



***Written evidence to the Finance  
Committee on the Draft Budget 2012-13:  
preventative spending***

**September 2011**

# About Consumer Focus Scotland

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Consumer Focus Scotland is the independent consumer champion for Scotland. We are rooted in over 30 years of work promoting the interests of consumers, particularly those who experience disadvantage in society.

Part of Consumer Focus, our structure reflects the devolved nature of the UK. Consumer Focus Scotland works on issues that affect consumers in Scotland, while at the same time feeding into and drawing on work done at a GB, UK and European level.

We work to secure a fair deal for consumers in different aspects of their lives by promoting fairer markets, greater value for money, improved customer service and more responsive public services. We represent consumers of all kinds: tenants, householders, patients, parents, energy users, solicitors' clients, postal service users or shoppers.

We aim to influence change and shape policy to reflect the needs of consumers. We do this in an informed way based on the evidence we gather through research and our unique knowledge of consumer issues.

## Introduction

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Consumer Focus Scotland welcomes the opportunity to submit evidence to the Finance Committee on the Draft Budget 2012-13: preventative spending. Consumer Focus Scotland recognises the challenge facing the Scottish Government and other public sector bodies in dealing with the anticipated reduction in the budget, and is supportive of a move towards more resources being dedicated to prevention and early intervention. Rather than addressing all of the questions set out in the committee's call for evidence, this response focuses on the questions which are likely to affect consumers in Scotland most directly. We have numbered these questions below for ease of reference.

### **Question 1 - What spending commitments and priorities would you like to see in the 2012-13 draft budget and spending review in order to ensure that progress is being made on preventative spending and, in particular, Early Years intervention?**

Consumer Focus Scotland recommends the following commitments and priorities in the 2012-13 draft budget and spending review in order to ensure progress on preventative spending:

- a) Make sure that users are fully and meaningfully consulted and involved and that their views have a demonstrable impact on final decisions and outcomes.
- b) Sustained investment in advice and support to assist consumers to avoid or mitigate civil law-related problems.
- c) Embed action on fuel poverty across the Scottish Government.
- d) Ensure that a higher priority is given to funding for voluntary and community organisations contributing to improved health and wellbeing outcomes, and provide support for services that enable older people to remain at home.

Before discussing these four specific recommendations, which come from our recent work, in detail, we have set out some over-arching comments.

Early intervention and preventative spending can bring clear benefits for individuals, particularly the most vulnerable in society. There is also a wider social benefit in reducing or avoiding harm as early as possible and supporting people to ensure that they are not disadvantaged, in terms of access to resources, benefits and opportunities. It is essential that spending decisions do not lead to adverse impacts on vulnerable people in the short to medium term, and recognition must be given to the fact that successful preventative action requires a long term strategy.

We were pleased that the Finance Committee's report on preventative spending, published in February 2011, recommended that future budget documents should include an assessment under each portfolio heading of the progress being made towards a more preventative approach. While much discussion of preventative spending focuses on early years' intervention, we consider there to be benefits of a preventative approach across a wide range of policy areas.

A requirement to assess the progress being made towards a more preventative approach under each portfolio heading would encourage the Scottish Government to identify preventative action that could be taken across the broad spectrum of its policy. Often action is needed in one portfolio area to benefit outcomes in another area, so there needs to be a form of internal challenge across central and local government to achieve the best overall outcomes. Although we recognise there can be challenges in identifying preventative spend, as identified in the Scottish Government's response to the committee's report, we believe these challenges are not insurmountable, and should be addressed wherever possible.

## **Recommended commitments and priorities**

### ***a) Make sure that users are fully and meaningfully consulted and involved, and that their views have a demonstrable impact on final decisions and outcomes***

There is a pressing need for communication and consultation with consumers during the process of setting spending commitments and priorities. Consumer engagement is even more important as we enter a period of constraint with reduced services and/or increased charges for some. All of the available evidence shows that real engagement brings about long-term cost-effective success, with high levels of consumer satisfaction.

