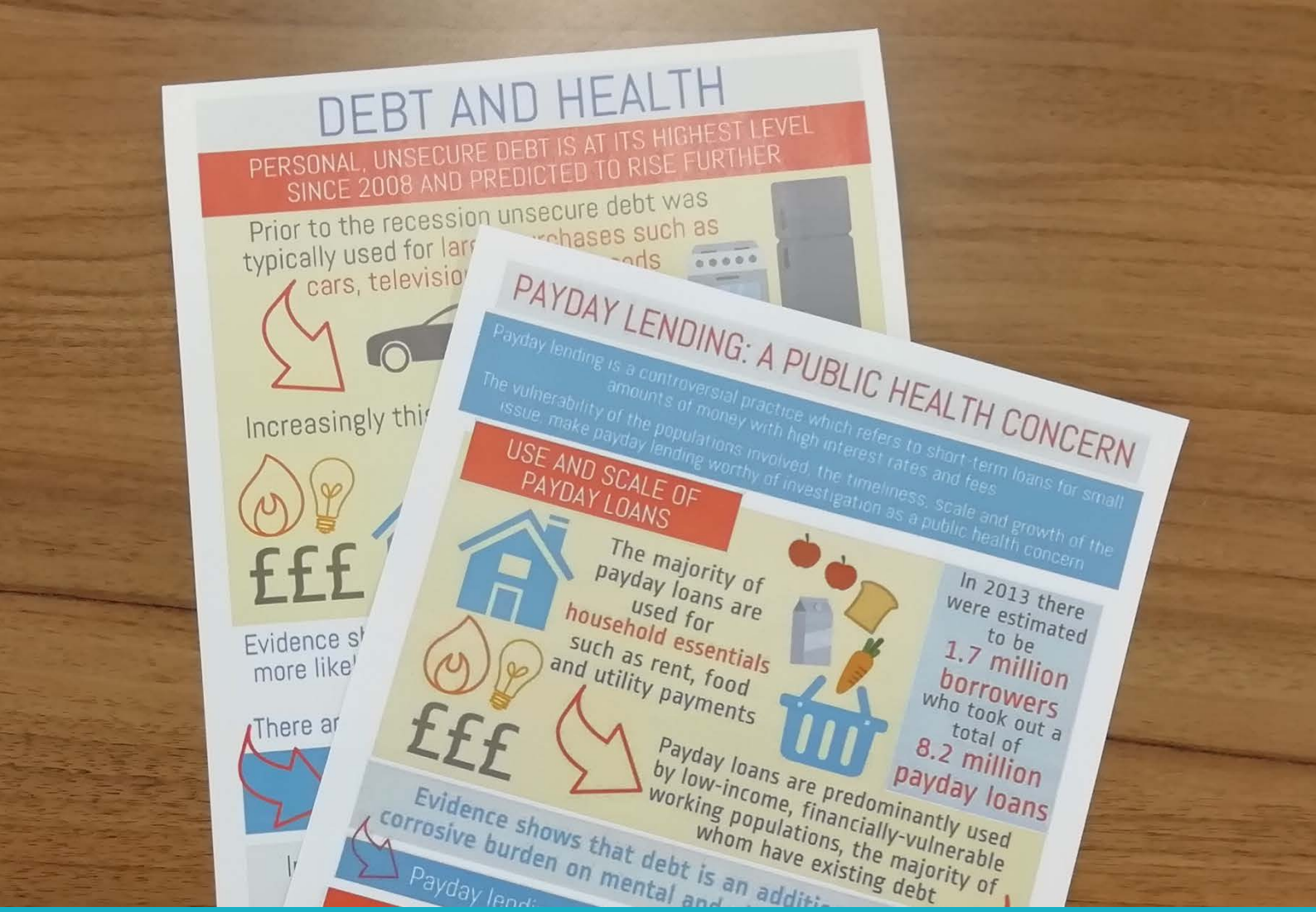


# Glasgow's Healthier Future Forum 23

## Money, debt and health

**Wednesday 6th March 2019**

**200 St Vincent St, Glasgow**

Glasgow's Healthier Future Forum

This report is a summary of the presentations and discussions from the GHFF23 event and does not necessarily represent the views of the GCPH

