td>
<td>SBC monitoring data</td>
<td>Aug – Oct 2009, 1 household</td>
<td>10 households per annum</td>
<td>2012</td>
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<tr>
<td></td>
<td>Increase the number of new debt clients assisted by Borders CABx and SBC</td>
<td>CAB and SBC monitoring data</td>
<td>411 (2008/09)</td>
<td>10% per annum</td>
<td>2013</td>
</tr>
</tbody>
</table>

#### Key actions and commitments by local Partners for this outcome

**Actions:**

1. Increase access to debt counselling services for those in debt or at risk of debt
2. Increase partnership working to gain a better understanding of people in debt
3. Develop a poverty proofing policy to ensure that work does not inadvertently exacerbate the problems experienced by those living with poverty
4. Improve the provision and accessibility of debt education and support services for people experiencing poverty within the Scottish Borders
5. Increase the awareness of debt services on SBC’s corporate website
6. Establish the Managing Money pilot in Langlee, Galashiels

**Commitments:**

1. Work with partners to provide a coherent debt advice service
2. Work with partners to ensure all those in debt are aware of the services available
3. Ensure campaigns to help those in debt are targeted at the appropriate households
4. Work with partners to ensure that debt advice services on SBC’s corporate website is up to date
<table>
<thead>
<tr>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Improve access to affordable and manageable financial services in order that households manage their money more efficiently</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Relevant Indicators</th>
<th>Data Frequency/ Type/ Source</th>
<th>Baseline (data)</th>
<th>Targets</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of people accessing the Rent Deposit Guarantee Scheme</td>
<td>SBC monitoring data</td>
<td>107 (2007-Oct 2009)</td>
<td>40% per annum</td>
<td>2013</td>
</tr>
<tr>
<td>Increase the number of people accessing the Capital Credit Union</td>
<td>Capital Credit Union</td>
<td>600 members</td>
<td>25% per annum</td>
<td>2013</td>
</tr>
<tr>
<td>Increase the number of people on low incomes who have a bank account</td>
<td>Scottish Household Survey</td>
<td>15% on income below £6,000 do not have a bank account (2007/08)</td>
<td>Reduce by 5% per annum</td>
<td>2010</td>
</tr>
</tbody>
</table>

**Key actions and commitments by local Partners for this outcome**

**Actions:**

1. Work in partnership with financial institutions to ensure that all adults have access to a bank account and affordable credit
2. Support and promote the Scottish Governments Energy Assistance Package to ensure that fuel poor households in the Scottish Borders receive grant funding
3. Promote low cost home insurance schemes for social rented tenants
4. Promote access to the Child Trust Fund until January 2011
5. Promote saving opportunity schemes
6. Promote the Rent Deposit Guarantee Scheme (RDGS)
7. Promote the use of Credit Unions as a means of accessing financial services
8. Promote the availability of social tariffs to eligible households

**Commitments:**

1. Ensure advice on financial services are up to date
2. By RSLs to ensure all social tenants have contents insurance
3. To work with local partners to make information available in a range of places
4. Work with partners to ensure services are provided to those with transport problems
<table>
<thead>
<tr>
<th>Outcome</th>
<th>Relevant Indicators</th>
<th>Data Frequency/ Type/ Source</th>
<th>Baseline (data)</th>
<th>Targets</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve access to information and advice to help maximise incomes</td>
<td>Provide advice to at least 700 households per annum, concentrating on fuel poverty related issues focusing on issues of poor housing, inadequate heating/ insulation and dampness/ condensation</td>
<td>SBC monitoring data</td>
<td>627 phone calls (2008/09)</td>
<td>700 per annum</td>
<td>2013</td>
</tr>
<tr>
<td></td>
<td>Increase the monetary gains by people accessing Welfare Benefits services</td>
<td>Welfare Benefits Service Data</td>
<td>£4.77 million (2008/09)</td>
<td>Increase of 15 per annum</td>
<td>2013</td>
</tr>
<tr>
<td></td>
<td>Increase the number of benefit issues dealt with on behalf of clients by Borders CAB</td>
<td>CAB stats</td>
<td>7,366 (2008/09)</td>
<td>Increase of 10 per annum</td>
<td>2013</td>
</tr>
<tr>
<td></td>
<td>Increase the number of people accessing welfare benefits services</td>
<td>SBC monitoring data</td>
<td>2,614 (2008/09)</td>
<td>Increase of 5% per annum</td>
<td>2013</td>
</tr>
<tr>
<td></td>
<td>Help young people learn new skills through Fab Pad</td>
<td>Borders Housing Network</td>
<td>10</td>
<td>10 over 18 week period until March 2010</td>
<td>2010</td>
</tr>
</tbody>
</table>

Key actions and commitments by local Partners for this outcome

Actions:
1. Provide fuel poverty energy advice to disadvantaged households concentrating on issues of poor housing, inadequate heating/ insulation and dampness/ condensation.
2. Provide services to assist residents to maximise income and signpost them to cost effective and energy saving measures.
3. Continue to provide support services to Migrant Workers through the Migrant Support Service.
4. Continue to develop the Welfare Benefits Officer for Mental Health to provide advice, information and support to people with mental health issues, their families and carers.
5. Provide Welfare Benefits advice to cancer patients.
6. Establish an extra Community Support Worker to provide additional support to vulnerable people.
7. Provide information advice and advocacy service on a full range of issues to all the people in the Borders with emphasis on benefit take up, terms and conditions of employment and minimum wage rights.
8. Through the Berwickshire Young Citizen Project deliver Welfare Benefits information, advice and support on a range of subjects including benefits, debt, housing and employment to 16-24 years olds.
9. Provide financial education to all age groups, to help them be more financially capable and able to understand financial products.
10. Support young people in developing their life skills and signpost young people to other agencies.
11. Maintain the breadth and quality of childcare information available for parents, carers and professionals.
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<tbody>
<tr>
<td>12.</td>
<td>Promote methods of reducing energy bills through supplier switching, changing payment methods and behaviour changing advice in respect of energy efficient use of heating and appliances</td>
</tr>
<tr>
<td>13.</td>
<td>Build upon the work of the five Healthy Living Centres in the most deprived areas of the Scottish Borders. To help address the needs of disadvantaged families including employment, benefit advice and home energy advice to reduce fuel poverty</td>
</tr>
<tr>
<td>14.</td>
<td>Support Recovery of People from Substance Misuse through employment</td>
</tr>
<tr>
<td>15.</td>
<td>Provide integrated support to help increase the take up of benefits</td>
</tr>
<tr>
<td>16.</td>
<td>Increase awareness of employment rights and responsibilities to promote better employment practices</td>
</tr>
<tr>
<td>17.</td>
<td>Increase employment and training opportunities for care leavers, offenders, people with learning difficulties, people with support needs and young people</td>
</tr>
<tr>
<td>18.</td>
<td>Provide information and advice to those in hard to reach areas of the Scottish Borders</td>
</tr>
<tr>
<td>19.</td>
<td>Provide poverty awareness training for frontline staff</td>
</tr>
<tr>
<td>20.</td>
<td>Promote the use of the Customer Services CRM system to increase the diversity and availability of information for customers</td>
</tr>
<tr>
<td>21.</td>
<td>Devise a poverty toolkit to assist service departments, voluntary groups and community groups</td>
</tr>
</tbody>
</table>

Commitments:

1. Work with partners to ensure information and advice is available from a range or organisations
2. Increase the take up of benefits in the Scottish Borders
3. Provide income maximisation advice
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