Consumer engagement is important in building trust, improving the quality of decision making and moving towards co-production of public services. Those who use services are experts in their own needs but also experts in how services function, where the problems are and what could be improved. The impact of not engaging consumers in the process can lead to more problems and more resources being expended in the long run.<sup>1</sup>

Single Outcome Agreements should be strengthened by a requirement to report on the outcome of consumer engagement in the development of the agreements. Some Single Outcome Agreements already include this information - for example Glasgow City Council provides a comprehensive overview, but many do not.

### ***b) Sustained investment in advice and support to assist consumers to avoid or mitigate civil law-related problems***

About one in four people in Scotland have reported experiencing a civil law-related problem which they have found difficult to solve.<sup>2</sup> The most prevalent types of problems tend to be problems with neighbours, problems with money, problems with housing and problems with faulty goods and services.<sup>3</sup> There is clear evidence that unresolved problems can 'cascade' - for example, an

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<sup>1</sup> <http://www.consumerfocus.org.uk/scotland/publications/consumer-engagement-in-decision-making-best-practice-from-scottish-public-services-report>

<sup>2</sup> Genn, H. and Paterson, A. (2001) *Paths to Justice Scotland: What People in Scotland Do and Think About Going to Law*, Oxford – Portland Oregon: Hart Publishing

<sup>3</sup> Genn, H. and Paterson, A. (2001) *Paths to Justice Scotland: What People in Scotland Do and Think About Going to Law*, Oxford – Portland Oregon: Hart Publishing; Scottish Executive (2001) *The Public Perspective on Accessing Legal Advice and Information: Key Findings from a Microcosm Survey*, Edinburgh: Scottish Executive ; Scottish Executive (2004) *Community Legal Service – Assessing Need for Legal Advice in Scotland: An Overview*, Edinburgh: Scottish Executive

employment problem leads to debt, which leads to marital breakdown, which leads to housing difficulties, which leads to mental health problems.<sup>4</sup> And as problems cascade in this way, the pressure on public spending to deal with the fallout of these (unresolved) problems escalates, as more and more interventions and help may be needed: in the example above this may be housing assistance, or assistance from the health service. This is particularly relevant in the current economic climate, with people more likely than ever to experience more, and more acute, civil law-related problems.

Advice and information services for consumers such as Citizens' Advice Bureaux, Consumer Direct and money advice services will therefore be of increasing importance in times of financial restraint. Reductions in central and local government finances, however, will likely place further financial constraints on organisations which provide advice. We therefore believe a clear priority for 2012-13 must be sustained or increased investment in advice services for consumers. Advice agencies play an important role not only in helping people to deal with problems when they arise and preventing them from cascading into other problems, but also in supporting people to make more effective decisions and avoid problems arising altogether. Consumer Focus Scotland's Energy Best Deal Scotland campaign, for example, offers training and materials for advice agencies to enable them to assist consumers, especially those living on low incomes, to obtain a better deal on their gas and electricity supply and reduce their bills.

Spending on advice services therefore not only is necessary and valuable to assist people who have problems now (and is highly relevant in times of economic difficulty), but contributes, as a means of preventative spend, to potentially wide social and economic benefits. Research in England and Wales, for example, found that just over half of those experiencing a civil law-related problem suffered an adverse consequence, such as physical or mental ill-health, loss of income, loss of employment, experience of violence, relationship breakdown or loss of confidence, as a result of their problem.<sup>5</sup> Similar surveys have found that significant proportions (around two fifths) of people reported that their problems impacted on their ability to lead a normal life.<sup>6</sup> It is therefore clearly in the interests of consumers that sufficient advice and support is available to enable them to avoid problems or resolve them as early as possible to minimise such potential impacts.