## 1. Welcome and introduction

Professor Cam Donaldson, Vice Principal and Pro Vice Chancellor (Research), Glasgow Caledonian University opened the event and welcomed the attendees. He began by describing the enduring challenge of health inequalities within Glasgow City highlighting the 28-year difference in male life expectancy comparing one of Glasgow's most disadvantaged communities with one of the more affluent. Prof Donaldson then described the important role of community-based action where factors like loneliness, hopelessness and a lack of connectedness impact on lives, illness and life expectancy. The importance of having academic and community partnerships working together was stressed, in this, and in many other respects as part of a "fifth wave of public health". This wave would be based upon the need to respond to complex systems, lived experiences and to move beyond standard conceptions if such health inequalities are to be addressed. He concluded that today's event would illuminate the issues of money and debt in this regard and urged attendees to consider such issues in public health terms and the role that financial intermediaries as 'alternative' institutions can and do play.

## 2. Presentations

Presentations were provided by:

- Chris Harkins, Senior Public Health Research Specialist, Glasgow Centre for Population Health
- Olga Biosca, Senior Lecturer and lead researcher on Microfinance at the Yunus Centre for Social Business and Health
- Ronnie Burns, Deep End GP, NHS Greater Glasgow and Clyde (Introduction by Graham Watt, Emeritus Professor, General Practice & Primary Care, NHS Greater Glasgow and Clyde)
- Faisel Rahman OBE, Managing Director and Founder, Fair Finance, London
- Neil McHugh, Research Fellow, Yunus Centre for Social Business and Health, Glasgow Caledonian University.

Please see the appendix for the day's agenda. A summary of each presentation is provided below, along with links to the presentation slides.

**Chris Harkins**

**The public health implications of low income and debt**

In describing the public health implications of low income and debt, Chris outlined its importance to the day's subsequent presentations and discussions, since associations underpinned much of the key issues being discussed. In Scotland, close to one-in-four children – almost a quarter of a million – live in poverty. The health inequalities evidenced within Glasgow and across Scotland are predominantly driven by poverty, disadvantage and income inequalities. Poverty and poor health worldwide are inextricably linked and the causes of poor health for millions globally are rooted in political, social and economic injustices. An important point highlighted was that poverty is both a cause and a consequence of poor health. Poverty increases the chances of poor health. And poor health, in turn, traps many of our communities in poverty.

Chris went on to describe how poverty impacts on health. By precluding people from healthy diets and lifestyles, poverty limits opportunities and access to information and important services, also inhibiting educational attainment among our young people and can mean marginalisation – and even discrimination. Chris referenced the work of David Walsh at the GCPH, who has led on research exploring Glasgow's excess mortality and income inequalities, and in recent years has presented a series of policy recommendations to reduce poverty and mitigate its adverse impacts on health.

Chris then highlighted the importance of keeping in mind that poverty no longer exists solely among the unemployed. Over half of all individuals living in poverty in Scotland reside in a household where at least one person works. A key driver in this is that the nature of employment has changed significantly in recent years. Increasingly within Glasgow and across Scotland we see low-paid, short-term and precarious employment, which means working households still experience poverty, or fluctuate in and out of employment, and in and out of poverty.

These fluctuations in income, alongside the rising costs of living, reduced social security and stagnating wages have triggered an unprecedented rise in unsecured debt over the past decade.

Many lower income families are running on empty and are using overdrafts, credit cards and payday loans to make ends meet. Prior to the 2008 economic recession, credit cards were typically used for larger expenses such as home repairs or purchasing white goods, now many families use credit cards to pay for food, rent, gas and electricity. Payday loans are also used in this way, and although the payday loan market is now regulated, exorbitant interest rates, admin fees and late payment charges are still the norm – for many households, payday loans have become a toxic financial safety net.

The evidence is clear that unsecure debt is damaging to both mental and physical health. Individuals with debt have significantly higher rates of stress, depression, anxiety, problem drinking and even suicide. These associations remain even when adjusting for a range of confounding factors. In other words – having debt adds further financial burden to low-income households and is absolutely corrosive to wellbeing.

In conclusion, Chris suggested that it was important to keep sight of the responsibility Westminster and the Scottish Government have in reducing poverty but that collectively we must maintain a positive focus on what can be done 'on the ground' to support those most vulnerable to low income, poverty and debt. Healthier Wealthier Children and Cost of the School Day are strong examples of how 'the system can bend' to enable vital support to households and families most in need. Attendees were encouraged to take heart from these examples in terms of how they respond to today's event within their own roles.