There are also obvious economic benefits. Not only could a more preventative approach lead to savings to the justice system, for example by reducing the need for more complex advice, or preventing cases from going to court, but it could prevent substantial costs in other areas, such as costs to the NHS caused by physical or stress-related ill health. Previous estimates in England and Wales, for

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<sup>4</sup> As <sup>2</sup> above.

<sup>5</sup> Pleasance, P., Balmer, N., Patel, A., Denvir, C. (2010) *Civil Justice in England and Wales 2009: Report of the 2006-09 English and Welsh Civil and Social Justice Survey*, London: Legal Services Commission

<sup>6</sup> Pleasance, P., Balmer, N., Buck, A., Smith, M., and Patel, A. (2007) 'Mounting Problems: Further Evidence of the Social, Economic and Health Consequences of Civil Justice Problems' in Pleasance, P., Buck, A., and Balmer, N. (eds.) *Transforming Lives: Law and Social Process*. United Kingdom: The Stationary Office.

example, were that the cost of law-related problems to individuals, health and other public services over a three and a half year period was at least £13 billion.<sup>7</sup>

While sustaining and investing in the provision of advice is crucial, longer term solutions will also need to be found, that may reduce the demand for advice services and prevent as many civil law related issues arising or cascading. There is a need to look at ways of building consumers' capability – their knowledge, skills and confidence – to make effective and informed decisions, but also to seek redress when things go wrong. One way to do so would be the development of a web-based portal which could bring together information on rights, responsibilities, sources of self-help and advice and options for dispute resolution, which would guide people through the dispute resolution process, as recommended by the Civil Justice Advisory Group.<sup>8</sup>

We believe such a portal could help to ensure that the most effective use is made of available resources, for example by filtering out of the advice system those people with the confidence and skills to take action themselves with some assistance, ensuring that advice services can focus primarily on those with the most complex and serious problems. We were pleased that the Scottish Government's recent digital strategy<sup>9</sup> identified the development of a 'Direct Scot' portal as an obvious location to host such a system, and committed to taking forward options for developing an online portal for Scottish public information and services. We would like to see investment in this resource feature in the Scottish Government's spending commitments for 2012-13.

### ***c) Embed action on fuel poverty across the Scottish Government***

The cost of all forms of energy used for domestic heating (mains gas, electricity, heating oil, LPG and solid fuels) has risen sharply in the last two years. Despite welcome improvements in the energy efficiency of Scottish housing, Scottish Government data show clearly that rates of fuel poverty are continuing to rise. Consumer Focus research, commissioned shortly after Scottish Power raised its prices in June, suggested that around 850,000 households in Scotland would experience fuel poverty if all energy companies raised prices by similar levels.<sup>10</sup>

In terms of its impacts, fuel poverty affects many of the issues being considered by the committee. Consumers forced to make changes in household spending typically reduce their heating costs by turning heating down, and there are associated impacts on health of both the elderly and the young including increased risk of respiratory conditions and heart disease. In addition, research<sup>11</sup> shows that fuel poverty impacts on educational achievement and therefore longer term life chances.

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<sup>7</sup> Pleasance, P., Balmer, N., Buck, A., Smith, M., and Patel, A. (2007) 'Mounting Problems: Further Evidence of the Social, Economic and Health Consequences of Civil Justice Problems' in Pleasance, P., Buck, A., and Balmer, N. (eds.) *Transforming Lives: Law and Social Process*. United Kingdom: The Stationary Office.