**Dr Olga Biosca**

**Fair credit, health and wellbeing**

Olga began her presentation by stating that the FinWell research project was funded by the Chief Scientist Office in collaboration with Sheffield University and Newcastle University, the Glasgow Centre for Population Health, and New York University. The aims of the study were "to establish if an association exists between microcredit and health and, if so, to explore the mechanisms through which it might operate in Glasgow". In the UK, as many as 50% of the population can be defined as 'financially vulnerable' – a broad definition which relates to an individual or household's ability to cope with an adverse financial or life event. In addition, 3% of the population do not have a bank account, experiencing financial exclusion.

Olga went on to describe and unpack a theoretical framework conceptualising the individual, community and societal dimensions linking microcredit to health. At an individual level she described microcredit as an intervention within a concise theory of change; where using microcredit has intermediate impacts and interdependencies in four areas: money-related; employment; health investments; and individual assets. These areas then influence and relate to health. At a community level, social capital, social cohesion and support are important influences on the use of microcredit and how they relate to the four intermediate areas, and in turn, to health. Olga described the societal factors as *structural* and *environmental*, and highlighted in particular, how they relate to the demand and usage of microcredit.

The methods utilised within the study were financial diaries, repeated qualitative interviews and Q Methodology (which Neil McHugh covered later in the day). The approach used for the Glasgow financial diaries was useful in furthering the

understanding of the lived experience of low-income individuals and how they make ends meet beyond that which can be gleaned from surveys and statistics such as those held by the Financial Conduct Authority and the Scottish Household Survey for example. The financial diary method involved baseline and final surveys, high-frequency data, life-events sheets, 45 diarists, data collection over six months every month, around 17,000 transactions and 267 interviews.

In summarising the findings, Olga described how the diarists had sophisticated and complex financial lives. On average, the diarists made three financial transactions per working week. Transactions were mainly credit (72%), insurance (12%) and savings (8%). Forty percent of participants stated that they would turn to a family member or friend if they had a financial emergency, compared with 9% who would use savings, 7% who would turn to their bank and 7% who would use a high-cost lender such as a payday loan. Participants described their preference for informal loans and 'menages' due to their being accessible (reciprocity), affordable, fast, small, reliable/trust and tailored repayment. Further findings were presented as case studies which illuminated the income volatility and vulnerability many participants experienced.

Participants used credit to cope. Worryingly, 30% said they would not be able to cope with an urgent expenditure of £1,000. But the ones that could cope would mainly do so through family and friends who are not in a better financial or employment position than the people that were interviewed. So, that adds stress to households and strains relationships.

In summary, income and expenditure volatility, financial exclusion and low income are mainly managed through support networks to help smooth consumption. Informal, non-regulated debt is the most accessible option. Managing different loans simultaneously is complex and stressful. Community finance and fair credit broaden choice and offer an important alternative.

**Professor Graham Watt**

**Context setting: Deep End GPs**

Professor Watt set the context for Dr Ronnie Burns' talk which he described would illuminate the practical detail. Deep End practices are dealing with what we call blanket deprivation, in that the majority of patients are living in very deprived circumstances. Three-quarters of the hundred most deprived Deep End practices in Scotland are in Glasgow. There are huge strengths in general practice: it has an unconditional approach to patients' problems; it doesn't have exclusion criteria like most services; it has contact, it has continuity, it has cumulative coverage, the possibility of shared information and building a story; and there's trust. Very few

publicly funded services have those features. And the challenge is how can we make that work for public health.

There are three core challenges in this regard. One is time (the shortage of time within consultations compared with other countries). Within this country a patient with multi-morbidity, that's several problems, not necessarily just health but also financial, in an affluent area gets 25% more time with their GP than a patient in a very deprived area. So, there's less time to do things. Things are less well planned, co-ordinated. So, complications happen earlier, and A&E becomes the frontline of the health service as opposed to general practice. And when I think about all the publications on the Glasgow Effect, on the fourth and fifth waves, on social determinants of health coming from Glasgow, they generally say nothing about the fact that general practice in the city is under-resourced in relation to need. It's also poorly connected. There are lots of resources within communities that don't work well together, for lots of, often, good reasons. Another issue is engaging with patients who often lack knowledge, confidence, and agency. Many patients don't need a link worker just to signpost them to other resources, they need someone to sit down with them and do a one-to-one, sort things out, make a plan.