<sup>8</sup> <http://www.consumerfocus.org.uk/scotland/publications/civil-justice-advisory-group-full-report>

<sup>9</sup> Scottish Government (2011) *Scotland's Digital Future: A Strategy for Scotland*, Edinburgh: Scottish Government

<sup>10</sup> <http://www.consumerfocus.org.uk/news/more-pressure-on-stretched-consumers-as-british-gas-increases-come-into-effect>

<sup>11</sup> [http://www.science.ulster.ac.uk/psychology/spip.php?page=tabs&spip.php?page=article&id\\_article=29&connect=psyri#page=publications](http://www.science.ulster.ac.uk/psychology/spip.php?page=tabs&spip.php?page=article&id_article=29&connect=psyri#page=publications)

It is clear that energy prices are unlikely to decline significantly in the future, given the combined pressures of the need for investment in infrastructure, including renewable energy generating capacity, and international demand for fossil fuels. A much more robust approach to improving energy efficiency is therefore needed to reduce current fuel poverty levels, and to safeguard consumers, especially vulnerable and disadvantaged consumers, against future price rises. In addition to benefits in terms of reduced pressures on health spending and improvements for young people, improvements in energy efficiency will cut climate change emissions and release consumer spending for more productive purchasing, with benefits to local economies – both key priorities for the Scottish Government.

Following from the above, an integrated approach across portfolios is needed to ensure that wider benefits are delivered. It is possible to identify three (possibly linked) options by which this might be achieved:

- Relevant Scottish Government directorates could be required to assess the impact of policies on fuel poverty and energy efficiency.
- The Scottish Government could establish an Inter-Departmental Group to embed tackling fuel poverty across policy areas.
- A Ministerial group to act on fuel poverty, with a lead minister, could be established, similar to the approach taken to deliver the Scottish Government's digital strategy.

In addition, any new strategy is likely to involve the introduction of a regulatory framework setting minimum standards for energy efficiency in private sector housing. Consumer Focus Scotland welcomed the recognition in the Scottish Government's *Impacts of Options for Regulating Energy Efficiency Standards in the Domestic Sector* position paper earlier this year of the benefits such minimum standards would bring. We would now like the Scottish Government to set out a clear timetable for the introduction of minimum standards, while identifying and addressing barriers identified in our own research.<sup>12</sup>

***d) Ensure that a higher priority is given to funding for voluntary and community organisations contributing to improved health and wellbeing outcomes, and provide support for services that enable older people to remain at home***

Through improved access to healthy food, community food initiatives are addressing health inequalities and improving the health of individuals and families. With a particular focus on early years' intervention, activities range from: delivering fruit to nurseries in combination with health promotion work with children and their parents; promotion of breastfeeding; cooking skills; and healthy eating work within schools and communities. By providing opportunities for children and their families, it is intended that young people will grow up with an understanding of the connections between food and health and the importance of healthy eating.<sup>13</sup> The impact of individuals and communities being involved in food work is far-reaching. There are long term impacts of community capacity building

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<sup>12</sup><http://www.consumerfocus.org.uk/scotland/publications/energy-efficiency-in-private-sector-housing-in-scotland-regulation-and-the-consumer-interest>

<sup>13</sup> Community Food and Health (Scotland). 2011. *Celebrating Outcomes: celebrating the contribution of community food initiatives towards meeting national outcomes for Scotland*.

that come from being involved in food work and there are benefits of providing services for those often considered hard to reach through mainstream services.<sup>14</sup>

Support which can reduce the need in the longer term for expensive intensive interventions, such as emergency hospital admissions, is an important preventative action. For older people, increasing community capacity that focuses on preventative and anticipatory support, or on supporting health within the community, can reduce isolation and loneliness; support participation; improve independence and wellbeing; and delay the stage of dependency when more complex care and support is needed.

Good nutrition and access to affordable healthy food plays a vital role in the wellbeing and health of older people. Consumer Focus Scotland and Community Food and Health (Scotland) recently published research into the availability of food services for older people living at home.<sup>15</sup> We found significant inconsistency between local authorities in relation to the provision of, access to, information about and price of food services offered to older people. Local authorities appear not to have a clear overview of the food services available in their area, and without this information it is impossible to ascertain whether services are providing value for money or achieving the desired outcomes for consumers. For those who use the services, they are welcomed, valued and relied upon.