Prof Watt stated that the project to embed money advice in Deep End GP practices that Ronnie would speak about had a number of important achievements. It increased new referrals to the welfare benefits system, for example the two pilot practices at Parkhead referred more patients in the first year than the other 40 general practices in the East End of Glasgow. Eighty percent of the referrals were new to the welfare benefit system. And two-thirds of them were taken up. The median benefit for patients was between £7,000 and £8,000 per year. It wasn't just financial benefits either, people were getting help with debt services and advice, and also the other problems that they had, of which mental health was a major one. So, multiple problems needed multiple solutions. The report from the GCPH highlights that the return for every £1 invested into the project was £25. Which was a conservative estimate. And the question I'm going to leave Ronnie was: how was this done?

**Dr Ronnie Burns**

**Money advice embedded in the Deep End**

Ronnie began by describing how he'd known Graham for most of his ten years as a GP, and that he'd been part of some of the work that has been done to highlight the inverse care law, and promoting the work that's been done in deprived areas to address the inequity of provision that exists in places such as Parkhead, where he works.

In describing the origins of the project, a key point emphasised was that even as an engaged and enthusiastic GP, Ronnie was unaware of a nearby money advice service. Ronnie recalled perhaps having suggested to a patient that this service existed but didn't know how they could help, and didn't know what service they provided, he'd never met them, he didn't know their name. Ronnie stated that just because services are near each other doesn't mean that they're working together.

Meanwhile, as a busy inner city GP in a deprived area, Ronnie described his day as full, seeing patients with multiple problems, some of which are medical, some of which are psychosocial, and some of which are financial. Ronnie said he was trained for the medical problems. The psychosocial problems, if he had enough time, he could listen to, he could help and refer on if need be. But as for the financial problems, these were always difficult.

Ronnie then reflected on a "whirlwind month" where his practice began referring to a money advice worker 'Robert' from Greater Easterhouse Money Advice Project (GEMAP). Ronnie stated that referral was easy, it was either by email, by using a sticky label in a book, or even a corridor conversation, "Robert, do you think you could see a patient for me?" It was flexible, it was personal, and it grew readily. The project's steering group met monthly in the health centre, and made changes – quickly if needed. Ronnie learned from Robert, and Robert learned from Ronnie. As a result Ronnie gained invaluable insight into the family dynamics and stresses of some of his patients, for example, he understood better why a patient was presenting with certain physical symptoms due in part to the stress and the low mood where the threat of financial worries weighed heavy on the mind.

The money advice appointments were Friday morning in the practice next door to Ronnie's, and Friday afternoons in Ronnie's practice. Appointments were sitting on the GP computer system, and the patients waited in the GP surgery just the same as all other patients. Ronnie reflected that the GP practice is a trusted place in the community, having an appointment appear the same as, say, a dietician or a nurse reduced the stigma associated with financial problems and promoted uptake.

One of Ronnie's slides depicted some of the key statistics across the nine practices in Glasgow that participated in the project. In total 654 money advice referrals were made, with 70% of these (451) attending the appointment. Of these individuals, 214 received advice in relation to two financial issues; 182 individuals received significant financial gains as a result of unclaimed benefits and 108 received help and advice specifically in relation to coping with debt. In total £1.5 million of financial gains were reported across the nine participating practices due to benefit awards and backdated payments. In total, almost half a million pounds of debt was written off. On average individuals gained £8,500 of financial gain.

Ronnie reflected that link workers (who support GPs in making referrals) have existed in general practice in Glasgow in perhaps 18 practices now for a good

number of years providing a valuable service. Their role fits in with the needs of the practice and their patients, they act as signposters, social workers, mental health workers, addiction workers. They have proven their worth in Deep End practices over several years. The new GP contract that is presently being implemented recognises this and specifies urgent resource to provide link workers into areas of deprivation. Money advice fits perfectly into this role, and when we saw recognition of the link worker value at Scottish Government level there really did seem to be an opportunity to roll out this service to those who need it. In conclusion, this model works. It's a win-win-win situation for patients, for practices, and the welfare system.

**Faisel Rahman OBE**

**Fair Finance**

Fair Finance is a social business established by Faisel Rahman in 2010. Fair Finance offers a range of financial products and services designed to meet the needs of people who are financially excluded. The organisation is committed to providing high quality products and services that are affordable and accessible.

Most of Fair Finance's customers are ignored by the mainstream financial services industry and exploited by the sub-prime financial services industry. Fair Finance offers three products:

1. personal loans that are affordable and designed for individuals who don't have access to or have only limited access to mainstream finance.
2. Business loans provide finance to small and microbusinesses, as well as self-employed entrepreneurs struggling to access finance at affordable rates.
3. Money advice is also a key part of Fair Finance, this part of the business is a registered charity providing debt advice and financial capability services, helping individuals regain control of their money.