Research has found that, of 9668 patients (59% of whom were aged 65 years and over) who were screened on admission to hospital in the UK in 2010, 34% were at risk of malnutrition. As 71% of these patients were admitted from their own homes, the research report suggests that the risk of malnutrition largely originates in the community. Strategies to prevent, identify and treat malnutrition in the community setting should therefore be considered.<sup>16</sup> At the launch of our recent research on food services for older people living at home, a strong argument was made by the British Association for Parenteral and Enteral Nutrition (BAPEN) for increasing preventative spend for the avoidance of malnutrition. The speaker quoted figures which showed that malnutrition has a greater financial cost than obesity in the UK - in 2006 malnutrition cost £7.3 billion and in 2009 this was £13 billion<sup>17</sup>, compared to a cost of £4.2 billion<sup>18</sup> for obesity in 2007.

The benefits of greater investment in preventative support for older people are clear, and we hope the Scottish Government continues to commit<sup>19</sup> to developing and extending preventative services that enable older people to remain at home, including food services, handyperson services and equipment and housing adaptations.

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<sup>14</sup><http://www.communityfoodandhealth.org.uk/plugins/publications/showfile.php?publicationsid=394>

<sup>15</sup> Consumer Focus Scotland and Community Food and Health (Scotland). 2011. *Meals and Messages: a focus on food services for older people living in the community in Scotland*.

<http://www.consumerfocus.org.uk/scotland/publications/meals-and-messages>

<sup>16</sup> BAPEN. 2011. *Nutrition screening survey in the UK and Republic of Ireland in 2010*.

<sup>17</sup> <http://www.ageuk.org.uk/latest-news/patient-malnutrition-signs-not-being-checked-study/>

<sup>18</sup> [http://www.dh.gov.uk/prod\\_consum\\_dh/groups/dh\\_digitalassets/documents/digitalasset/dh\\_127424.pdf](http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/documents/digitalasset/dh_127424.pdf)

<sup>19</sup> Scottish Government. 2011. *Reshaping care for older people: a programme for change 2011-2021*.

## Question 2 - What, if any, additional national and local indicators would you like to see as a means of supporting the shift towards a greater focus on preventative spending?

Commitments and priorities should focus on quality outcomes, value for money, service improvement and high performance. In setting any new targets, it is also important not to overlook vital local authority services which protect consumers, such as trading standards or environmental health, in favour of other 'key' services.

### Developing consumer-focused national and local indicators

Our experience of the national indicators and the development of the menu of local outcome indicators is that they are focused heavily on pre-existing data. Rather than measuring outcomes that matter to consumers, the indicators that underpin Single Outcome Agreements tend to measure what is easily measurable.

Much more emphasis needs to be placed on consumers' needs in the development of national and local outcomes. The Scottish Government should lead by example by carrying out a consumer audit of the existing national indicators, and use the results to ensure that future outcomes and targets are focused on the outcomes that matter to consumers.

The current indicators do not always reflect and represent the full scope of the national outcomes. For example, the outcome 'We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others' covers a range of issues including criminal law, civil law, housing, and issues relating to deprivation. However, the current indicators cover only criminal benchmarks and people's attitudes towards their neighbourhood. Despite the outcome identifying that '[a strong community] is a place where people recognise their responsibilities and their rights and it has a legal framework whose law and practices respect and protect diversity, promote tolerance and maximise the opportunities for everybody to thrive', this is not reflected in the indicators.

Similarly, a number of current Scottish Government strategies set out targets that are not reflected in the national and local indicators. For example, *Reshaping Care for Older People: a programme for change 2011-2021* sets out ten outcomes to be achieved by 2021, and eight commitments, to help reach the stated policy goal 'to optimise the independence and wellbeing of older people at home or in a homely setting'. Yet, these stated outcomes and commitments are not featured in the current menu of indicators. If the existing national indicators are intended to track progress towards the achievement of the national outcomes, it is crucial that all stated Scottish Government targets are included as indicators in order to hold the Government to account. This would also be a key means of ensuring that public bodies give such targets sufficient prioritisation; as it is currently the national indicators that are used to measure the progress and success of key agencies, these are likely to be the primary focus for activity by those agencies. Our concern would be that other targets may not be given the same importance, particularly in times of financial constraint, when progress towards achievements of the national indicators is recorded as a success.