Faisel described the Sub Prime and High Cost Lending Market, including in order of increasing APR interest rates: high cost mortgages; auto/car loans; pawn broking; mail order & catalogue; rent to own; sub-prime credit cards (30-90%); guarantor loans (49-69%); instalment loans (30-100%); home collected credit (470-700%); and payday lending (1,500%). He then went on to describe those who used high cost credit as self-employed, credit impaired, low paid, part-time employed, recent migrants, those with no credit history, poor credit history and those with no assets. The lending model offered by payday lenders which is valued by these demographics is based upon speed, flexibility, transparency, relationships, simplicity and choice. Fair Finance offers a similar model but with ethical pricing structures. Faisel then described a case study of 'George', a low-income migrant worker, with a manual job and who shares a room with two other people in a similar position. George is uneducated but is a sophisticated user of finance and a range of products

and online apps to manage his finances, including sending money to family in his homeland.

Finally Faisel teased out some important policy implications, reframing the established concepts of financial inclusion and exclusion. Faisel described financial inclusion as products delivered through banks and credit unions. He then described the products and options available to the financially excluded, including the Sub Prime and High Cost Lending Market as “everything else”. This challenged the notion that the financially excluded are in the overwhelming minority and have very limited options. Faisel then went on to expand on this describing informal finance (such as that mentioned by Olga) alongside formal and alternative finance services. In conclusion, the lived experience of many customers at Fair Finance was described as having: multiple jobs and variable employment; reduced and uncertainty as a result of welfare reform; issues accessing mainstream finance; residency and legal issues; living costs and tenancy issues. Faisel closed by stating that “the risks our clients face are not financial, but the speed they need them resolved and the complexity of the issues results in a financial product being used.”

**Panel questions**

**The speakers took questions from the attendees, facilitated by Professor Donaldson.**

The questions related to:

- How compatible is microfinance, as originally established as a means to help people set up business versus current usage for many borrowers in trying to stay afloat financially?
- What is new in terms of the range of information and insights presented by the speakers; where is the solutions focus?
- Is it sustainable to keep 'throwing money at problems', the over 'financialisation' of our lives – either through microfinance or other means, when the cost of living is the real issue?
- What happens to customers of Fair Finance who default on their loans?
- What impact do aggressive repayment tactics have on health and wellbeing?

A lively discussion then took place in response to the questions, some key points covered are as follows. Faisel acknowledged the point made in the first question; that the financial marketplace had evolved significantly since some of the early microfinance institutions were established in the late 1970s. He stated that microfinance is not simply lending for businesses, but actually lending as an alternative to what people use already. And sometimes that's for business, but sometimes that's for personal expenditure.

Ronnie, reflecting on the question of what was new, stated that the money advice and link worker examples he described were simply strong examples of silo working being broken down and collaborative approaches having positive impacts; this was new learning, he considers the issue of 'fixing deprivation' to be separate to this.

Elaborating on Ronnie's response, Professor Watt went on to say that simply describing in great detail what's happening is not a powerful driver of change. If you produce that kind of information, you're in danger of simply being an entertainer to power and resource, and allowing those that hold power and resource to feel that they're engaging with the issue when clearly they're not.

There was not enough time for the panel to respond to the rest of the questions.

**Dr Neil McHugh**

## Who knows best? Perspectives on health in low-income communities

In describing the FinWell Work package Neil emphasised the need to develop an understanding of the shared perspectives on ‘Causes’ and ‘Solutions’. Why is health worse in low-income communities? How could health be improved in low-income communities? To do this, Q methodology was used. Q methodology combines qualitative and quantitative techniques to enable the study of ‘subjectivity’ (views, opinions, beliefs, values, tastes). It is characterised by a card sorting exercise, where participants are asked to rank statements of opinion, and factor analysis, used to identify patterns of similarity between card ranking.

The use of Q methodology has yielded rich insights. A recent study of 53 purposively selected individuals, made up of 28 professional stakeholders (healthcare professionals, community development workers, public health experts, academics, financial services practitioners, policy-makers, social activists, charity workers) and 25 community participants (FinWell diarists and individuals living in low-income communities). Three factors (shared perspectives) were identified and described for both ‘Causes’ and ‘Solutions’. These shared perspectives were labelled: ‘Causes’: i) ‘Unfair Society’, ii) ‘Dependent, workless and lazy’, iii) ‘Intergenerational hardships’ and for ‘Solutions’: i) ‘Empower communities’, ii) ‘Paternalism’, iii) ‘Redistribution’.

Q methodology was effective in highlighting ‘plural views’ and the relationships between these shared views. The approach highlighted that there was disagreement among and between professional stakeholders and community participants. However areas of broad agreement were also identified around issues relating to money; within causes there was consensus that unpredictable finances and job insecurity lead to worse health. Within solutions there was consensus that welfare benefits should not be cut and that having enough money for basic needs is important. Neil concluded that the findings raise questions for policy-makers and funders: why are more initiatives that act on material circumstances neither evidenced nor enacted? The paper related to this study is available as an open access article.

## Group activity

Participants were talked through a group exercise based on the Q methodology. Within groups, participants were asked to discuss and prioritise five statements they agreed with and three they did not agree with from a total of 20 statements relating to **how to support the health and wellbeing of low-income households**. The statements were organised within the categories of: banking & finance; community & services; society & work; and individual factors.

### Banking & finance

- A more inclusive banking system which provides services for all.
- Quick, easy access, short-term credit to help households get by.
- Local, accessible financial management, money advice & debt consolidation services.
- More microcredit lenders offering loans to vulnerable, excluded borrowers.
- Prioritise savings and insurance products tailored to local needs.

### Community & services

- Invest in services which promote social connections within the community.
- Promote healthy environments; increase access to physical activity, green space.
- Increase healthy affordable food outlets and restrict betting shops, off-licences.
- Spend more on local primary healthcare; GP surgeries or community pharmacists.
- Invest in community activities and groups which give people something to do.

### Society & work

- Supporting industries, companies or sectors that can provide ‘good work’.
- Increasing the minimum wage and supporting ‘a real living wage’.
- Increased levels of social security for working and non-working households.
- Invest more in the early years and education; closing the attainment gap.
- Introduce a Citizens’ Basic Income.

**Individual factors**

- Providing coaching sessions for good parenting.
- Greater opportunities for disadvantaged individuals to gain qualifications & access training.
- Individuals taking more responsibility for themselves and what they spend their money on.
- Why should anything be done? If individuals want to make bad choices, let them.
- Supporting individuals to participate more in their community.

Access the range of agree and disagree statements completed by all the tables at the event.

The activity stimulated a range of vibrant and energetic discussions and debates within the 15 tables undertaking the exercise. A recurring theme across the feedback from the group exercises was the trade-off between the urgency of the financial support and need for short-term credit among vulnerable households who may be experiencing a shortfall in income and the 'bigger picture' more strategic, societal types of actions that may negate the need for such forms of finance altogether.

Feedback from some of the tables included the following key points. 'Quick easy access to short term credit to help households get by' was not seen as a progressive step as it is not based on a fundamental change and perpetuates the underlying issues of debt and rising living costs. 'Why should anything be done if individuals want to make bad choices, let them' was strongly disagreed with and not seen as relevant to the discussions or the purpose of the day. Short-termism came up as a generic theme which permeated the discussion relating to the specific activity and in response to the earlier question posed to the panel concerning what is new about what was presented. There has not been a generational vision as to how positive change can be made on the issues discussed today. Instead many initiatives adhere to political timescales which by their nature are short term.

A point made by a group largely comprising banking professionals was that more and more microfinance does not really solve the underlying issue of not having enough money to get by. A more strategic solution lies in education, and the curriculum preparing children and young people in managing their finances and how to navigate the sorts of financial decisions they are likely to encounter in adulthood. Education in its broader sense also has a clear role in terms of closing the attainment gap and ensuring that young people from disadvantaged areas are leaving school with better qualifications than their parents did.

One particular group fed back that a Citizens' or Universal Basic Income was one of the statements they disagreed with from the basic point that they didn't think it was a viable option; for them, the arithmetic doesn't add up. The group spokesperson fed back that if the Citizens' income was set high enough to deal with everybody's needs, then it would be unaffordable, and that's one of the reasons some organisations such as disability organisations can be quite hostile to the idea. And the other reason is in social security you have to get a long-term consensus within society about what you're going to do. In other words, it's not sufficient just to get support from progressives; you've got to get support, or at least acquiescence, from the reactionaries in society. And it was believed that there wasn't much prospect of getting a long-term consensus across society about a Citizens' or Universal Basic Income.