Although the current indicators have been selected on the basis of existing datasets, we would argue that any additional or new indicators should focus on achieving outcomes that matter to consumers. We therefore suggest that additional indicators based on the four commitments and priorities outlined in our response to Question 1, should be added. This would contribute to both a greater focus on preventative spend, and to outcomes that matter to consumers.

### **Question 3 - What support should the Scottish Government provide in its spending review to support delivery agencies in increasing preventative activity?**

We acknowledge the challenges around the definition of preventative spending, and therefore welcome the Finance Committee's suggestion that the Scottish Government should work with partners to develop a measurable definition of preventative spending that could be used across the public sector.

The Scottish Government should lead by example - to support delivery agencies in increasing preventative spend activity, it should:

- provide strong leadership, assistance and encouragement;
- give higher priority for funding, and an increased strategic priority, for preventative activity;
- delegate appropriate staff and resources to support delivery agencies
- make the suggested changes to national and local indicators; and
- highlight and share work that shows successful preventative activity and keep this information up-to-date.

### **Question 4 - What baseline evidence is used to measure preventative outcomes? and**

### **Question 5 - What long term planning is carried out to fully deliver on preventative spending strategies and how do you plan for this within short term budget periods?**

If consumers are to have trust in the decisions made by public bodies, they must be assured that these are made on the basis of accurate information. Analysis of the quality and costs of service delivery, and the degree to which services achieve their stated objectives, is necessary for achievement of better, consumer-focussed outcomes. Clarity is also needed on how organisations will act to improve performance on the basis of this analysis. We note the potential difficulties of measuring preventative outcomes, but this analysis would provide important baseline information to help implement long term strategies.

The setting of measurable outcomes by a public body should also be on the basis of an evidence-based assessment of the social, economic and environmental conditions of the area/s and the people served, and of their needs.

### **Question 6 - What elements should be in the spending review and the 2012-13 draft budget to support more effective collaborative working in moving towards a more preventative approach to public spending?**

Collaborative working in moving towards a more preventative approach can be encouraged by making a shared service approach the 'norm' and not just an approach for one-off or short term projects. It must be made clear that a collaborative approach should be taken not solely to save money, but to provide better services and outcomes for users. Any tendering process and consultation period must be meaningful, proportionate and must not exclude any potential partners. Involving consumers in planning services helps to challenge services that don't collaborate, because users will look at services in the round and identify gaps.

### **Question 7 - How can good examples of collaboration be encouraged and shared nationally across key agencies and what is the role for the Scottish Government here?**

We recently recommended that the Scottish Government should support the development of an evidence base and sharing of good practice among key agencies, to help establish and implement a baseline range of food services for older people living at home across all local authority areas in Scotland.<sup>20</sup> We would suggest this approach be replicated across agencies and policy areas. The Scottish Government could also highlight and reward significant exemplars of innovative collaboration.

Such an evidence base should be included when developing and taking forward plans for an online portal for Scottish public information, as identified in the Scottish Government's digital strategy. In the meantime, Scotland Performs is a powerful tool for public performance reporting which could be developed further to host best practice examples. Clear simple language is important – we know that consumers still find some performance reports are difficult to interpret and understand.<sup>21</sup>

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<sup>20</sup> Consumer Focus Scotland and Community Food and Health (Scotland). 2011. *Meals and Messages: a focus on food services for older people living in the community in Scotland*.

<sup>21</sup> Consumer Focus Scotland. 2010. *Best Value in Scottish Local Government: Consumer views on reporting mechanisms*.