Another group built upon the discussion of Citizens' or Universal Basic Income in terms of it potentially taking the responsibility away from employers to provide good, stable work and to pay a real living wage. To this end, the priority agreement statement from this group was to "Support industries, companies or sectors that can provide 'good work'". What was rejected was the statement relating to investing in coaching for parents, this was thought to be somewhat judgemental and ill conceived. The group also broadly disagreed with the notion of additional opportunities to access microcredit within communities. Again this was viewed largely as a downstream intervention that did not significantly improve the underlying circumstances of vulnerable borrowers.

The Citizens' or Universal Basic Income theme continued with another table feeding back that they did not consider the implementation of this to be at odds with legislation which increased the minimum wage. Both policy directions would raise people above the poverty line and that was what was important societally.

Another four tables described how they prioritised statements that involved investing in services which promote social connections within communities, on the basis that many individuals are socially excluded for a variety of reasons, whether they be physical disability or mental health problems. Loneliness has been highlighted by the Royal College of GPs in recent times and is a national concern affecting millions. A discussion point that the group were keen to highlight was that just because services are provided in a centre doesn't mean that community members will actually access them, particularly marginalised or vulnerable individuals. This places an onus on some of the points Ronnie made in his talk highlighting the importance of relationships and referrals between services to promote access and engagement.

Access to affordable, good quality housing was cited as an omission from the collection of statements by one group and was seen as fundamental to the financial lives, health and wellbeing of many citizens. Another omission in the statements highlighted by one table was the redistribution of power and money. The point was

made that much of what had been talked about related to an uneven distribution of power and money, and the development and delivery of services being tailored to that power and wealth injustice, thereby creating financial exclusion for example.

**Second panel questions**

**Chris, Olga and Neil were joined by Sharon McPherson, CEO of Scotcash to take questions from the attendees, facilitated by Professor Donaldson.**

Professor Donaldson described that the complexity of issues being discussed meant that there were no right or wrong answers and that action is being taken, and should be taken on a range of areas. Professor Donaldson did reflect however that a consensus emerging from the group activity was that there were doubts around microfinance and debt. Professor Donaldson asked Sharon if she could respond to these broad points. Sharon began by making the point that most of us are in debt to some degree and that the notion that we can save for all of life's eventualities is naïve to an extent. Sharon went on to state that debt in and of itself is not bad, however, unmanageable debt and the effect it can have on households and lives, particularly those living in poverty is damaging. Sharon went on to explain the situation where those on lower incomes are paying significantly higher interest rates on their credit than those on higher incomes. So the point as to whether debt is 'bad' or not is arbitrary, people are getting into debt and the role of Scotcash or other ethical microcredit organisations is to ensure that vulnerable borrowers can access safer, cheaper, ethical and more affordable forms of credit. Sharon also described how Scotcash support their clients to more effectively access the benefits they are entitled to, and that they provide a holistic, person-centred service.

Professor Donaldson then opened up the panel for questions from the attendees. Questions included:

- What are the consequences of bad debt for people who are debtors?
- [Addressed to Sharon] what happens when your customers default and how many do?
- Is it a good thing or a bad thing that people earn a living at least for part of their working lives and don't pay any tax? So, in low income communities, businesses might pay for labour and not declare that.

Sharon responded to the first two questions by stating that bad debt is a result of providing credit that's unaffordable, or as a result of a change in circumstances, and both of those things can be addressed. So, in order to address bad debt, Scotcash do really intensive affordability checks that understand each individual's circumstances. Sharon was clear that flexibility was important in the financial

products that Scotcash provide, in order to deal with customers' vulnerable circumstances, which can be volatile and changeable and can affect their ability to repay a loan. Sharon went on to describe that Scotcash's loan default rate is around 5% to 6%. Sharon commented that this is quite a low default rate by industry standards, due to the rigorous affordability checks undertaken. Sharon went on to say that if a client comes to Scotcash for a loan but they might actually be eligible for a grant with the Scottish Welfare Fund for example, that's what they'll get advice on, not a loan for the sake of giving a loan. Sharon also reiterated the earlier point made during the group exercise that the banking system is designed for those on good, reliable incomes and not for the financial profile of many of the Scotcash customers.

Olga replied to the question concerning paying tax within low income or informal, insecure employment. She stated that in her experience over half of the self-employed individuals she had interacted with within her study were registered taxpayers. She went on to comment that among those who did not pay tax it was largely due to the welfare system not being able to accommodate or respond quickly enough to fluctuations in and out of informal employment. Neil added further to this point – the way the current welfare system is set up actually acts as a disincentive for individuals who have an idea and want to start up their own business. Neil went on to cite differences between the UK and Ireland in terms of supporting benefit claimants to become self-employed. In Ireland, the Back To Work Enterprise Allowance Scheme actually allows individuals to keep 100% of their welfare payments for one year, and this decreases to 75% for the second year in order to provide some liquidity and reduce that risk. Starting up a business is hard, you're not going to be making money immediately, so it's to try and help with that transitional period and to help give people a bit of breathing space in order to get things up and running.

Professor Donaldson then posed a broad question to the panel concerning Universal Basic Income. Chris responded by revisiting some basic concepts; that a lot of what had been discussed during the course of the morning related to or was a consequence of poverty, inadequate social protection and a very challenging economic backdrop which has seen many millions in unsecure, precarious employment. Chris pointed to increasing social protection as a means of negating the need for microfinance to a degree. He concluded by saying that if Universal Basic Income could be a means to which social protection was significantly increased then it would be a progressive step in public health terms. Neil added into the discussion stating that there were many forms of universal basic income models and there was much to be learned. He was encouraged by the scoping that the Scottish Government is currently doing concerning Universal Basic Income.

## Professor Cam Donaldson

## Summing up and event close

Professor Donaldson reflected on an engaging day in which a range of important topics and issues were discussed. Professor Donaldson reflected that the United Nations' sustainable development goal number one is no poverty by 2030, and that everyone in the room hoped to achieve this before then. He went on to say that this requires system-level thinking, which includes from the top structural level change through to putting the connectedness back into society and that thinking about communities and people in holistic ways was fundamental.

In returning to the question that was posed by an attendee as to what was new in the day's presentations, Professor Donaldson alluded to the need, at times, to revisit existing knowledge and insights, alongside the importance of new research, in particular in relation to the lived experience of low income, indebtedness or other aspects of disadvantage. He concluded that academics, along with communities and service providers, get frustrated with the pace of change and the apparent lack of attention paid to evidence and lived experience in various forms within political spheres. In this regard he reinforced the need for partnership, engagement and communication, across academia, service provision and community life. Professor Donaldson thanked the speakers and attendees for making the event a success.

## Appendix

# Glasgow's Healthier Future Forum 23
# Money, debt and health

**Wednesday 6th March 2019**
**200SVS, St Vincent Street, Glasgow, G2 5RQ**

**Programme**

| | |
|---|---|
| 9.00 – 9.30 | **Registration and refreshments** |
| 9.30 – 9.40 | **Welcome and introduction by the Chair**<br>Cam Donaldson, Yunus Centre for Social Business and Health, Glasgow Caledonian University |
| 9.40 – 9.45 | **The public health implications of low income and debt**<br>Chris Harkins, Glasgow Centre for Population Health |
| 9.45 – 10.05 | **Fair credit, health and wellbeing – the Glasgow financial diaries**<br>Olga Biosca, Yunus Centre for Social Business and Health, Glasgow Caledonian University |
| 10.05– 10.20 | **Money advice embedded in the Deep End** *(Introduction by Graham Watt, Emeritus Professor, General Practice & Primary Care, NHS Greater Glasgow and Clyde)*<br>Ronnie Burns, Deep End GP, NHS Greater Glasgow and Clyde |
| 10.20- 10.40 | **Fair Finance**<br>Faisel Rahman, Managing Director and Founder, Fair Finance, London |
| 10.40- 11.00 | **Question and answer session with speakers** |
| 11.00 – 11.20 | **Refreshments and networking** |
| 11.20 – 11.45 | **Who knows best? Perspectives on health in low-income communities**<br>Neil McHugh, Yunus Centre for Social Business and Health, Glasgow Caledonian University |
| 11.45 – 12.15 | **Facilitated table activities** |
| 12.15 – 12.35 | **Facilitated feedback from table discussions**<br>Led by Chair and roving facilitator |
| 12.35- 1.00 | **Initial responses from panel** |
| 1.00 | **Reflections, closing remarks and thanks from the Chair**<br>Cam Donaldson, Yunus Centre for Social Business and Health, Glasgow Caledonian University |
| 1.10 | **Lunch and close** |

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